

80/20 *Sales Performance*

SPECIAL REPORT:

The Secret to Closing More Sales

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This special report is an excerpt from the book, ***How to Beat the 80/20 Rule in Sales Team Performance: A Step-By-Step Guide to Building and Managing Top-Performing Sales Teams***, by Alan Rigg. For more information, visit:

<http://www.8020sales.com/products.html#books>

Introduction

Many sales skills training courses focus considerable attention on closing techniques. In fact, entire books have been written about how to "close" sales.

Certainly closing is an important activity, as the time, effort, and resources invested in managing sales cycles are wasted if orders are not secured. However, **the real secret to closing sales is doing a great job at the front end of the sales cycle.**

In other words, it is the quality of the work that is done during the **opportunity qualification** stage of the sales cycle that determines **whether** a sale will close, as well as **how hard or easy** it will be to close. Doing a great job of opportunity qualification also minimizes the amount of time, energy and resources that are **wasted** on opportunities that will never close, or that will produce only marginally profitable (or unprofitable) business.

At its simplest, opportunity qualification is the process of determining whether a prospect has enough interest in a product or service for **them** to justify engaging in a sales cycle. At its most effective, opportunity qualification is **a two-way street**. What does this mean?

It means your salespeople shouldn't focus solely on whether prospects can be enticed into sales cycles. They should also carefully consider whether each prospect is **worthy** of the time and resource investments required to manage a sales cycle! The best way to accomplish this level of qualification is to break the process into four separate steps:

1. Business Problem Qualification
2. Business Problem Quantification
3. MAIN BP Qualification
4. Technical/Detailed Qualification

Step 1: Business Problem Qualification

Business problem qualification is the process of asking questions to determine whether a prospect has any of the **business problems** your company's products or services can address.

What is a business problem? A business problem is any activity or outcome that **negatively impacts** a business. Examples of negative impacts include reductions in revenue, profits, customer satisfaction, employee productivity, job satisfaction, etc. Here is an example of a business problem description:

Many mission-critical software applications (e-business, manufacturing, point-of-sale, etc.) need to access relational databases in order to function. **If a database has problems** (goes down or suffers data loss or corruption), application downtime can **cost companies tens of thousands of dollars per minute** in lost sales, lost customers, and lost opportunities.

Unfortunately, most sales training programs that are supposed to teach salespeople how to sell a specific product or service do not mention business problems. Instead, they focus on teaching salespeople to regurgitate exhaustive lists of **features and benefits**.

There is some value in a salesperson being aware of key features and benefits. After all, **features** are what actually **solve** business problems. **Benefits** are what customers receive when their business problems go away. However, if salespeople just spew long lists of features and benefits at prospects, in effect they are **hoping** the prospects are **already aware** of their own business problems, and will somehow **figure out for themselves** which features can solve their business problems!

This is a very **inefficient** way to sell. Plus, salespeople run the risk that prospects will **not** figure out the linkages between business problems and features; or, prospects may become bored and "switch off" before the salesperson gets around to mentioning potentially valuable features.

Business problem identification is too important to leave to chance! Your company's salespeople will sell much more effectively and efficiently when they become experts in the specific business problems that are addressed by each of your company's products and services, as well as the questions they can ask to determine whether a prospect or customer has these specific business problems. (This type of training curriculum is discussed in Chapter 15: Why Most Sales Training Programs Fail.)

Step 2: Business Problem Quantification

Even when your company's salespeople become experts in business problems and qualifying questions, their education will not be complete. They also should be taught questions they can ask to **quantify the impact** of specific business problems.

Quantified impacts are **dollar values or percentages** with associated **time frames** that can be assigned to specific business problems. (In the earlier sample business problem description, the quantified impact was "tens of thousands of dollars per minute".)

Quantified impacts are an **invaluable** aid to closing sales. How? If the quantified impact of a business problem exceeds the investment required to fix the problem, a buying decision is easy to justify. The **larger** the difference between the quantified impact and the required investment, the easier it becomes to close the sale. If the quantified impact is a **multiple** of the required investment (for example, a quantified impact of millions of dollars versus a required investment of tens of thousands of dollars), the buying decision becomes "a no-brainer".

IMPORTANT NOTE: In order for a quantified impact to add value to the selling process, the **prospect** must be the source of the numbers. Why? In general, prospects don't **trust** salespeople.

Many prospects have been exposed to Hunter/Hard Closers that were more interested in making sales than they were in providing value. Plus, prospects recognize that salespeople have a vested interest in building a compelling business case that can be used to support a buying decision. This causes prospects to **discount** any quantified impact information your salespeople provide.

The good news is if the **prospect** is the source of quantified impact information, the information takes on the veneer of **unquestioned truth**. This makes learning how to ask quantifying questions a valuable skill indeed!

Step 3: MAIN BP Qualification

Many salespeople are almost desperate to engage prospects in sales cycles. After all, it is much more fun to manage sales cycles than it is to prospect. Plus, the salespeople get to add opportunities to their pipeline, which gives you the impression they are actually doing something useful!

These misguided salespeople have **blind faith** that if they can somehow convince prospects to engage in sales cycles, the inevitable outcome will be making sales. This belief causes them to indiscriminately invest time, effort, and company resources in any prospect that expresses the slightest interest in a product or service.

Unfortunately, sales cycle time and resource investments do **not** inevitably produce sales. Here are some other possible outcomes:

- How many of the opportunities in your company's pipeline have been **stalled** at the same step in the sales cycle for weeks...or months?
- In how many opportunities has your company invested enormous amounts of time, energy and resources (conducting product demonstrations, writing lengthy proposals, facilitating product evaluations, etc.), only to have the prospect decide they don't **want** to buy, or prove **incapable of funding** the purchase?
- Even when sales are made, how many turn out to be "**nightmare**" **customers** that are always dissatisfied and consume huge amounts of post-sales resources?

All prospects are NOT created equal. Your company's salespeople **do** need to help prospects explore whether their business problems are substantial enough to justify investing time in sales cycles (i.e. Business Problem Qualification). However, your salespeople **also** need to determine whether each prospect is **worthy** of time and resource investments by your company!

If a prospect is **not** a good fit, a wise salesperson will **disengage** from the opportunity (and perhaps refer the prospect to a competitor, giving the competitor the opportunity to waste some time and resources?) and search for other prospects.

How can salespeople accomplish this type of qualification? Many sales skills training courses teach an acronym, **MAN**, that stands for **Money, Authority, and Need. The idea is to determine whether:**

- The prospect is willing to commit enough budget dollars (**Money**) to pay for a product or service
- All of the key decision makers and influencers (**Authority**) have been identified

- The prospect's pain (**Need**) is severe enough for them to justify investing in a solution

Unfortunately, even when your salespeople do a good job of MAN qualification, they can be blindsided by issues that delay sales cycles or destroy the opportunities outright. Here are several examples:

- Some prospects prove incapable of securing financing. They may **have** a budget, but they are not “credit worthy”, so they cannot **fund** the budget.
- Some decision makers need to have specific information provided in specific formats before they can authorize buying decisions.
- Sometimes salespeople invest considerable time and effort troubleshooting complex problems and designing solutions, only to be informed that the prospect must take the proposed solution **out to bid**. This can lead to the opportunity being lost to a low bidder or the profitability of the opportunity being severely squeezed.

To avoid these issues, salespeople should add additional questions to the MAN qualification process. The acronym that I have assigned to this revised process is **MAIN BP**, which stands for **M**oney, **A**uthority, **I**nformation, **N**eed, and **B**uying **P**rocess. A sample MAIN-BP qualification form is provided at the end of this special report.

If your salespeople successfully complete both Business Problem Qualification and MAIN BP Qualification, you will be able to make **very educated resource allocation decisions**. Expensive time and resources can be laser-focused on opportunities that have the best chances of producing attractive returns on investment.

IMPORTANT NOTE: Business Problem and MAIN BP qualification should **not** be one-time activities, especially if sales cycles extend over weeks or months. It is entirely possible for decision makers to change, business priorities to change, budget allocations to change, etc. Your salespeople should periodically **revisit** these opportunity qualification steps to ensure no substantial changes have taken place that might delay or derail the sales cycle.

Step 4: Technical/Detailed Qualification

Technical/Detailed Qualification should be performed after Business Problem and MAIN BP qualification have been completed, and after you have made a **conscious decision** to invest your company's time and resources in pursuing a

sales cycle. In Technical/Detailed Qualification, your company's technical (and other) experts work with the prospect company's experts to troubleshoot business problems, determine root causes, and identify potential solutions.

If your company's salespeople have extensive technical knowledge, they may be directly involved in some or all of these technical activities. However, a better use of your salespeople's time would be to assume the role of **resource manager** and leverage the expertise of others.

In a resource management model, your salespeople would not be required to become experts in the intricacies of your company's products or services. Instead, they would focus on becoming experts in **finding and qualifying opportunities** and **leveraging expert resources** that can help them convert opportunities into sales.

This approach reduces the time required for new salespeople to become effective at prospecting and accelerates sales traction when new products or services are introduced. For more information on this approach to selling, see Chapter 15: Why Most Sales Training Programs Fail.

Closing

If salespeople do a superior job of qualifying opportunities, closing sales becomes simple and matter-of-fact. I have been a student of selling and sales management for eighteen-plus years, and I have used a grand total of five "closes" during that time. These are the Financial Close, the Chronology Close, the Ben Franklin Close, and the Thermometer Close. Here are brief descriptions of each close:

- 1. Financial Close:** A financial close is the natural choice when you have successfully helped your prospect **quantify** the impact of one or more business problems. As stated earlier, if the quantified impact of a business problem exceeds the investment required to solve it, a buying decision is easy to justify. The larger the difference between the quantified impact and the required investment, the easier it becomes to close the sale.
- 2. Chronology Close:** The chronology close is effective when a product or service will impact a prospect's project plan, especially if the purchasing decision is a prerequisite to other activities in the project plan. If you start with the desired project completion date, then backtrack through project milestones to the point where your company's product or service should

be added, in many cases you and your prospect will discover that an order should have been placed some time ago!

- 3. Puppy Dog Close:** People have used this approach to find homes for puppies since the dawn of time. "Oh, why don't you take the puppy home and see how the two of you get along? If you find it's not working out for you, just bring the puppy back."

Yeah, right - what percentage of the time do you think those cute little puppies are returned?

If having an opportunity to make "hands on" use of your product or service turns prospects into raving fans, your goal should be to do everything you can to make sure that (qualified) prospects have this opportunity. Once they start using your product or service, in many cases the only way to get it back will be to pry it from their cold, dead fingers. Cha-ching!

- 4. Ben Franklin Close:** Some prospects have a hard time making a buying decision, regardless of the potency of the business case that supports the decision. This is simply a reflection of their personality and behavioral traits. For these people, the Ben Franklin Close can be very effective.

The traditional delivery for the Ben Franklin Close begins with the salesperson reciting trite phrases such as, "Ben Franklin was considered by many to be a very wise man. Whenever he needed to make an important decision, he would..." If you wish, you can skip that part and get right to the core of the technique.

Draw a vertical line down the middle of a sheet of paper, and a horizontal line that intersects the top of the vertical line. This creates a large "T" on the paper. On the left side of the "T", write the word "For". On the right side of the "T", write the word "Against".

Now, suggest to the prospect that it might be helpful to make a list of all of the reasons both for and against acquiring your product or service. Help them create the longest possible list of entries in the "For" column. Let them populate the "Against" column by themselves. The usual end result is a list of reasons in the "For" column that is much longer than the list of reasons in the "Against" column. Seeing this difference visually can help push a reluctant prospect over the decision-making hump.

- 5. Thermometer Close:** In this close, the salesperson asks the prospect to rate their level of interest on a zero-to-ten scale. Zero means the prospect has no interest at all, and ten means they have already decided to buy.

If the prospect answers “Ten”, you’re done. Stop talking and write up the order. If the prospect’s answer is a five or lower, ask, “Based upon what you’ve told me so far, I don’t understand why you say (score). Can you help me understand that?” Their answer will tell you what you need to do to advance the sales cycle. If the prospect’s answer is a six or more, ask them, “What do you need to see to get to ten?” Again, their answer will tell you what you need to do.

One of the attractions of this close is that it can be used repeatedly. As the prospect’s “temperature” rises, you can continue to ask them, “What do you need to see to get to ten?” This is a nice, non-threatening way to get the prospect to share with you any issues that are separating you from a sale.

The Value of Testimonials

Another tremendous sales closing aid is customer testimonials. What is a testimonial? It is a written statement from a customer that explains how you, your products or services, and/or your company delivered value to that customer’s business. These statements may be as brief as a single sentence, or they may be as lengthy as a multi-page case study.

Testimonials may be general statements of satisfaction, or they may be very explicit, step-by-step descriptions of how value was provided. The best testimonials include quantified business impacts (dollar values or percentages and time frames).

NOTE: There is a difference between a quantified impact that is developed during Business Problem Qualification and a quantified impact that is documented in a Testimonial. The “Qualification” impact is a **forecast or estimate** of expected results, while the “Testimonial” impact consists of **actual** results that have been delivered to the customer.

Helping customers calculate and document quantified business impacts has value beyond possible use in testimonials. **This practice can also help you keep customers.** How? Remember, circumstances change. Businesses see upturns and downturns in revenues and profits. Companies can be acquired by other companies, which can lead to significant changes in management teams.

Individuals get promoted, leave companies to pursue other opportunities, and have health problems. All of these circumstances can impact **whether** your customers continue buying from you, and **how much** they buy from you.

What would happen to your sales volume if a key customer's business "got soft", or if their company was acquired by another company, or if your most vocal champion was reassigned or left to pursue another opportunity? If you have not helped this customer document quantified business impacts, the result may be a sudden drop in your sales. Why? Because **the first things that get cut during business downturns or management changes are those things that management does not understand.**

If your customers have thorough documentation on hand that clearly explains the quantified business impact of your products and services, the risk of a sudden drop in your sales volume is dramatically reduced. If there are any "why are we buying this?" questions, you can review the quantified business impact documents with them. Once they see how your products and services generate value, they will usually focus their cost-cutting attention elsewhere.

How does a salesperson acquire testimonials? They **ask** for them! Just like with referrals, the best time to ask for testimonials is when customers are feeling happy and satisfied. If a customer makes a positive statement that you feel would make a good testimonial, ask them if they would be willing to put their thoughts into writing. You can even volunteer to write the testimonial for them! (Put their key statements into an electronic document and send it to the customer. Upon receipt, all they will need to do is edit the document, print it on their company's letterhead, sign it, and deliver it back to you.) If your customer is truly satisfied, they will be willing to invest this minimal amount of effort on your behalf.

While salespeople should make every effort to secure testimonials from their own customers, they can also benefit from leveraging testimonials that have been secured by other salespeople. Companies can facilitate this practice by investing the time and resources required to build a **centralized testimonial repository**.

The testimonials contained in this repository should be coded to enable rapid sorting by industry, business problem, offering, etc. This makes it easy for salespeople to quickly find testimonials that are pertinent to specific prospect circumstances. It is also useful to document whether customers are willing to speak to potential prospects. If the answer is "yes", any requests for such conversations should be routed through the salesperson that owns the customer relationship.

The quality of a centralized testimonial repository will be in direct correlation to the amount of effort and resources that a company invests in creating and maintaining it. If a company wants to make testimonial selling a key pillar of its sales culture, management should consider creating a “SWAT team” to help salespeople and customers identify and document quantified business impacts. Plus, one or more individuals could be assigned the responsibility of occasionally purging “aged” testimonials. (Ideally, all of the testimonials in the repository should be less than two years old.)

Finally, companies should take steps to ensure that testimonials are still valid. In other words, they should ensure that customer satisfaction phone calls or written surveys are completed on a regular (quarterly or semi-annual) basis. This will minimize the chances of salespeople being embarrassed by using testimonials from companies that are presently unhappy or are no longer customers.

Conclusion

Remember, the real secret to closing sales is doing a great job at the **front** end of the sales cycle. It is the quality of your **opportunity qualification** efforts that will determine whether sales will close, as well as how hard or easy it will be to close them. Doing a great job of opportunity qualification also minimizes the amount of time, energy and resources wasted on opportunities that never close, or that produce only marginally profitable (or unprofitable) business.

If you want to maximize your commissions, focus on becoming an expert at **finding and qualifying opportunities** and **leveraging expert resources** to convert your opportunities into sales. Remember, time is your only inventory. Focus it on the portion of the sales cycle that **only you** can do!

About the Author

Sales performance expert Alan Rigg is the author of **How to Beat the 80/20 Rule in Sales Team Performance** and the companion book, **How to Beat the 80/20 Rule in Selling**. His 80/20 Selling System™ helps business owners, executives, and managers end the frustration of 80/20 sales team performance, where 20% of salespeople produce 80% of sales.

For more information and more FREE sales and sales management tips, visit <http://www.8020sales.com>.

Sample MAIN BP Qualification Form

All prospects are **not** created equal. Salespeople need to help prospects explore whether their business problems are substantial enough to justify investing time in a sales cycle (Business Problem Qualification). However, salespeople **also** need to determine whether the prospect is worthy of time and resource investments by the salesperson's company. If a prospect is not a good fit, a wise salesperson disengages from the opportunity (why not refer them to a competitor and let the competitor burn some cycles?) and searches for other prospects.

A sample MAIN BP Qualification Document is provided on the following pages. This document includes questions that will help salespeople avoid being "blindsided" by issues that can delay sales cycles or even destroy opportunities outright.

The acronym MAIN BP stands for:

- **M**oney
- **A**uthority
- **I**nformation
- **N**eed
- **B**uying **P**rocess

MAIN BP Qualification Form

Money

- How will they pay for a solution?
- Has a budget been established?
- Are they credit worthy?

Authority

- Who needs to approve an acquisition of this nature?

Information

- What information do the decision makers require before they can make a decision?
- What format does this information need to be in?

Need

- What are the prospect's business problems?
- How compelling are they? In other words, can we **quantify** (i.e., associate dollars with) the pain the prospect is feeling?
- Is this quantified business impact substantial enough to warrant investment by the prospect's organization **and our company** in identifying and fixing the problem(s)?

Buying Process

- What is the prospect's company's buying (procurement) process?
- What impact might this process have on the profitability of the transaction?
- What competitive advantage will we receive if we invest our time and resources in designing a solution that goes out to bid?

NOTES:

- If you don't know the answers to **ALL** of the above questions, it is highly likely you are wasting time and resources.
- **Opportunity qualification is not a one-time process.** As an opportunity progresses through the sales cycle, you should frequently ask whether any of the answers to the qualification questions have changed. If an answer changes, it will probably impact the length of the sales cycle and may even destroy the viability of the opportunity. At minimum, an answer change will probably require a change in focus and/or a reprioritization of planned activities.
- **Never feel bad about disqualifying an “opportunity”.** The amount of opportunity in each territory is virtually unlimited. If you carefully qualify and re-qualify each opportunity, and only invest time and resources in qualified opportunities, you will **maximize** your return on time and resources invested.