

Closing The Sale

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A Perspective 101 Series

Closing The Sale



Closing the sale is not a skill that can be learned in isolation from the rest of the sales process. Closing is one element in a chain of events that begins with the sales person planning and preparing for sales meetings and works through the sales process.

What actually happens during the sales process is that the salesperson:

- **Opens the sales interview and sets an agenda.**
- **Asks questions that help identify the buyers' needs.**
- **Presents the features, advantages and benefits of their product, or service that satisfy those needs.**
- **Overcomes any objections the buyer might raise.**
- **Closes the sale by gaining the agreement of the buyer to make the purchase.**

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This is a very simplified summary of a complex process that requires a high degree of skill on the part of the salesperson and it may take several meetings before the buyer is in a position to make a decision.

However, what most salespeople fail to realize is that closing is more about timing and confidence than sales techniques.

Many salespeople are looking for a closing technique that will make the decision making process easier and take away some of the pressure felt by both buyer and seller at that moment of truth.

The problem is that at this moment of truth, the salesperson is worried about getting rejected and the buyer is worried about making a mistake, so it is all too easy for either, or both sides to delay the buying decision, rather than risking rejection, or making a bad decision.

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It is up to us as salespeople to have the confidence, at the right time, to ask for commitment and risk rejection.

That is our role and unfortunately, **7 times out of 10** we fail to ask for some kind of commitment and this can lose us the sale we have been working so hard to achieve.

The main reason for this is fear of rejection.

The most important Principles, therefore, when looking at closing the sale are:

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1. Closing the Sale is an integral part of the sales process.

This means that closing techniques in themselves are not enough to ensure success, if the other parts of the sales process have been neglected.

Before a buyer will place an order with you, he or she will have to see a need for your product and be convinced that your particular product represents the best solution to the problem represented by that need.

That is, the cost is reasonable, they have confidence in your ability to deliver your promises and so on.

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2. No salesperson ever closed every sale.

Everyone who has ever sold professionally has had to get used to living with rejection.

A good salesperson will always be rejected more times than he or she is successful.

In fact if this is not the case the salesperson probably isn't trying hard enough.

The secret is to **'learn to live with rejection'**.

Every time you fail, you move closer to the time you will succeed.

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3. Selling is a `numbers game'

Given a `basic' level of skill in sales techniques, the amount you sell is directly related to the number of calls you make.

The more customers you see, therefore, the more business you will close.

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4. Certain key ratios apply to your sales activity

By measuring your sales performance over a period of time you will understand more fully the key ratios that apply to your business.

Examples of these could be:

- Appointments booked to Number of Telephone calls made
- Number of successfully `closed' calls to Number of `cold' calls made
- Number of successfully `closed' calls to Number of `enquiry' calls made
- Number of successfully `closed' calls to Number of presentations made

In sales, these ratios vary depending on the industry, the products and how the products are sold. The key learning point here is that these ratios will tend not to change much over time and can be used in planning individual activity in order to exceed sales targets. Also by being aware of the relative success of different kinds of calls you will be able to plan your activity more effectively by spending the maximum amount of time on your potentially most productive sales activities.

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5. The right time to close is when the customer is ready to buy

This is so important.

Closing tends to happen towards the end of the sales call but don't assume this will always be the case.

If the customer wants to buy early into your sales presentation then you should get commitment straight away.

There may be more information you need to give, however, having gained commitment the customer will be more relaxed and less likely to raise objections at a later stage.

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6. Look for more than one opportunity to close the sale

There will be several occasions during the sale when the customer is ready to buy. There will also be more than one opportunity for you to close the sale. Just because the customer says `no' now, it doesn't mean it won't be `yes' in ten minutes' time.

`No' can mean various things:

- Not on the terms you describe
- Not at the moment
- Not in your timescale
- Not at that price
- Convince me further
- I'm getting interested but I need more information

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7. Buyer resistance is natural and should be expected

During the sales process the buyer is under as much pressure as the salesperson. The buyer is often thinking about the consequences of agreeing to your proposal.

The buyer may be thinking: **Does this represent value for money? What will my partner think? Are they as reliable as she says they are? He says they can achieve significant growth. Is that true? Is her product better than her competitor? Can I afford the monthly payments?**

Often when the buyer hesitates during the closing stages he or she is seeking reassurance from the salesperson in a consultative, non-threatening way, that the decision that is about to be made, is a good decision.

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8. Buyers seldom ask you for the order

Most buyers rely on the salesperson to make the buying process easy for them.

However, they rarely ask for the order outright so the most effective and most obvious closing technique, having gone through the several stages of the call, is to ask the buyer if he or she wishes to place an order.

By this stage, if you have carried out the other stages of the call, it is likely the customer will be ready to buy, but more importantly, you have earned the right to ask for the order.

It is a fact, however, that around **70%** of sales calls end with the salesperson failing to ask for the order. This is due to the salesperson's fear of rejection. We will look next at ways of overcoming this problem.

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Nine closing techniques

The purpose of this section is to look at nine ways of closing the sale. Any examples that are given will be general.

Write down, for the closing techniques indicated, examples in your own words:

1. Ask for the order

It has been estimated that **7 out of every 10** presentations end without the salesperson asking for the order. **Of the 3 salespeople who do ask for the order, 2 give up after the second refusal.**

Having presented to your customer in a professional way you have the right to ask for the order and the customer expects you to do so. This technique alone will improve your sales results and give you more confidence in the selling situation.

Remember that closing is about timing. The best closers recognize there is a time to ask for commitment and they have the confidence to do so. If you get rejected, so what? What have you actually lost? In fact you are better off because even if you get rejected at least you now know where you stand.

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2. The Assumptive Close

By assuming that the order is being placed you can remove the responsibility for decision-making away from the buyer.

This uses the buyer's natural inertia.

The assumptive close uses words like **`will'** and **`when'**

This will solve a lot of problems when it is installed.

When will be the best time to pick up copy? Will 4 units be sufficient to meet your requirements?

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3. The Alternative Close

This close gives the buyer the choice between 2 alternatives, both of which have been chosen by you

Will you take the option of color or do you prefer a larger ad?

Would you prefer the full or the spot color ?

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4. Closing on a small issue

Often the buyer finds it easier to make small decisions than large ones.

However, having made the smaller decision the larger one becomes easier to make. Choose a minor feature of your product and gain agreement from the buyer on that feature.

Changes can be made on a weekly basis. Does that meet your requirements?

We can arrange for the colors to match your company logo. Would that be what you are looking for?

If _____ is a problem we can arrange for a _____ at no extra cost. How does that sound?

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5. The Pressure Close

This enables you to put pressure on the buyer in terms of special offers or inducements that are available or penalties for not placing the order.

This price is only available up until the end of the month.

If you order the smaller quantity the higher price will apply.

We are giving a free color with orders of 500 dollars and above. This offer ends tomorrow.

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6. Converting on Objections

An objection can be a very strong buying signal.

If the buyer raises an objection and it is the only objection that is preventing the order from being placed you can use this to gain commitment to buy.

You have said Mr Jones, that you are interested in our products but the discount terms that we offer are unacceptable.

Is this the only objection you have?

If we were able to work out a compromise would you be willing to place the order today?

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7. The Negotiated Close

Standard negotiating techniques are very useful at the closing stages of the sales process.

If I can reduce my price by _____ will you agree to place the order today?

If I can agree your terms can we agree today on a long-term commitment for you to use us as your marketing product?

I will ring my boss now. If he agrees to reduce the price by 10% do we have a deal?

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8. The Trial Close

During your presentation the buyer may make a remark that suggests a decision to buy may have been made.

In these situations

- listen to what the buyer says
- summarise what has been said • ask for the order/close the sale

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9. The Balance Sheet Method

One closing technique that can be used is to list all the **points in favor** of your product and all **the points against** on a sheet of paper.

This can be repeated for the other products being considered by the buyer and can influence the decision of where the **'balance of power'** lies.

If your product is the stronger of the alternatives available to the buyer this method can help the final decision be made in your favor.

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Good Selling !



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