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# Closing the Sale

Frank Atkinson



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Closing the Sale

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ISBN 978-87-7681-755-8

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# Preface

This book has been written to help you become more successful in sales.

The author of this publication is Frank Atkinson, founder and Managing Director of the Sales Training Consultancy. His company has trained many thousands of salespeople throughout the world since it was formed in 1989.

As National Sales Training Director for BUPA Health Insurance, prior to setting up his company, Frank was responsible for training and developing one of the most successful sales teams in Europe.

The Sales Training Consultancy has one of the most visited sales training websites in the world. [www.salestraining.co.uk](http://www.salestraining.co.uk) and his company has an impressive worldwide client list.

Frank employs a team of highly experienced trainers who train and develop salespeople in all industries to sell more and to sell more profitably. His courses are highly motivational and fun.

In this book Frank brings his wide range of experience and expertise into play giving simple, practical and tested advice on sales and selling.



# Closing the sale

Your goals for this book on closing the sale are to identify ways of closing more sales and understand the general principles about closing.

In this book we will get to understand what closing is and what prevents us from closing more sales. It will give help and advice on closing techniques and how these fit into the sales process.

# 1 General principles of closing

There have been a lot of books written about closing the sale. Like a lot of self-help books they promise great results with minimum effort. Like self-help books on losing weight, getting fit, being more successful with the opposite sex, being socially more successful, they seem to offer simple solutions to those things in life that concern us.

Who wouldn't want to be slim, fit, attractive, successful, confident and at the same time close more sales?

The problem is, if you want these things, unless you are very lucky, it takes a lot of effort and application. It requires self discipline and a planned approach if we are going to achieve the desired outcome.

I have trained many thousands of salespeople since I started my Sales Training business in 1989. In that time have met quite a few natural salespeople who seem to have inherited a god-given gift that enables them to close sales with ease and never seem to struggle with their targets.

For the rest of us, success in sales needs a great deal of hard work and application.

If you really want to close more sales it's not enough to just learn a few closing techniques. The best salespeople understand that sales is a process as is buying. The best salespeople make buying easy and are able to adapt their approach to suit the person they are selling to.

Too many salespeople, in my experience, have a simple selling strategy which is to make friends with their customers. This is okay with some buyers but can really irritate others. We have to have a more flexible and strategic approach to our selling if we are going to seriously close more sales.

## 1.1 What closing is and how it fits into the sales process

What is closing anyway? Closing is that part of the sales process where we ask the buyer for a decision.

Are they going to buy or aren't they?

What is selling? The sales process is a problem solving process where we identify problems and needs and solve and satisfy these by presenting a solution that involves the purchase of our product or service.

I sell sales training. My customers tend to buy it either to make them better off (by increasing sales revenue and profitability) or stop them becoming worse off (by maintaining market share when there is a lot of competition in the market place)

Sales is not just making a slick sales pitch in the hope that it will appeal to the customer and then getting them to say yes by using a clever closing technique.

Closing the sale is not a skill that can be learned in isolation from the rest of the sales process. Closing is one element in a chain of events that begins with the sales person planning and preparing to meet with a customer. During the sales process various stages occur and we can follow each stage.

What actually happens during the sales process is that the salesperson:

- Identifies a potential customer, or prospect
- Gets their agreement to an appointment, or instigates a discussion by telephone, or by e-mail
- Opens the call, or meeting, builds rapport and sets an agenda.
- Asks questions that help identify a number of issues. These include facts, opinions, problems needs and wants
- Having clearly defined the problems the customer is looking to solve, the salesperson identifies a solution that meets the customers' needs
- Presents the features and benefits of products or services that satisfy the needs of the customer
- Overcomes any objections the customer might raise.
- Closes the sale by gaining the agreement of the customer to make the purchase.

This is a very simplified summary of a complex process that requires a high degree of skill on the part of the salesperson. However, what most salespeople fail to realise is that closing is more than just using closing techniques.

What do we mean by closing techniques?

Closing techniques are strategies that have been developed over the years to help salespeople get a decision. One example of a closing technique that you are probably familiar with is the alternative close, where we offer a choice between 2 alternatives:

*“Do you prefer deliveries am or pm?”*

*“Do you want it in red or black?”*

*“Would you like to start this week or next week?”*

Many salespeople are looking for a closing technique that will make the decision making process easier and take away some of the pressure felt by both buyer and seller at that moment of truth. They want an easy fix that will convince the customer to say yes.

The problem is that the majority of buyers won't say yes until they are convinced that our solution is the right one for them. Therefore if the customer is not ready to buy, techniques by themselves won't work.

My personal theory is that closing is not about techniques, it is about confidence and timing. This means having the confidence to ask for a decision and asking it when the customer is ready to buy.



When the buyer reaches the point where a decision can be made he, or she has 3 choices; to buy from you, to buy from somebody else, or not to buy at all.

At this stage of the sales process the salesperson is worried about getting rejected and the buyer is worried about making a mistake, so it is all too easy for either, or both sides to delay the buying decision, rather than risking rejection, or risking taking the wrong decision.

It is up to us as salespeople to have the confidence, at the right time, to ask for commitment and risk rejection. As salespeople, this is our role but unfortunately, **7 times out of 10** salespeople fail to ask for the order or some kind of commitment which can lose them the sale they have been working so hard to achieve.

The most important principles, therefore, when looking at closing the sale are:

### **1. Closing the Sale is an integral part of the sales process**

This means that closing techniques in themselves are not enough to ensure success, if the other parts of the sales process have been neglected. Before a buyer will place an order with you, he or she will have to see a need for your product and be convinced that your particular product represents the best solution to the problem represented by that need.

That is, the cost is reasonable, they have confidence in your ability to deliver your promises, the product, or service is the right one for them and fits their buying criteria.

### **2. No salesperson ever closed every sale**

Everyone who has ever sold professionally has had to get used to living with rejection. A good salesperson will always be rejected more times than he or she is successful. In fact if this is not the case the salesperson probably isn't trying hard enough. The secret is to 'learn to live with rejection'. Every time you fail, you move closer to the time you will succeed.

### **3. Selling is a numbers game**

Given a basic level of skill in sales techniques, the amount you sell is directly related to the number of calls you make. The more customers you see, therefore, the more business you will close.

However, you need to be seeing the right people with the authority and the resources to buy. You also need to be talking to people who will have influence over the final decision, even if they are not decision makers themselves.

### **4. Certain key ratios apply to your sales activity**

By measuring your sales performance over a period of time you will understand more fully the key ratios that apply to your business.

Examples of these could be:

1. Appointments booked to Number of Telephone calls made.
2. Number of successfully 'closed' calls to Number of 'cold' calls made.
3. Number of successfully 'closed' calls to Number of 'enquiry' calls made.
4. Number of successfully 'closed' calls to Number of presentations made etc.

In sales, these ratios vary depending on the industry, the products and how the products are sold. The key learning point here is that these ratios will tend not to change much over time and can be used in planning personal and team activity in order to exceed sales targets.

By being aware of the relative likely success of different kinds of activity you will be able to plan your time more effectively by spending the maximum amount of time on your potentially most productive sales activities.

#### 5. The right time to close is when the customer is ready to buy

This is so important. Closing tends to happen towards the end of the sales call but don't assume this will always be the case. If the customer wants to buy early into your sales presentation then you should get commitment straight away.

There may be more information you need to give, however, having gained commitment the customer will be more relaxed and less likely to raise objections at a later stage.

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## 6. Look for more than one opportunity to close the sale

There may be several occasions during the sale when the customer is ready to buy. There will therefore be more than one opportunity for you to close the sale. Just because the customer says 'no' now, it doesn't mean it won't be 'yes' in ten minutes' time. 'No' can mean various things:

- Not on the terms you describe
- Not at the moment
- Not in your timescale
- Not at that price
- Convince me further
- I'm getting interested but I need more information

## 7. Buyer resistance is natural and should be expected

During the sales process the buyer is under as much pressure as the salesperson. The buyer is often thinking about the consequences of agreeing to your proposal. The buyer may be thinking:

*Does this represent value for money?*

*What will my Director think?*

*Are they as reliable as she says they are?*

*He says they can achieve significant growth. Is that true?*

*Is her product better than her competitor's?*

*Can I afford the monthly payments?*

Often when the buyer hesitates during the closing stages he or she is seeking reassurance from the salesperson in a consultative, non-threatening way, that the decision that is about to be made, is a good decision.

## 8. Buyers seldom ask you for the order

Most buyers rely on the salesperson to make the buying process easy for them. However, they rarely ask for the order outright so the most effective and most obvious closing technique, having gone through the several stages of the call, is to ask the buyer if he or she wishes to place an order.

By this stage, if you have carried out the other stages of the call, it is likely the customer will be ready to make a decision, but more importantly, you have earned the right to ask for the order.

It is a fact, however, that around **70%** of sales calls end with the salesperson failing to ask for the order. This is due to the salesperson's fear of rejection. We will look next at ways of overcoming this problem.

## 1.2 What prevents salespeople from closing

Selling can be a difficult job. Most salespeople are set challenging sales targets and are under pressure to achieve them. Selling carries with it a lot of rejection. Anyone who has cold called to book appointments or to sell on the phone has experienced rejection and it isn't very pleasant.

One thing we need is data. It is important to record the details of everything you do in your working day. When we measure sales activity we can use this data to calculate what I call key ratios or key performance indicators. These are averages that relate to different types of sales activity. These can include things like:

1. Replies received to direct mailshots or e-mail shots. For example a 2 % return represents a ratio of 1 in 50, a 5% return gives a ratio of 1 in 20 and so on.
2. Telephone calls to appointments booked. In my business, for cold calls the ratio is about 1 in 12, whereas for enquiries we convert 75%, 3 out of every 4, into appointments.
3. Sales visits to contracts signed. For cold calls we convert an average of 1 in 4 and for enquiries we convert 1 in 2.

This data is very useful for planning purposes. What it also tells us is that most sales activity ends in failure than success, especially when we are trying to find new business. A lot of sales trainers will tell you this isn't the case but don't believe them. There are 2 lessons to learn here:

1. Work hard
2. Learn to deal with rejection

So what prevents us from closing? Fear of rejection is a major factor. I have observed salespeople say to their customers at critical points in the sales process things like:

1. *"Have a think about it"*
2. *"Why don't I give you a call in a couple of weeks?"*
3. *"I will write you a proposal or e-mail confirming what we've discussed"*

This is okay if the customer wants to think about it, or asks you to call in 2 weeks time, or asks for a proposal. However, unless told otherwise by the customer I will always try to get commitment as early as possible; preferably the first meeting.

Some products and services don't lend themselves to quick decision making, but if you have a customer who wants to buy what you are selling, you must make buying easy. Don't put barriers in the way.

So what is it that stops us closing? I suppose it can be summarised as lack of confidence, fear of rejection or embarrassment.

What we need to understand is that before the customer is ready to buy we need to have identified their needs and put forward a solution that is going to solve their problem and is affordable to them. We have to ask more questions.

**Case study 1. The ‘pushy’ salesperson**

Here is an example of a time when a salesperson’s failure to close almost cost me a lot of money.

I was using a major Parcel Delivery Service to deliver parcels for my business. One time I had a parcel of training materials worth about £500 that needed to go from York to Birmingham. The parcel was collected but then disappeared into their system.

For 3 days I had telephone conversations with Sarah, their Customer Service Manager, but there was no sign of the parcel. Eventually, we had a conversation that went something like this:

*“Okay Sarah, let’s assume it’s lost. How much compensation will I receive?”*

*“Our standard basic level of compensation is £25 per item”*

*“But my parcel contained materials worth £500. Are you saying that if it is lost you’ll only give me £25”*

*“That’s correct”*

*“Do you not do additional cover for more valuable items?”*

*“Yes. You can buy as much cover as you like”*

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By now I'm getting annoyed. I hadn't been told about this until now.

*"So why didn't you tell me this when I booked in the parcel?"*

And she replied with a classic that I've been telling on my sales courses ever since:

*"We don't like being pushy"*

I guessed what had happened. She had obviously been told by her manager to sell more insurance and it obviously embarrassed her, or she thought it was too expensive, so she didn't mention it. I didn't need a sales pitch from her. All she needed to do was to ask 2 questions at the time I booked it in:

*"How much is your parcel worth?"*

*"About £500"*

*"Our standard insurance only covers you for £25 a parcel. Would you like insurance for the additional amount?"*

Good selling involves asking questions and communicating information to our customers.

### **Case study 2. Saleswoman of the year "And?"**

This is a true story about cross selling. It is based on the principle that the easiest person to sell to is the person who has just bought something from you.

There is a nationwide firm that runs convenience stores called 'Off Licences' in England that stay open late and sell wines, spirits, beer, confectionery and cigarettes. The manager of one of their stores in Birmingham was an Asian lady in her mid fifties and, unbeknown to her, she had just won salesperson of the year.

Their Sales Director travelled up to Birmingham with a cheque and a trophy that she had been awarded. Her reaction was one of disbelief.

*"I'm not a salesperson. There must have been a mistake"*

*"No, it's definitely correct. Would you mind if I went into the back and listened to you serving some customers?"*

She said she didn't mind and he settled on a desk in the stock room and waited. Presently a customer came into the shop and approached the counter.

*"Can I have 20 Marlboro please?"*

She replied: *"And?"*

Flustered, he said:

*“Er, I’ll have a Mars bar and a Twix”*

Another customer came in and handed over a bottle of Merlot he wished to purchase. She wrapped it in tissue paper and looked up and said *“And?”*

He bought a large bottle of Coke.

This went on and although not everyone bought something else most did. As he left her the Sales Director congratulated her on her award and told her that the “And” technique would be written into their Sales Training programme with immediate effect.

The moral? Selling is doing simple things consistently and not being afraid to ask simple questions.

### 1.3 Understanding how buyer behaviour affects closing

One feature of modern, relationship selling is that we need to understand about behaviour if we are to sell to a wide range of people. It is a fact that people buy differently.

Some people prefer to buy quickly, others slowly. Some people need a lot of information and detail, for others a sheet of A4 with bullet points is all the information they need.

Some buyers make purchases on impulse; others take their time and try to avoid risk. Some buyers are very loyal; others will automatically choose the cheapest option. Some buyers can be quite intimidating to the point of being rude; others are quite passive and easily manipulated.

This makes selling a real challenge. To sell to all these different buyer types we need to be able to adapt our selling behaviour and make the buying process easy for each type of buyer we come across.

To begin this process we will look at 2 aspects of buyer behaviour; assertiveness and responsiveness.

People who are **assertive** are confident and know what they want. They are not afraid to put forward opinions and are willing to listen to the opinions of others. They are not afraid of conflict and will be more than happy to argue their case.

People who are highly assertive can be seen as being aggressive while people who lack assertiveness are often passive and get taken advantage of. There are times when it is appropriate to be more or less assertive and we need to recognise when these times are.

The majority of salespeople lack assertiveness and need to learn how to be more assertive in certain situations.

**Responsiveness** means the extent to which people are willing to respond to us and our questions. Some people are highly responsive and will give lots of information about themselves, their problems and needs. Others are unwilling or unable to respond in this way and we see these people often as being negative or difficult.

We are all different. Some of us are naturally assertive and some of us are not. Salespeople tend to be quite responsive, but sometimes we lack assertion. An example of this is during negotiations.

When customers put us under pressure to reduce prices or give discounts we find it difficult and uncomfortable and worry about damaging the relationship with the buyer.

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There are four basic styles of behaviour and these are determined by the way, in which people relate to one another.



The 4 behavioural styles

The four styles we can identify are:

1. Analytical. Not very responsive and not very assertive
2. Amiable. Highly responsive, not very assertive
3. Expressive. Highly responsive and highly assertive
4. Driver. Not very responsive and highly assertive

Let's take them one at a time:

### 1. The analytical buyer

The analytical buyer likes to analyse things. They are into the detail and aren't really interested in developing personal relationship with the seller. They ask technical questions and tend to buy slowly. They are seriously into the detail. There is always more analysis that can be done before making a decision to buy.

They are poor decision makers unless there is a clear and logical reason for choosing your solution. To sell to them you need to be more analytical yourself and match their behaviour. Prepare a logical case for choosing you over the competition. Give them evidence that your solution is best.

Take your time with them and don't worry about making friends. It's not on their agenda.

## 2. The amiable buyer

The amiable buyer is everyone's friend. They are very sociable and spend a lot of time talking sociably and want a friendship rather than a formal buyer-seller relationship. They lack assertiveness and are easily manipulated. Unfortunately they are poor decision makers. They prefer to share the decision and therefore the risk by involving others.

If they are with a competitor it is difficult to get them to move as they don't like upsetting people and avoid conflict.

Build a relationship with them. Become their friend and advisor. Match their behaviour, but understand that you may need to put them under a bit of pressure to get a decision.

## 3. The expressive buyer

The expressive buyer buys on impulse. Highly assertive and responsive they have a short attention span, but love being sold concepts and ideas. They buy quickly, but if you miss the opportunity to sell to them by being too slow they get bored and move on to another project.

They are flamboyant and use lots of hand gestures when talking. They will make a decision more quickly than any other buyer type. Match their behaviour and their enthusiasm. Look for your opportunity to close and go for it.

## 4. The driver

The driver is highly assertive but not responsive. This is the negotiator. The driver wants to be in charge and will try to take control of the meeting. Most salespeople are intimidated by drivers and try to make friends with them. Wrong!

To deal with a driver you need to become a driver yourself. Be a bit more serious. Make eye contact with them and don't be intimidated by their manner. The driver drives a hard bargain so you need to be assertive when closing the sale and don't give too much away. Close with confidence and aim high. The driver will respect you for it.

# 1.4 Identifying and satisfying buying criteria

## Decision making processes

All purchases are made by one or more people making a decision. Decision making becomes more complex as more people get involved. The more people that get involved, the more subtle you have to be in your sales strategy. Closing becomes more difficult so you need a more flexible approach.

Here is the example of John Smith, husband of Mary Smith, who is considering buying a new car. Here is a typical scenario:

John is considering financing the car using his bank. John and Mary have a joint current account with Lloyds TSB. John would like to buy something sporty, but Mary is insisting they buy something more practical as they have two young children and need lots of luggage room. They have a family friend who is a mechanic and knows a lot about cars, so will be getting his opinion at some point. They are going away on holiday in 3 weeks time and want the new car by then. They are expecting to work to a budget of £14,500.

John drops into his local Ford dealership to have a look around.

In this scenario we have a number of people who will get involved in making the decision about what car they will buy.

Salespeople typically will try to find out the decision making process when they are trying to sell something. You sometimes hear them asking the question: “Are you the decision maker?”

The problem with this question is that it doesn’t get to the heart of the issue and doesn’t bring out useful information to the salesperson.

Who is the decision maker in the scenario described above?

Typically when decision making takes place there are 3 elements that we need to find out about:

**Who?** Who is going to get involved in the decision making process? Is it purely John’s decision, or will Mary have her say? What will influence the decision? Certainly the advice of their friend and the bank’s attitude to lending them the money will have an influence too.

**How?** How will the decision be taken? What will influence the decision? Will it be price, or will other factors get taken into account?

**When?** What timescales are we talking about in the decision making process?

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There is only one way to find out and that is to ask questions. The consequence of not asking enough questions is that we can misunderstand the buying process and lose the sale.

Also, don't make assumptions about how decisions are taken? It's not always the most senior person who decides. Often decision making is delegated with the more senior person being happy to allow others to decide.

Most people when they hear the expression "It's a Board decision" don't understand how Boards of Directors work. Some Boards are very democratic and some aren't. When told it is a Board decision you should always react by asking "How are Board decisions taken in your organisation?" You may find the decision is taken by one or more Directors and merely announced at the Board Meeting, or you may find it is a democratic vote that wins the day. Either way, depending on the answer, your strategy will be different.

Understanding how decisions are taken, who gets involved and the timing of the process is a really important part of selling.

### **Understanding buying criteria**

When people buy things they do so for two or three reasons, rather than hundreds. There may be a lot of things you like about what you have just bought, however there will have been a small number of really important features that really influenced your decision to buy.

We call these our buying criteria. Here is an example of what influences our buying decisions. People buying their first property often go for a flat, in the centre of town that is affordable. People with kids are often more interested in the local school, having a garden and situated in a nice part of the town.

In business it is the same. When companies make buying decisions they have their own buying criteria. It can be things like price, service, reliability of the product, track record and so on.

Failure to understand your customer's buying criteria will seriously reduce the likelihood of your getting the sale.

The first thing to remember is not to assume what these criteria are. Ask!

Think of a situation where you are trying to open a new account. What concerns does your potential customer have? What questions are they asking themselves about you and your company? Here are some examples. They are asking themselves:

- *"Are their products/services of good quality?"*
- *"Will buying from them make me better off?"*
- *"Are they better than my current supplier?"*
- *"What are the risks in changing suppliers?"*
- *"Do they really understand my business and my needs?"*

When I am talking to a potential customer, there is one question I always ask. It is what I call a 'killer' question. The question I always ask a potential new customer is:

**“When you are looking to take on a new supplier, what is really important to you?”**

You know what they always reply? Service. So, what does that mean?

I study sales behaviour. At this stage, most salespeople respond by going into presentation mode.

*“We give a great service. This is what we do..... “ Blah, blah, blah”*

They present information that the customer doesn't find very interesting. Do you think any salesperson ever said they gave a bad service?

People have buying criteria. They have needs and wants that need to be satisfied. The answer is to ask more questions.

Think about this sequence of questions:

*“When you say service is important, can you be more specific?”*

*“I want cover at weekends”*

This suggests to me that this customer has had a bad experience on the past. Keep asking questions.

Here is the sequence:

1. Facts
2. Consequences
3. Feelings
4. Solution

Here are some examples of questions you need to ask:

**Facts:**

What happened?

Tell me about it?

What happened next?

**Consequences:**

What affect did this have on your business?

How did it affect your department?

How did it affect you?

**Feelings:**

How do you feel about that?

What we are doing is to take the customer back to a time when they had bad service. We can now tell them what we could have done to make the outcome much better.

Remember the sequence:

1. Facts
2. Consequences
3. Feelings
4. Solution

I spent some time with a sales person recently, who asked these questions. Here's how it went:

*“What aspects of service are important to you?”*

*“I need service coverage at weekends”*

*“Have you had a bad experience with your current supplier?”*

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*“Yes. We had a breakdown at the weekend and they didn’t have enough people to give us cover”*

*“What happened?”*

*“We lost a full day’s production”*

*“How much did that cost?”*

*“£50,000”*

*“How did that affect your department?”*

*“Not good. We were seen as being inefficient”*

*“How did it affect you personally?”*

*“Not good. My boss the MD wasn’t happy”*

*“How do you feel?”*

*“I don’t want it to happen again. Can you help me?”*

*The customer is now looking for a solution to eliminate this problem.*

*Asking questions is 3 times more persuasive than presenting information. Work on your questioning skills and you will sell more.*

*Once you asked enough of the right questions the close becomes easy and to me then dilutes down into 2 simple questions:*

*“Does that sound okay?”*

*“Would you like to buy it?”*

## 1.5 The close as part of the sales structure

Closing is not something that can be done in isolation. We recommend a structured approach to your selling where the close fits in with the overall sales process.

I saw an advert recently in my local newspaper that said “Top closers required. High on-target earnings plus bonuses”

This is really misleading. It seems to be saying that it is possible to go and close somebody down and convince them to pay good money for your product or service. Many books that have been written on sales describe a whole host of closing techniques.



My take on it is that techniques are not the issue. Closing is about 2 things; confidence and timing. You have to be confident to ask for commitment. Because they worry about rejection most salespeople don't even ask for the order and an opportunity is lost.

In my company we work to a sales structure.

When selling, face-to-face, we need to be in control of the Sales Call without dominating the interview and making the other person feel under pressure. In order to achieve this we work to a structure

Structuring the sales call is important because

- it gives us confidence
- it gives the other side confidence in us
- it provides a reference point should the call move away from the structure
- it keeps us in control

The structure we will recommend is simple and can actually be used for any product or service that is being sold. The structure is:

- Open the Call
- Set the Agenda
- Ask Questions
- Identify Needs
- Present the Solution
- Gain Commitment

Looking at the structure in more detail:

### **Open the Call**

This should be kept to a realistic timescale. The purpose is to introduce yourself to your customers and establish rapport before moving into the business part of the call. Avoid being too familiar at this stage unless you know the customer well.

Ask low risk questions. Be friendly, but not over familiar.

### **Set the Agenda**

This phase signals to the other side that you are doing business. The purpose is to put you in control and establish how the sales interview will be structured. It also gains you the right to ask questions. An example of an agenda statement is:

*“Thank you for seeing me today Mr. Smith. As you know my name is Frank Atkinson from Beacon Lifts. You may not be aware but we offer a wide range of products and services relating to lift, escalator and cradle maintenance.”*



*“In order to see whether any of these might be of interest to you, I need to begin by asking you some questions. Would that be okay? “*

*“Firstly, is there anything specific that you would like to discuss at today’s meeting? “*

This gives the customer confidence in you and the opportunity to contribute to the meeting. It can also identify specific needs early on in the call

### **Ask Questions**

Selling is about identifying and then solving problems. The next stage therefore is to ask questions in order to identify and explore customer problems

### **Identify Needs**

The process of asking questions will clarify the customer’s problems in his or her mind and give you a clear idea on whether a feature or features of your product could solve those problems and satisfy the customers’ needs

### **Present the Solution**

Having clarified the customer’s problems and identified needs, present the Features, Advantages and Benefits of your own product in such a way that the solution meets the needs of the customer

### **Gain Commitment**

Having presented a solution that meets the customer’s needs the next phase is to gain commitment, from the customer, to go ahead or else for some future action that will move you nearer towards the sale being made. You may well meet with objections at various stages of the sales process and techniques will be developed for dealing with objections later in the programme

The next stage is to practise using the sales structure and become familiar with this approach, so that it becomes second nature.

The structure takes into account that there may be more than one sales visit made before the actual sale takes place. At each stage the salesperson should seek some commitment from the customer to advance the sale to the next stage in the process.

# 2 Closing methods

## 2.1 Nine closing techniques

The purpose of this section is to look at nine ways of closing the sale. Any examples that are given will be general. Write down, for the closing techniques indicated, examples in your own words:

### 1. Ask for the order

It has been estimated that 7 out of every 10 presentations end without the salesperson asking for the order. Of the 3 salespeople who do ask for the order, 2 give up after the second refusal.

Having presented to your customer in a professional way you have the right to ask for the order and the customer expects you to do so. This technique alone will improve your sales results and give you more confidence in the selling situation.

Remember that closing is about timing. The best closers recognise there is a time to ask for commitment and they have the confidence to do so. If you get rejected, so what? What have you actually lost? In fact you are better off because even if you get rejected at least you now know where you stand.

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## 2. The Assumptive Close

By assuming that the order is being placed you can remove the responsibility for decision-making away from the buyer. This uses the buyer's natural inertia.

The assumptive close uses words like 'will' and 'when'

*This will solve a lot of problems when it is installed.*

*When will be the best time to deliver?*

*Will 4 units be sufficient to meet your requirements?*

## 3. The Alternative Close

As we saw earlier, this close gives the buyer the choice between 2 alternatives, both of which have been chosen by you

*Do you require delivery Tuesday or will next week be more convenient?*

*Will you take the option of alloy wheels or do you prefer central locking?*

*Would you prefer the green or the red?*

## 4. Closing on a small issue

Often the buyer finds it easier to make small decisions than large ones. However, having made the smaller decision the larger one becomes easier to make. Choose a minor feature of your product and gain agreement from the buyer on that feature.

*Delivery can be made on a weekly basis. Does that meet your requirements?*

*We can arrange for the colours to match your company logo. Would that be what you are looking for?*

*If storage is a problem we can arrange for a split delivery at no extra cost. How does that sound?*

## 5. The Pressure Close

This enables you to put pressure on the buyer in terms of special offers or inducements that are available or penalties for not placing the order.

*This price is only available up until the end of the month.*

*If you order the smaller quantity the higher price will apply.*

*We are giving a free mobile phone with orders of 500 units and above. This offer ends tomorrow.*

## 6. Converting on Objections

An objection can be a very strong buying signal. If the buyer raises an objection and it is the only objection that is preventing the order from being placed you can use this to gain commitment to buy.

*You have said Mr Jones that you are interested in our products but the discount terms that we offer are unacceptable. Is this the only objection you have? If we were able to work out a compromise would you be willing to place the order today?*

## 7. The Negotiated Close

*Standard negotiating techniques are very useful at the closing stages of the sales process.*

*If I can reduce my price by 15 per unit will you agree to place the order today?*

*If I can agree your delivery terms can we agree today on a long-term commitment for you to use us as your main supplier?*

I will ring my boss now. If he agrees to reduce the price by 10% do we have a deal?

## 8. The Trial Close

During your presentation the buyer may make a remark that suggests a decision to buy may have been made. In these situations

- listen to what the buyer says
- summarise what has been said
- ask for the order/close the sale

## 9. The Balance Sheet Method

One closing technique that can be used is a comparison between your offer and that of a competitor. Draw a vertical line down the middle of a sheet of paper. Write down all the points in your favour on the left hand side.

This can be repeated for the other products being considered by the buyer and you can influence the decision as long as your offer is superior to others. If your product is the stronger of the alternatives available to the buyer this method can help the final decision be made in your favour. It suits buyers with a more analytical approach.

## 2.2 Body language and closing

Body language is very important when closing the sale. Our body language tells the customer more about how we are feeling and our state of mind than the words we use or our tone of voice.

If we observe salespeople during the sales process we see their body language being very open. They tend to lean forward with a very open posture. They are quite animated and make regular eye contact with the customer.

Here are some points about body language:

1. Body language accounts for over half the message being communicated
2. You should always look for more than one clue. The perceived wisdom is that if someone has their arms crossed that they are in a closed position and not happy, or comfortable. People with their arms crossed are sometimes hugging themselves. It can be a comfort pose. Look for more than one clue. If their arms are crossed and they have just told you they aren't happy with what you have just said then the crossed arms could confirm that this is true.
3. Changes in body language tell us a lot. If you are presenting your product and suddenly the customer leans forward and starts making notes it is likely you have said something of interest. Find out what it is.
4. When you close, you must also close down your body language to indicate you have finished and it is decision time. Here are some things you can do. Ask for the order. Close your file if you have one in front of you. Put your pen away. Cross your legs. Move your chair back slightly. Make eye contact but don't speak.
5. This can be done very quickly but will convince the customer that the interview is coming to an end and a decision is required. Think of newsreaders on TV. One way we know the news has ended is that they straighten up their notes and turn and talk to each other
6. Eye contact is very important when selling and negotiating. Positive eye contact shows you are confident and not shy or intimidated by the other person.

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## 2.3 Presenting price

### Dealing with price issues. How to present prices

At some stage of the sales process we have to present our price. Often salespeople lack confidence and the customer can take this as a sign of weakness that presents an opportunity for negotiation and price reductions.

Price has to be presented positively and the customer needs a bit of time to digest the information we are giving.

The problem with a lot of salespeople is that we present our price, the customer goes a bit silent and has a little think and we respond by interrupting and reselling the benefits.

As well as being irritating, this allows the customer time to plan a negotiating strategy and the sale can either be lost, or be settled at a discounted price, which was unnecessary.

The following scenario happened in real life:

**Salesperson:** "...so the cost of the system is £15,000. "

**Customer:** Silence. Has a little think about the impact of the system on the office.

**Salesperson:** "But I'll do it for £14,000."

The salesperson misinterpreted the customer's reaction to the price. The customer was thinking about the overall buying decision. The salesperson interpreted the lack of response as being an objection to the price and gave away an unnecessary discount.

We have to learn, as salespeople that there is a time to talk and a time to shut up. The skills that make us good at selling often work against us when we are negotiating.

What the salesperson should have done was to have let the customer have a think for a short while and then responded with a closing question such as "Is that okay?" or even "Would you like to go ahead?"

Here are some thoughts, therefore, on dealing with price:

- Look and sound confident when presenting your price
- Maintain eye contact with the customer
- Be specific. Present the actual price, rather than a 'ballpark figure'
- Present the price, then shut up! Don't resell your product, or service
- Give the customer time to think
- Look for an opportunity to close, or get feedback on how the customer feels
- Deal with the price objection if necessary. Defend your price before making price concessions

- Negotiate if you have to, but only after having defended the original price
- Again, look for an opportunity to close

## 2.4 Dealing with objections

During the sales process most people will raise objections. When we try to close the sale, like it or not, we are putting the customer under pressure. Just before making a buying decision customers worry about making a mistake and that's the most likely time when a customer will raise an objection.

Objections are raised for other reasons as well. At some stage, customers

- misunderstand something you have said
- feel pressurised
- are not convinced about your claims
- haven't yet made up their mind
- have to go back and justify their buying decision to others

As we have seen one of the most common times objections are raised is just before the decision to purchase. In this case the customer is often looking for reassurance that the decision to buy is the right one.

There are different emotions that come into play when a customer raises an objection depending on what the objection is and how it is raised. We can feel:

- frustrated
- angry
- confused
- irritated
- worried
- frightened

And this can lead to us losing control.

Most salespeople when faced with an objection tend to react too quickly. Because we have heard the objection before, in our enthusiasm to help the customer, we interrupt and often deal with the objection, in effect, by making a statement that effectively says the customer is wrong.

The customer says we are a bit expensive and our reaction is to say in effect "No we're not and I can prove it"

This is a bad tactic since none of us like to be wrong and all of us hate to be proved wrong. This method, therefore, of responding to an objection with a statement of fact is unwise since it puts the customer in the wrong frame of mind



Rather than attacking our customer's beliefs or opinions we should try to get them on our side. The golden rule should be that, whatever the objection, you should never openly contradict a customer. It may be that the customer has misunderstood something you have said previously or maybe feels it is his or her duty to question some of your claims about your product or service in order to test their validity. Whatever the objection and whatever the circumstances the least powerful way to answer a sales objection is with a statement of fact.

There is a simple process that can be used to answer any sales objection.

**1. Listen to the objection**

**2. Clarify the objection**

**3. Deal with the objection**

**4. Close or advance the sale**

**1. Listen to the objection**

Resist the temptation of interrupting the customer. You may have heard the objection a hundred times before but not from this particular customer. It may also be that the customer has more than one objection, or that this particular objection is slightly different than the ones you usually hear.

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By listening you show the customer you are interested in his or her problems and enhance your own professionalism. It also gives you time to think of a way of answering the objection.

## 2. Clarify the objection

It is very easy in the heat of the moment to mishear what your customer has said and begin to answer the wrong objection.

So, for example, when the customer says you are too expensive it can mean different things. The customer could mean:

*I've had another quote*  
*I'm checking you out*  
*I'm negotiating with you*  
*I have to go back and convince others*  
*It's more than I expected*  
*It's more than I have in my budget*  
*I don't want to buy from you*

It could also be that when you test your understanding of the objection you find that your customer has another objection that is fairly trivial and can be handled with ease. To clarify the objection you could say something like:

“When you say we are a little expensive, can you be more specific?”

We then need to probe and find out the real reasons behind the objection, before moving to the next stage. It could be that by the end of this stage of the process you identify, for example, they have had a slightly cheaper quote from a competitor. Once you have enough information it is now time to deal with the objection.

## 3. Deal with the objection

Once you fully understand the nature of the objection then it can be answered in different ways depending on whether it is

- a misunderstanding by the customer
- disbelief over claims you are making
- a product disadvantage

### Misunderstanding

Where the objection is based on a misunderstanding of something you have said then you must:

- take responsibility for the misunderstanding
- give information to clarify the true position
- gain agreement to proceed

For example the customer says:

*I don't wish to see anyone from your company as I am working full-time and can't afford to take time off work during the day.*

The customer has clearly misunderstood the fact that someone will be available to call outside normal office hours.

*I obviously haven't made myself clear Mr Smith. I will be pleased to call at any time in the evening to suit yourself. I will actually be in your area on Thursday. Would 7.30 be convenient or would you prefer a slightly earlier time.*

### **Disbelief**

This occurs where you have made a statement and the customer does not believe you, or at least doubts some of the claims you have made.

For example:

*I think you are too expensive*

To answer this and other types of objection there is a method called Feel, Felt, Found, which is very effective for dealing with objections without attacking your customer. Let's use the previous example. After clarifying, we could say:

*I understand how you feel Mrs Smith. Other people have felt exactly the same. People in the same business as yourself who are now our customers. When we first made contact there were often other companies who were able to provide quotes that were a little bit cheaper than ours.*

*However, what they found was that because we have invested heavily in new technology and are able to guarantee a 3 hour response to any problems that may occur during implementation, it was very much more cost effective in the longer term to pay a little bit more up front.*

### **Product Disadvantage**

This occurs where there is a feature of your product or service that is genuinely less advantageous than a feature of a competitor's product or service. For example, the customer could say: *We use a local company with an office in the high street.*

There is a disadvantage here because you don't have a similar office in this location and is a genuine disadvantage, which needs to be put in perspective.

We try to overcome the disadvantage by stating the advantages of dealing with your company, in the hope that the advantages will outweigh any disadvantages.

This is often called the 'Balance Sheet Method'. To do this successfully you need to be aware of your main selling points and the services you can provide that are superior to those provided by others.

However, before we deal with the objection we need to clarify why having a local office is important to the customer and whether other parts of our service might outweigh the disadvantage that has been identified.

#### 4. Close, or advance the sale

The key to objection handling is to react less quickly when an objection is raised and find out more about the problem. Clarify exactly what the problem is then try to overcome the objection.

Finally, if you have dealt with the objection successfully and it is the right time, close the sale, or move on the next stage of the sales process.

## 2.5 Cross selling and upselling

People who manage sales have to achieve growth. There are different ways that this can be achieved:

1. Sell more to existing customers
2. Prevent existing customers from going to a competitor
3. Find new customers
4. Sell new products

For many people in sales the challenge is to grow their customer base by finding new customers. However, what many salespeople fail to recognise is the potential within their existing customer base.

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**Cross selling** is where we sell additional products to existing customers. The theory is that if we have a satisfied customer who has been happy with our service they will be willing to hear about other products or services that we offer.

Many people in sales find this approach pushy and uncomfortable. This is because they feel they need to do a sales pitch on an additional product then go for a close. All high pressure stuff!

The answer is that you don't need to rush into a high pressure sales pitch.

Asking questions is 3 times more persuasive than presenting information.

Let's say you are selling Buildings insurance cover for the cost of damage and repairs. You do a good job and have a lot of satisfied customers.

You also provide contents insurance, but are more expensive than the larger insurance companies. Most people give up at this point and don't try to cross sell.

The key to cross selling is to ask questions. In this case 3 questions are enough:

1. Who covers you for your house insurance?
2. Do you know the renewal date?
3. Would it be okay if we contacted you around then to discuss our house insurance policy and give you a quote?

Most salespeople fail because they don't try. They convince themselves the customer won't be interested and worry about rejection. The best salespeople take a few seconds at the end of the meeting to ask simple, low pressure questions to find out if there is an opportunity to cross sell.

**Up selling** is a process by which we try to work out whether what the customer has bought from us is really what they need.

It is very common for salespeople to sell a lower priced product or service because it is easier to sell. However, if it turns out to be the wrong solution for the customer this can lead to problems further down the line.

Again the answer is to ask the right questions. Explore the facts first of all, then the consequences of them making the wrong decision.

At the end of the day the customer has to make the choice that they feel is right for them. As salespeople we need to offer the best alternative and make sure the customer realises the consequences of 'down buying'.

Again, the danger is that if we don't offer the best solution and things go wrong we will get the blame and we may lose the customer for good.