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WHITE PAPER

7 Reasons Your Salespeople Close Business Slowly

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Everyone is impatient about closing business. We all ask ourselves, "Am I the reason that this is taking so long, or is this just how our industry and our prospects buy things?"

Here is one way to figure out if your business has a problem at all: take a look at all of your sales in a given time period. Perhaps use three years as a starting point. What is the quickest time that it took to convert a prospect into a client? That's the longest it should take to close a deal.

Sure, you can play the justification game and say things like "those were ideal prospects" or "those situations were different." But why were they different? Was it because your salespeople got out of the way? Was it because the prospect had "built-in urgency? Was it because your prospect already saw value in you?

If any of those are true, why aren't your salespeople exposing those same things in all of your prospects? Sure, it's easy to close things quickly that would have closed themselves anyway, but you aren't paying your salespeople to do that. Now plot all of your clients and how long it took them to close. How many are close to that "best case?" How many are far away from it? If you have some deals taking twice as long to

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Key Rule

The quickest time that it took to convert a prospect into a client is the longest it should take to close a deal.

close than others, you may have a problem. Here are 7 places that you should be looking to see where the problem might lie.

1. Missing or Ineffective Sales Process

Many companies either don't have a sales process at all, or they have one that is ineffective. A company doesn't have a process if the salespeople are all selling differently. A company has an ineffective sales process if prospects aren't making decisions during the process, if decision making criteria is vague, if salespeople allow prospects to think about the decisions for too long, or if proposals are finding their way into the hands of unqualified prospects.

An effective sales process is a process in which everyone—including the salespeople, the prospects, and sales managemen—knows what is going on, what will happen next, and what the conditions are for moving to the next step in the process. The criteria needs to be set for each phase of the process so that both salespeople and sales management know what has to be accomplished in order to keep the process moving. Qualify early. Propose as late as possible.

Take some time with your sales team to map out the sales process. Find the paths that lead to faster closing and make those paths the template, so that everyone is using them.

> ***An effective sales process is a process in which everyone knows what is going on now, next, and the conditions for moving to the next step.***

2. Not Qualifying Early Enough in the Process

One of the biggest causes of new business closing slowly is an inflated pipeline. An inflated pipeline occurs when salespeople fill it with all prospects, not simply the qualified ones. Salespeople spend their time chasing everyone instead of pursuing only the prospects who are most likely to buy from them, and turn into good clients. Most of the time this is because they haven't asked the right questions, so they don't really know who is most likely to buy.

Weak salespeople are afraid of hearing the word "no." So they pursue the "yes" with a vengeance. They ask easy questions. They put on their happy ears and ignore red flags. When they sense red flags, they don't address them at all, and then the red flags show up when the prospect makes the decision—and says "no" anyway, or the salesperson figures out that it never was a good fit for one reason or another and just stops calling them.

Qualification is about both sides figuring out whether it makes sense to do business or not. Why wouldn't both parties want to know the answer to that question sooner rather than later? We all complain about not having enough time to do everything we want to do. Let's cut to the chase—figure out if it makes sense to do business, and then let's spend the rest of our time figuring out how to do business.

Look at your salespeople's pipelines. Are their prospects good prospects? Do your salespeople even know what makes a good prospect?

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3. Proposing Too Early in the Process

There are two things that a prospect typically wants to learn in the buying process: what is your business' solution, and how much does it cost? The proposal typically answers both questions at the same time. The problem is that salespeople can sometimes give away the things that the prospects want without trading them for anything. It's no wonder that salespeople sometimes feel like they don't have any leverage—they gave it up the moment that they sent the proposal.

Proposals should only go out to prospects who are qualified to receive them. That means that salespeople need to gather all of the information that they need to find out about the prospect before deciding whether or not to propose. At a minimum they should know:

- What is the compelling reason that the prospect will buy me—or anyone? This is not just the problem, but the full impact of the problem.
- Is the prospect willing and able to spend money to solve their problem?
- What are the criteria that the prospect is using to make their decision?

There are many more questions that also serve to qualify a prospect, but if you can't at least answer these minimum questions, you shouldn't be proposing. The next time you are asked by one of your salespeople to put together a proposal, ask them those three questions. If you don't get good answers, you know that the prospect qualified to receive a proposal.

4. Not Discussing Money

Most people did not grow up wealthy. As children of parents who were poor and struggling to get by, or doing ok but without an abundance of money, we learned things from our parents about it. One of these things was that we shouldn't talk about money. Whether we learned that it was impolite to ask, or simply none of our business how much money someone had, it is still imprinted into our brains. But how productive is it for salespeople to avoid talking about money with their prospects? One of the biggest issues in sales is that the majority of salespeople are afraid to talk about money

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and price, because we're raised to think it's impolite. So some salespeople can shy away from it and wait until the end of the process to talk money.

By waiting to discuss price and money, though, we are playing right into the prospects' hands—it's easier to negotiate with more information, after all. You know you have this problem when people are shocked by your price when you propose, start cherry picking your proposal, or question the value against your price.

The best way to handle this is to move conversations about money, budgets, and price earlier in the conversation, so the prospect is forced to talk about it. The best time to have the conversation is somewhere shortly after we have found their compelling reasons to use us or buy from us, and before we tell them if and how we can help them.

You must qualify that the prospect is both willing and able to spend money on you before you tell them how. If the "how" comes too early, they will pick it apart in an effort to reduce the price.

5. Not Getting Commitments or Decisions

A buying process is a series of decisions. The selling process must be a facilitation of those decisions. Weak salespeople leave meetings and conversations without decisions or commitments. The other problem is that prospects really don't know how to buy or decide what to buy when they haven't done it before.

To compensate, they apply how they buy everything else to the buying process. They use RFPs, "get three bids," and short list meetings to try and figure it out. The reality is that none

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of these buying processes give the prospect what they want: a good decision. Salespeople must get prospects to agree to make decisions throughout the sales process. They need to help define what those decisions should be and help the prospect assign parameters for those decisions. The decision should not be biased in any way. In other words, we are deciding yes vs. no, stop vs. start, next steps vs. no next steps.

When a prospect knows what decision is being made, the parameters for that decision, and that making a decision that doesn't benefit the salesperson is okay, they gladly make decisions. And often, they turn out to be decisions that benefit them.

+ Takeaway

The customers's decision will be postponed if we do not create the urgency to decide.

6. Not Appreciating or Creating Urgency to Make Decisions

Getting decisions to be made is one thing. Getting them to be made quickly is another. There must be urgency to make decisions, otherwise the decision will be postponed. It could be that we decide to make a decision by the end of the meeting. That gives us urgency to figure it out by meeting end, and sometimes that is enough.

Sometimes nobody wants to make a decision. The consequence of the decision might be too big, or it might be meaningless. These are only real problems when the prospect is not seeing the urgency on their own. Some people just can't feel the pain—they are in sales shock. In this case, it is up to the salesperson to expose the urgency that the prospect isn't seeing. Maybe the prospect has never done the calculations. Maybe they haven't thought of things that way before. Urgency makes things move much quicker than without. Do not be afraid to show prospects that they have a problem that needs to be solved quickly—and that your business can do it.

7. Making Assumptions

Inherently, most people are good people. We believe that other people are basically good people too. But even good people behave badly once in a while. Prospects believe that most salespeople are bad, that they are out to trick or manipulate them. So prospects become defensive to salespeople. They tell little white lies at the mall: "I'm just looking, thanks." They tell group lies after the presentation: "This was a great presentation, thanks for telling us your solution. If everything works in your favor, we will give you a call." Then, nothing. They lie to make salespeople go away.

Prospects ask questions, but don't ask about what they really want. They say things like, "We want to work with a competent firm," but avoid explaining what it means to be competent. They throw out industry jargon, but may or may not be using it in the same way as the salespeople. I mean, what does "quality" really mean?

Salespeople need to be seekers of clarity. Every word, every question, every statement has a meaning that is only known by the prospect. Salespeople must seek the meaning and the meat behind the words.

- "We have the budget to do this." "How much did you budget for then?"
- "I am the decision maker." "OK, who says no when everyone else says yes?"
- "We want a quality service." "Can you define how you will know when it is quality?"

Stop making assumptions. Ask about everything. The more you know, the more you know how to keep things moving.

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In Conclusion

Speed to close is about all of this, but also much more.

Do a comprehensive evaluation of your sales team and your sales process to figure out what is wrong so that you know what to fix. Don't waste time in trial and error mode.

If you are complaining about how long things take to close, why would you wait to learn how to fix them anyway? Act with urgency, and get on the right track now—not later.

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