

## Closing in the 2008 Economy

by Linda Richardson

*Most salespeople will tell you closing sales in 2008 is tougher than it has been in a long time.*

In a recent Richardson survey of 500 salespeople, when asked if closing sales is tougher now than in the past, 68% of the respondents said yes. Twenty-eight percent attributed this to cuts in customer budgets. Thirty percent described their pipelines as "not healthy," as opposed to 12% in 2006.

The challenge of closing today is compounded by the fact that fewer than 50% of salespeople in the market today have ever faced having to sell in a down turn. Most were reared in sales in the high times of the 90's and the past eight years.

Clearly some factors such as reduced spending by customers, health of certain industries or specific companies, the political environment, and disadvantages in product quality hinder closing. Almost always, these factors are not in the control of salespeople.

But two factors are completely in the control of salespeople:

- How well they **understand** their customer's needs
- How **SKILLED** they are in closing

As one survey respondent succinctly put it, *"We're in a very tense market environment. Salespeople have to be very skilled to close business."*

Being skilled in closing in a tough economy means understanding how the economy has impacted customers' thinking and buying behavior. At Richardson, we have identified three primary ways in how customers have changed:



### How Customers Have Changed

1. They have a lower tolerance for risk — especially when it is time to commit — hence delays and/or fewer deals.
2. Trust is paramount in their minds and they must feel the salesperson is there to meet their needs, not just a sales quota—the relationship matters, as does skill in more in-depth probing.
3. They have an intense focus on value and they expect to get extra value — salespeople must quantify value for the short and long run.

Moreover, these three factors usually are tightly interwoven.

If you are selling the way you sold pre-2008, you may feel like the 68% who are finding closing much harder than ever. By adapting your selling to exhibit behaviors around these three changes, you will improve your ability to close.

### Maximize Time "In the Moment."

The changes in how customers are buying, coupled with the fact there is less business to be won, makes it essential for you to pull every lever to win every deal that can be yours. So how do you use every sales call dialogue to build relationships, reduce risk, establish trust, and quantify value? Clearly there are multiple aspects of selling that must be sharpened, such as more aggressive prospecting, cross-selling, in-depth qualifying, toughening up competitive tactics, and leveraging relationships and contacts. BUT what you do "in the moment" of the sales call is a major factor in tipping the closing scale. Especially when budgets are cut and sales cycles are protracted, you must be able to lead a sales dialogue that helps you achieve every call objective you set. Let's consider how to become superb at this.

Make sure you use "in the moment" customer time so effectively that you, not your competitors, close your deals. Know the sales call like the back of your hand so that it's as if you have a sales GPS in your head. Knowing the terrain of the call will provide you with a flow so you are completely free to focus on the content of the dialogue.

Here are 5 Dialogue Steps \*(*Perfect Selling* by Linda Richardson) you can use to help you win every piece of business out there to be won that can and should be yours:

### Step 1 — Connect to Build Relationships and Trust

#### Sales Strategy

While customers in 2008 are driven by value, relationships still count. Make sure you are connecting on a personal level. Do something you don't get paid for — for every one of your key customers. *Do extra homework. Talk up your preparation because customers like to know they are on your mind.* Listen to them. Bring ideas rather than just respond. Follow up flawlessly. Be more active with them face-to-face and by phone. *Make the extra phone call.*



Our research shows that 70% of salespeople's sales today are coming from existing customers. Therefore, while you must prospect to keep your pipeline going, your current relationships are likely to be your best source of business. Your relationship with your current customers, their level of trust in you, and your ability to meet their needs with quantified value are key to helping them pull the trigger. It can be easy to take current relationships for granted. Sharpen your rapport skills — in any economy the old adage is true: customers buy from people they like.

Of course your customers are keenly concerned about value, but they are measuring their relationship and trust

level with you too. Make *rapport* really count by preparing for it. Even for customers you know, go to their Web sites, do more homework, look for personal cues, make note of personal events and interests. Keep the focus of rapport on the customer, not you. You've heard this before, but put some real focus on rapport to connect on a personal level to help build trust.

### Sales Skills

After establishing rapport, show how prepared you are. Customers want to know you value your time with them. Summarize how you got there to *leverage your preparation*. Describe things such as having gone to the customer's Web site, talking with your manager, etc. As you state the purpose of the call, show that you are customer-centric, not product-focused. Start by stating your desire to learn more about the customer's objectives before you mention what you plan to pitch. Exit Step 1 to Step 2 by asking if first you may ask some questions. This will get you on the customer-centric path, not the product path.

### Step 2 — Explore to Understand Needs, Build Trust, and Tailor Solutions

#### Sales Strategy

One of the best ways to build trust is to demonstrate your interest in the customer. By asking questions, you show your goal is to meet the customer's needs and add value, and not just achieve your goal.

Especially in a slow economy, customers must feel you care about them. Don't jump at the hint of a need — continue to probe. Even if you have recently talked to the customer and are up-to-date — still check if something has changed or if there is something new. There is no excuse not to always ask questions. Carefully probe decision makers, decision-making process, time frames, budget, and heighten your understanding of the competitors' positions. Never skip probing.



### Sales Skills

Explore is the probing step, and the deeper you go to understand and qualify your customer in a slow economy, the better. Because the economy is slower, spend a disproportionate amount of time in questioning, especially early in the sales cycle. Customers want to know you are putting their needs first.

Even though you need to make your quota, you must have dialogues that explore customer needs, both short and longer-term. Start with a broad question to find out the customer's *objective* related to what you are selling. Do this to get your customer's vision and show you are a strategic thinker and not a product pusher. Once the customer responds, it is likely you'll have to probe further rather than move to your next question. The deeper understanding that your customer feels you have, the lower his or her feelings of risk will be. After you probe objectives, keep probing and ask about the current situation, technical needs, and future and personal needs. Each time your customer answers, listen for broad or vague words and ask drill-down questions to help the customer clarify.

Highlight your focus on competitors. Do homework on your competitors. Go to their Web sites. Probe your customers, especially about incumbents because they often seem safe to the customer. Incumbents can have tighter relationships, more information, and lower pricing.

So that you are spending your time with your best opportunities, *qualify* and *re-qualify* to avoid spinning your wheels. Probe and probe some more.

### Step 3 — Leverage to Reduce Risk, Show You Understand Needs, Offer Value

#### Sales Strategy

Customers must believe the payback justifies the spending. Position the value of your offering and how it addresses the customer's critical business needs. As you develop your solution, physically map out the customer's needs in priority order and match to your solution, emphasizing your differentiators. Think "you" (meaning the customer) and talk about how your solution meets the customer's needs. Position the benefits in terms of savings and what the customer gains in terms of business and personal benefits. Quantify the value you bring as specifically as possible. The more quantifiable, the more sellable.

Once you understand needs, it is time to customize your capabilities to leverage them. Generic capabilities are not persuasive. Use all the information you have gained from your probing to customize your solution.



### Sales Skills

To position your solution, start with a one-sentence introduction and begin it with the word "you," (meaning customer). For example, "Your objective is to ..." — then give the one sentence headline that describes the elements of your solution — for example, "We offer a two-phased solution: A and B." The customer is now ready to hear your ideas. You know the customer's needs and language, so generously integrate both into your solution. One of our trainers conducted a test with a group of senior-level salespeople in seminars. The assignment was to work up a solution statement based on a set of customer needs. On average, sales teams used the word "we" (meaning the sales team) 28 times as compared with using the word "you" (meaning the customer) 3 times. With your customer-centric solution on the table, ask for feedback, for example, "How does that sound?" to unearth objections or additional questions. Listen, acknowledge, and probe any questions or objections. Most importantly, as you describe your solution, **QUANTIFY VALUE** with both short and long-term justification if possible. Show you want the business by finding ways to add extra value — and this does not mean reducing your prices.

### Step 4 — Resolve to Connect, Build Trust, Reduce Risk

#### Sales Strategy

When tolerance for risk is lower, there will be more objections and questions. The buying decisions will likely be protracted because more decision makers will be involved. Showing patience, probing, and asking for feedback are essential to

understand and reduce concerns about risk and clear the way to close. Staying focused, paying attention to detail, and not giving up are key. Remain patient but maintain momentum. Set measurable objectives for every contact, ask for your objective, and then execute each call to keep the sale moving forward.

**Sales Skills**

Don't try to tackle objections or questions alone. Generally, customer objections are broad. A lot is at stake and especially if the customer is still hesitant after much discussion, you can feel frustrated.



It is critical to remain patient and customer-focused. *Acknowledge* the objection or question to connect, then probe to clarify. You will not only get the technical/specific information you need to answer the objection, but you will show your customer you are there to listen. Position your customer-centric response by specifically addressing the customer's need and using the customer's language. Check how the response has addressed the objection or questions before moving on.

Price invariably is the big objection in a slow economy. But good or slow economy customers still have needs. Your job is to show your solution is worth the price. The tendency might be to think you must lower your price or make unilateral concessions, especially later in the sales cycle to help bring the sale to a close (and meet your quota). But aggressively lowering your price can often raise the customer's perception of the level of risk and cause further delays by causing the customer to think additional price reductions are available. Instead of lowering price, clearly quantify short and long-term value and also find ways to add extra value — for example, bring in a specialist or include a special service that doesn't negatively impact your profitability.

Because in a tough economy

customers are significantly more cautious in how they evaluate risk vs. the reward of making the purchase and may adopt a "wait and see" stance, it is essential to position your solution in terms of quantifiable value to offset the exaggerated perception of risk that is making the customer tense and hesitant to buy.

**Step 5 — Act to Remove Risk and Close the Deal**

**Sales Strategy**

Help create a desire on your customer's part to act. First, be sure your customer is ready to close. That means you have gotten incremental feedback on what you have presented and have all the in-depth closing information you need, including customer's needs, decision makers, decision process, buying criteria, budget, time frame, and competitors.

You must ask for an action step at the end of each call, whether it is the next step in the sales process, such as getting to the economic decision-maker, or asking for the business, such as a commitment to move forward. But closing doesn't only happen at the end of the call. As you get feedback throughout the call, you prepare the customer and yourself for the close. By asking, "How does that sound?" each time you make a key point, you will know pretty much where you stand.

If you don't feel comfortable asking for things, practice ... look in the mirror and practice what you must ask. If the customer delays, go back to needs — acknowledge and probe — re-qualifying by checking things such as the customer's objectives, level of priority, supporters, those who oppose, and budget.



**Summary**

In leaner times, what customers need from you is different because their risk profile and priorities are different. Connect with preparation and rapport. Explore to show you

want to understand needs in-depth. Leverage by showing quantifiable value expressed in terms of customer needs and language. Identify and resolve objections *with* customers. Act by asking for your action step.

Remember that customers have needs in *all* economies and you can be the one to meet those needs by showing the quantifiable value and benefits that offset their fear of risk. A big difference in a slow vs. good economy is not that customers don't have needs. It's that it is essential to help the customer assess risk/reward. Your sales dialogues are the place to do this to maximize every contact. Be ready — in a slow economy, you don't get a second chance.

*\*Perfect Selling* by Linda Richardson, *New York Times* best seller, McGraw-Hill 2008.



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*Richardson is a leading, global sales training company that is dedicated to accelerating the productivity of sales professionals by ensuring they have the skills, strategies, and processes to achieve their objectives and implement their organization's strategy. Utilizing a comprehensive curriculum, coaching, consulting, diagnostic testing tools, and a proprietary customization process, Richardson helps develop the critical skills sales organizations need to win. Richardson's curriculum includes sales, sales management, strategy, negotiations, and service training delivered through seminars, one-on-one and team coaching, interactive eLearning, and podcasts. For more information, visit our website at [www.richardson.com](http://www.richardson.com).*