

Sales Tip!



No Money, No Sale

Have you ever given a presentation to a prospect who seemed to be showing you nothing but “green lights”... until you came to the final page of your proposal?

As a general rule, that's the page with the price. And for some strange reason, when the prospect saw your price on that final page, all those green lights turned red. The sale died. And no amount of charm or fast talk could bring it back to life.

This is the point at which salespeople ask themselves: “What happened?”

What happened was actually pretty simple: You didn't qualify the prospect before you put all that hard work into preparing and delivering your presentation.

Before you make any recommendation, you must determine whether the prospect is both willing and able to make the appropriate investments to obtain your product or service. Regardless of how technically advanced, innovative, or revolutionary your product or service... regardless of the responsiveness, reliability or reputation of your company... if the prospect is not willing or able to make the necessary investment to obtain the product or service, the end results are going to be the same. You probably know what those results are: no sale; wasted time, effort, and energy; and, for you, disappointment and frustration.

Money issues must be addressed early in the selling process. Without this information, it is unlikely that you can present a best-fit solution. More likely, stalls and objections that revolve around price issues will develop during or after a presentation. At that point, you have two options: walk away (which may be the appropriate decision, but is emotionally difficult to make after investing all that time and effort), or arm wrestle over price (which usually means cutting the price). Dealing with money issues early in the process will help you avoid these unpleasant scenarios.

Before you begin to do your work on presentations and proposals, you must discover the prospect's expectations or limitations in regard to the price/costs/fees associated with the product or service you might ultimately present.

Specifically, you should be able to answer the following questions:

- Is money currently available? (If it isn't, when will it be available?)
- What part does price and/or terms play in the final buying decision?
- Must the prospect buy from the “cheapest” supplier or lowest bidder?
- Under what circumstances would the prospect not buy strictly on price?
- Are there any investment limitations?
- Does the prospect have any expectations regarding the investment? (If so, what are they?)
- How will the size of previous investments for the same or similar products/services influence the amount invested for the current purchase?

None of these areas connects to information that prospects typically make a habit of volunteering. That means you have to ask questions about money before you present. This can be a challenge because some of us have “head trash” (unproductive ways of thinking) that prevent us from starting a money conversation.

The most straightforward strategy for beginning such a conversation is to ask:

- “Do you have a budget set aside for this project/purchase?”
- “Is the project funded?”
- “Have funds been allocated yet?”

If the prospect gives you a clear, direct “No” answer to a question like this, and the conversation that follows confirms that “No” answer, then you are certain there is no money with which to work. You must disqualify the prospect. You can still keep in touch. You can talk about referrals. But you should not project income from this opportunity, nor should you make a presentation. There's no money! That means there's no sale.

On the other hand, if the prospect gives you a “Yes” answer to this kind of question, you can continue the conversation by asking:

- “I don't suppose you'd share the amount with me in round numbers.”
- “In round numbers, at what amount are you looking?”
- “Perhaps you could give me some idea of what we have to work with... just in round numbers.”

If you hold off making a recommendation until after you've qualified the prospect – not only for budget, but for the existence of a problem you can solve and for a mutually workable decision making process – then you'll find your closing ratios rising!

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