



HOW TO HANDLE THE TOP 10 SME SALES OBJECTIONS - PART I

A Sale is considered closed when the buyer and seller reach agreement on terms for the buyer to take ownership of a product or service. To get to this stage, the seller normally has to “close” the sale, by asking the buyer for their business. This is where the buyer raises “objections”. Objections generally fall into three main types.

This article will explore the types of objection, how they arise and how to overcome and avoid them. Part II will then discuss the 10 most common objections, and how to handle them to close the sale.

Potential customers generally raise objections for three specific reasons. Two of these are easily handled. The third however, normally points to a fundamental breakdown in the sales process. All is not however lost, and while most of these can be overcome, it is important to understand why they arose, and ensure future sales do not fall into the same trap.

Sales objection Type 1 – Negotiation Tactics.

Assuming that your buyer fully appreciates the value that your product will bring them, some still need to get a “deal”. The range of people looking for a deal can be entrepreneurs, professional procurement and government departments.

You must get the customer to reiterate the value that they are getting first and foremost. This will strengthen your negotiating position. If it is confirmed that they really need this, and that they truly believe that you have the best solution for them, you must make a judgment call. This in effect means that you must also look at the lifetime value of the customer, and whether winning the immediate negotiation, could affect future relationships. Remember, we must always strive for a win-win scenario, since good customers become long-term partners!

If you feel you need to still do a deal, try and throw something into the deal that they need. Why – because a discount comes straight out of your profit. Giving them a value added service, not only costs less, but it gives them a deal, while making their life as a customer even better.

Sales objection Type 2 – Competitor Planted.

Very few sales professionals operate in a vacuum. They normally have to face competitors at many different stages in the sales cycle. The earlier you face them and help the customer reject them, the easier your job will become. Many top sales professionals, who know that their customers need to go out to tender, help the customers, write the Requests for Proposals (RFP). I always remind sales people that I work with – “if receiving an RFP is a surprise – losing it shouldn’t be!”

One of the competitive tactics, I teach, is to “Raise the Bar”. What this basically means is that if you’re neck and neck in a competitive bid, throw in some additional features or benefits, which the customer may need, that you know your competitor can’t deliver.

A great tactic, but what do you do if this happens to you? You need to test if this is a genuine requirement. You need to ask them how valuable to their business would having this requirement be. You also need to confirm whether or not it is a sale breaker. If it is, then either walk away, or see if you can match their need in a way that still benefits both parties.

Sales objection Type 3 – Genuine Concern, or an Expectation Gap.

The final type of objection arises normally due to a lack of qualification, or indeed not following an appropriate sales process. If at the close, a potential buyer is still not convinced, then either you have closed too early, or you have not addressed all their concerns.

At this stage, you need to find out exactly what the issue it is. It may be one of lack of authority – they can’t actually make a decision to purchase, or is could be because they have not matched the value your product can give them, with their needs and expectations.

Price should certainly not be an issue, if your customer appreciates the value of the product or service. Size and financial viability also fall into this category, and there are a number of ways of turning these around to appease the customer’s concern

The most common reason, and indeed the easiest to solve, is the “prove it” objection. Like all others, this should be confirmed as the last remaining question, by asking something like – “If we can do or show you that, will you go ahead”. A selection of proof points may be a pilot, a reference visit or maybe a factory tour if you manufacture your own products.

Visit our website (InfoCenter page) to read Part II.