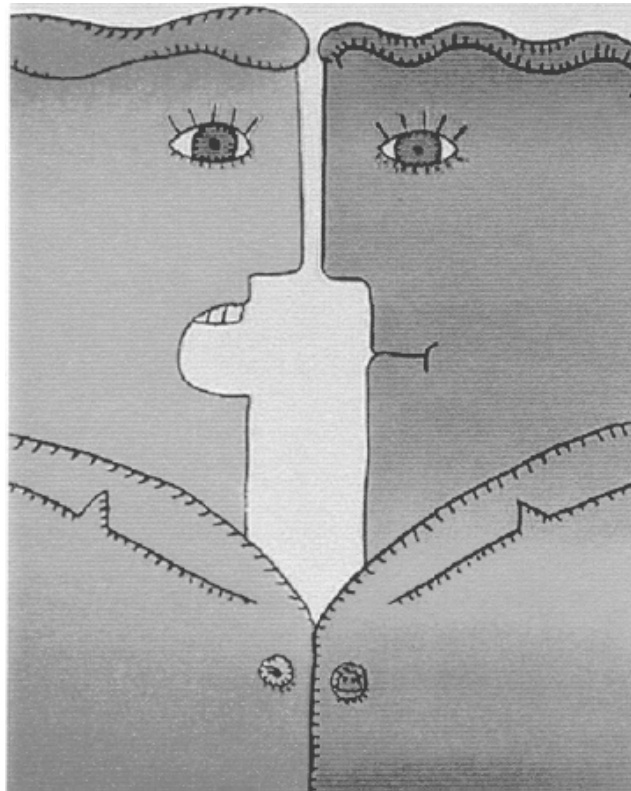


The Contractor S.A.L.E.S.

(Skills, and Attitudes Leading to Exceptional Selling)

Course



For participants in the ABSDA
Distance Learning Library education programs

Designed by:
The PerCon Group
Kansas City

Table of Contents

| | |
|-------------------------------------------------|-----------|
| TABLE OF CONTENTS | 2 |
| FOREWORD | 3 |
| WHAT IS SELLING? | 4 |
| TIME MANAGEMENT | 9 |
| PREPARING FOR SALES CALLS | 15 |
| OPENING THE SALES CALL | 25 |
| LISTENING IS THE KEY | 33 |
| UNHAPPY CUSTOMER? BE GLAD! | 40 |
| MAKING EFFECTIVE PRESENTATIONS | 45 |
| TALKING IN CUSTOMER LANGUAGE..... | 49 |
| UNDERSTANDING CUSTOMERS' OBJECTIONS..... | 53 |
| "BIG 4 OBJECTIONS" CHEAT SHEET..... | 71 |
| CLOSING THE SALE | 72 |
| BIOGRAPHICAL SKETCH--BILL SHARP | 82 |

Foreword

by Bill Sharp

Although selling is a financially and psychologically rewarding career, it is not a career most people begin because of planning. Many begin sales careers by default. They wanted to do something else and "ended up" selling.

In fact, during the years they are in school only about 3% of college and high school students think they might be salespeople. Yet, 48% of all graduating seniors become salespeople sometime in their lives.

Often, we have unfavorable impressions of salespeople based upon unpleasant experiences in the past. Perhaps you have been pestered or badgered by some fast-talking, high-pressure artist who came to your door or called you on the phone. Maybe some company tricked you into letting them send merchandise you really didn't want or got you to sign an order you didn't realize was an order.

After these experiences, you may have said to yourself...*"I don't like sales people...I don't want to be like that...I couldn't be like that even if I wanted to."*

***All sales people who pester and badger are poor salespeople
And, their techniques are examples of bad salesmanship.***

Much is known about the steps of buying and selling. Selling skills is a heavily researched topic. In 1925, a psychologist studying successful salespeople (who were not manipulative) discovered there are five different actions in the sales process. You will learn those Skills and Attitudes in this training program. You can practice them until you understand how to use them to Lead you to Exceptional Selling. You won't learn canned phrases or techniques that make you look phony or insincere.

Once you see the simple, common sense things successful salespeople do, you will be able to visit with customers, answer their questions, and help them make comfortable decisions.

Perhaps you've heard that old statement, "The first thing you sell, in selling, is yourself." Although that's correct, it is often misunderstood. Some think that "selling yourself" is being showy or displaying lots of knowledge. Actually, it's the opposite. Instead of putting yourself at center stage, highly successful salespeople become very skilled at letting customers do most of the talking.

That's why new salespeople are so good. They're so unskilled that they almost cast customers into the role of teachers. The problem? Over time, salespeople get so knowledgeable that they sometimes lose their ability to let customers tell them things that they already know. Veteran salespeople can ask a question like, *"What will be important to you in deciding whether to buy this?"* and, after hearing only a couple of sentences of customers replies, they (correctly) know what's going to be said...and quit listening...like they did when they were so new and dumb that they did everything right.

This program is a collection of ideas. Some are based upon my personal experiences in selling building materials. Some I have learned by reading the thoughts of sales training giants like Bob Whyte, Bob Benford and Jim Evered. They are mostly things you could figure out by yourself...given enough time. But, that's an expensive way to learn.

You have an opportunity to sort through some proven approaches and techniques. You'll learn where the pot holes are. Some ideas will be "Oh, wow!" pieces of information. Some will be, "So?" knowledge bits. It's different for each learner. Take the ones you like, and try them soon after completing the series of lessons. I think you'll like the results.

What Is Selling?

As a person employed in the most maligned and misunderstood profession in our country, those of us who are salespeople sometimes need a moment to think about this job we do. If you would like to stop a free flowing conversation at virtually any social gathering, just say, "I'm a salesperson." Even at the dawn of the 21st Century the profession of selling is thought of, by a large segment of our friends and neighbors, as something you do if you can't get a regular job.

As we said earlier, almost nobody plans (sets a career goal) to become a salesperson. The U.S. Department of Labor funds periodic surveys of high school and college students to find out what professions those students think they will pursue following graduation. The results of a recent survey showed that fewer than 3% of students want to become salespeople. However, nearly 50% of all graduates become salespeople sometime in their working careers.

This isn't a phenomenon that popped up in the last decade or two. Just the mention of the word "**SALESMAN**" causes most people to create mental associations...Professor Harold Hill (in Meredith Wilson's *MUSIC MAN*), Willie Loman (Neil Simon's play *DEATH OF A SALESMAN*), car sales people, door-to-door vacuum salesmen....

Although almost no one thinks of Bill Gates or Sergio Marchionne as salespeople, but their companies have huge market share because their CEO's are first and foremost salesmen. Most of those who think salespeople should live under rocks have never heard the speech made about fifty years by the then Managing Editor of Parade Magazine, Red Motley. They may have heard the famous quote from the speech (*Nothing Happens Until Somebody Sells Something*), but they don't know the context in which the quote was made.

The 1970's, 80's and 90's were loaded with consultants, making lots of money, speaking to groups of sales people about Consultative Selling, Non-Manipulative Selling, Win-Win Selling. Titles of sales people were changed to Territory Manager, Marketing Consultant, Product Advisor. A tremendous amount of creativity (and money) was channeled into casting a new "softer, gentler" image of who salespeople are and what they do to feed themselves.

However, two things seem to remain. First, our economic/industrial system still needs (and always will) someone to make appointments with people, talk with those people about products and services and cause those people to try, buy, and order. Second, people who accept jobs as salespeople end up liking the work.

There appear to be two things sales people like about selling. They enjoy the variety (every day, every customer is different), they enjoy the sense of accomplishment when the customer or prospect chooses their product or service instead of one provided by a competitor. They also enjoy the freedom that comes with the work. Salespeople know they can't achieve their sale objectives and goof off all the time. But, they also know that if they choose to start late some morning or finish early some afternoon, they have enough autonomy to do it.

We will add one that is seldom talked about, but understood by successful salespeople. They have more options for movement to enhance their careers than almost any other category of employee. You know what that means...no sense belaboring the point.

Some of us are intrigued by history. We study history to predict our future. We plan our future based upon doing the things which have been successful for us in the past while, hopefully, avoiding those things which have not worked well or have changed in such a way as to make a previously used procedure or technique inappropriate today. It is similar when studying the history of sales and training salespeople.

Selling is trading. The trading between two cavemen of spears for a bow and arrows could be considered a form of selling. Today's process is done with more finesse and with a constant value system (currency), but we are still trading something of value for something else of value. The sophistication involved in the exchange of values in today's world has tended to make selling look like a hopeless enigma never to be understood or controlled.

Yet, the essential process of selling is not complex and is largely controllable. Selling is actually nothing more than applied behavioral science between two parties...one of whom is selling, the other buying.

The activities of buying and selling have evolved into professions. The profession of selling is different from twenty years ago largely because products have become more complex, decisions are made by groups rather than individuals and competition is from all over the

world rather than from around the nation. Companies that previously expected potential clients to come to them now find they must go to customers...and sell.

At the same time, the demands upon those responsible for "buying" (choosing, accepting) new products and services for their organizations have grown in exponential proportions. Buyers do much more than examine the price per ounce and negotiate for the best price. They shop and compare...they question and analyze...the product and the supplier.

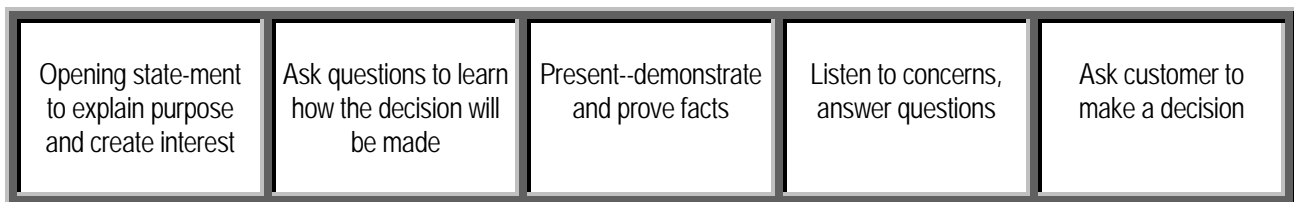
To succeed, salespeople must devote more time than before learning what buyers want and how they think as they go about searching for it. Rapport between salespeople and customers has always been a huge component of the buyer/seller relationship, but today, it is the controlling factor.

Selling is the process of helping someone buy. By matching the activities and techniques of selling to the events of buying, an otherwise seemingly complex process becomes understandable...not easy...but understandable.

THE SELLING PROCESS

The selling process, as you might expect, parallels the buying process. As the illustration below shows, there are five selling steps to match the five buying steps when salespeople and customers are together - in a two-way relationship. The actual procedures salespeople use to coordinate a successful selling/buying process can be elaborate but, none-the-less, predictable. In addition, effective salespeople, whenever it is appropriate, completes a pre-call planning step and a post-call follow-up step. In consultative selling, (involving complex products and services, multiple calls, and repeat business), good planning and follow-up are absolutely critical.

THE FIVE STEPS OF SELLING



Let's describe the **FIVE STEPS OF SELLING**:

Step 1. Opening the Sale. This important first step often determines the final outcome of sales calls. Customers must be given a compelling reason to listen to your presentation. If they do not agree to hear what you have to say (with the clear expectation that your presentation is related to what they are looking for or could become interested in), it is unlikely even the most dazzling presentation will work.

You will learn a three-part opening statement that will help you get agreement from the customer to listen to your presentation with a high level of interest and anticipation.

Step 2. Identifying Customer Needs. This is the most critical step in professional selling. The time spent here in exploring and understanding what buyers really want and/or need will ensure that your later efforts in presenting your products or services have a high likelihood of being heard.

Through a combination of a nicely balanced set of probing and listening skills, you will have the ability to isolate the vital information you need to do a good job of selling and, at the same time, create customer trust that you are interested in what they want to buy - not simply in what you want to sell.

Step 3. Presenting. In this step, salespeople demonstrate solutions to customers' needs. This includes describing the product or service and helping customers explore possible use of the product. At the same time, buyers will seek answers to such questions as..."*Can I trust this person and the company that supplies the product or service? Is this product or service capable of doing the job? Is the price fair in relation to value received? Is now the time to buy?*

In this program, much time will be spent on the methods that are most effective in presenting yourself and your product to customers in ways which convince them you have solutions to their needs.

Step 4. Handling Objections. The next activity, although seemingly self-explanatory, is the most delicate step in the process. In this step, the selling activity shifts from presenting to processing...exploring with customers the fears they may have to accepting the solution. This program will teach you the fundamentals of processing small to moderate concerns of customers. Of course, sometimes complex negotiation is required to alter the solution to make it fit what buyers want..

Step 5. Closing. Finally, professional salespeople help buyers finalize decisions. The purchase, the final decision to take action today, is a buyer activity.

Most people like to buy...but hate to be sold. The task of the salesperson is not to force buyers to make a decision they are not prepared to make...but help them verbalize decisions they have made. You will learn and practice several closing techniques and the most appropriate situations for using each of them.

As previously mentioned, most high-level selling requires two additional steps to ensure that time spent with customers is properly directed toward achieving a mutually satisfactory outcome. These steps are:

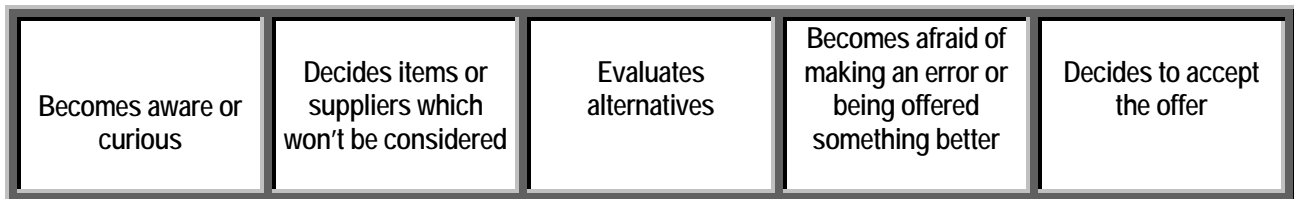
Call Planning. The key to this step is identifying the purpose for calling on the customer. In a "cold call," it simply may be to get acquainted. In a "repeat call," it may be to make a formal presentation based on identified customer needs. Once the call objective is set, there are some common sense things salespeople can do to maximize the time spent with customers. Planning does not mean inflexibility. Customers needs can change at any time, and effective salespeople know how to "think on your feet" if plans change.

Follow-up. The follow-up activity is the delivery of what was promised...or placing the accepted solution into action. It also involves preparing for repeat calls and additional sales. In the forthcoming pages of this book and in your seminar, you'll learn how to organize your time and territory to make sure you maintain adequate support and follow-up with key customers.

THE STEPS OF BUYING

To understand the events of the buying/selling process, look at the following illustration of what we call **THE PSYCHOLOGY OF BUYING**, the logical events which occur, pretty much in a sequence, that result in a buying decision.

THE FIVE STEPS OF BUYING



Let's examine each of the five major steps in the buying process:

Step 1 Develop Interest. People buy things for both realistic and unrealistic reasons; yet, before anything is purchased, someone must become motivated to buy. This motivation or interest always comes from a sense that something is missing - some need is unfulfilled.

Step 2 Understand needs/wants. Some people quickly become aware of exactly what they want and start searching for it. Most people, however, need a lot of help to change a vague sense of interest (e.g. "It looks like it might work") to a specific set of needs ("I want it with these conditions..."). This is where skillful questioning and listening by salespeople really makes the difference.

Step 3 Evaluate Alternatives. The third event is the "shopping" for a reasonable solution (or offering) to fill the now defined need. If the solution offered to fill the need is not proven adequate to the buyers' perceptions of what is needed, they don't buy.

Step 4 Become afraid. In this step, buyers come to grips with the reality of risk. Regardless of claims and evidence by sale people, buyers risk making a buying mistake...for which they might be "blamed." It is in this step that buyers seek to get questions answered or

terms clarified. It is also the place where buyers want to feel they have obtained the best terms available. It's here that price negotiations take place.

Step 5 Accept Solution. The final event is deciding to purchase the product or service. A rather logical step...but a highly emotional event...provided buyers feel the other four steps have been satisfactorily handled.

Sound simple? Conceptually it is. That's the point. If you can conceptualize the buying activity, you can, with some accuracy, determine where you are in the purchase decision process. Is it then easy to lead customers through the steps? Generally not. If it were, you wouldn't be here. But you can learn what to do to orchestrate the necessary decisions.

The major value of the above model is that it provides a structure or road map to determine where your customer is in the buying process. In preparing for a sales call, for example, the model could help you to recall where you were at the conclusion of the most recent visit, which concerns or questions were successfully dealt with, and events upon which you now need to focus.

We can learn why we succeed, why we fail (defined as: the customer could have used your product or service and chose another instead), and more importantly where we fail. There isn't a totally unsuccessful sales call if we learn something about our actions, non-actions, and reactions from both successful and unsuccessful sales attempts. With such insights, history does not have to repeat itself.

THE BUYING/SELLING ZONE

Now let's match the two processes to form the complete model. In this course we will focus on interplay between buyers and sellers, the event we are trying to bring about, and the activities needed to cause the event.

THE PSYCHOLOGY OF BUYING WITH THE STEPS OF SELLING

| | | | | |
|----------------|------------------------|------------------|-----------------------|------------------|
| BECOME CURIOUS | ELIMINATE ALTERNATIVES | EVALUATE OPTIONS | BECOME AWARE OF FEARS | DECIDE TO ACCEPT |
| STEP 1 | STEP 2 | STEP 3 | STEP 4 | STEP 5 |
| OPEN | IDENTIFY NEEDS | PRESENT | ANSWER QUESTIONS | ASK FOR DECISION |

An understanding of this model allows us to closely relate the selling process to the buying process. It allows us to sell as our customers buy. It forces us to think of buyers' needs on buyers' terms. It helps us identify performance problems in selling...to determine where we are inadequately meeting customers needs...and, most important, to know which step we may not have satisfactorily completed before moving ahead...we rushed the process.

When asked why they lose customers to competitors, salespeople often reply, "*The competitor had a better price...their service was better...they have a better product...*" Certainly some customers are lost because of these reasons. However, some important surveys have found out why customers say they *really* quit buying or don't even become customers. Here's what one recent survey showed:

- 79%** felt salespeople didn't say anything on first contact calls (Cold Calls) intriguing enough to cause prospects to want to take time to visit
- 85%** thought salespeople didn't seem interested in opinions of customers
- 89%** decided salespeople didn't know their products/services

93% of salespeople seemed to overreact to price objections

96% concluded that salespeople never clearly asked for a decision

As you look down through these figures, a rather alarming picture emerges. The major reasons we lose customers don't have much to do with price. And, it isn't because sales reps were rude or did bad things...the problems seem to have more to do with the fact that salespeople were just not "compelling."

Selling with this model creates five decision points...one after each buyer event (or step).

Did you develop customer interest and a willingness to hear what you have to say?

Do both you and the customer feel confident you have an understanding of his or her specific needs?

Did the customer accept your proposal as being reasonably close to fitting or filling the need?

Have you heard the customer's concerns or point of view?

Finally, have you clearly asked the customer to tell you his or her decision?

Good planning in combination with effective use of professional conduct in all five steps of the process produces successful outcomes. The major priority of this program is to teach you the techniques and activities that have a proven track record of most consistently causing sales events to occur.

Time Management

We asked thousands of successful salespeople, "What is the most difficult aspect of your job?" Many described their greatest difficulty to be "just finding time enough" to get everything done.

Naturally, unexpected situations pop up every day in the territory, but salespeople often put unnecessary roadblocks in their paths by not adequately preparing for sales calls and eliminating as many of the variables as possible.

The Value of Customer Records

One of the greatest salesmen we know made a very simple, but true statement..." *We're not smart enough to remember all the things we know.*" Each time a sales call is planned and made, new information is gathered that can help on future calls. Unfortunately, if you don't write this information down so you can refer to it later, it's often forgotten.

Notes made about customers' personal operation and problems help keep your sales presentation on target...directed toward customers' needs. Many of the things that make sales calls unproductive and time consuming can be eliminated with a good record system.

Almost all record systems place emphasis on gathering information about customers for several reasons. First, the more you find out about each specific business operation, market served, growth plans, etc., the more likely you will be able to make a specific presentation geared to customers' needs. Without these types of information, sales presentations can take on an atmosphere of "sameness" and run the risk of completely missing the mark.

Some salespeople essentially try to sell the same product or program to everyone. If there is a sale of a certain product, these people spend the whole week visiting with every customer about that special deal. Some customers will need the product and buy it...others will not buy if it were practically free. Record systems help salespeople sort which are likely candidates.

Also, good records save time. Some salespeople spend hundreds of minutes and hours each year trying to remember what they talked about on the last call...what promises of follow-up were made...what new opportunities appeared.

Time is lost "repeating" calls. Without records, salespeople sometimes find themselves essentially covering the same information two or three times with a customer...particularly if those calls are spread out over a three or four month period. Records keep you moving forward instead of in circles.

Finally, and one that simply makes good sense: records will produce greater income for you. A record system is not a sideline to selling...it's the heart of selling. All other facets of selling become easier, more efficient, and more successful when a good record system is in place

Designing a Customer Record

Let's start with where to find customers and gather information about them. If you are just beginning your career, you will need the names, locations, and products that your present, active customers are buying. It's always wise to begin by checking the existing records...use them to complete your own personal record files. As a minimum, your records should include:

1. Customer's name
2. Phone number and addresses (both snail mail and email)
3. A brief description of builders' operations (small spec homes, large custom jobs, employs his own crew, uses subs?)
4. Categories of products the customer is already using (framing material only, all exterior materials, molding, trim?)
5. Information about prior problems customers had about which your sales manager may have further details.

After developing a set of record cards (pages, file folders, or account profiles in your laptop) for active customers, you should look through the files for names of active customers buying only one category of product from your company. These customers often are your best prospects for products they are not currently buying. They may not be buying because they have no need for the other kind of product, but, in many cases, they are buying from a competitor.

Talk with your sales manager, yard foreman, or drivers (who deliver materials for builders on whom you will call) to find out what they know about whether these builders ever bought other products from us in the past, what they know about competitors from whom builders are buying. Many salespeople could stay busy their entire career just working on upgrading the "active customer" list.

The most popular terminology for this attention to each individual is "*Marketing to a Segment of One.*" By concentrating hard enough on each customer's uniqueness, salespeople eventually learn exactly how to market to each "segment of one."

Excellent record systems come in many formats. Some very successful salespeople use record systems that are 3x5 cards. On the fronts of these cards, they keep the information described above...on the backs they keep notes of what was discussed on various sales calls. When the card gets full, they simply staple an additional card to it and start writing again.

Other salespeople say the most efficient system is file folders because they can accommodate various sizes of paper containing information about a customer, copies of quotes or purchase histories, and also serve as an easy place to temporarily store sales literature for use on the next sales call.

Now that electronic hardware and software have advanced enough to be truly user friendly, many salespeople are counting on laptops or PDA's to store and cross-reference gobs of information about clients.

Regardless of the system, the following characteristics should always be part in the design:

1. Can store vital customer data
2. Easy for **you** to use
3. Portable
4. Will be used regularly day-after-day

"Map" Your Territory

Another essential part of any successful over-all record system is a map of the territory. If you call in rural areas, county plat maps or section maps often are useful since they show names of the landowners. These are normally available at a reasonable price through the county assessor's office and they are normally updated yearly.

For urban salespeople, city street guides are the only way to fly...for now. Although electronic mapping is improving, it seldom has the detail or the compact street/block maps available at any discount office products store.

Highway maps are less effective, but can be used if the area served is very large. Put your map in a location where you can refer to it often. Some salespeople buy two copies of maps...one for their home and one for the car.

Every customer on your active customer list or on whom you are regularly calling, should be located on the map. To keep from making a mess of your map, buy some acetate (clear plastic) sheets. If your map is large, you can get huge sheets of acetate at better art supply stores. Do all your marking on the plastic sheet. It's easy to wipe off or clean the markings on the acetate as circumstances change in your territory. "Overhead transparency" marking pens that can be wiped off with water generally write well on acetate and are available in multiple colors.

There are several different ways you can use color-coding:

1. If you are serving customers in more than one product category, color code according to the commodity or service you are selling to various customers.
2. If you sell only one product, outline your big volume customers in one color...use other colors for smaller volume customers.
3. Distinguish active customers from prospects by using different colors.

The same color coding rules apply to customer files. As long as it is easy and makes sense to you, it will work. Anything you can do to speed up the time it takes to prepare for next week's calls and avoid overlooking important customers will add to your success.

Of course, if you are keeping your records electronically and are using software with table and mail merge features, you have lots of options for sorting records.

Time Is Money...Your Money

Time is the most precious commodity you have. Many salespeople create undue frustration and unhappiness for themselves by:

1. Not recognizing the amount of time available to them.
2. Not wisely using that time.

About the only thing you need to start a good time management system is a calendar. Any calendar small enough to carry in your pocket or briefcase will work. Calendars help you avoid making duplicate promises or promises that cannot be fulfilled because of prior commitments. Sometimes customers will ask if you can help them do something on a specific date. Although most salespeople would agree it's silly to tell the customer "yes" when you don't know for sure, many do just that.

Get a calendar and start by marking the dates of all activities that will prevent you from being in your territory. You should mark such things as your vacation, holidays, or other days when the office will be closed for regular business, days when you will be away on trips or other matters, special events of the company (such as annual sales meetings), and certain times or seasons of the year when you cannot call on customers because of unusually heavy work loads at your office. The days remaining are the days you are theoretically free to make commitments to your customers.

Have a calendar handy so each time you make an appointment, promise to make a phone call, or do something for your customer, you can write it down immediately. That way you won't make the mistake of promising two customers to be in two different places at the same time. It happens.

Electronic scheduling software is only as effective as your diligence to enter notes to yourself immediately. The first sixty seconds following a sales call (to get notes into the records) are worth hours later. If you are a procrastinator about loading information into your call notes, get a paper calendar.

The next step in creating a time management system is figuring out your actual available selling time. With your calendar in hand this is simple to do. Just subtract the non-selling days from your year to arrive at the number of days you can be face-to-face with your customers. Then further divide those days down to the number of hours you have available. You'll probably discover that you have fewer than 1,000 hours per year to work with your customers. This means every minute and hour must be used effectively...and to do that, some plan must be in place.

Set Goals and Priorities

Without a plan, most of us tend to do whatever is at hand. Not only do we tend to do the first thing that pops into our mind, but we also tend to do the easiest thing available. Many times, big or important tasks get left until last while we spend precious hours and minutes working on inconsequential activities. Unless you establish some clear-cut picture of what you want to get done, you are likely to procrastinate on big, tough projects. Write down the large goals you want to accomplish this year, this quarter, this month.

It is not enough to make a list of goals. Some goals are more important than others and need to be identified and classified. Rate the most important ones by putting an "A" beside them, the next most important with a "B" and the least important with a "C".

You cannot "do a goal." To say, "I am going to increase sales to Builder X by 20% this year" is certainly a worthwhile goal, but it does not give you the fuel to run the program which will carry you to a 20% increase. So, the next step is to make a list of activities you think will help you achieve the goal.

Finally, make a daily "to do" list. Any blank sheet of paper can become a daily "to do" list by writing down the things you plan to accomplish each day. Time management experts say this is the one key factor differentiating successful and unsuccessful people. Those people who regularly list activities they plan to accomplish during the day tend to complete more goals.

Of course, the things on the daily "to do" list must be related to your goals. A list, for example, which includes nothing more than "pick up a loaf of bread, stop at the gas station, etc." may not move you along toward your goals.

Each day, at about the same time, list things you plan to do the following day. Many people think the best time for this is first thing in the morning. Take a look at your long-term goals, your commitments for the day, and the activities list you have made to help you progress toward achieving your goals...then select activities for the day that move you along.

Beware of Time Robbers

Life is filled with ways to waste time. All of us find ourselves being asked to do trivial tasks; we're interrupted by phone calls; we spend excess amounts of time reading junk mail, and generally doing things which do not move us toward our goals.

Several things can help decrease time robbers. First, only 20% of your mail is really worth your time...80% of it is only moderately important or worthless. Many salespeople know they could throw out at least 20% of their mail and never miss it. You will find it very tempting to spend valuable hours and minutes reading all the articles and literature addressed to you. Sometimes it is interesting reading, but many times offers little help on answering questions you face day to day.

The solution: don't look at it. Throw away as much as you possibly can without ever opening it. You will never miss it. If you insist on reading magazines and brochures (and we're certainly not saying all magazines and brochures are worthless), accumulate a whole week's worth. Instead of taking five minutes here and two minutes there, set aside a time for reading and scan through a large volume of material.

If you travel away from home periodically, use those long evening hours to read good articles rather than watching some mind numbing movies on the hotel TV. In the long run, you'll spend far less time reading than you would if you spent a few minutes or seconds each time you open your mail.

Speaking of mail, take advantage of time saving ideas on handling correspondence. You will have times when you need to send letters or notes to someone. When you do, practice using the following ideas to save time:

1. Say it in as few words as possible...the product manager or other person you are contacting doesn't need to know the whole history, simply the question you need answered.
2. Use email for intra-company correspondence. The receiver has a fast, simple way to reply to you anytime of the day. More formal correspondence can be sent by fax. If electronic mail is not available to you, use multi-copy forms whenever possible so the person receiving your correspondence can jot a quick reply and get it back to you rather than waiting to dictate a fancy letter.
3. Don't write if you can make an inexpensive phone call. Pick up the phone and resolve an issue right now if it is truly important.

As letters begin to come to you, practice sorting the letters into two piles. Either the letter is important and demands some work on your part or it is unimportant and could be delayed until later. Once you have sorted all of your correspondence, handle the paper again only one time. The next time you pick up that piece of paper, do something with it. Jot a note on it and send it back...throw it in the trash...take some action immediately to answer a request... but don't lay it down until you have done something with it.

Salespeople are particularly guilty of saying, "Don't have time to do that now. I'll look at it at the end of the week." Of course, at the end of the week you have to re-read the memo (immediately losing time.) You once again have to decide what you will do, and if you should decide to again delay it, you will compound the time you have spent with the memo.

Stay On Purpose

Another important time saver is to look for logical ways to say "no" or find someone else to do peripheral non-selling jobs. Frequently, customers will ask you to check something for them that could and should be done by someone else in your company. Customers get acquainted with the other talents in your organization, you get more of your company's personnel involved in supporting the selling activity, and you get more work done quickly when you spread it around.

You cannot be all things to all people, and one of the most common problems of salespeople is assuming they must personally do everything for their customers. Your company has many talented employees who can and will do a fine job of helping your customers when you ask them to help you. Give them an opportunity to work with your customers and thus create bridges for the customer to bypass you and get needed services directly from others in those situations when it will not affect your relations with the customer.

The more you can speed up your work, free yourself to solve problems for customers and see to it that they get services they need without your personal attention, the more you will sell. And, isn't that the ultimate purpose for doing what you're doing?

What's A Sales Call Worth?

| | |
|-------------------------------------------------|--------------|
| EVERYBODY STARTS WITH 365 DAYS | DAYS |
| Subtract weekend time | |
| Subtract national holidays | |
| Subtract vacation days | |
| Subtract sales meetings | |
| Subtract training programs | |
| Subtract necessary "office time" | |
| Subtract "other" days | |
| NET DAYS/YEAR TO BE WITH CUSTOMERS | |
| | |
| ON SELLING DAYS, YOU START WITH 24 HOURS | HOURS |
| Subtract sleeping time | |
| Subtract personal hygiene time | |
| Subtract eating (not with customers) | |
| Subtract leisure (personal) time and chores | |
| Subtract "paperwork/administrative" time | |
| Subtract driving time | |
| Subtract "other" | |
| NET HOURS PER SELLING DAY | |
| | |
| Multiply # of days times # of hours | |
| TOTAL HOURS PER YEAR TO SELL | |

Divide your sales quota by number of hours per year you have. The value of one hour of selling time \$ _____

Preparing For Sales Calls

Good sales calls don't just happen; they are made to happen by following the basic principles that make a difference between real success and enjoyment in selling and "just making calls."

One important part is planning sales calls, and the key to on-target planning is the using good record system. One that includes: a list of clients, basic information about each customer's buying patterns, what you have accomplished and what you have left to do with each customer in your territory.

Another element of making successful sales calls is remembering that customers don't buy products (or services)...they buy what products or services will do for them. Most salespeople can describe the basic composition of their products, but the successful ones do the necessary thinking and preparation to be able to present products in terms of customer benefits.

Here then are a few easy steps...not all that time consuming...which should be taken to assure that you talk to the right customers about the right products at the right time.

Step 1 Set Priorities

You have probably heard that 80% of your sales will be made to 20% of your customers...80% of sales come from 20% of the products you carry. As we head into the new century, the numbers are changing. In many cases, 5% of your customers are generating 70%+ of your sales volume.

These mega volume customers will be on next week's route. They live at the top of your list ...and, hopefully always will. You know they are important, they know they are important. Not much room for error on these.

Also in your files of customers for a given area will be ones who are smaller but clearly have growth potential. The time and attention you give to them should be based on your analysis of their potential rather than current volume.

Calls on small and decreasing volume customers must be based on the reality that additional calls probably can't increase their purchase volume.

Suppose, for example, you have designed four areas to cover your trade territory. Area #1, let's suppose, is the northeast quarter of your trade territory. Customer files for this area should be grouped together in your book, file box, file drawer, or electronic filing system.

As you look at all the customer names in Area #1, a few will be the type you need to visit each time you are in the area...MEGA CUSTOMERS. Others only need to be visited once every other month or even less frequently. Taking a few moments to look through the files of each customer to determine who needs to be called on next week will avoid oversight and hours of valuable time doubling back to call on someone you missed.

Time is an extremely important commodity for any salesperson. You only have so many hours and minutes for your selling activities and it is important to minimize doubling back and re-work. Recent "clock watch" studies (someone riding with salespeople clicking a stop watch at the beginning and end of conversations with customers) show that salespeople net out at about one hour fifty-seven minutes (1:57) of face to face selling time per day. The remainder of the day is driving between accounts, preparing reports, downloading information on inventory status.

Combine that with selling costs...salary, bonus or commission, travel and entertainment expense...and prestigious trade magazines like Bill Communication's Sales & Marketing Management Magazine pegs to *amortized cost* of each sales call at about \$430.

Staggering? Perhaps. But, remember that sales people play in a high stakes game. They are the only "personnel assets" on the P&L...everyone else is a liability...necessary liabilities, but liabilities none the less. Salespeople can bring in revenue, others can only manage or spend it.

Here are some national average guidelines for lumber dealers. The revenue produced by salespeople must be enough to provide \$50,000 for each person on the payroll. The compensation of salespeople generally must be in the range of 3% of their sales and not more than 13% of the gross profit they generate. Finally, salespeople need to generate about \$1.5 - 2.0 million in sales per salesperson per year.

To hit these numbers, the first step is to sort out those files which represent customers who need to be called on next week. Deliberately leaving out some customers does not mean they are not important. It simply means they will be called on the next time you are in the territory. Ask yourself, "At \$430 per pop can I afford to see this person?" Does the person actually need to see you? Would an additional call improve relations or business? If your answers are "no," don't waste the time of the customer or yourself.

Managing a territory for maximum production can begin as much as a week in advance. If you have a map of the area you serve and have established some regular weekly routes, pin point your customers and sort their files into routes. This makes it easy for you to sit down on Friday evening or Saturday morning and look at the customer files for the route you will be working the following week to decide on variations to your normal pattern.

Do you actually need to give this much thought to call planning. Of course not! Only the top 3% of salespeople do this. You can earn a great living and be sincerely appreciated by your customers with less effort. Only if you're interested in six figure earnings would you ever give this a second thought.

One detailed studies showed that salespeople who make a high number of calls per day generate more orders (18% more) than those who make fewer calls. However, the orders they create have 16% lower average dollar amounts and are 1.5% lower in profit. The lesson: stay home and make a fortune? No, go where there is a realistic chance your efforts will help both you and your customers.

Step 2 Review Customer Records

The next step in planning for good sales calls, is to look at notes from previous calls. Here's where your record system becomes extremely valuable. The few written comments, made immediately following your last call, can quickly tell you the most important issues to discuss on the next call.

If you are studying this material as part of a training seminar, you will (or have) participated in an exercise that showed that you remember about 10% of what you hear...immediately after you hear it. Retention drops to about 2% within 72 hours after a sales call.

You aren't smart enough to remember all the things you hear. Unfortunately, many sales people trust their memories too heavily. Customers make small requests for information..."the next time you're here." You promise to get it. You don't write it down. You call on the customer a couple of weeks later. The customer says, "*The last time you were here, you were going to find out if...*"

Dr. Derek Newton, University of Virginia, coordinated a study which showed that salespeople who write notes to themselves on customer record files (immediately following sales calls) sell 20% more than those who don't.

Heard enough?

Step 3 Outline Your Presentation

Take two or three minutes with each customer card or file to jot down the most important subject to be discussed on the next call...and the key points you plan to cover when discussing that subject. Don't move on to the next file until you have given some thought to each presentation. When you're selling complex products or programs/services requiring on-going relationships with customers, you can't afford mental lapses in the "\$370 per sales call" zone.

Attorneys write down all questions they plan to ask witnesses, the answers they think they will get and their back-up questions before going to court. They aren't stupid (any personal opinions you may have notwithstanding). They do it so they don't have to waste time thinking about their part of the interaction. They free themselves to concentrate on the other person.

Does that seem a sensible approach for sales calls? No one will expect you to write down everything you might say or each question you might ask. But, if you have some idea where you want the time with your clients to go, you have a much higher likelihood of getting there.

Use the following questions to help you decide what the most important issue will be on the next call:

- ◆ What exactly is this customer's operation...where is it headed...what can I do to help him or her solve a problem or become more efficient?
- ◆ What are some important things I don't know about this customer or the customer's operation?
- ◆ What is an important question I should ask on the next call?
- ◆ **What promises of information or services did I make the last time I called...**have I gathered that information...Are there calls I should make to obtain information or arrange for a service I promised?
- ◆ What specific product or service have I not discussed (or not completely covered in prior visits) that I should talk about on the next call?
- ◆ What special sales are being offered by my company that I should bring to the attention of this customer? Have there been any changes in policies, programs, delivery schedules, or other things this customer should be aware of?

Answering these questions, jotting notes to yourself about things to be discussed is an important step toward assuring an interesting and meaningful call. Making calls valuable for your customers should be your most important goal. Think about what you can say or do to help the customer solve problems, and sales will follow right along.

Step 4 Schedule Your Calls

Now it is time to go back to your map to decide the order in which the calls will be made to make best use of your time. Look for clusters of customers in certain areas of the territory. It may take you 20 to 30 minutes to drive to the cluster, but if you can group your calls for the day to avoid unnecessary driving time, you will have more selling time.

Naturally, if you are going to be in the territory five days, it will be to your advantage to design five clusters.

Now you can make decisions about which cluster you will work on Monday, Tuesday, etc. Take the customer files or cards you have pulled and arrange them in the clusters you developed. You should now have a very good idea which customers you are going to visit on Monday and the order in which you plan to visit them.

Finally, take one last look at your sequence to make sure you take advantage of your knowledge of the various customers. Certain customers are available early in the afternoon. If you have customers like this, be sure to sequence calls when they will most likely be available. Again, be careful to avoid time consuming crossovers and loop backs.

Finally, call for appointments with key customers. Salespeople sometimes find themselves with no one to talk to upon arrival only because clients didn't have them scheduled. Sales calls with an appointment are almost always given greater importance by customers than those which are "dropped by." Rules for appointments: don't schedule all calls by appointment. Things happen, changes have to be made; be clear and concise with the client (or the secretary) about the subject and time needed; if you're delayed, use your cell phone.

All of the steps we have discussed so far can normally be done in less than 30 minutes by a salesperson familiar with the territory. But, this kind of critical thinking will pay big dividends when you are in the territory the following week and don't have time to plan the next call as you drive down the road.

Step 5 Organize Your Material

Your files should now be sequenced according to your sales call schedule, and you should have a good idea of the central topic for each call. Now you can begin to look at the subjects to be covered and the visual aids you will need. Your presentation should not only cover topics of interest to the customer, but it should be done in a way that grabs and holds attention.

Whenever possible, plan to discuss more than a problem...plan to offer a solution. The solution may be one of your products or services the customer is not presently aware of or not using to full benefit.

As you look at each file and the notes you made about the central topic to be discussed, start looking for the solution...the product or service you want to be sure to cover during your presentation. Begin thinking about a product sample or brochure to help illustrate the points you plan to make. If you have decided a brochure would be helpful, get a copy of the brochure immediately and look through it for three or four important points you will bring out. Put a check mark or an "X" by each of these points.

When you open the brochure, you will have a built-in road map for your presentation. If you don't have a sample of the product or brochure, make a note on your daily "to do" list to get the sample or brochure first thing Monday morning so you will have it when you arrive at the customer's place of business.

If product samples or brochures are not available or not applicable for a particular presentation, now is the time to spend a few minutes with your laptop...create a sales aid. A simple piece of paper and pencil can be one of the most effective visual aids available to you if you use it correctly.

Sometimes, of course, it will not be possible to write down all the facts and figures before the call...for example, if you are working on a booking program and don't know the client's current inventory, you may have to wait to visit before you can calculate amounts needed...but you get down important facts and figures that do not change.

You might be able to jot down the recommended quantities, minimum amounts, discount schedules, etc., for a given product. Once you arrive, you simply gather three or four facts, plug them into the partially completed proposal, and come up with calculations right away by copying the file to a floppy. You can then plug the disk into any machine with printing capability (assuming you don't have it on the road) or, in an emergency, hit print and fax the file to yourself. You get hard copy in seconds.

Remember, sales presentations that do not involve visual aids handicap the customer from remembering what you said. Statistically, customers will forget at least 30% of the important points made about a product or program within three hours after you have visited with them and as much as 90% within three days if visual aids are not involved. It's true! People understand, remember and enjoy sales presentations more when visual aids are involved. For more on the importance of visual aids, be sure to read "Making Effective Presentations" later in this book.

As you select visual aids for your presentations, think about each customer. If it is an established customer, or one you have called on several times, you should have some idea of the way in which this person has reacted to your sales presentations in the past. You can then select visual aids that seem to work best for various customers.

Don't decide to save plenty of time by planning to present one product the same way to several customers, then load up the back seat with a big pile of a certain brochure. That brochure may be excellent for some customers, but may not work at all for others.

By now, you have accumulated several notes and ideas about what to do in every sales presentation you will make in the following week. The better prepared you are, the less likely you are to spend unnecessary minutes (or even hours) talking about subjects which are not really of interest to you or the customer.

Preparation helps overcome another big difficulty. Some salespeople literally struggle with themselves to turn the steering wheel and drive into customers' driveways. Too often it is easy to decide that the "isn't worth it today."

Generally, this happens when sales calls have not been well planned. It is much easier to approach customers when you have a good idea what you are going to say. Planning sales calls gives you confidence.

All of the steps described so far normally take no more than 90 minutes for an average week's sales activities. In that time, the foundation has been laid for several very worthwhile interviews. But, the planning does not stop here. With your files in sequence including notes about the key subjects you want to cover, you are ready for the final step.

Planning to use visual aids is not just for beginners. *Great sales people tend to quit doing the very things that made them successful in the first place.* Remember, veteran, when you actually took visual aids on sales calls? Do you remember when you got so good you didn't need them anymore?

Step 6 Rehearse Your Plan

As you are driving toward the first account, or perhaps just after you pull into your next call, look at the file and the notes you have made. Begin thinking about the key points you want to cover and the order in which you want to cover them. This quick refresher, which can normally be done in a matter of two or three minutes, refreshes your memory and focuses your attention on the customer you are about to see.

Gather your visual aids, check to see if all questions from the last call are handled and collect any special data needed for the presentation. These couple of minutes of final preparation can save 8-10 minutes in the actual sales call.

If you use "drive time" to think about what you plan to cover, your subconscious mind will do multiple copies of the presentation and you may be largely unaware it's happening. Recent research on performance enhancing techniques showed that mental rehearsals can have nearly to same improvement power as actually doing the activity.

Prior planning is the only way to assure that you'll know what to do after you have said "Hello." Most professional salespeople know that any person can get by without preparation for one or two calls, but if you call on a particular customer repeatedly, preparation is critical.

You may look at all of this as busy work. It is! Nothing of any value really comes easily. At \$370 per copy, anything you can do to make the "face to face" time go well pays...for you and your clients. And, like most tasks in life, preparation gets easier and easier with practice. After four or five weeks of following a regular routine of planning your calls for the coming week, you will not think of it as work, but instead, as a sensible and worthwhile part of your job.

Territory & Account Management Notes

1. Establish reasonable priorities for call frequency
 - Broaden bases in "A" and "B" accounts
 - Invest time in prospects where there is true potential
 - Reduce calls on "C" accounts

2. Make accounts records work for you

- Notes made to your personal call record immediately following the call increase sales 20%

Economics Of Territory Management

1. It takes 5.5 contacts to get a customer to seriously consider making a change and 7+ calls before orders are places
2. Salespeople net 1:57 (117 minutes) of face-to-face selling time per day.
3. The average amortized cost to make one sales call: \$430+.

Sales people who make a high number of calls per day:

Produce 18% MORE purchase commitments, but, the orders they generate are 16% LOWER in total revenue and 1.5% LOWER in profit

5. The most common place where sales people waste time is with low volume accounts

"Hanging In" Pays Off

47% of salespeople make one solid "selling attempt" (could include several calls), are rejected and quit

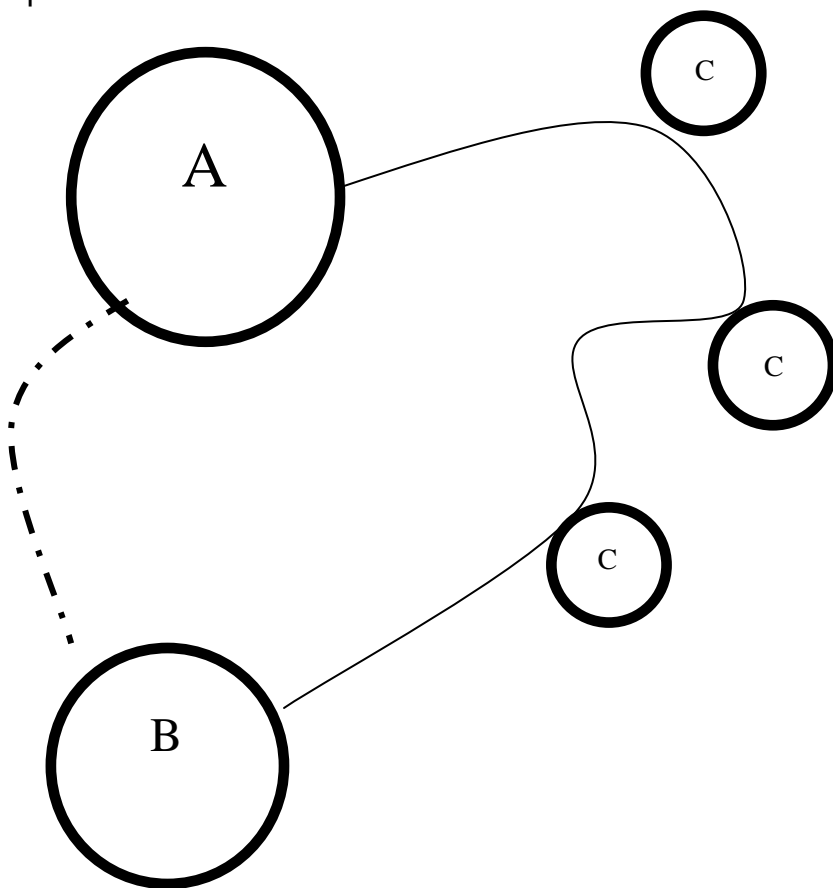
22% try another time, don't get interest developed and quit

8% try a third time

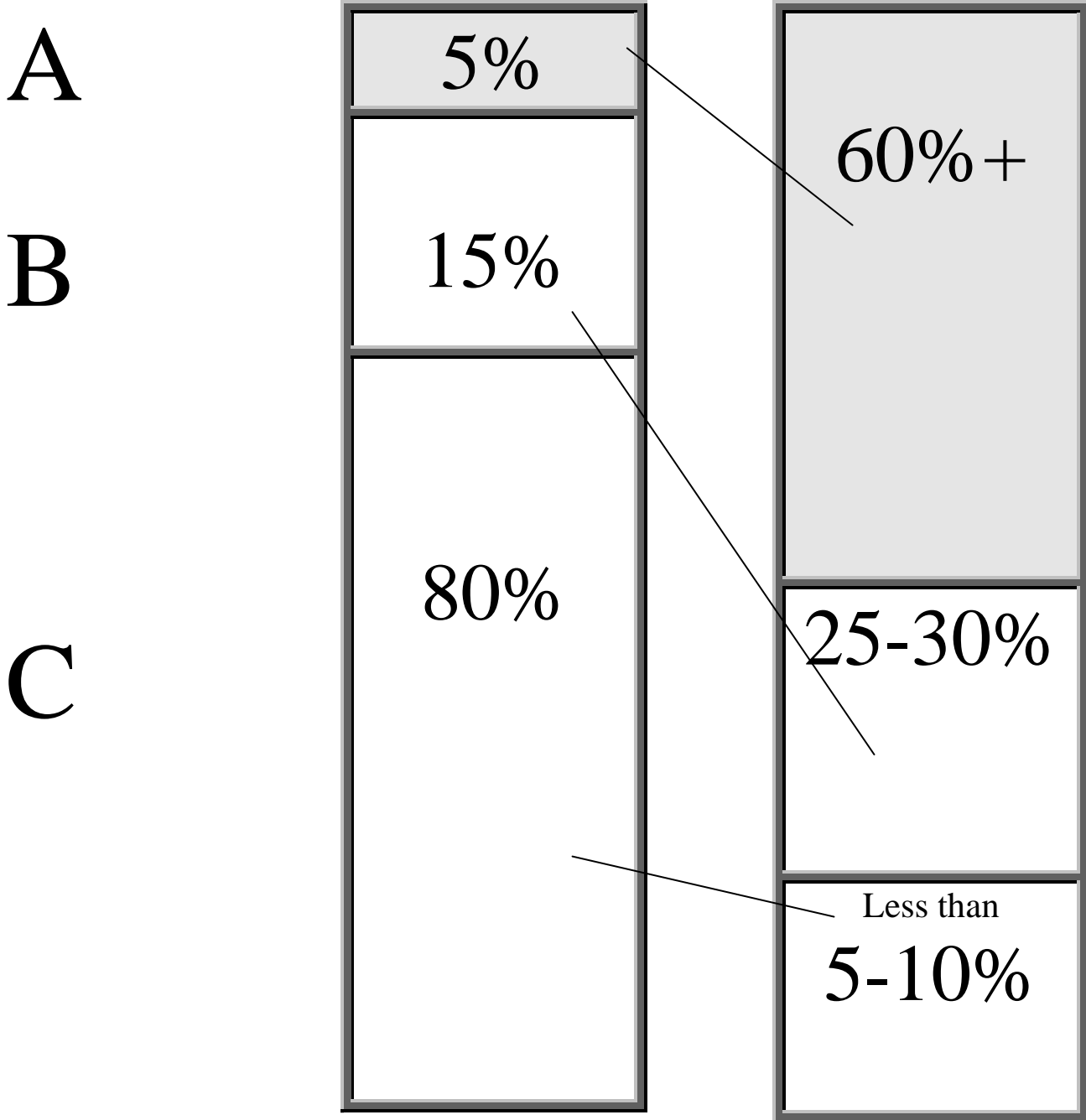
5% give it a fourth try

18% try 5 times or more...
and write 75% of the switch business

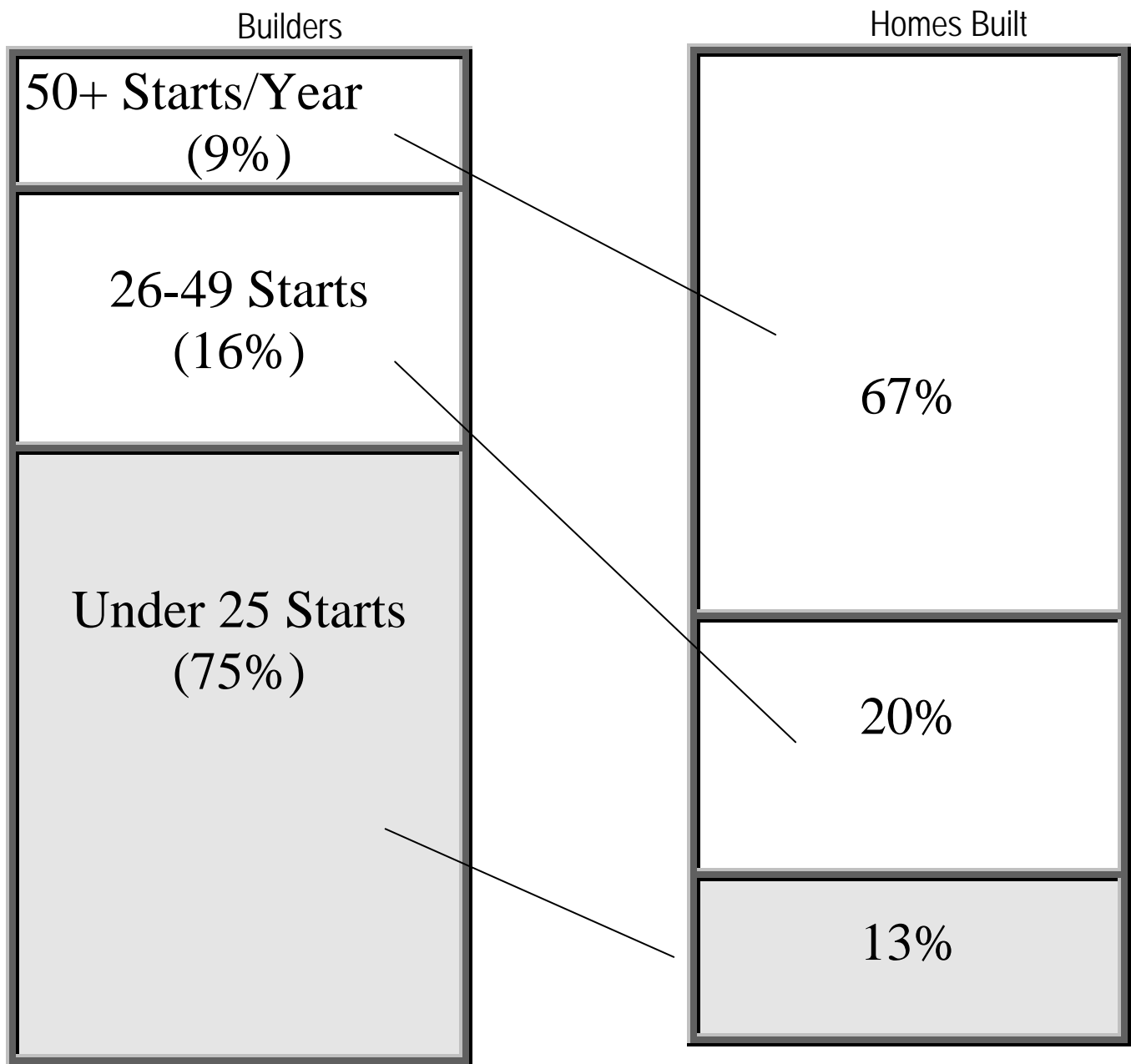
When the amortized cost per sales call is \$490+, go where the potential is!



Put Your Time Where the Money Is



Decide What Size Builder You Can Best Serve



Single Decision Maker Prospects

Innovators--2 ½ %

Clearly a "cutting edge" operation--first to try new products or use new appearances on his houses

Early adopters--13 ½ %

Often asks, "Who is using/doing it?"--doesn't want to be too far behind the leader

Early majority--34%

When the results in his local area are documented, he buys--just has to be sure it works "here"

Late majority--34%

Buys only when it is clear this is the product of choice in his local area--really doesn't want to change but must to stay in the game

Laggards--16%

The operation is so far behind, calling on them would mostly be to beef up your skills for dealing with objections

Opening the Sales Call

As we begin our journey into the Steps of Selling, remember our mission. We must sell in a way that makes it easy for customers to buy. The first step of buying is becoming interested or curious enough to hear about a product or service. When calling on established accounts, you should have some clear ideas of things customers have said they need or want. On Cold Calls, creating curiosity is the whole ball game. Ready?

It has been said, "*In the first two minutes sales people are face to face with prospective customers, impressions are made in customers' minds that are virtually impossible to change.*" That may seem an overstatement ...until you look at surveys and listen to stories of experiences of veteran salespeople.

As the representative of your company, your personal time with customers will be the defining factor on whether your company gets/keeps customers. You will have more opportunities to say and do right things to influence customers than anyone else. Thus, another sales bromide..."*It is virtually impossible to separate the personal rapport salespeople have with customers from customers' buying decisions.*"

Making an intelligent, to the point opening statement...particularly on first contact calls is the defining first step in getting sales calls off the ground. Here are some common sense skills to use when making opening statements that work beautifully...if you practice them regularly.

KILL OFF "NO WHERE" OPENINGS

Watch for apologetic, self-effacing opening statements like these:

"Fred, I was in the area and wanted stop by."

"Charlie, I just wanted to stop by and see how things are going."

"Mr. Jones, I just wanted to go over a couple of little things today. Nothing real important. Do you mind?"

"I'd like to have a couple of minutes of your valuable time."

"I'd like to have a few minutes if you have it."

"If I can show you that we can give you excellent service at competitive prices, would you let me have a shot at an upcoming job?"

All of these self-defeating remarks say:

"My visit today is not very important"

"I have no idea why I'm here."

"I really don't have a clue how long I plan to stay."

"Even though I know customers don't switch suppliers on the first sales call, I'm willing to give you prices so that you can hammer your current supplier."

In the first few seconds you're on a job site, you can distinguish yourself...or look like every bozo the builder has seen over the last several years.

ESTABLISH RAPPORT

When calling on your best customers, suppose they had signs hanging around their necks with the letters "MMFI" on it...**"Make Me Feel Important."**

Without being phony or artificial, you can show interest in customers, their businesses...their problems. You can take a moment to tell them something about you. Customers seem to be more comfortable with salespeople who self-disclose (tell customers a little about themselves).

Self-disclosure isn't synonymous with piling your laundry on clients' desks. Although it is fairly common for customers to tell you of their personal problems, there seems to be little or no desire by customers for reciprocation.

Comments about the customer's office, or attractive work on job sites are always welcome...a mention about the family (perhaps one of the children just won a prize or did something important in the community) is well received. It is not so important what you say as the fact that you say something and are sincere.

Another important part of establishing rapport is the expression on your face. You can say the nicest words, but without a smile, the comments don't have the same meaning.

Perhaps you have heard, "*When there's a smile on your face, there's almost always a smile in your voice.*" Customers watch the facial expressions of salespeople to see if they seem friendly and warm. Sometimes sales can be lost simply because customers decided the salesperson wasn't glad to see them.

LEARN CUSTOMERS' NAMES

People love to hear their names used. Regardless of whether they liked their names as children, most everyone grows to accept their names as a special identity, and it gives them great pride when salespeople remember their names. Here are some simple rules to help you learn and remember customer's names:

1. Customers are almost always more inclined to tell you their name if you tell them your name first. Try this simple technique...when introducing yourself a customer you don't know, say, "*Hi, my name is _____ . I'm the sales representative for XYZ Company.*" Generally, customers will tell you their names. If not, ask for their names by saying, "*And your name is...*"
2. Look at customers when they are telling you their names. Don't look at the ground or the wall...you have difficulty associating names and faces if you don't put the two together at the time you are being introduced.
3. Don't pretend you heard customers' if you didn't. If customers mumble their names, apologize for not hearing and ask them to repeat so you can be sure.
4. Use customers' name right away. This will help you cement them into your memory. Instead of saying, "You will like our warranty," say, "Mr. XYZ, you will like our warranty."

Look at your file before getting out of your car to be sure you have customers' name.

In two minutes or less you can establish rapport and make customers feel glad to see you. Then, get down to business by giving an opening statement with enough punch to distinguish yourself.

MAKE YOUR OPENING STATEMENT COUNT

Depending upon the expert, it has been proven that people think at the rate of 500 - 1000 words per minute and people talk at about 250 words per minute. Obviously, there's a gap between even the fastest speaker and the slowest thinker. Unless salespeople state compelling ideas, customers can think about all kinds of things rather than listening to opening statements.

Some salespeople hope the "pitch" they are about to make will, by itself, be exciting enough to capture interest. Unfortunately, this sometimes isn't true. Customers have the same problem maintaining interest you do. Adults generally maintain attention for only about thirty seconds before their minds begin to wander to other matters.

If customers are forced to try and decide for themselves what benefit might be obtained from listening, two bad things can happen. They may begin to think of other things, only partially listen, and miss several key points.

Also they may decide there is no benefit to listening and tune the whole presentation out. Both of these situations can be avoided by offering a strong potential benefit for listening in the opening statement.

RULE #1 FOR COLD CALLS: Leave product literature in your car or truck.

Customers see through salespeople who say, "I didn't come to sell you anything today"...and they are carrying a case full of literature. In addition, if you have literature, you will probably make a mistake. For example, customers might ask "what you have in way of a good casement window." Instead of doing the right thing...asking what he's looking for/current using and saying, "I'll bring some information on my next call"...salespeople pull out the literature and launch into verbal vomiting.

Your opening statement on a "cold call" customer usually cannot include a specific product or service benefit...since you have no idea yet of the customer's needs or areas of interest. Nevertheless, you must give the customer a compelling reason to spend further time with you.

A good opening statement has three parts:

1. State what you are going to do (Introduce yourself?...Present?)
2. Tell customers how much time you think it will take to cover your topic...or finish what you began on a previous call.
3. Give a compelling reason to listen by telling something about your company (on cold calls) or how you think your idea will help the customer (for calls on established accounts).

A well-constructed opening statement might be something like, *"John, I would like to visit with you today about our (whatever program). In about ten minutes, I can cover the highlights and show you how we have worked out a way to get materials to your sites faster when jobs are moving faster than planned."*

Now that's straight to the point! Everything the customer needs to know about what will be said in the next few minutes has been laid on the table. You can be certain he/she will be listening carefully for the benefits you promised. The customer doesn't have to wonder what you'll be talking about because you said up front would be included in the presentation.

BE SPECIFIC ABOUT YOUR TIME REQUIREMENTS

Lots of salespeople get the first part of the opening statement... *"Jim, I'd like to talk to you today about our (whatever) program."* Then they immediately plow into the presentation with the customer still wondering, *"Is this going to take five minutes or five hours...is it going to work in my operation...why does the salesperson think it's the right program for me?"* All of these questions can easily be removed if the last two items of the opening statement are included.

So why commit themselves to a certain time frame? Why is it necessary, for example, to tell customers your presentation will take 15 minutes...or two hours?

There are several good answers to this question. First, customers are busy people and like to have their time respected by you and all other people who work with them. By asking for the required number of minutes (or hours) to make a meaningful presentation, you are demonstrating respect for customers.

This is valuable for customers who have time to burn and could give you two hours instead of the fifteen minutes you want. Customers who have excess amount and would like for you to help fill it by standing around and visiting long after you should have left, will not be offended as easily if a time frame has been established up front.

Stating the amount of time you need, sets up a professional environment. Only a person who knows what he or she is going to talk about could commit to a tentative time frame. Salespeople who have given some thought to the key points of a presentation would know whether it will take fifteen minutes or an hour to do justice to the presentation.

More sage advice from a salty old salesperson:

"It's not enough to just be a professional. Act like a pro and look like one, too. You are being judged on behaviors, not intentions."

In essence, she was saying that many sales people know their products and programs and provide excellent advice to their customers, but they conduct themselves in such a way that customers don't see them as knowledgeable.

There is something very compelling about sales reps who know enough of the presentation to tell you how long it will take.

But, don't make the mistake of stating time requirements just to offer the appearance of professionalism. If you tell customers it will take fifteen minutes to cover the key elements, and they say they are too busy to give you more than five, don't attempt to compress your presentation to five minutes.

You'll destroy the credibility you are trying to build. They must learn that you wouldn't ask for 30 minutes unless you need it. It would be far better to handle a secondary planned topic that will take less time than to destroy an important presentation by trying to do it too fast.

OUTLINE THE BENEFITS IN YOUR PRESENTATION

The final and most important element of an effective opening statement is the personal benefit the customer will receive from hearing what you have to say. **Customer benefits**, in fact, are the "main course" of sales presentations. It takes time and careful thinking about customers to decide a potential benefit of a product or program to their operations.

Features, on the other hand, are easy to include because they are already known to the salesperson; this leads many salespeople to substitute features for benefits in their opening presentation. For example, a salesperson might say:

"Jim, I would like to visit with you about our (whatever program). I can cover the highlights in about fifteen minutes; the program includes some big price breaks and free delivery."

These things, at first, may seem like benefits. They may seem like the kinds of things this customer would like to hear, but they really are not benefits. They don't give the customer any firm idea how the program will benefit her in her job of producing earnings.

It takes some thinking to decide how something like "**big price breaks**" can be a benefit, but saying it in the opening statement will make all the difference in the world.

"I think I can should you how to keep the price of your houses very competitive and still make a decent profit."

By saying, "Let's hear what you've got," they admitting interest in the benefit promised. If you can prove the benefit actually exists, they probably will be receptive to your closing question.

Of course, it means you must deliver the benefit promised.

STAY ON PURPOSE

Some sales reps feel compelled to avoid a businesslike opening and instead spend far too much time "relaxing the customer." They discuss social topics to "get customers ready" for the presentation.

During this time of idle conversation two things occur. First, if the social topic is of genuine interest to the customer, it will be difficult to turn the conversation to the product or other business topic. Second, if the social topic is not of interest to the customer, it is often interpreted as a lack of respect for time. Customers may wonder why you are not "getting down to business."

Customers know why you stopped by. They know your calls are not simply to see how their kids are doing or how the football team did last Friday night, etc. They know the primary purpose of your visit is to sell. By delaying the real purpose of your business, or cloaking it in idle conversation, you damage that important first impression when you grab customers' curiosity.

OPENING "COLD" SALES CALLS

When the purpose of your call is to get the customer to consider a new product or service or to make a change from a current supplier, you must find out what the customer feels about his or her current practices. This is always true on "cold calls" where you know little or nothing about the customer. But, it is also true when you're introducing a new product to an established account.

The primary purpose of your first call (Cold Call) on builders should be to get them interested enough to see you a second time. Remember what we said in the chapters on TIME AND TERRITORY MANAGEMENT...it takes 5.5 contacts (nationwide average to get customers interested enough to seriously consider making a change and 7 contacts before orders are placed). Don't try to accomplish too much on the first call!

Here is a general example of a three-part "cold call" opening statement.

"Mr. Customer, my name is _____ and I represent the _____ Company. I'd like about ten minutes to introduce my company and learn about your operation, business, etc. I don't know, at this point, if there is a way we can help you, but I would

be a liar if I didn't say I would like a chance. Once I understand what your needs are, if I think I can help you, I'll tell you how. If I can't, I won't bother you with things you don't want to hear. I can tell you that our company is very proud of our..... Would you have 10 minutes?"

On Cold Calls, you must have something "compelling to say about your company or services. To decide what to say, work on filling in either or both of these:

We're very proud of _____

We think of ourselves as being a little different from other suppliers in that _____

Once you have obtained agreement, you can begin an exchange of information with the customer that will prepare you to make a specific product or service presentation directly related to the customer's requirements.

Closing the sale is, of course, the ultimate reason for opening the sale. If, through an effective opening statement, you can arouse interest and acceptance from your customer, presenting becomes much easier. By saying, "*Go ahead...describe the things that will benefit me,*" customers have opened the gate that can lead later to a successful close.

Like anything else, using opening statements effectively requires practice. Use the time between calls to practice two or three possible opening statements... particularly the compelling reason to listen...to find one that seems most appropriate.

Any self-consciousness you may feel about using new sales approaches quickly disappears when you see the increased interest and attention on the part of a customer who is attracted by an effective opening statement.

Identifying Customer Needs

To sell something, a need for your product or service must exist (or be established) in the minds of customers. No need for your product or service, no sale. With some customers, needs already exist. They may call you and tell you what they want. Or, you may inherit an account with a well-established pattern of buying...so you don't have to do a lot of research on the customer's needs before your first sales call.

More frequently, however, it will be your job to create a need in buyers' minds...create a motive to listen...to take action. The "cold call" customer, especially, must have a reason to invest time...to get involved. This may require a series of activities on your part including several calls just to determine customer needs, but it is easily the most critical event in the sale. Your research into customers' buying motives, preferences and willingness to make changes will determine the content of your future sales presentations.

FINDING OUT WHAT'S REALLY IMPORTANT

Obviously the most direct way to find out what customers think or feel is to ask questions, but this must be done in such a way that you accomplish two things:

1. Find out what you really need to know...not get sidetracked by customers.
2. Keep the interview flowing back and forth so customers don't feel interrogated.

These goals can be accomplished through a balanced combination of probing and listening skills. Let's first look at probing skills. A popular form of questioning to draw out opinions is the *open probe*, or the *open-ended question* as it is often called. It is effective because it gives customers a lot of latitude to think and respond. Here are some examples:

1. *"I'd like to hear how things are going."*
2. *"Why are you interested in our products?"*
3. *"What goals are you trying to accomplish with this project?"*
4. *"I'm wondering what problems you're wanting to solve when you consider changing from convention framing to..."*

Notice that all of these examples leave customers free to say whatever they choose. But, some are much more narrowly formulated than others (example: 4 versus 1). This is an important point because a very general open probe like Example 1 is likely to lead anywhere and perhaps never get to the kind of information you need. An effective open probe gets customers thinking and talking about those needs that you have some chance of satisfying.

Notice another difference in the previous examples. Two of the probes begin with an interrogative word..."Why" and "What." The other examples take a more personal, inquisitive form. We prefer this latter "**I**-language" form of probing because it decreases the possibility that customers will feel interrogated.

There is nothing wrong with an occasional What, When, Why, Where, How - type question, but the more personal "**I'd like to know about.../ am curious.../m interested... I'm wondering, etc.**" produces a more generous response from a majority of customers.

The other basic probing skill is **the closed probe**. Usually closed probes are appropriate once you begin to understand a customer's needs at some depth and now wish to find out important, specific facts or details. Here are some examples:

- "How many jobs do prefer to have doing at one time?"*
- "I'd like to know what time of the day is best for delivery."*
- "Do your subs bid material and labor or labor only?"*
- "Where are your other job sites?"*

Knowing something about question style is important primarily so that you don't "sound like a broken record" ...doing the same thing over and over. Recent studies of top producing sales people showed that questioning style was not the key to selling more. It was volume. Those sales people who asked more questions...an average of 30 or more questions, had much higher closing averages.

INCREASE YOUR CHANCES OF CLOSING

We have consistently referred to needs (plural). That's because recent research has show that salespeople are far less likely to sell a product or service when their presentations address only one customer need.

In percentages, it looks like this:

Sales people who don't uncover any potential customer need for their products or services, but plow ahead with a presentation anyway have a **10% or lower** probability of getting customers to buy...mostly luck...you have a great product, and landed in the right place at the right time.

Sales people who uncover one customer need and move to presenting ideas and solutions have a **30% or less** probability of making a sale. Change is generally very difficult. There have to be pretty strong reasons for customers to disrupt their business lives. On balance, they often weigh their knowledge of their current suppliers as worth more than the potential risk of buying from someone new...especially when there are a lot of reasons to do so.

Those sales people who uncover two or more issues that can be addressed in a presentation have a **70% probability** of getting the prospective customer to change.

Sounds easy. Just stay with the questioning/probing until you have at least two things to discuss in your presentation. The problem: when you find a need, it is very difficult not to address it immediately. However, once you change the tone of the conversation with customers from exchanging ideas to the more one way communication of presentation, it is very difficult to re-open the probing phase.

Listening Is the Key

Open and closed probes start the customer talking, but it is effective listening that keeps customers thinking and talking about their needs at a deeper and deeper level. Some basic skills to use to keep information flowing from customers are:

- 1) **Silence**--if they open up, don't interrupt. They will generally shut themselves off in about 60-90 seconds.
- 2) **Non-Committal Acknowledgements**--Things like head nods, saying "Uh-huh" offer customers an opportunity to continue.
- 3) **Door openers**--simple little "stay with that thought a little longer" statements... "I'd like to hear about that"... "Then what happened?"

These skills, used in combination with probing questions, can help you and customer move through the all-important Step 2 of The Buying Process so you can propose an on-target solution that will meet customers' needs.

The following excerpt shows how this probing-listening process works:

S: "I'm curious to know more about those jobs that you say are giving you headaches."

C: "Well, sometimes I've just got to have a 24 hour turnaround, and it's getting harder and harder to get it."

S: "So you've been frustrated because the problem has become more frequent?"

C: "That's for sure!"

S: "If it were working the way you want it to, what would be happening?"

C: "Well, what I need to be able to do is pick up the phone, place an order and then not worry about it after that."

S: "Sounds like "no checking to see if the material will be delivered is the issue."

C: "Right, I don't want guys standing around."

S: "I think I understand now."

Regardless of whether you are working through Step 2 with a brand-new customer or a long-established one, "I"-language probing and empathic listening will inevitably move you more quickly to understanding what the customer really wants - and eventually to the sale itself.

Now, let's consider two very different situations where probing questions are needed. First, the easy one...when customers call you.

PROBING QUESTIONS FOR "INQUIRY" CUSTOMERS

Sometimes you find yourself responding to customers who have unexpectedly called on you and about whom you know very little. Often you've called them, but there haven't been any orders placed. You may need to ask some specific questions, such as the following, to determine what the customer is looking for and when. These questions serve two purposes. Of course, they gather some important information. But, they help start a comfortable two way conversation. We call them our "no-brainer" probes...easy to answer, not threatening to customers.

1. *Is there any particular product, service, etc. that you need help with right now?*

This question has two purposes. It helps determine if the inquiry will be immediate and therefore any quotes need to be precise with acceptance dates. It also cuts down on your time spent covering virtually every product in your line. You should, of course, sell as much as you can, but first narrowing the field and then expanding into other corollary products best does this.

2. *Is this the first time you are considering using this product (or service) or are you looking for a replacement for something you are already using?*

- *I'm wondering what are you using now?*
- *It would help me to know why you want to replace it.*

This question is actually intended to help you save time presenting information to a "knowledgeable" buyer. If the customer has used or purchased something like this in the past, there are generally only two reasons he or she would seek a substitute...the other one can't be found anymore...the other one is now performing well.

3. *What other products (or suppliers) have you looked at so far that impressed you?*

(If others were considered) What did you like best about those you have seen? What are you looking for that you haven't seen?

Although the intent is fairly obvious, this question is intended to help you save time. If you know in advance competing products which have been considered, it heads off many of the "does your product do..." questions from those who have shopped.

4. *I'm curious to know how you heard about our product or company?*

Did one of your customers recommend you? If so, a "Thank You" is in order. Was it advertising? Nice to learn what's working?

5. *So that I don't go over things you have already heard, has someone from our company told you about our product or service?*

Although it may appear this question is head off disputes of sales commissions, it really exposes how deep the inquirer's interest is. If he or she has previously received information and is now calling another time, it generally means the prospect has finished "shopping" and is ready to purchase.

6. *So that I don't deliver the wrong thing, what do you want this to do?*

Don't ever assume prospective customers will use your product in the manner you assume they will...always ask.

You will, of course, want to tailor such questions as these to better fit your situation. In any situation, the key is to follow any question you ask a customer with plenty of "door openers." Questions can start a customer talking about his or her needs, but it will be your listening skills that will lead to a deeper and clearer understanding of what the customer really wants.

After asking easy to answer questions like the ones above, you should move to typical questions to gather information about such things as:

- delivery information
- payment conditions
- others who may need information before the decision can be concluded

IDENTIFYING NEEDS ON A "COLD CALL"

When calling on a new customer, it is absolutely critical to go slowly through Step 2 of the selling process. With an established customer, whose needs you know very well, it may be possible to move faster.

A failure to probe for needs on a cold call can be fatal to your selling effort. Nothing can turn off a new customer like the message that says in effect: ***"I don't know who you are or even what you want, but I want you to buy what I've got anyway!"***

So, here's a powerful series of probes to help you send an entirely different kind of message: *"I want to know you, your problems, your needs, before I tell you how I might be able to help."*

We said earlier that you must keep two goals in mind when searching for customer's needs:

Find at least two things that you could discuss in your presentation

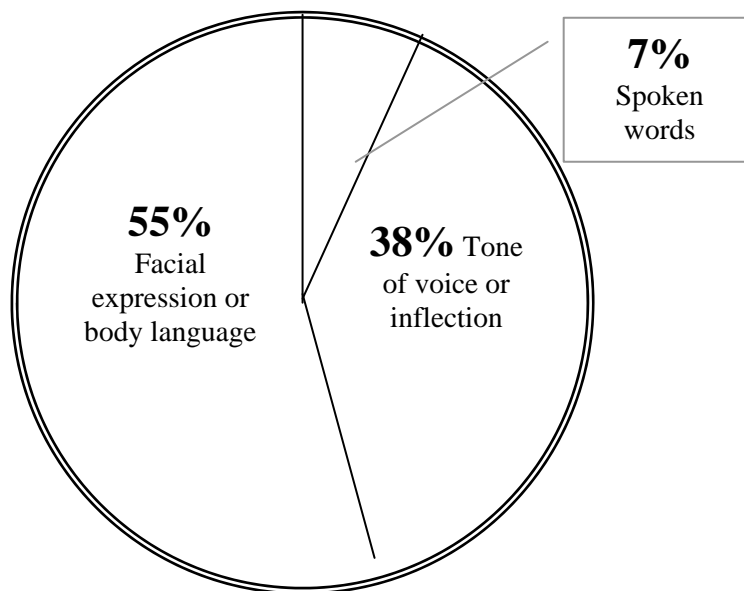
Try to ask many questions...while making the process comfortable

Simple as it may seem, many sales people don't think through what they need to know about customers and their businesses. Start by making a list of "Things I need/would like to Know."

See the exercise on the next page. There are several potential categories of information. The list is not complete, but it gives you an idea of the types of things about which you should ask and things most prospective clients don't mind discussing.

Regardless of the questions you end up using on sales calls, it's important to remember that much of the valuable information you can pick up will not come to you in words. If you use the 117 minutes you have with customers each day to hone in on **how** they reply...and respond to it...you can open some important additional conversations.

Listen With Your Eyes



As the illustration above implies, the largest part of customers' answers to your questions will come in "the way they say something." For example, if you were to ask, "Joe, how is this project coming along?" and he replies, "Oh, I suppose it's okay. We should get it done on time." If the words are wrapped with "down" emotions, and if you catch it and say, "The way you said that makes me wonder if you've had some stuff to deal with," you may be surprised how much more you learn.

Things I Might Ask Builders

Learning about the builder "as a person"

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.

External business pressures--competition, CODES

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.

Internal business pressures--keeping employees, cash flow

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.

Services they most appreciate from vendors

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.

Sizing up the potential business from this account

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.

Customers generally find the first three categories interesting and non-threatening. Those are good categories to explore first. Once your questions about current suppliers and how big the business is begin, most customers begin to close down a bit.

Another interesting factor to remember is that customers feel more comfortable telling you about themselves when you have told them something about yourself. Perhaps the idea of telling customers where you went to school, how you ended up in your current job, etc. doesn't seem unusual to you. Some people are very comfortable with telling information about themselves. However, if you find the idea of self-disclosing a few bits of information about yourself bothersome, here is some useful advice:

Customers really don't want to know highly personal information about you.

The kinds of things customers appreciate learning about you are pretty much every day facts...the kinds of things you would find on almost any resume.

Don't ad lib on your self-introduction. Think through primary pieces of information and build a simple story that lasts less than sixty seconds. Here's a sample:

"I grew up over in Centertown. I worked for a couple of summers as a "go fer" for a builder. When I graduated, I got a job at Big Ole Lumber Company. I've been there about 5 years, mostly working in the store and helping on the contractor desk. About six months ago, they gave me a chance to do some outside selling, and I like it."

THE FIRST QUESTION FOR COLD CALLS

Start by establishing rapport, use a good three-part opening statement, then ask a question like the following to get things started:

"Mr. Customer, when you choose materials for your jobs or dealers to buy from, what would you say are the most important factors to you in your decision?"

This question is so effective because it asks the customer to explore purchasing decisions instead of extraneous issues that might creep in if you were to ask, "Why do you buy from your current supplier?"

You should also know that answers you are likely to get to this question will mostly be short and worthless. Customers will often say things like, "Oh, I just buy where I get the best stuff at the best prices."

This question won't actually get the information you need to answer your *need/want to know issues*. It does, however, start the customer into the information getting phase quite comfortably. Just pick something said and start with it... as long as the thing you pick is not price.

You might respond by saying,"

"Everyone I have talked to seems to have certain products they like. You mentioned that you want good products. Have you made some changes in the types of material you buy?"

As the customer talks, use helping responses to keep the conversation rolling..."I see; really; have you found that type installs easier?" Bounce around in your list of question categories, but try to hold off asking about current suppliers and how many jobs customers are doing until later in the conversation.

THE SECOND "COLD CALL" QUESTION

It is important for customers to be asked to evaluate their current suppliers, but the suggested order of information gathering begins with giving the customer an opportunity to discuss opinions without tying those opinions to specific vendors.

When you feel you sense customers' needs and requirements, move on to the second question:

"If you were to rate your various suppliers on their ability to meet your needs (on a scale of say 1-10, with 10 being so perfect nothing could make them better), how would you rate them?"

Once you know why a customer buys certain products or services, it is good to find out their level of satisfaction. Use numbers. Use "a scale of 1-10" or "a scale of 0-100%." In most cases, customers won't respond with a numerical rating. You're likely to get words from the customer like "really good, pretty fair, wonderful, etc. But, the use of a number scale often causes customers to get a more thoughtful answer.

Be careful not to ask something like, *"Are you satisfied with your current supplier?"* You should be able to guess what the answer will be.

As with the use of any other question, don't accept answers for face value. If customers should reply to your request for evaluation of their suppliers by saying, *"Honestly, I think most of them do a great job!"* check out the meaning of "great job." Customer may be giving a very honest reply, but they may not realize that the level of service currently being received is far below the minimums of your company.

Regardless of customers' evaluations of their current suppliers, it gives you a picture of their adaptability, creativity and willingness to experiment. It will also give you a feeling of how knowledgeable they are of new product or changes happening in the industry.

Reserve pointed questions about current suppliers until you have some idea of the context in which your services may be used. For example, if you think there is a probability you might be able to sell roofing material, you might want to find out if the current supplier puts the bundles on the roof.

CLOSE OUT BY INVITING YOURSELF BACK

Finally, use your introductory call as a stepping stone to another opportunity to visit by asking something like:

"Based upon what I think I understand from what you've told me, I think I might be able to offer some ideas on a couple of things that may work for you. I would appreciate an opportunity to put some facts and figures together. Would you give an opportunity to share some ideas with you later?"

What is your request? No reference to your product or service...only a request to serve, help, and share ideas. You are not asking the customer to promise to buy if you do your job well - only to hear what you have to say.

Now you are in a position to make a presentation that addresses customers' dissatisfactions or desires for improvements.

If you honestly feel you cannot make at least two improvements at the present time, you can offer to stay in touch with the customer and share new ideas or product improvements as they become available.

Even if you would like to move faster with converting a prospect to a customer, it almost never happens quickly. Again the nationwide average is 5.5 calls before a prospect becomes interested enough to take a serious look at a new product, supplier and way to do business. It certainly doesn't take 5.5 calls for you to figure out what they need, and it does take 5.5 calls for prospects to figure out who you are and what you sell. It does take several "scouting reports" before prospects feel they can believe you will do what you say you will do. They watch to see if actually come back on Tuesday...on time...with useful information. Take your time.

SET THE STAGE FOR SOLUTIONS

For many valid reasons, some sales calls, especially with new customers, may terminate once needs and requirements are identified.

- One or both of you may have run out of time
- It may become clear that the customer has no need for your product or service
- Additional fact-finding must take place with other persons or in other locations
- You may simply not be prepared to make a presentation that properly addresses the customer's needs.

Your next step then would be to gain the customer's agreement to meet with you again and hear your product or service proposal. This is a very legitimate "closing" - not of the sale itself - but of an opportunity to properly prepare yourself to do an effective sales presentation, and possible final closure, at a later time.

The needs-identifying sales call is not only legitimate selling work, it is essential in building a backlog of prospective new customers or of old customers who will buy additional products or service. Miners don't find gold without a lot of "prospecting." Salesperson don't make sales without first prospecting for unfulfilled customer needs. And, making "cold calls" - usually a dreaded task by most people in selling - can take on more positive meaning once you learn how to properly dig for the gold!

Unhappy Customer? Be Glad!

Not every regular customer you stop to see will be in a great mood or even willing to talk about placing an order. A common reason for this is because some product received or some service performed wasn't to the customer's satisfaction. In the worst of cases, the customer is ready to take someone's head off! And especially if you have dropped in unannounced, you may suddenly realize yours is the "head" that has just been unknowingly stuck into this roaring lion's cage!

With that in mind, perhaps the title of this chapter seems silly. Actually, sales people should be glad when customers let them know of errors, omissions or unhappinesses. The alternatives are not attractive. Unhappy customers always tell somebody...if they don't tell you, they will tell others. In addition, unhappy customers (who don't talk to you about their problems) are more likely to buy from competitors.

Here are some statistics from the book SERVICE AMERICA. The book reported results of a study commissions by the White Office of Consumer Affairs. The study was to find out what happens when customers are unhappy with products or services they have purchased. Here are some of the most important statistics:

For every customer who takes the time to complain, **there are 26 others who are also unhappy** about something but decided not to let you know

Of the 26 who are unhappy, **only six have concerns that would be considered serious** by your company

65% - 90% of unhappy customers who don't tell you they are unhappy **"take a look" at a competitor's product or service**

On average, **87% of the 26 unhappy people tell 9 - 10 other people** about their problem...13% of them tell about 20 others

You can win back 55% - 70% of the 26 by listening to the complaint

You can win back 95% if you listen and then can offer an immediate solution or adjustment.

Thinking back to a previous chapter in which we discussed the reasons why we lose customers, the third largest is that sales reps don't handle customer's complaints and problems properly.

Actually the main reason customers get so frustrated and angry that they quit buying is not because of a product failed, but because of the way the salesperson handled the complaint.

Here are some important things to remember about customers who have a complaint:

1. The story will almost always be substantially exaggerated when you first hear it.
2. The faulty product or service is generally not the most important thing on the customer's mind. Instead, the most important thing is having the complaint heard.
3. The customer has probably incorrectly anticipated what you will say (e.g., that you will resist, argue, etc.) and has built a protective wall. Be ready for a barrage of negative replies to almost anything you say.

COMPLAINTS AREN'T ALWAYS WHAT THEY SEEM

There are reasons why customers are so often so much on guard. Perhaps they've had a bad day in which many things have gone wrong. Perhaps, something totally unrelated to your product or service has gone wrong and then, when some minor problem associated with your company came up, the customer decided to take all the anger out on you.

Or perhaps they have had a bad experience with a faulty product sometime in the past and a salesperson tried to make them feel it was their fault. Even though a product may have failed because of customer misapplication, when sales people blames the customer, an already angry customer can go over the edge.

Here's something you should remember: an irate customer asking you to look into a problem is one of the best things that can happen. That may sound downright stupid, until you think about the statistics above. It is completely true for these reasons:

1. The sheer fact the customer is expressing his anger or frustrations to you is an indication of his confidence that something good will happen. If customers sincerely believed you could not or would not help them with their problems, they would not have complained to you in the first place. So, even though they may sound negative, they're in a hopeful and rather positive frame of mind.
2. If the customer had no confidence in you and had kept silent about the complaint, there's a good chance the customer would have "gone on down the road"... purchased products from your competitor, perhaps also "bad-mouthing" you, your product, or company to other business associates. It is surprising how often a quiet, mild-mannered customer becomes a great orator and crusader after experiencing severe product disappointment.

SETTING THE STAGE FOR PROBLEM SOLVING

Here are some things to do to make your complaint call with the customer more pleasant and potentially a strengthening experience for the future of the account. First, greet the customer and immediately say something like this:

"I am sorry you have had a problem. I'm glad you called to tell me about it. I want you to know that I want to work out a satisfactory solution."

Saying something like that can change the tone of the interview. It doesn't mean the customer will stop being upset or on-guard...he rarely will...but the fact you showed interest in the problem and in him often comes as an unexpected and pleasant surprise.

DON'T AGREE OR DISAGREE

Next, ask the customer to tell you what happened and switch to a listening mode. The less you say, the more the customer must talk. The more he talks, the more you learn. The more you learn, the more likely you are to solve the problem.

Nothing is gained and much lost by essentially agreeing with customers by saying, "You're right. John is the dumbest driver we ever had." Or, "To be honest with you, we've had about five calls on that product in the last week."

Even worse is saying, "I don't know what to tell you. I bet I've sold a hundred of those in the last six months, and I've never heard of one doing that."

Psychologists have proven that even the most unhappy people have difficulty talking for more than 90 seconds if they are not interrupted. Give irate customers all of your attention, let them do the talking; you'll hear about all they had to say in a very short period of time.

As much as you may want to argue with untrue claims, exaggerations, or outrageous demands, if you maintain an accepting, listening posture, you'll help the customer blow off steam and build a feeling of trust and confidence that you are really interested in the customer's problem and finding a way to resolve it.

The listening skills we discussed in the previous chapter will help here... particularly the **NON-COMMITAL REPLIES**..."Uh-huh. Is that right?"

These seem to be especially good for veteran salespeople to use. So often, they know the answer within a couple of sentences, but the customer still wants to talk.

SEE THE PROBLEM

Whenever possible or practical, after you have heard what the customer has to say about the problem, **go with the customer to take a direct look at the problem.** Again, this clearly demonstrates your interest, plus gives you more data about the problem and possible solutions.

You will be surprised how frequently the problem as previously told by the customer begins to shrink as you go to view the damage or inspect the situation. Why? Because customers often exaggerate the magnitude of the problem to get full attention or to give themselves room to negotiate. When you don't argue with their claims, and the claims have been "stretched" a bit, the customer must shrink them.

SET THE STAGE FOR A GOOD SOLUTION

If the customer hasn't already told you what kind of an adjustment he or she hopes you will make, find out by asking, ***"What do you think would be fair?"*** Two words in this sentence...**you** and **fair**...are far more important than the others are. Customers who are unhappy want to have their opinions heard, so your asking for them is always well received.

As logical as that sounds, some sales people say things like, "Here is what I think we can do...This is what we normally do...This is our policy." Think about what we said earlier, one of the primary reasons the customer told you of the problem were to have his/her opinion heard. Asking, "What do you..." are soothing words. Sales people who have asked that question say many times they get replies that are:

Less than what the customer originally demanded
Within the range of what you would have done for the customer anyway

Why? The word "fair" often changes customers from being illogical to logical. Most customers realize you work for a business that must be fair to everyone and yet not "give away the store." Somehow the word "fair" helps them realize this and sets a tone for reasonableness in the consideration of an adjustment or other solution.

DON'T PROMISE THINGS YOU CAN'T GIVE

Once you have set the stage for "fair" problem solving, many customers will immediately offer (or demand) a solution. If your customer were upset because a product was delivered damaged, that customer may only want a replacement. If this solution were clearly within your company's policy, all you would have to do is cheerfully agree to the solution and expedite the delivery.

In other cases, customers will respond to your ***"What do you think would be fair?"*** question by asking you to propose a solution. Again, if you have a standing company policy, you can easily propose something.

But, what about customers who demand solutions that is unacceptable to the salesperson, either because of its inherent unfairness or because of a clear company policy? An irate window customer who demands a replacement and a refund would normally meet with resistance. In such a case, the salesperson should temporarily hold off evaluating the customer's solution, no matter how preposterous it might be, and ask another "fairness" question in another way:

"That's certainly one solution Mr. Customer. Are there some other solutions that you think would be fair?"

Sometimes such a question triggers other ideas from the customer...and more reasonable ones besides.

Customer should be given a chance to voice their ideas before the sales representative brings up company policy or other reasons for not liking the customer's solution.

If you have full authority to negotiate a solution with customers and no other person's approval is needed, you can suggest other solutions, hopefully including one that would also be acceptable to the customer. Ideally, both customer and salesperson should join together to come up with a mutually acceptable solution if company policy is not the issue.

Next, if for any reason, you don't have the authority to authorize the adjustment you think should be made, do not mention what has been done in similar past situations until you have checked with your boss or other person who can authorize the adjustment. Don't say

something like, "We generally do this or that, and I am sure the company will probably approve such and such," since many factors may be involved that might cause your sales manager not to approve the adjustment you just promised.

If you have to go back to the customer and try to explain reasons why the adjustment you mentioned will not be granted, it almost always creates ill feelings and generally throws the customer into that group that take their business elsewhere.

DON'T GOOF UP IN THE LAST STEP

Finally, don't wipe the value of the adjustment or refund. If you're going to give something to the customer, **give it with class**...especially when you think your company or manager is being overly generous, and the customer does not deserve what he/she will receive.

When the decision is to give away products, money or anything of value, get something for it...get the good will of the customer. After all, isn't that what you're trying to buy?

What is gained by saying something like, "Well, we're going to replace it. My manager said to give it to you. But, it obviously isn't our fault, and I think you have a lot of temerity to ask us for this kind of replacement?"

Saying something as simple as, "Again, I'm sorry you had a problem. "We're happy you let us know, and we are glad to replace it" will do wonders to achieve the objective of keeping the customer.

In summary, here are the steps for helping customers with complaints:

1. Greet customers in a concerned and interested way; indicate immediately you are sorry that a problem has happened, that you are glad they called to tell you about the problem, and that you want to make it right.
2. Let customers tell their stories...their way. Avoid agreeing or disagreeing.
3. Go see the problem whenever possible.
4. Ask customers, "***What do you think would be fair?***"
5. Work for a cooperative solution.
6. Do not offer an adjustment you do not have the authority to sign.
7. Don't destroy the value of the adjustment by giving a lecture to the customer. **Give it with class!**

Make Your Return/Refund Policy Consistent

| HIGH \$ IS ANYTHING OVER \$ _____ | LOW \$ FAMILIAR CUSTOMER | | LOW \$ UNFAMILIAR CUSTOMER | | HIGH \$ FAMILIAR CUSTOMER | | HIGH \$ UNFAMILIAR CUSTOMER | |
|------------------------------------------------------------------------------------------------|-------------------------------------------------|-------------------------------|----------------------------------|-------------------------------|---------------------------------|-------------------------------|-----------------------------------|-------------------------------|
| | MERCHADISE UNUSED CUSTOMER HAS RECEIPT | REFUND? EXCHANGE? BOTH? | | REFUND? EXCHANGE? BOTH? | | REFUND? EXCHANGE? BOTH? | | REFUND? EXCHANGE? BOTH? |
| MERCHADISE UNUSED CUSTOMER HAS NO RECEIPT | REFUND? EXCHANGE? BOTH? | | REFUND? EXCHANGE? BOTH? | | REFUND? EXCHANGE? BOTH? | | REFUND? EXCHANGE? BOTH? | |
| MERCHADISE USED CUSTOMER HAS RECEIPT | REFUND? EXCHANGE? BOTH? | | REFUND? EXCHANGE? BOTH? | | REFUND? EXCHANGE? BOTH? | | REFUND? EXCHANGE? BOTH? | |
| MERCHADISE USED CUSTOMER HAS NO RECEIPT | REFUND? EXCHANGE? BOTH? | | REFUND? EXCHANGE? BOTH? | | REFUND? EXCHANGE? BOTH? | | REFUND? EXCHANGE? BOTH? | |
| MERCHADISE BOUGHT ELSEWHERE CUSTOMER WANTS REPAIR SET UP INSTRUCTIONS | DO IT AT ALL? | | DO IT AT ALL? | | DO IT AT ALL? | | DO IT AT ALL? | |
| | CHARGE? | | CHARGE? | | CHARGE? | | CHARGE? | |
| CUSTOMER WANTS EXCHANGE MERCHADISE BOUGHT ELSEWHERE | YES | NO | YES | NO | YES | NO | YES | NO |

Making Effective Presentations

This chapter is what could easily be termed "Selling 101." The salesperson's presentation of his or her product or program should be interesting to customers; answer questions about whether the product or program actually provides something customers need and, finally, should create in customers a desire to buy. This part of the sales process has been the most carefully studied for many years. Much of what you will learn in the chapter is nothing more than a collection of accumulated wisdom...that works.

Sadly, everyday, good sales people...ones who know a great deal about their products...who sincerely believe in the value of what they sell...who are friendly and genuinely interested in their customers...lose sales because they fail to use effective techniques in presenting their products or services.

Regardless of how much you know, unless you present it to your customers in such a way that they can understand it and believe it, chances are good they will not buy. In this chapter, we will discuss two skills you can apply to prevent this problem:

The effective use of visual aids to hold attention and transfer ideas.

Converting technical descriptions of products into buying language.

SEEING IS BELIEVING

All your life, various people were preparing you (probably unknowingly) for a successful career in sales by repeating clichés like:

A picture is worth a thousand words.

Seeing is believing.

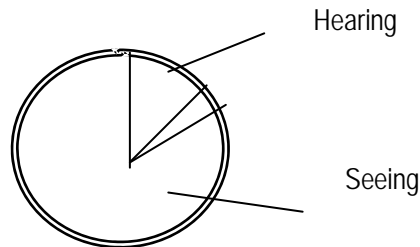
Don't believe anything you hear, and only half of what you read or see.

If you attended a seminar while studying this book, you will remember a game we played in which you listened to the story of a military battle and then took a test. The purpose of the game was to demonstrate that important facts and statistics are difficult to remember unless you can both hear and see them. That game is available in a separate lesson in this series of learning modules.

Research projects involving hundreds of thousands of people concluded that adults have preferences for how they gather and store information. Our senses play a key role in this process. The following statistics show how we learn:

The Part our Various Senses Play in Learning

Sight.....83%
 Smell.....3%
 Taste.....½ %
 Touch.....2½%
 Sound.....11%



This means that salespeople who make "talking presentations" (don't use pictures, graphs, demonstrations) can expect their customers to pick up only 11% of the key facts they must know to make a buying decision about the product. Those who use visual aids while telling about the product can bump retention to 94%...those who can let customers hold the product while listening to information, can get of to 97% retention.

72 hours later, people generally remember:

10% of what they read
 20% of what they hear
 30% of what they see others do
 50% of what they hear and see others do
 70% of what they talk about during the presentation
 90% of what they talk about and work with

As you look at the first group of statistics and match them with the second set, an even more interesting pattern emerges. If a salesperson only "talks" to customers about products or services, customers will only pick up about 11% of the key facts. However, seventy-two hours later, those customers will remember only 20% of what they remembered immediately following the presentation. In other words, **three days after presentations customers will recall only about 2% of the facts salespeople cover** if they only "talk" about products or services.

Finally, another study show better but still dismal numbers. If you only talk to customers, approximately 30% of what you said will be forgotten within three hours. All but about 10% of what you said will be forgotten within three days.

However, if you "show and tell" about the product, the customer will remember as much as 85% of the presentation three hours later and 50% - 67% after three days.

The effect of time on your method of presenting:

| METHOD USED | AMOUNT WE TYPICALLY REMEMBER AFTER: | |
|-------------|-------------------------------------|--------|
| | 3 HOURS | 3 DAYS |
| TELL | 70% | 2+% |
| SHOW | 72% | 20% |
| SHOW & TELL | 85% | 65% |

A bit scary? The process of forgetting begins quickly, but if vision is involved, not only do people remember more but also the loss is slower.

Medical research has partially explained why this is true. The human brain actually operates as though it were two brains. The right half of your brain is the side that stores and remembers things in picture formats. If someone were to mention a list of things that are generally associated with pictures or objects, the right side of your brain would become active in recalling what you have seen of those objects.

For example, if someone were to mention such things as strawberry...tire... tulip...pine tree, etc., the right side of your brain would click into gear and bring up things which you have seen which match with those words. The left side of your brain is the side that operates in the realm of statistics or logical facts. If someone were to say, "What is 25 times 4?" the left side of your brain would compute an answer for you.

This division of the brain's memory functions is a bit more pronounced in males than females. Picture and factual memories are somewhat less localized in females, which may partially explain why they generally do a better job than males of matching customer names with faces.

The important thing to remember about this: the more ways you involve customers' brains in the original presentation, the more they remember, understand and believe.

In the battle story game, scores on the first test were low because people attempted to use the left sides of their brains to store things which should have been stored in the right side. Yet, after seeing the diagram of the battle site and hearing the statistics simultaneously, both the left and right sides of the brain went to work. On the second exam, scores were much higher. The same basic thing happens with customers.

ONLY ELEPHANTS NEVER FORGET

Probably something like this has happened to you. You spent a lot of time describing a product to a customer and a week later the customer asks essentially the same questions you answered a week earlier. Those questions were asked not because the customer is stupid, but because he or she is typical. We are able to remember the facts about the product from week to week because we work with the product every day. But, because the product was new to the customer and unfamiliar statistics were covered, only a small percentage of the total facts and figures from your presentation are retained by the customer.

Had enough? Feel buried in studies? Beginning to wonder, "What's the point?" The point: don't take sales literature and samples in sales calls because someone told you to do it. Take them because they will have a huge impact on sales...guaranteed!

SHOW AND SELL

If you happen to be discussing a product small enough to hold...take two. Hand one to customers and keep one for yourself. Several good things happen when you use this technique. First, customer can stand further away from the salesperson and still see all the information on the label. Many people don't feel comfortable when sales people stand too close to them. The "Take two" technique gives the customers the distance they desire to feel comfortable.

Also, when the customer holds the product, it tends to channel attention. The average person talks at the rate of 200-250 words per minute. The thinking speed of most people, however, varies between 500 and 1000 words per minute. Unless a visual aid is used to focus and slow down the customers' thinking speed, they will listen to your words and still think of several other things while you are talking.

Finally, one of the nation's most successful retailers has proven that customers often buy products that they hold during the presentation. Naturally, a need for the product must exist, but a sense of possession begins to grow in the customer if the product is held during the presentation.

The same basic concepts of focusing attention can be applied to brochures and pamphlets when the product being described is either too large to hold or not immediately available. Using brochures and pamphlets not only benefits customers, but also aids sales people by holding customers' attention and serving as an outline for the sales presentation.

POINT, DRAW, AND MARK

The keys to making brochures work involve three simple techniques. First, whenever possible, try to sit or stand at the customer's right. Research has shown that customers focus better on a brochure when sales people are on customers' right. Of course, if you're left handed, the need to write without reaching in front of customers would make it to your advantage to stay to the left.

Second, use your pencil to point to each item in the brochure as you discuss it. For example, if you open the brochure to a chart of figures and only want to talk about one particular column or line, point to the column or line with your pencil. This will focus attention on that line or column instead of randomly gazing all over the page.

Finally, to cement the ideas in customers' heads, use a pencil to circle or make check marks by the points (or, perhaps circle things) as you cover them. When you do this, you build "recall points" into your presentation. Circling or making check marks by important facts tends to highlight those facts during the presentation and make "marks" in customers' brains at the same time. Later when they are reviewing brochures or pamphlets you left, the key points you marked at the time you discussed them will be remembered.

This concept of circling and checking important points you want remembered is especially important with computer generated custom reports. Even if you are using Power Point or a similar program to pump up the graphics, customers' attentions must be focused on what you want them to remember. So, bring a copy for use during the presentation that you can mess up and another that can remain pristine.

A third effective visual aid is a common piece of paper and pencil. People tend to save scraps of paper with information on them. Many times a piece of paper and pencil can become the most powerful visual aid of all. But, a few rules must be remembered to make this visual technique work for you.

First, move to the customer's side if you happen to be standing or sitting opposite him or her. It is important for the customer to watch as you write down information. Again, it is generally preferable for you to stand or sit at the right.

List the information in a logical sequence. Many people are "doodlers" and at the conclusion of the presentation the piece of paper used to list calculations or information looks like a crossword puzzle from Mars. List quantities and label those quantities so the customer can understand them after you have left. Calculations are especially important for purchases that require computation. The be more clear and concise, you can show customers how the prices you developed are based on application or consumption (i.e., a product used at the rate of one pound per day per unit, multiplied by units and days shows the amount of the suggested purchase). The more clearly they will understand and accept them, the more likely they are to buy.

Knowing these techniques is not enough. Although they are basic to selling, many salespeople do not use visual aids because they think they don't need to. Salespeople often have memorized so many facts and figures about the products and programs that it becomes almost too easy to spill these facts without taking the time to "Show and Sell." You must use the techniques regularly until they become a part of your routine with every customer. Using visual aids not only produces more sales, but significantly reduces the number of complaints and call backs which occur when customers fail to clearly understand what the product was designed to do.

Talking In Customer Language

Somewhat like the problem of not using visual aids effectively, many salespeople defeat their own presentations by not describing their products in terms, which excite the customer. The following is an interesting poem that could very easily capture the mood of many customers after a sales presentation:

*I see you've spent quite a big wad of dough
To tell me the things you think I should know*

*How your company is so big, so fine, and so strong
Your record of service goes back...oh, so long.*

*The company started in 1902?
How interesting that is...especially to you.*

*You're building the thing with the blood of your life?
I'll run home like mad, tell that to my wife!*

*Your product line is modern and...Oh, so complete.
Your company is flawless, your people so neat.*

*Your motto is quality with a capital "Q."
I wonder why I'm tired of hearing about..."You!"*

*So tell me quick and tell me true
(Or else, my friend, the heck with you!)*

*Less of "How this item came to be."
And, more of "What the darned thing does for me"!*

Robert Early

It's true. Customers need to know how the product is made and what it contains, but they do not buy products based on that information. They buy products because of what the products will do for them.

Buying is **always** an emotional decision...not logical. However, products and programs are designed in logical ways not emotional. Therefore, it becomes the task of sales people to convert logic to emotion.

To explain how a customer will realize greater profits, save time and energy, increase profits or any of the other things your customer is really interested in, product **features** and **functions** must be converted to customer **benefits**.

PRODUCTS HAVE FEATURES AND FUNCTIONS

Nearly fifty years ago, the 3M Company realized it needed to create a languaging system to help their sales people accomplish the task of converting logic to emotion. They created a three-step system in which sales people discussed **features**, **advantages** and **benefits**.

The **F.A.B.** system was taught to sales people around the world, and it significantly improved sales. Our experiences in selling intangible products (services) taught us that there may not always be an **advantage**, but there is always a **function** for each product feature. So, with only minor modification, the time proven techniques of converting **features** to **benefits** follows.

A **feature** is anything that tells how the product is made, packaged or put together. Features are often expressed as nouns. With most tangible products, a feature is a physical characteristic that answers customers' questions like "*What is it?*" or "*What are its parts?*" Each feature tells something about the contents of the product or how it is manufactured. A **feature** of a lawn mower could be that it has a blade brake clutch. A **feature** of a casement window might be that it has an anodized aluminum clad exterior.

As you can see, blade brake clutch and aluminum exterior don't really tell customers anything about what they do. Instead, they become the starting points of a presentation.

For each feature there is a "**function**." Functions are performance or design characteristics. It is the feature's function that answers customers' questions like "*What does it do?*" or "*Why is this important?*" Functions are often expressed as verbs, adverbs, or adjectives. The **function** of the lawn mower's blade brake clutch (**feature**) is to stop the blade from spinning without killing the engine each time you release the let go of the throttle bar. The **function** of an aluminum exterior (**feature**) is to assure wooden interior parts of the window are protected from weather.

Each function explains at least one understandable reason why the feature exists. Explaining the reason for each feature helps the customer understand that the product was engineered and not just thrown together. Functions give value to the existence of each feature.

FUNCTIONS LEAD TO CUSTOMER BENEFITS

Many salespeople mistake functions for benefits. These salespeople begin to rationalize that if they tell customers the function, surely they can see value in using the product. This assumption is only partially true. If customers were to think seriously about the function, they probably could figure out how they might benefit from it. Unfortunately, they seldom do this.

It is the salesperson's task to help the customer do this by moving onto the next part...the **benefit**. The lawn mower customer finally needs to hear that the blade brake clutch means that, once started, the person mowing can stop as many times as necessary to dump a grass clipping bag and not have to pull the starter rope when they return to mowing...over and over and over. And, all of this can be done safely because the blade is not spinning even though the engine is running.

The **benefit** of an anodized aluminum exterior (**feature**) is to assure that the wood is protected from weather and the aluminum surface is also protected (anodized) (**function**) which means that the window is virtually maintenance free. The homebuyer should not have to caulk or paint the window...ever.

The **benefit** of each product feature is a personalized value which answers the questions, "*What will it do for me?*" or "*What does this mean to customers?*" There's a benefit for each feature/function pair. By converting some of the cold, manufacturing or design terminology to "dollars and sense" language, you tell customers what they really want to hear..."What the darn thing does for me."

At first, some sales people think describing products in terms of features, functions and benefits is more complicated than it actually is. They believe that to prepare for a sales call, they must study each of these three items. However, **features and functions are always the same**. Once you have learned the primary features of your products and the functions that explain why those features exist, you can use them over and over each time you talk about that product.

The only thing which must be adapted for each customer is the benefit. Features and functions are easy to recognize. Often, product literature and advertising are loaded with features and functions. A few minutes spent quickly reviewing literature will generally produce five or six worthwhile features to discuss in sales presentation.

Only benefits require some personalized thinking about each customer. As you think about prior calls on customers and the records you have, you know some customers are most interested in hearing about the money they can save; other customers are more interested in convenience, etc. Most features and functions of a product or service can be converted to as many as five or six different benefits to match different customers. Your job is to identify and present the benefits of the product that you feel are the most relevant for each customer.

IT'S AS EASY AS F.F.B.

Until you are totally comfortable with constructing feature - function - benefit statements, here is a simple sentence template you can use. You can say:

"Because of...(feature) ...you will get (function)...which means...(benefit)."

All three parts tie together to build a logical statement showing value for the product. Talking in terms of benefits demonstrates your desire to assure the product is right for each customer. Probably the single most important question in the minds of most customers: *"What's in it for me?"* Benefit selling normally answers this question and reduces the number of objections the customer raises to get an answer to this question.

With all these powerful reasons for talking in terms of benefits, it's interesting that many salespeople only describe features and functions and never get to benefits. One reason is that it takes time to think of benefits. It takes creative thinking about the customers and their possible use of the product to come up with meaningful benefits. Other salespeople don't talk in terms of benefits because they think customers will find it silly for the salesperson to do customers' thinking for them.

Exactly the opposite is true. Customers expect you to show them how the product can be used and what can happen if they do use it. Unless you focus their thinking on all the nice things that will come from owning the product, they are likely instead to think of all the reasons why they can't afford it or don't need it.

By using benefits regularly, you get fewer objections, more sales, and fewer call backs. You also get customers who stick with your products. Customers who are truly convinced of the benefits of using your product or program are less likely to switch to others. Sales people find it fun to make presentations in which you truly solve problems for customer.

Show and tell...and they remember. Explain benefits...and they buy.

| Features | Functions | Benefits |
|-----------------|------------------|-----------------|
| | | |
| | | |
| | | |

| Features | Functions | Benefits |
|-----------------|------------------|-----------------|
| | | |
| | | |
| | | |

Understanding Customers' Objections

Many times when objections begin, it's an indication that customers have made a decision to buy and simply want an emotional win to walk away with. And, it's relatively easy to give them that important emotional victory.

Wouldn't it be wonderful if you could talk with every customer, tell them about your product, ask them to buy, and hear them say, "You bet, let's do it!" Actually, that does happen...but not often (about 19% of the time). There are times when presentations answer all the important questions, customers need the product or service and say so. Done deal...end of conversation.

However, because most of the time customers don't say, "I'll take it" and because sales people often incorrectly fear this means customers don't want the product or service, they do everything they can to prevent customers from raising objections. They plan airtight presentations, blast through it non-stop and ask lots of leading like, "Wouldn't you agree...?" hoping they can get to the end without hearing a single objection. The main problem with this approach is that although it may sometimes produce sales, but it often creates unhappy customers. They felt like they were **SOLD** rather than having a chance to **BUY**.

Other salespeople view resistance as beneficial and important parts of the selling process. They take advantage of these opportunities to encourage customers to state opinions. The absence of objections is a cause for concern for them. They understand that the best of all situations would be for customers to say, "I'll take it" and the second best is for customers to speak about questions and concerns. For them, the worst situation is when customers don't tell what they are thinking. These generally are the most successful salespeople.

Often when there are no objections; it means:

1. The customer has lost interest and has tuned out.
2. The customer has decided to buy, and the salesperson is missing buying signals.

In either case, not noticing and responding to the absence of objections, can cause salespeople waste time presenting things customers don't need or want to hear, or pass up opportunities to close the ready buyer.

Customers object or resist for many reasons. Sometimes, salespeople find themselves being needled or kidded because some customers want to see if the salesperson can be upset. This periodically happens to new salespeople. If it hasn't happened to you yet, it probably will.

Some customers are grumps and enjoy having someone to growl at. Their objections are often illogical and have nothing to do with the salesperson or the product. You could say, "It's a beautiful day" and they would say, "It's probably not going to last long" or "I've had more sunshine than I need."

Some customers have difficulty believing what you are saying because they either do not understand or have heard something different from someone else. This kind of objection or resistance is not difficult to handle, and in this chapter we will discuss skills to use.

There will be other times when customers offer **terms** objections. Terms objections are often questions in customers' minds even though they are not stated as questions. It might surprise you to know that in 60+% of the times customers who say, "No" they really mean, "I don't know." Handling terms objections requires more skills (which we will also discuss), but they make you a stronger salesperson in the process.

Objections Are Good For Your Sales Health

Objections build important listening skills. Salespeople who never handle objections are not really salespeople. They are order takers. Order takers are easily replaced and often not even needed. The most common conditions for having order takers rather than salespeople are: (1) the product is badly needed by many people and there are no alternatives, or (2) the price is so much lower than comparable products there is essentially no competition.

Salespeople are vitally important to their organizations because they help bring in the business that would not ordinarily "walk through the door." They develop curiosity, explain differences and ask for decisions.

Salespeople who seem comfortable and confident with customers did not gain that confidence by simply reading books about selling. They have made sales calls, run into many customers who objected to their thoughts and ideas. Sometimes they were able to handle the objections, sometimes they couldn't, but each time they became more skilled. This is a part of the natural growth process of becoming a professional. Becoming a poised professional in selling requires hard work, discipline and learning from both good and bad outcomes.

The "Cues And Clues" Of Customer Resistance

Second only to the research on improving sales presentations, handling customer resistance and objections is the most studied part of the sales process. Unfortunately, some studies are devoted to classifying various things customers say and then giving scripted replies for salespeople to say.

We differ from most sales training programs in that we teach sales people to *listen for understanding* rather than listening for customers' statements that fit into previously defined categories, and then using "canned" replies.

On the other hand, some of the patterned replies--*AFTER YOU HAVE LISTENED AND UNDERSTAND WHAT CUSTOMERS ARE REALLY TRYING TO TELL YOU*--are actually very good and have been used successfully for decades. So, we will show you the ones we like best.

Again, listening for understanding is the key to creating a sale that "feels right" to customers.

Following are the results of various research about objections. Some resistance and objections are expressed very directly, leaving no doubt the customer is not ready to buy.

When a customer says, "*No, I don't want any*" or "*Don't call me again*," it's probably time to back off. Objections and resistance can also be expressed in more subtle, disguised forms. Salespeople who are not sensitive to these cues and clues, and continue selling (*telling*), can turn buyers from positive to negative.

Sorting Customer Statements by Interest Level

One rather intensive study by Learning International concluded that virtually all statements by customers, which sales people infer as resistance to purchasing, could be grouped in three broad categories:

SKEPTICISM

MISUNDERSTANDING

DRAWBACK

Skepticism is a statement by the customer challenging what the sales person has presented as "fact." **Customers simply don't believe the information.** When this happens, it generally is the result of one of two things. The sales person did not clearly identify the needs/concerns of the customer before launching the presentation...or...the sales person didn't support claims with visual aids.

Misunderstanding, as we define it here, comes about when customers listen to the sales person's presentation and **conclude they can do without** what is being offered or think they can buy something elsewhere (for less) which will do the job just as well.

Drawback is the most serious of the three. In this situation, customers correctly understand the presentation but **have strong evidence the sales person is incorrect** or that buying (as presented) will create a problem. In these situations, customers have much information and can factually refute claims of the sales person.

Resistance May Not Be Objections

In another study, actually a survey conducted by members of the **National Society of Sales Training Executives**, sales people were asked to name things customers do or say that they interpret as indications of lack of desire to buy. There were nine categories.

The first five are the most common and usually represent general sales resistance, not a particular objection to you, your product, or company. They often are a kind of built-in wariness or defensiveness that customers have learned, sometimes because of previous negative experiences with sales people and often, because most people are justifiably conservative about parting company with their money:

1. **Mistaken or Misinformed Resistance.** Customers feed back incorrect facts or figures about your company or product they have heard from someone else. The customer might say, "*Well, that sounds good, but I heard...*" Bad news spreads quickly. This is an example of a situation in which an unhappy customer of your company is "spreading the word" that buying from you is not a good idea.
2. **Disinterest** Customers may say things like, "*I don't think we need any at this time...I'm satisfied with my current supplier...I like the way I'm doing it now.*" Potential problem: the salesperson didn't find enough issues to address to show that changing suppliers or products is worth the hassle. Another potential: the competitor's product or program is actually better than yours. Important to find out which is the case.
3. **Disagreement** Customers may say things that suggest they don't believe your claims about the product or service. You might hear, "*Well, I've been in business for 30 years. My current product also has XYZ and I haven't seen that kind of...*" Likely problem: sales person did not cover benefits and instead talked too much about features.
4. **Doubt** Customers are not necessarily disagreeing based on experience or other facts, but are simply not convinced that all you have promised will come true, and might say something like, "*Well that sounds good as far as your research goes, but just because it works at the research lab doesn't mean I would get the same results.*" Generally one of two things: your product is truly new and you need innovative customers to be the first to try it. More likely, the examples you gave of customers currently enjoying the product were not similar enough to this customer's operation.
5. **Prejudiced Resistance.** Customers will offer a reason other than product performance for not considering buying from your company, and might say something like, "*Well, four years ago I was going to buy from your company and was told you weren't interested in my small order*"...or..."*I wanted to buy from you two years ago, but I couldn't get any credit.*" The customer has had a bad experience of some kind in the past that has caused a prejudiced opinion about your company or product. It would be good if all of us could take a "that was then, this is now attitude." However, peoples' feelings get hurt, errors happen which don't get properly resolved. Remember: you didn't do it, and nothing can change what happened five years ago. Listen intently.

As you look at these five kinds of sales resistance, you will discover they have something in common: (1) customer has not been thoroughly convinced your product will work best, or (2) have a lingering concern. Most customers are somewhat resistant to making changes, but they become very resistant when salespeople have not offered enough convincing information or have not presented it effectively.

The survey reported three more expressions of resistance that have little to do with the salesperson or the product.

1. **Silence** Throughout your presentation, customers say little or nothing, giving you little information about what they think or feel about your products or services. *Obvious potential problem: the sales person is doing too much "tell" selling, not enough customer involvement.*
2. **The Put-Off** Customers say things like, "*Sounds good, but I'd like to think about it...I'm not quite sure yet; maybe we can talk about this next week...I'll think it over...Well, maybe I'll pick some up the next time I'm in.*" **Later in this chapter, you will learn that statements of this type are also known as "stalls."** Stalls are the second most common category of objection. When customers make statements of this type, they are often struggling with the weight of making a decision.
3. **Fictitious Resistance.** Customers offer a statement (probably not true) indicating no need for what you are describing. The customer might say, "*Well, your product sounds good, but we're thinking of just getting out of this business.*" Or, "*What do think about those Tigers (sports team) this year?*" Sometimes the intensity of the presentation and/or the size of decision are a bit too much for customers. They need to take a "mental break." Listening skills are the medicine needed. Use a good door opener followed by attentive silence and non-committal replies. Customers soon return to the discussion "mentally rested."

The final of the nine categories of resistance and objections cataloged by The National Society of Sales Training Executives was:

The "Terms" Objection. Customers state they like your product but complain that the price is too high or the day on which you deliver products is not convenient or they would like to use it but in a different size than you have available. Customers who say these things are interested but have serious and legitimate questions that need to be resolved.

Notice the obvious parallels between the first five on the NSSTE list with the three from Learning International (Skepticism, Misunderstanding and Drawback).

Silence, The Put-Off and Fictitious Resistance are clearly additions, but the other six seem to be similar...just different titles.

The PerCon Big Four Customer Objections

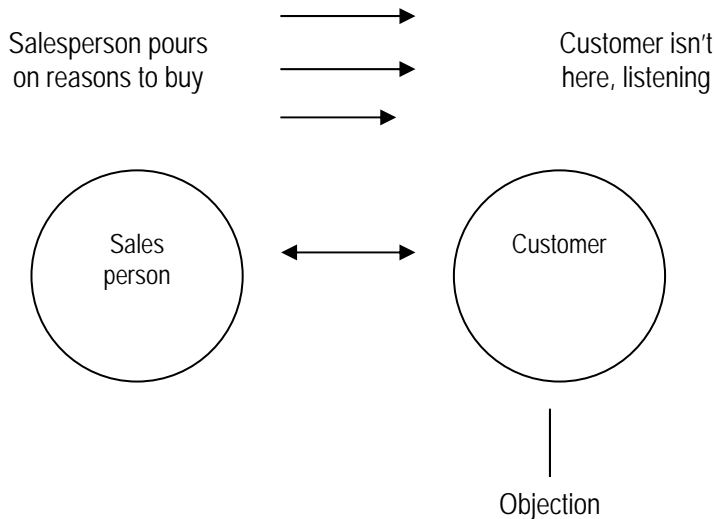
After looking at all the research and combining it with our own surveys, we think there are four frequently occurring objections to which sales people should pay particular attention. After you have read the following descriptions, we think you will find that many of the types of resistance listed by other studies (**Disinterest, Disagreement, Doubt, Mistaken/ Misinformed, and Terms**) can be regrouped into one big category of our Big Four and will be named **Problems/Questions (or if you prefer, challenges)**. Others on the lists above, we think, are less related to the actual sales situation and more to other issues (i.e. **Silence, Fictitious Resistance, and Stalls**) so we have moved them to a category we call "*attempts to delay the decision*". Finally, we will add two new ones that are important because they often indicate a desire to buy but an inability to say so...we call them **Conditions** and **Buying Signals**.

With that in mind, let's look at the **Big Four** Objections, what they mean, and how to handle them. The names we have given them are:

Conditions
Buying Signals
Stalls
Problems, Questions, Challenges--price being one of them

Objections Are the Crossroads of Selling

Salespeople sometimes race past customers' objections, pouring on very good and valuable facts about products or services, only to have those facts unheard. When customers raise objections, they no longer are listening, but instead want to be listened to. Following is an illustration of what can happen:



At the first sign of an objection or resistance, either verbal or non-verbal, call a halt to the presentation and mind set what is on the customer's mind.

As you will soon learn, each of these categories presents a unique challenge to sales people, first to thoroughly understanding the true nature of the objection, and then to handle it appropriately - to save the immediate sale if possible and, in any event, to preserve the long term customer relationship.

Here then are tips on handling the four most common objections...according to our simplified list.

Conditions

Without sounding trite, there are really only two kinds of objections...those that you can handle and those that you can't. The "condition" is unique because when customers raise "conditions," salespeople hear something that may stop the sale...today...and perhaps permanently.

The task of salespeople is to find out whether the challenge is temporary or permanent. For example, you might have been calling on a prospective client for quite some time and may have discussed a near term purchase. You arrive with plans to ask for an order and hear, "Sorry, I've been transferred. Someone else will be taking my place next week." There probably won't be a purchase today, but it doesn't mean there will never be a purchase.

However, a more common way in which the "condition" objection is raised is when customers indicate another party must be involved in the decision. They are attempting to delay the decision. For example, customers may say:

"I like what you have told me, but I would like to discuss this with another person in my company. I should have an answer by tomorrow."

Because customers say things like: "I like...I appreciate...Sounds great..." this category of objections is sometimes called "BE NICE" or "FEEL GOOD" objection. In retail stores, it is sometimes called "THE FEMALE OBJECTION" because female customers frequently say, "I really like it, but I'll need to talk to my husband."

Many Sales People Courteously Offer To Call Back Tomorrow. Don't...Yet.

Ask yourself some common sense questions.

- ◆ If this other person has questions, who will provide the factual answers?
- ◆ If this other person asks the person to whom you have been talking what he or she really thinks of your offer, do you know what your contact will say?
- ◆ What information would be most convincing to this other person? Does your contact have it?
- ◆ ***Should you ever count on someone else to sell your product or service for you?***

Here are three things we think you should do before leaving and/or agreeing to call back to hear of the decision:

1. Find out the opinion of your contact about your proposal.
2. Ask what the "other person" will likely want to see or hear.
3. Ask if you can meet the "other person" to answer questions.

Don't accept for face value that when customers say, "*I really like your proposal*" that they actually do. Many customers are kind. They don't want to say hurtful things to salespeople, so they say "nice" things:

"You have been so helpful"
"I have heard lots of good things about your product"
"I am impressed with what you have told me."

Then they introduce the idea that a third party must make the decision. That way, if the decision is not to buy, the "blame" rests with the mysterious third party.

Sometimes, the things customers say are exactly what they think. They **do** like your product, there **is** a third party who must be included in the purchase decision and they **must** take information to that person. Save yourself and your customer some time by finding out their true opinion:

"Mr. or Ms. Customer, I am pleased that you like my proposal.
I would appreciate knowing what I have told you that you like?"

If your customer names two or three things that were impressive, you probably will make the sale.

Always ask if you can meet with the other person. Promise to live by any rules your contacts establish, but, ask. What's the worst reply you can get? Does it hurt to ask?

Don't Ever Believe Someone Else Will Sell Your Product Or Service For You!

Stalls

The stall is sometimes an attempt by customers to see if you will "hold 'em or fold 'em." These customers have learned that saying, "*I'll think it over*" causes inexperienced or insincere sales people to give up and say, "*Well, okay. I'll be back in a couple of weeks, and maybe we can talk about it then.*" If the customer actually needs the product or service, an order may be placed...with your competitor...before you return.

For most customers, however, the stall is an indication that "deciding" is the problem. The Stall most often occurs as the sales interview approaches the close, and customers senses a decision must be made. There may not be a single issue weighing on customers' minds. They may simply be emotionally overloaded and in need of "talking it through."

When customers stall, say something like this:

"Mr. (or Ms.) Customer, I'm sure there may a number of things you may need to think over carefully. But, just for my own information, (or so that I can understand), what would you say is the main thing you feel you should think over (or what questions do you have)?"

Obviously, this is a patterned response, but it is a good one. It incorporates many good principles... empathy, a plea for them to help you understand and an open probe question...all nicely combined into one sentence.

Look at the elements separately.

- ◆ First, empathy. When you tell customers you realize it is a big decision to buy, it should be an honest expression of your understanding of the psychology of buying. **Saying something like, "I realize this is a big decision" is generally accurate.** And, without endorsing the position of the customer, you are implying you at least can empathize with the weight of the decision.
- ◆ Second, when you say, *"So that I can understand... or...for my information"* you are using an important communication tool...a plea to the customer to **inform you** rather than defend a position.
- ◆ Finally, when you say something like, *"What would you say is the main thing you need to think over...or...what questions do you have?"* you are gently bringing the concern into the discussion arena.

Unfortunately, salespeople sometimes don't understand the importance of the first two parts of the statement: (1) where empathy is offered and (2) there is a gentle request for the customer to educate the salesperson, they come across as pushy. They say, *"What questions do you have?"* **OR WORSE YET "What do you need to think about?"** Without the two "softening" parts, the questions make customers feel interrogated...needing to defend themselves.

In many cases, customers will tell you the concern bothering them. In other cases, their answers might be something similar to:

"I don't have a question. I understand what you're offering, but I just don't make decisions this big this fast. I want to go over the proposal before signing."

When customers say something like that, **back off!**

Even though you may know that deadlines are near or inventory is short, don't say things like, *"Well, just remember that if we don't get the order placed by the 15th, we may not be able to get the discount."* It sounds like desperation and often causes customers to be more skeptical. Instead, we prefer that you say something like:

"Mr. or Ms. Customer, I don't want you to make a decision you aren't comfortable with. Our company has been around a long time, and we think we have a great track record of not pushing people. Take the time you need. But, may I check back with you tomorrow morning or tomorrow afternoon?"

One of the most important principles of selling is:

The person who actually has (or makes it appear that he has) the most time
always has power.

Even though you would like to close this sale today, don't reduce your chances by appearing to pressure the customer. Even if you don't close on this call, at least you will know what to prepare for on the next call.

There is one other very frustrating level of *the stall*. Perhaps it should have a name of its own--the *"Come back."* In this situation, customers are either having extreme difficulty making decisions or they can't bring themselves to tell you they have decided not to buy. In either circumstance, *you truly can't afford to "come back" repeatedly.* The cost of making sales calls is just too high.

For the sake of your productivity, and perhaps to ease the burden on customers, it is wise to get enough information to decide whether to come back or move on. This can be done by asking an assertive but fair question like:

Mr. Customer, I would be very happy to come back next month, but please let me ask you a question. I have worked pretty hard on my proposals and have come back a couple of times already. I don't know if I am any closer to working with you than I was on my first visit. If you were to rate the possibility that I might be able to supply you needs on this product, on a scale of 1-10 with 10 being a lead pipe cinch, how would you rate it?"

Does that seem too assertive to you? If so, you can tone it down a bit. But, until someone says something about the situation, chances are good it will continue.

Buying Signals

Buying signals often sound like indications customers don't want to buy. Customers say things like,

*"I hadn't planned on paying quite that much"
"I wasn't planning to order quite this early."*

Notice the customer **didn't** say, "I won't pay that much" or "I won't order this early." When customers speak in past tense..."I hadn't"..."I wasn't," it is often an indication they want to buy.

Purchase decisions are tough. Customers, at the point of purchase, tend to worry about whether or not they are making a correct decision and/or whether they may be missing out on a better offer from your competitor. About 80% of your customers honestly need help to make that tough decision--to sign, to buy.

This concern often comes across as a **Buying Signal**. They are called Buying Signals because the statements are being spoken in **past tense**. Research has shown that even though customers may not consciously use past tense phrases to indicate their decisions are actually made, statements in past tense often mean the customer has made the decision and wants another person to endorse the action.

Give needed support by pausing, and think a bit before replying (a good tip for any kind of sales resistance), then offer customers some assurance in I-Language form by saying something like:

"Mr. or Ms. Customer, I'm sure you'll be glad you got your order placed so the merchandise will be here, ready to go, when you need it. Wouldn't you agree?"

"I'm sure you'll be happy you got the extra quality you want instead of taking a chance on something not as well designed. Doesn't that make sense?"

Some would classify the above statements as manipulative or leading. However, in this case, they are intended to put a positive outcome before the customer. You are stating a reason for going ahead with a decision that often has likely been made and followed with a question seeking agreement.

Wait for a reaction. Sometimes you'll hear, "You're right." If not, you will likely hear, "No, I think...." In either event, you will have helped your customer think through the decision.

Getting a commitment to purchase almost always requires that you ask a question. Therefore, to say, **"I think you will be happy you...."** without a following question like, **"Doesn't that make sense?"** may give assurance but not get the customer's commitment to buy. **Always** ask a question after offering assurance.

Problems and Questions

Problems. Just as the word implies, these are legitimate concerns customers have about your product - even if they're very interested in it. The problem in customers' minds may have to do with the basic product itself and whether it will do the job, the price of the product in relation to its value, the timing of a purchasing decision, the delivery and application or installation of the product, program, or service. The point is that these are genuine concerns of customers and must be thoroughly understood and responded to by the salespeople.

Questions. Even though customers may not ask a question directly, many objections are raised because of unanswered questions in their minds. They may really be questioning whether the price is competitive, the quality is as good as claimed, the warranty a good one, the company trustworthy. These are questions you must answer before there will be readiness to hear more from you or to make a buying decision.

Converting Problems and Questions to Opportunities

There are generally two things that prevent salespeople from effectively managing objections.

- ◆ Failing to understand why the customer raised the objection in the first place.
- ◆ Not having adequate facts to answer the question once they understand it.

Being thoroughly knowledgeable of your products or service is the best way to avoid the second problem. The first problem often results from a failure to use good listening skills.

Following are four steps, when used in conjunction with listening and I-Language skills can help sales people deal with most legitimate problems/questions and transform them into selling opportunities.

Step 1. Encourage and Listen

Encourage the customer to talk while you listen carefully to the objection or resistance.

Step 2. Understand and Isolate

Search for the true problem or help the customer put his thoughts into the form of a question that really gets to the core of the concern.

Step 3. Accept and Convert

Accept the customer's statements as true and legitimate for him or her and set the stage for responding to the problem.

Step 4. Consult and Resolve

Offer a possible solution to the objection using feature, function and benefit statements that respond to the problem as it has been defined.

Now, let's look in much more detail at how to put these steps into action with customers who raise problem or question objections.

Step 1 - Encourage the Customer to Talk

As we have previously mentioned, customers often express an objection in terms that seem clear and direct (e.g. "Your price is too high!"). Other expressions of sales resistance or objections, however, can be non-verbal--as you are talking, customers sometimes shake their heads "no," wrinkle their brow, or in some other way indicate they do not agree with (or understand) what you are saying.

Regardless of the form these messages take, salespeople should stop selling immediately and make a statement reflecting what seems to be saying either verbally or non-verbally. Here are some examples:

"Mrs. Parnell, it looks like you have some doubts about what I'm saying."

"Sam, you seem to have some feelings about this."

"You look puzzled, Fred. I'd like to know what you're thinking."

"You like our product, but there seem to be some questions in your mind."

These statements bring to the surface rather quickly what is on customers' minds. This is especially true when customers' objections are directly expressed.

Customers, however, are often uncertain how you will react to their statements; they may not want you to know the depth of their thinking, so they sometimes code their message. If you're paying attention, you will be able to pick up their concerns by listening carefully to what they say with spoken words and with their "body language."

If you catch the coded message, feed back what you think they're really trying to tell you, and you will find they're often willing to tell you more. Even if you miss the coded message, customers will usually clarify or restate their concern, giving you another listening opportunity.

Customers seem to respond the I-Language particularly well. In trying to find why, we have learned some interesting things. First, customers feel more comfortable in sales situations where salespeople position themselves as an individual rather than a representative of a big company. Compare these two statements:

"It would be helpful to me to know a little more about what you are thinking."

"Why do you think our prices are too high?"

In the first example, the feeling is one of two people discussing an issue. In the second, the customer is being asked to defend a position.

As early as 1934 in one of the first formal sales training programs (The Dale Carnegie program), students were taught to say, "***I'm sure you would have reasons for saying that. Would you mind sharing them with me?***" Statements structured around the words "I" and "me" feel less threatening to customers.

I would appreciate hearing more about what you are thinking."

"It would be helpful to me to hear a little more about your concern."

"So that I can understand, would you tell me a bit more?"

These techniques are especially helpful when the issue is price. When customers say, "*Your price is too high,*" salespeople need to remember that price often is not the issue, but can quickly become the issue when confrontive responses are used.

Sales people sometimes say **REALLY DUMB** things in reply to, "*Your price is too high*" like:

"How much too high are we?"

"Compared to what (or who)?"

Can you feel how confrontive those statements sound? More importantly, do you see how they quickly force the discussion to money? What if the customer was simply seeking more information on price/value issues? We will discuss price objections in depth at end of this chapter, but, for now, hold on to the idea that price objections are simply another form of question and should be handled with I-Language and good listening.

The Open Question Technique

Another approach to finding out what's on customers' minds is to ask an "open question. An open question is one that cannot be answered "yes" or "no." It asks for an open response in a specific area or subject (e.g. "How do you feel about the characteristics of the newer products?"). It gives an opportunity to say anything...good or bad. Only by giving customers maximum freedom of expression will salespeople learn what customers are really objecting to.

Sometimes salespeople ask a good open question and then defeat it by tacking on a "closed question" behind it. A closed question is one customers can only answer yes or no. When the two questions are combined, generally customers will only answer the second question.

Here is an example:

"Sam, what do you think about the program I've just outlined. Does it sound like a good one?"

If the second question had been left off, we might have discovered many things the customer was thinking. By adding the second question, we will probably only obtain a "yes" or "no." Even a "yes" from the customer does not assure he will buy. He may think you have a good program, but still have questions.

Once an open question has been asked, you must convey to customers through words and actions that they can have as much time to talk as needed, and that you are interested in whatever they say. The skills of attentive silence and simple acknowledgments help create that accepting atmosphere.

The open question can help salespeople gain useful information if customers are willing to give it. The more salespeople (and customers) know about the true nature of the objection, the better the solution possibilities. On the other hand, if customers don't trust the salesperson's intention in asking the open question or if the question seems too intrusive, defensiveness may result.

Salespeople who ask open questions can follow right up by listening to customers' responses. Both are gathering information about the objection or resistance. Actually the open question only serves as a communication "starter." People want their words and feelings understood. This is especially true of resistant customers. Using listening skills does this by saying to a person through actions:

1. I am listening to you (both verbally and non-verbally).
2. I want to understand you.
3. I can accept what you are feeling

Salespeople often ask, "*Can't customers respond to my reflection with a simply "yes" or "no?"* Of course they can, but, the yes/no responses are rather unusual. Since people want to be understood, the response to a reflection is usually, "*Yes, because...*" or "*No, because...*"

Active Listening is, psychologically, less threatening than an open question and considerably less threatening than a string of closed questions that pin customers down.

Don't Ignore Customers' Negative Feelings

Another issue to remember when listening to customers is that they sometimes combine positive and negative statements when they express an objection.

For example:

"Well it sure looks nice, but I just don't know,"

OR

"I'm sure it's a good product, but that's a lot of money."

When this occurs, respond to **both** types of feelings.

Some sales training programs teach the salesperson to ignore the negative and emphasize only the positive part. That kind of selective listening runs the risk of sounding manipulative to customers. This could reduce communication and produce feelings of mistrust and defensiveness.

Example:

C: I'm sure it's a good product, but that's a lot of money.

Manipulative Listening Response:

S: So you're sure convinced it's a good product, that's how you're really feeling, right?

C: Yeah, but maybe you didn't hear me. That price just seems out of line!

Non-Manipulative Listening Response:

S: You seem comfortable with the quality of our product, but are also concerned about the price.

C: That's right. Are there some quantity discounts or other ways I can cut down my costs?

S: Certainly. We have a quantity discount schedule that...

True, there is some risk that lengthy listening to a criticism of your product might keep that objection alive in the customer's mind. On the other hand, by acknowledging the customer's objection you have a chance to resolve it and, perhaps more importantly, you stand to gain the trust of your customer as a sincere and genuine listener.

Step 2 - Reach an Understanding

Every customer should wear a badge saying, *"I know you think you understand what I just said, but I'm not sure that what you heard is what I meant."*

Such a badge would help remind salespeople to check out the accuracy of their understanding of the real problem or question that underlies customer objections. If this step is skipped, salespeople risk proposing a great solution to the wrong problem...and alienating the customer in the process.

Feedback is your best tool for gaining this understanding. After the customer has seemingly finished expressing his objection, say something like,

"Before I respond, let me make sure I understand what you mean. Is it...?"

Once you have heard and understand what customers really mean by the objection or resistance to a question, you have established a solid foundation for offering a solution. Here are some examples:

"In other words, John, you want to know if we will be able to deliver our products when you need them. Is that question?"

"You're wondering if we have evidence to back up our claims for better performance of this product?"

"It sounds like you wonder if we can work out a plan for you to buy our products and still be able to pay for them. Am I right?"

Don't use the word "objection" in the question or statement you create. Refer to it as a "question" or "an interesting point."

When you really hear customers and then convert their objections to questions, you do something very important. Instead of proving them wrong or making them feel they don't know as much as they should, you demonstrate acceptance and help them feel that the information you're about to give will be on target.

Sometimes, you will not be able to answer their questions. When this is the case you must be honest. Say, "***You have raised an important issue (or good point), and I will need to check into it further before I can be certain my information is correct.***"

This step is so important because it stops misinterpretations on the part of sales people. Here's an example:

C: I have looked at your product and a competitor's, and they seem virtually identical except that your price is higher."

S: So, you don't seem to have a problem with the quality of product meeting your needs, but are wondering if there is something about our product which might justify its higher price. Is that correct?"

C: No, that's not it. I would like to have your product service and warranty features, but have a budget problem, and think I will run into a cost overrun on this project if I buy yours."

In this example, the customer is looking for a way to buy from you. The feedback question saved the sales person from getting into an unneeded comparison of features.

Step 3 - Show Empathy

Once you have a clear understanding of the customer's objection -isolated it and precisely defined it - you next want to express a genuine acceptance of the problem as real and legitimate for the customer. This doesn't mean you necessarily agree with the problem...but you do accept it. So, you can now say something like ***"I can certainly see why you feel that way..."***OR ***"There's a lot to be said for your viewpoint and..."***OR ***"You've raised an important point..."***

You can also express your by citing examples of other customers who experienced similar concerns. These must, of course, be genuine examples.

And finally, you can set the stage for presenting how those similar customers satisfactorily resolved their problems, or got an answer to their question. Following is an example of a technique developed by the Illinois Bell Telephone Company (later SBC, now AT&T) to help its salespeople gently reassure customers. It is called The ***Feel/Felt/Found Formula***.

"Mrs. Johnson, I can understand how you would feel that way. Many of the customers that I call on have felt the same way. So, we began to look at ways they could continue to buy the product and maintain adequate inventory levels. Here is what we found."

Notice the words **feel, felt, and found** in the above sentence? Let's break the sentence down carefully.

The first part of the sentence says, " *I can understand (and accept) how you would feel that way*" but it does not say, " *I agree with you.*" It recognizes that people have concerns and feelings that are important and legitimate to them.

The next part of the statement says, "...have **felt** the same way." Notice two things about using the word "felt." First, felt is past tense, indicating others may have felt that way at one time, but they do not feel that way today. It also implies that the feelings of this customer are not strange or unusual. Other customers agree or have agreed. Customer probably know this, but appreciates hearing it from you.

The most important part is the last part... " *Here's what we found*." In essence, you have told the customer that others have found answers to the problem. Again, this does not prove customers wrong; it simply suggests that there is other information they should be aware of.

Here are other variations of the acceptance and conversion formula:

"I know how you feel; I wondered the same thing myself until I learned that..."

"I believe I see how that would bother you. Everyone who has ever made this decision has worried about the same things. But, when we looked at it carefully, here's what we came up with."

"That very problem bothered us right here in the store until..."

"I'm glad you raised that point. My last customer mentioned the same thing. I know it helped when I let him know..."

"That is an excellent question. Many people don't notice that, but those who have usually resolved that problem by..."

You are now in a position to convert the objection to a new selling opportunity by offering an example of at least one customer you work with who has solved the problem mentioned in the objection. To repeat an important earlier point, you must be prepared with actual case examples, so begin cataloguing them now if you can't draw them from memory. The risks of describing fictitious situations need no elaboration.

Step 4 - Offer A Solution

Now you are in a position to present possible solutions. Be sure to tie customer benefits to the answers you provide. This is especially important when responding to an objection since the customer may be thinking about negative factors while listening to you extol product features. " *Yeah, that's nice, but it probably costs more than it's worth.*"

Present a combination of old features with newly revealed benefits or additional features, functions, and benefits that either eliminate the negative factor completely or more than compensate for it.

Answer the question at hand and stop. Don't inundate the customer or confuse the issue by continuing into other areas that you think might "nail it down."

Also don't make customers lose face by asking, " *Have I answered your objection completely?*" This is like asking them to admit they were wrong. They'll probably pile on another objection just to save face. If you want to test your effectiveness in answering, say something like, " *Now, were there any other reasons why you felt this way?*" Again, avoid using the word "objection."

You might be thinking, " *Couldn't I just skip all the I-Language, feedback stuff and answer customers' questions? Why not just skip to Step 4?*" Prescribing medication without a diagnosis is called malpractice.

Giving an answer before you know for sure the question is a form of sales malpractice. In addition, customers gain assurance that you actually understand them and their concerns when you provide them with ample opportunity to talk to you. Their concerns become personal rather than fitting into some category.

An Instant Review Of Price Objections Facts

At The Conclusion of Your Presentation

- 19% will buy with no objections
- 20% will attempt to delay the decision

61% will objection in some way to price

44% have some kind of uncertainty. Is your product worth the difference? If I pay more, will I actually receive more? Do I really need all the feature of this product? Or they are playing with you.

17% MEAN IT. They are going to buy from whoever has the lowest price...regardless of service.

Why People Object to Price

1. They think your product is not worth what you're asking...another one is a better value.
2. They like your product but simply don't think they can afford it.
3. They want to see if you will take less...they're haggling.
4. Price isn't the issue. It's just a good way to end the presentation.

Things To Remember About Price Objections

1. Price is always a consideration...But often is not the final determining factor
Many customers will pay more if _____
2. Price is simply the tie breaker. When customers consider all other factors essentially equal, price will win every time
3. Your price will often be higher...but, your price is not too high

There Are Two Incredibly Dumb Things
Salespeople Often Say When They Hear,
"Your Price Is Too High!"

"HOW MUCH TOO HIGH ARE WE?"

"COMPARED TO WHAT?"

Price is only one decisions

There are five progressive decisions customers make before they buy.

1. I **need** this product or one like it.
2. This particular **product** is one that will do what I want.
3. The company and the sales person appear to be a **source** I can trust.
4. The **price** seems fair in relation to the value I will receive.
5. Now is the **time** to commit this purchase.

If customers have not made all five decisions, the sale generally won't happen. It's your task to uncover which of these five buying decisions has not been made and help them make it.

Even though price is only one of the five buying decisions customers must make, it is the one many salespeople hear most.

Clearly, if you quote a price for a product the customer has never previously seen or heard about, it would be difficult for them to say, "Your price is too high." and have a basis for comparison. In the majority of cases, when customers say, "*Your price is too high,*" they are saying it is too high in comparison to something else--to some past buying experience, competitive quote or budget restriction.

Probably in the last six months, you have purchased something for which you could have paid less someplace else. Maybe you bought a major appliance for your home knowing you could have purchased an identical product for less in a bigger city or from a discount appliance store. Yet, you bought the appliance, paid the higher price and were happy to do it.

There were probably many reasons why you did this, but among them would be such things as the availability of service, the confidence you had in a hometown dealer, or perhaps the desire to avoid the inconvenience of driving to another city. In other words, there was value in buying the product at a higher price. Value, in this example, is another word for benefit. When teaching the skills of converting product feature to benefits, we stress how important benefits are to helping customers see personal value in the product or service.

Sometimes when customers say, "*Your price is too high,*" they are not comparing apples with apples. For example, they may say your product is higher priced than a competitor. Yet, when you help them compare all the factors of your total offer, they may find a positive difference in value.

Nothing is free. It costs money to have delayed payment terms, trained delivery people, well-maintained delivery trucks, and a full inventory for immediate delivery. There often is a difference in the formulation of your products and those of competitors.

Similar differences can exist in such things as brand name products carried by different suppliers. Even though they are the same formulation or design, there is almost always a difference in value when other factors are considered.

Regardless of potential questions in customers' minds, price is the most frequently raised objection. In fact customers, will say, "*You price is too high!*" when price isn't the issue. Raising a price objection is an easy way to end a sales presentation. Customers have learned they get many sales people to leave by just clinging the price.

Some customers don't like to say that price isn't the issue. None of us is good enough to sell everybody. Some customers you meet will not like you, and rather than say so, they "nice" themselves out of the presentation by saying things like, "*I really appreciate the information. You have been very helpful. But, your price is just too high.*"

Ultimately, price is only a tiebreaker. If customers have not seen or heard something powerful enough to change, price will become the deciding factor. Here's a statement worth remembering:

Price is almost always an issue, but often not the final determining factor.

Customers will pay more for products when they perceive they are getting more.

Handling Price Objections

When customers raises price objections, use the same four step process discussed earlier for dealing with **Problems and Questions**.

However, the use of **I** and **ME** phrases is particularly important when price is the issue. In one large study of highly successful salespeople, it was noticed that their most frequent initial statements after hearing, "*Your price is too high*" contained **I** and **ME** phrases, and it worked. Here's why.

Customers who are considering purchasing, arrive at a mental place of trust with the salesperson. They have answered lots of questions, listened to claims make by the salesperson and are know they are about to be asked to hand over money. At this stage of the sale, customers often **don't mind talking to the salesperson** about concerns. But, they **don't want to defending themselves to a company**.

Perhaps more importantly, using **I** and **ME** statements avoids "putting money on the table." When salespeople respond to price objections by saying one the two confrontive replies, "*How much too high are we?*" **OR** "*Compared to what?*" customers almost always start working to drive the price down.

Two good reasons--same result. You're likely to find out if there truly is a price concern...or if customers are "just playing."

Often, if you are patient and listen well, you will hear (in subtle ways) customers answer the nagging question in your mind, "*If price were not an issue, from whom would rather buy?*"

Step 1 **ALWAYS BEGIN WITH A MINDSET THAT SAYS,** "*What would I say if I knew for sure that the customer was just kidding, trying to see if I will bite the hook?*"

Use I-Language to find out what the customers really mean when they say, "*Your price is too high*" and then listen very carefully. Because price is so often used when it is not the issue, *some customers react tersely to attempts to get more information*.

For example, you might say:

"I would appreciate more information about what you're thinking."

The customer might respond by saying, "*How much information do you need? I said your price is too high. Can't you figure that out?*"

You can generally calm the situation by saying, "*I didn't know if it was a problem of value or a budget issue, and I didn't want to give you the wrong information.*"

Step 2 Convert the objection into a question--same skill as described in **PROBLEM & QUESTIONS**--but **BE CAREFUL NOT TO SET UP A QUESTION THAT LEAVES MONEY ON THE TABLE**.

"If I understand you, you think brand X has about the same formula we do, and you're wondering if I will match their quote?"

Today's customer will seldom accept a price match. The amount you reduce your price to match a competitor's quote will be gone forever. Your challenge now will be to stop a bidding war as the customer takes your price match back to the competitor.

Step 3 If customers agree (and in many cases they will) that you have hit the real question, now is the time to thank them for telling you the real concern. Be cautious about saying, *"No problem!"*

Although it may sound like reassurance to you, it may be interpreted by customers as an insult... as in, *"You thought that was a concern? How silly of you. We have heard that dozens of times, and we already have everything figured out."* A sincere, *"I appreciate you telling me that"* has less risk of offending.

Step 4 Describe the key features of your product or program and offer clear-cut benefits.

Sometimes quoting in smaller units helps

Sometimes customers object to price because you have not presented the price in units that are relevant and understandable to the customer. For example, if you quote the price of chemical fertilizer to farmers in dollars per container or ton, they may be spooked because of the sheer size of the dollar amount.

Yet, when you point out price per bushel, it can seem very reasonable. A bottle of costly medication may break down to only 2¢ per dose, a copy machine might break down to only 1¢ per page, etc.

By breaking the price down into smaller units, you are indirectly showing customers the connection between price and size of their operations. If they had a much smaller operation, the total bill would be less. Customers are rational enough to realize that the bigger the need, the more it takes to fill it. Size and dollar amounts go hand in hand.

In summary, successfully handling price objections or any other kind of objection is a function of experience. The first time you run into serious price objections, you may blow it. In fact, you may blow it several times before the skills we've described in this article begin to work consistently for you.

No amount of preparation will tell you precisely how to handle each objection, but the keys to handling the objections you will hear most often in your selling career are now in your possession:

- ◆ Probe indications of resistance or objections.
- ◆ Convert objections to questions if the customer doesn't do it for you.
- ◆ Find a point of agreement...show acceptance.
- ◆ Be prepared to answer the question and show values (or benefits) off-setting the objection.

Handling objections may not, at first, seem like fun to you. However, with experience, you will find converting customers' questions to sales is actually the most rewarding part of selling. This is what makes your work valuable. This is what proves a telephone clerk in some far away city will not replace you. You're the person who can look customers in the eye and help them realize they need your product.

“Big 4 Objections” Cheat Sheet

| CUSTOMER STATEMENT | POTENTIAL REPLY |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p style="text-align: center;">CONDITION</p> <p>I like it, but I’ll need to check with my brother...the lender...the guy who owns the place</p> | <ol style="list-style-type: none"> 1. What do you like about it? 2. What will he want to know? 3. Can I visit with him? |
| <p style="text-align: center;">STALLS</p> <p>Let me think about it.</p> <p>I’ll get back to you.</p> <p>Check with me next month.</p> | <ol style="list-style-type: none"> 1. I’m sure there are things to consider 2. but for my information 3. what question do you have? what do you want to consider more carefully? |
| <p style="text-align: center;">BUYING SIGNAL</p> <p>I hadn’t planned on paying that much</p> <p>I wasn’t thinking of ordering this early.</p> | <ol style="list-style-type: none"> 1. I think you’ll be happy you got _____. 2. Wouldn’t you agree? |
| <p style="text-align: center;">TERMS</p> <p>Your price is too high</p> <p>and other Problems and Questions</p> | <ol style="list-style-type: none"> 1. I would appreciate.... could you tell me..... 2. It sounds like you want some info about.... Is that correct? 3. That’s a good question 4. Let me point out that..... |

Closing the Sale

In this chapter we will discuss some key points to improve the number of sales you close. Regardless of how well you plan your call or how well you present your product's features and benefits, if the order isn't signed your work is not complete. Closing the sale, bringing the orders, obtaining the go ahead for new programs is what selling is all about.

Closing is what selling is all about. Most sales managers and business owners are forgiving of sales people who make a valiant, well-planned attempt to convert a prospect, but do not get a signed agreement because of insurmountable circumstances. Many are patient as a sales person learns how to close...for awhile. There comes a time, however, when the demands for results overshadow well explained, non-results.

Since there are frequently only two parties involved in negotiations (the prospect and you), the reasons for breakdown in the process narrows down to two sources (the prospect and you). In this section, we'll look at the reasons prospects don't accept the offer, and later how to get them to.

Let's begin by pushing an old myth out of the way. Many salespeople accept the mythical idea that there is a perfect time when closing just "comes naturally." According to this myth, when this golden opportunity comes, you have done a good job of explaining, your customer understands and wants your product or service...and even the simplest of questions will wrap it up. And, although this does happen, it doesn't happen often.

At the point of closing, we believe prospects go temporarily "insane." Closing is filled with tension. A decision is asked for. It's a decision to change something major. The weight of comparing knowns (the current system) with unknowns (your proposal) begins to bear down. As a result, many customers say "No" to excellent proposals only because saying "Yes" means things must change.

There are **two common fears of prospects** at the point of decision. We've been talking about one. It's **the fear of making a wrong decision**. What if the decision to change creates problems? What if it ends up costing lots of money? What if...? What if...?

The second fear is of missing a better offer. Have you ever been shopping for an item; knew exactly what you wanted; found the perfect item and before buying, decided to shop for a better price? Many customers do this or at least want to. It is psychologically comforting to know you got exactly what you wanted at the most favorable terms.

As a consequence, **80% of prospects will not volunteer acceptance.** Even though they're convinced you're offering what they want and need, 8 of 10 make you ask. They want you to take the burden of the decision from them.

Although the two big buying fears stay in customers' minds after saying, "Yes", the importance drops almost immediately. People love to buy.

Customer who have had a fair opportunity to evaluate your product or program, had questions answered, and are considering the purchase, have only one decision to make...to buy or not buy. This natural tension will exist when a closing question is being asked.

There is, however, a difference between tension and pressure. Customers who feel pressured are normally ones who are not convinced the program is right for them. They haven't yet received a presentation that has caused them to believe the plan will work for them. At closing time, such customers will feel pressured to make a decision they don't want to make. Many salespeople unsuccessfully ask closing questions when pressure is building in the customer.

Every customer must make five decisions before purchasing. These were mentioned in the article on dealing with objections, but they merit review here.

First, customers must decide whether they "**need**" a product like you are offering. They must feel the product (whether it's yours or your competitor's) will increase profits or produce some other kind of gain.

Sometimes they must realize they will be deprived of certain gains by not using the product or program.

Sometimes customers are motivated by the sense of pride or pleasure that comes from owning the product and being the first one in the area with it.

Some customers may buy your products or programs because they want approval of their customers, employees, or other business people.

For whatever reason, the customer must be convinced a personal need will be met by placing an order for the product like the one you have described.

The second decision customers must make is whether your product is a "good product"...well made, useful, and as good as or better than your competitor's. In this second buying decision, customers may be mentally comparing your product, with others they have seen. Obviously, before placing an order for your product, they must come up with a favorable comparison.

Next, customers make a decision regarding "source." They must be convinced not only that the product is good but that you're the right person from who to buy. "Source" can also mean your company...its reputation and/or visibility in the market place. Sometimes customers buy (or don't buy) strictly because of their feelings about you, your company, etc.

Next, the customer must decide the price is fair in relation to the features and benefits described. We discussed price questions in depth in the chapter on handling objections.

Certainly, it's a major consideration at closing time.

Finally, customers must be convinced that now is the time to buy. Even if the other four decisions are all "go" in the customer's mind. If you haven't created a reason for placing an order today, they won't.

The degree of difficulty for customers in making these five decisions will vary from call to call and product to product. For example, a customer who is extremely loyal to your company can make three or four of those decisions rather easily simply because the product is being offered by your company. Loyalty may be so great that other sources don't enter into the matter. Other considerations may also fall by the wayside.

Ultimately, one or two of those five decisions become a focal point for a closing time. Through I-Message statements and listening skills, you must find out what is preventing the customer from buying and then give evidence to overcome that objection.

But even with the most agreeable customer, you still must ask for the order. Customers expect to be asked for their business. Many times the simple fact that the seemingly agreeable customer is not asked is the only thing preventing the sale.

WATCH FOR POSITIVE SIGNS

When customers begin to give "positive cues" that they understand what you are saying and seem to agree...pop a question. The key to closing more sales...ask closing questions.

Customers often show salespeople whether or not they are thinking of buying by the way they act. When a customer begins to shuffle paper, look off into space, or otherwise lose attention, you must take action to regain his or her attention. Probably no kind of closing attempt will be successful when a customer has lost interest.

Now would not be the time to say, "*Well, that's the whole story, Sam, how about writing up an order for you?*" In other words don't waste closing questions when all the signs from the customer indicate a loss of interest in the presentation.

When the customer says something like, "Sounds real good," it's time for a trial close. We'll look at more buying signals later in this article, but basically "buying signals" and "positive cues" are about the same thing...an indication to call a halt to describing the product and ask for an order. If the customer seems pleased with what you have been saying and appears to need someone to help him or her step over the line from listener to owner...stop and help.

We miss many buying signals and opportunities to close because we get stuck in the "*Oh, and one more thing I wanted to mention*" syndrome. When the prospect says, "*That sounds good*", quit selling. Start helping the prospect buy.

SIMPLY ASK

In the previous section, we built a pretty strong case for sales people to ask for the order. Unfortunately, we often don't ask.

On a recent survey, 10,000+ customers like the ones on whom you call said 96% of sales people who call on them don't ask for the order. The people surveyed included corporate buyers, small business owners and large farm operators. It was not a survey of retail consumers. Can you even imagine what that means in terms of dollars, product movement, or jobs? It is staggering.

In another survey, 47%...nearly half...of all sales calls were evaluated as concluding without a closing question being asked. Many sales people were described as doing an excellent job planning their presentations, gathering facts about customers, and presenting their programs with enthusiasm and conviction. Then they allowed the to wither away and die simply because they didn't ask customers to buy.

When you combine this rather surprising high percentage (of concluded sales calls with no closing attempts) with the fact that 80% of all customers don't buy unless asked, it becomes alarming.

WHY DON'T SALES PEOPLE ASK FOR THE BUSINESS?

There are a number of reasons. We'll only look at the major ones.

1. The fear of a "No" response.
2. We hope the customer will volunteer.
3. We think we've asked but haven't.
4. We enjoy hearing ourselves talk.
5. We don't believe the product or service is a good deal for the client.

Many sales people think of "No" in the same way one might think of falling off the edge of the Grand Canyon. The lights go off. The party is over. Fold up the tent and move to the next town.

But, remember what we mentioned in the chapter on dealing with objections. **At least 61% of the time, "No" means "...don't kNOW."** Almost two out of three times, it simply means there is another problem or question. So what do you do? Go back and find out what's going on.

Even though you know 80% of customers won't buy unless you ask, too often we hope we're talking to one of the 20% who will. Don't! The 20% who volunteer an agreement often aren't the ones you want. They say "Yes" to you now...and someone else later.

We sometimes think we've asked for agreement when all we've done is set it up. Here are some examples:

"Well, that about covers it. More than 50 customers in this area agree it's the best business decision they ever made."

"I think we have worked out a plan here that really fits your needs. It's the number one program by any standard."

That's good stuff, but they're not closes. **You must ask a question.**

Finally, you'll never be successful selling a program you don't feel is a good deal. If you truly believe it's a good value for the price asked, you'll naturally work to convince the client. If you don't believe in your offer, you'll back down.

We need to heavily emphasize the word ask when we talk about closing. Closings are less successful when customers have a feeling you are telling them to order or pressuring them to order. In general, people have more difficulty saying "no" to a person who pleasantly and

sincerely asks for their business. Think about the number of magazines, candy bars, and books you have purchased at your front door simply because the salesperson was pleasant and asked you to buy them.

Rule 1 for closing sales: *FINISH WITH A QUESTION*

SUMMARY CLOSE WITH AN ACTION STATEMENT

Bringing in a new client is complex. It often involves several calls. A great deal of discussion of needs occurs, the presentation is lengthy, custom designed and negotiations are delicate. Many small agreements are reached throughout the process.

As the prospect is starting into that long tunnel of fear, the most powerful way to offer assurance and nail down the fact that your offer is what the prospect wants is to summarize.

In this highly used closing technique, the salesperson simply sums up the positive points the customer has already agreed with. If the presentation was well planned, some good probing questions were asked, and benefit statements were tied to the needs of the customer, the salesperson probably has shown how the product meets the needs of the customer.

A recently completed study of several hundred sales people uncovered a phenomenal fact. When the other selling steps were properly handled, sales people closed 75% of the time they used summaries with action statements. Here's an example:

"Well, Mr./Ms. Prospect, let me recap where we are. When we first began talking several weeks ago, you said you wouldn't be able to seriously consider our plan unless we_____. You also mentioned that one of the key factors in the success of your operation is _____. You'll remember I focused on how we _____ and showed _____. You had an excellent question about _____. After checking with our people, we were able to _____.

Can you think of anything else?

(Pause...wait...listen)

The only remaining step is to get your authorization of this order. Shall we do that now?"

The summary part isn't hard if you've made good written or mental notes. But, the summary is worthless without the action statement. Let the prospect know there is one more step.

"If you'll loan me a pen, we can finalize this today. May I borrow your pen?"

"The only thing I need at this point is _____. Shall we do it?"

"Since your people have already indicated they want to do this, all I need is your authorization. Are you ready?"

Rule 2 for closing more sales: *WAIT FOR AN ANSWER.*

Once a closing question has been asked...regardless of the technique...**shut up**. In general, the first person to speak after the question has been asked, buys. In addition, customers deserve time to consider your question.

Many salespeople like the summary close because it tells customers a closing question is about to come. It lets them know a few words in advance that a decision will be asked for. It is particularly useful for the very quiet, tough-to-draw-out customer.

Summaries are nice because they confirm details. Action statements are terrific because they close business.

THE DIRECT CLOSE

Perhaps you've heard of the **direct close**. Very simply, it's a closing question, which can only be answered "Yes", or "No". It's often the last portion of the summary close with an action statement.

It's straight up and professional. No entrapment. No tricks. Just a straight question.

It implies many things. It implies "I'm confident. If you say 'yes' I know what to do. If you say 'no' I also know what to do." It implies, "I've worked hard to match your needs. I've taken time and put some energy into our proposal. I deserve to know how you feel about it." It implies confidence. The direct approach is generally not difficult to use when the salesperson has made a well-planned, interesting presentation...he or she deserves an order and many times the customer agrees.

The words are not complex. They sound like:

"Can I have your authorization?"

"Shall I start the ball rolling by getting some sent out for you to try with your employees?"

"Are we in agreement?"

The part that makes this technique work is not what you say, but the way you say it. Only a small percentage of messages between two people is carried in words. Most of the message is carried in voice tone and body language.

When you ask the customer a direct closing question, look the customer right in the eyes and keep the eye contact until you get an answer.

If you're sitting across the desk from the prospect, get things out of your hands and lap and lean forward slightly.

Don't look at the floor, ceiling or your notes. Don't sit back in your chair with arms folded.

Don't ask the question as though you expect a negative answer:

"Can we...aaah...have...can we get your...aaah...authorization...on this...aaah... agreement?"

Instead, say it like you expect a positive reply:

"John, I want to work with you. Can I have your approval on my proposal?"

Questions require answers. Answers require decisions. The most direct approach from decisions to closing is a direct question.

Once asked, remember, the monkey is on the prospect's back. **Wait for the answer.** There is no kind of pressure you can place on a prospect that approaches silence. **The minute you talk, you remove the pressure. If you want it, ask...and wait.**

THE CHOICE CLOSE

Sometimes the direct approach is not exactly right because it has a built-in limitation. The customer can only answer your question with a "yes" or "no." So, let's discuss indirect closes. Indirect and trial closes are the ones most commonly used by salespeople.

The **choice close** is the single, most popular closing technique of sales people. Instead of offering the customer a choice between something and nothing, **the choice close offers a choice of something or something.**

The choice close has received a bad reputation because it has been misused. Some sales people use the choice close as a gimmick to avoid asking a direct question. Instead of asking if the prospect wants to sign an authorization some sales people say, "Would you prefer to sign in blue ink or black." When that kind of choice is offered, the reply probably should be "neither."

The choice close is, however, a very valid and useful technique when a choice truly exists and you honestly don't know what the prospect prefers. Often, in a complex presentation a very good businessperson will demand that the presentation explore more than one option. Suppose, for example, you were working with an operation with multiple locations (different towns). Immediately, you can see the possibility of options.

When you arrive at the final step in the sales process in such situations, you may find the choice close the easiest and most effective. It might sound like:

"Mr./Ms. Prospect, we have shown you two options and a lot of numbers associated with each. I think both have long-range potential to meet your needs. I need some direction at this point. Would you prefer to _____ or _____?"

A choice should always be designed to get "Yes" or "Yes" responses. Think before you talk. Avoid saying, "Shall we go ahead or do you want to leave things the way they are?" You can predict what the prospect will say.

The choice is a tool. It has an application. There are situations where it will work better than any other technique. The choice questions used periodically during your presentation in Step 3 of the selling process keeps your presentation on track. But, sometimes at the final stage of a sales call, it's the best method to find which of the approaches shown is favored by the client.

It can also be used to get new information. Sometimes customers will take the initiative after being offered a choice and say exactly what they want and when they want it. Sometimes, of course, they will say, "Well now, I haven't quite decided to buy, but what is the difference in price of bags and bulk?" Although the question or trial close did not wrap it up completely, it moved the customer closer to ordering and set up an opportunity for another closing question later.

THE ASSUMPTIVE CLOSE

Some people have more than normal difficulty deciding. Imagine this exchange:

"Would you like to go out to dinner?"
"Oh, I don't care."
"Do you want to or not?"
"Whatever you think."
"Well, I'd like to go out. Anything in particular you'd like?"
"Anything is fine. You pick."
"Well, let's have a pizza."
"Oh, I don't want pizza."

Sometimes prospects are that way. You know they want to go with the offer, but just can't say so. This is where the **assumptive close** works well.

The name of this technique gives away its principle element. You simply assume you've got the agreement and ask for a decision that must be made after the agreement.

When using this technique, salespeople assume customers are making a positive decision and begin helping them finalize it by asking a question which would normally be asked after the customer said "yes." For example, suppose you have presented a program, and it appears the customer is interested. You can move to the close by simply asking a question like, "Where would you like our delivery people to bring the first order?" They're moving toward signing the order (and know it) but have never actually been asked to buy. This technique works well with customers who have difficulty making decisions because you reduce the natural tension by helping them finalize a decision they've probably made.

It sounds like this:

"John, the only thing I need to know is whether we should visit with the managers of your stores on a regular basis or work directly with you?"

You actually omit asking for authorization of the agreement...now. You don't summarize anything...now. You operate as though the agreement were signed.

As much as we laugh about it, the "press hard, fifth copy is yours" statement is, at times, an appropriate close. The sales person makes a statement that implies, "I know we've reached agreement. You look like you want instructions on what to do next."

When do you use it? When everything within you says, "We have a deal, but the client can't say so", this technique allows you to remove the burden completely. The client never has to say, "Yes." Instead, you just move smoothly to put the program in place.

Sometimes the prospect will say, "Wait, I haven't said I'd do this yet." Don't panic. Just say, *"I'm sorry. I thought we had reached an agreement and I was just clearing up details. Are you ready to authorize?"*

THE MINOR POINT CLOSE

There are some customers who like to dot every "i" and cross every "t". There are those prospects with whom being extremely precise avoids problems later.

These are situations where the **minor point close** works well. It is specifically designed to clear up confusion and progressively nail down commitment.

The minor point close is more like a collection of closing techniques than a single process. It has elements of the summary close but also contains choices and direct questions. It begins with thinking of all the points upon which confusion might exist. Sometimes this is laid out for you in forms so you can use a document as a basis for clearing up minor points.

Use choices where options exist. Use direct questions where no options exist.

It might sound like this:

"Mr./Ms. Prospect, I presented a rather complex plan. At least it looks complex until you break it down. I'd like to take just a few minutes to clear up some of the details before we talk about implementing any action.

First, would you prefer _____?

Are you ready to _____?

Will you be the only one to decide, or will _____?

In view of your current procedures, it appears we should _____. Does that seem practical to you?

Well, I can't think of anything else I need to know, but do you have some questions?

Let me just run down my understanding of what you're looking for."

At this point, you can see we're suggesting you **move right into a summary close with an action statement.**

When do you use it? Well, it's especially helpful with picky, demanding prospects. They have a strong need to be in control. It is great with prospects who appear to have difficulty remembering previous commitments. They sometimes give a "Yes" to a direct close, and then don't know for sure to what they said "Yes."

Sometimes it's very difficult for customers to make a decision on the whole order, but they can make a big decision by deciding on one or two small issues. For example, suppose you are presenting a plan for a new facility and find it difficult to get approval because it's such a big project in the customer's mind. Work on a "minor point" decision instead. The big decision will follow. In this example, suppose the customer needs to decide whether there should be four windows or six in a certain room. Go to work on this issue alone. Help the customer make the decision on that one thing. Normally when that's settled the rest of the decision will begin falling into place easily.

This technique is based on the principle that since the good sales presentation follows a sound building-block process, the acceptance of closure on one fact increases the acceptability of the next closure.

BE ALERT TO "BUYING SIGNALS"

As mentioned earlier, customers sometimes give you positive signals that they are thinking about buying...A customer who says, "Does your product have "X" in it?" is offering an opportunity for partial close. The salesperson who answers, "Yes" has perhaps provided some useful information to the customer, but may have missed an excellent opportunity to close. Instead say, "Do you want "X" in the product, Mr. Customer?". You will move the customer closer to the final decision.

Which brings us to our final rule about closing:

Rule #3...*ANSWER QUESTIONS WITH QUESTIONS.*

Some questions asked by customers are simply "I'm curious, but not interested in buying." Others are truly indicators of a partial decision to buy. Sort out motives by using questions to get new information.

The customer who says, "I wish someone had told me about this program a long time ago," has offered the salesperson an excellent opportunity to make an assumptive close by saying, "Well, I'm sure you'll be glad to get started on this program right away." You are reassuring the customer and at the same time moving closer to a decision.

On the other hand, if the salesperson were to say, "Yeah, it's too bad we didn't get this program started six months ago," an excellent opportunity to close may be missed...but not lost forever.

Remember we said earlier, customers will sometimes say things that sound like objections that are actually buying signals. Examples:

"I **hadn't** really thought of paying that much."

"I **wasn't** planning to get it today."

"I **should have** discussed it with my boss."

When you get such comments, don't treat them as objections. This is a frequent mistake of the amateur salesperson. Keep still for a few moments. Let the prospect think some more. Then give some sincere reassurance through your own I-Messages.

C: "I hadn't planned on getting the hardwood entry door."

NOTES

Biographical Sketch--Bill Sharp



Bill Sharp is one of the most respected training consultants in our industry and the only sales trainer ever to be simultaneously endorsed by both the National Lumber and Building Material Dealers Association and the North American Building Material Distributors Association

Bill also travels coast to coast teaching a selling skills program for builders and remodelers...sponsored for them by their suppliers. He has twice been a featured speaker at the NAHB International Show.

Since becoming a Training Consultant almost 40 years ago, he has spoken at hundreds of conventions and personally conducted seminars in which more than 950,000 front line sales people learned how to better serve their customers.

His workshops for managers have won the praise major manufacturers, distributors and dealer associations because his programs are known for their fast pace, humor and easy to remember skills rather than psychological mumbo-jumbo and theory. Participants consistently say, "*He knows me and my customers. He talks about real situations exactly like I see every day.*"

Bill was formerly a salesman, manager and sales trainer for three Fortune 500 companies. He has been on the faculty of the University of Missouri, Park University and William Jewell College. He has also been a guest lecturer at several others.

Bill and his partners call themselves The PerCon Group (*PERformance CONcepts For Management Excellence*). They regularly conduct selling skills and sales management programs across the US and Canada, and sometimes in Western Europe and the Far East.



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