Why selling and buying cycles can be out of sync and what to do about it Part 1 of 2

Have you ever walked out of a sales call thinking *'this is* a *sure thing'* only to be disappointed later when you learn the business went to a competitor? So what went wrong? Could it have been cost, a competitor had a better product or service or the competitor salesperson was more competent? (Ouch!)

All the above reasons are possible but in a complex sale the most common cause for having lost the sale is the selling cycle is out of sync with the client's buying cycle. So how does this occur?

Most often it's because the salesperson has developed a sales strategy in isolation to the client's buying strategy. The salesperson's best selling efforts are then in vane because of the mismatch.

Buying and selling are both processes. If the salesperson knows their sales process then it's only a matter of learning the buyer's process. When a client makes a decision to buy a product or service they progress through 5 distinct stages. These are:

1. Concealed

If the client (the decision maker) doesn't know or refuses to acknowledge that a problem exists, one that should be addressed, then nothing happens. It is not uncommon for others in the organisation to be aware of a problem and not act on it for a range of reasons. These people can be of value to you for background information on the problem and its effect on employees and the business itself. This information can help you to build your business case.

2. Awareness

When the client has identified or acknowledged a problem exists, one that is costly, or causing great annoyance and difficulties they will want to deal with it.

Your role in the client awareness stage is to fully uncover the extent of the problem and its effect on their organisation. This will clarify the seriousness of the problem and its urgency to act.

3. Analysis

Analysis involves the client looking at all the options available including screening potential suppliers and to use internal resources where applicable.

In todays competitive selling environment clients are taking longer during this stage of their buying cycle. To move this stage along quicker salespeople can be tempted to pressure or 'sell' the client by offering a discount. This can result in their giving away profit margin unnecessarily with little or no effect on the time frame.

During this stage:

- Find out what the client's selection criteria will be and the factors the decision will be based on, for example, customer support within an agreed time

- Expand on and get agreement on the selection criteria. This can include an item the client may have missed and one that is a strength of your organisation.
  For example: Regular sales calls within the client's network of branches

Please note: the client needs to agree with the additional items of the selection criteria.

- Highlight the close match that exists between your product or service and items on their selection criteria

When assessing and choosing a supplier, clients use selection criteria that can be categorised as essential and non essential. They also use this to compare the advantages and disadvantages of each proposal.

Example:

Selection Criteria – Service, Cost and Quality

Successful Proposal – Service, Quality and Cost

Some clients will place weighted scores on each criterion particularly when a major decision will need to be made. A perfect match between the selection criteria and the successful proposal is unlikely so some negotiation maybe required. The successful salesperson will be the one who has been able to achieve the closest match between the client's selection criteria and their proposal.

Common strategy mistakes

- Failing to ask the right questions to uncover the selection criteria
- Assuming the selection criteria
- An inability to modify or expand on the selection criteria so it's a closer match to the salesperson's proposal
- A mismatch between the selling and buying cycle stage
- Not linking key selection criteria with significant product or service value.

To achieve a successful outcome in the analysis stage is no easy task. This is because the range of people involved in the influence of a decision and their individual motives can vary greatly. Competitor influence and people's natural resistance to change also play their part.

Modifying the selection criteria requires one or more of the following strategies:

- Write or verbalise a selection criteria statement based on the client's needs and the advantage/s of your product or service. Encourage involvement and provide good business reasons for the client to use the selection criteria to make their decision
- Reaffirm your product or service advantage/s and its compatibility with at least one essential criteria
- Increase the value of criteria that is believed to be less essential. It may have been missed or discounted previously and should be revisited.

Strategies that can work are:

- Negotiating and being innovative by offering something different but still satisfying the client's criteria

- Showing how other criteria is equally important

- Expanding the criteria to include others so as to take the focus off those you can't meet. This is the most risky and most difficult strategy and needs to be used with great care.

Gaining a competitive advantage through differentiation
A successful differentiation strategy is one in which the client has chosen your product or service over your competitors because they believe the difference is one they will benefit by. An example is superior customer service.

To qualify as a differentiator it must first meet the client's needs and there must be a measurable difference between you and your competitor's offering or the client's internal alternative.

There are two categories of differentiators:

i) Tangible differentiators
Clients can easily measure tangible differentiators, for example a specification. If your product or service includes a tangible differentiator which is in their selection criteria, your proposal will be favoured. When clients need to make a quick decision they often rely on tangible differentiators.

ii) Intangible differentiators
Clients can find these more arduous to measure because of the very nature of an intangible differentiator, for example the level of commitment to customer service.

Clients are increasingly looking at differentiators to make their decision. Depending on the importance they place on tangible or intangible factors and how they align with your proposal will determine the easy or difficult of the sale.

This concludes Part 1. Part 2 will provide you with stages 4 and 5 of the buying cycle and the Selling Cycle including Sales Pipeline difficulties.

If you would like to discuss this topic or any other on sales then contact Kurt Newman direct on 0412 252 236 or email kurt@salesconsultants.com.au