



Rick Davis is president of The Leaders Group, a Chicago-based sales training organization. 773.769.4409. E-mail: rdavis@leaders-group.net.

BY RICK DAVIS

Perhaps the most misunderstood skill of the sales profession is responding to and handling objections. It often is so misunderstood that in many books by so-called experts on the subject of sales it is listed as a step in the process that is

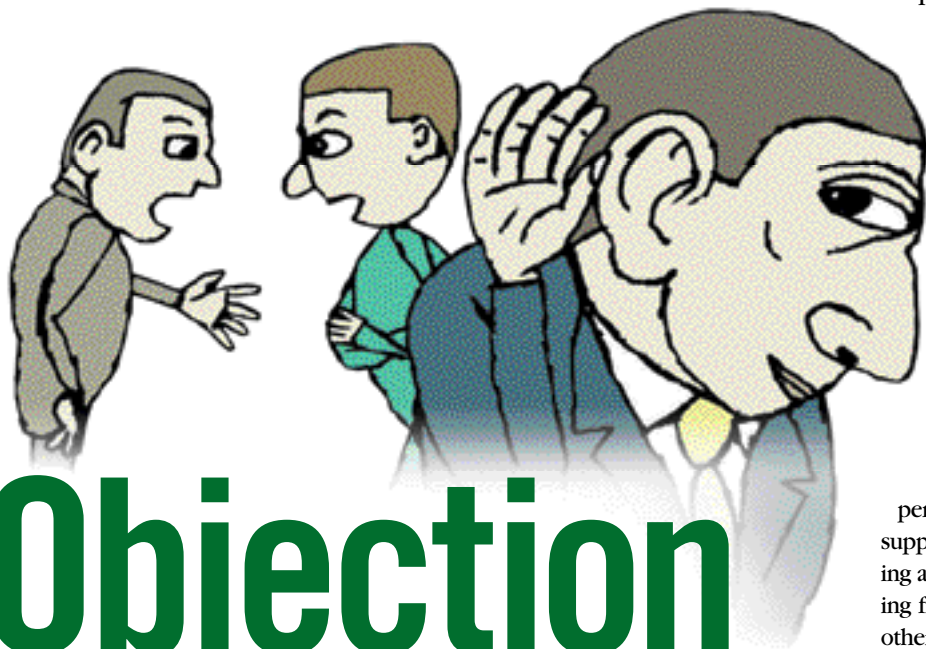
the objection and achieve a sale, you have succeeded; any other outcome is failure. However, the truth is that there often is nothing you can do to change a prospect's feelings. Sometimes you will be able to change your customer's mind. In many cases, you will discover

best response to any objection is a fallacy. Every situation and person is different, and a multitude of responses are available to any given situation, some of which are more apt in some cases, while wholly inappropriate in others.

For example, a prospect may warn that your company "had better be ready to take care of any problems that arise in the field." Ask yourself what your response to this statement might be. Most salespeople would quickly launch into a diatribe about the qualities of their customer service department and the excellent after-sale service record of their company, which in this case would do little to ease the concerns of the prospect.

Assume that the prospect is permitted to explain that their current supplier has had many problems servicing a product due to complications arising from the manufacturing process. In other words, the problem really isn't a service issue; the problem is a product quality issue. A Sales Leader recognizes that the first task in this situation is to understand why the statement was made in the first place. When you understand the motivations for the prospect's concern, you can choose the appropriate response.

With this knowledge, you can then identify several possible responses. In this particular case, you can discover which product issues are problematic for the prospect. You also can determine whether your product will resolve the problem. Using this discovery



Objection Sustained

expected to take place after the presentation process. This implies that the salesperson should either ignore objections until after his or her presentation or, worse yet, assume that the presentation itself will create objections that were otherwise absent.

Mastering this skill of "overcoming" objections by customers is the topic I am most frequently asked to address at training seminars. Salespeople assume that there is something they should be able to do in response to objections; the implication being that if you overcome

that your customers' objections are legitimate or otherwise insurmountable. The simplest way to build a successful relationship may be to sustain your customer's objection. Your short-term loss may become your long-term gain.

The expectation that there is one

TO SUCCESSFULLY HANDLE CUSTOMERS WHO POSE OPPOSITION, YOU HAVE TO INTERPRET THEIR FEELINGS AND ASSESS EACH UNIQUE SITUATION BEFORE YOU RESPOND.

process, it's possible to educate the customer with a presentation or provide a reference from a satisfied customer. Another option might be to make a bold guarantee that the first order will be dramatically discounted if any product deficiency delays the production schedule. You might discover that the prospect's expectations are unrealistic. Try

to manage those expectations; if you can't, the best option is to accept that an immediate sale is not likely.



Higher Ground

The skill of handling objections requires you to achieve lofty levels of consciousness. Fear and anger are low levels of emotional consciousness from which most salespeople react to challenging situations. Sales Leaders respond with the loftier emotion of courage. The better response to objections is always the more courageous one. This is true whether the issue is something as mundane as a product's shade of white or as intense as pressure to reduce pricing, a subject that bears special discussion.

A "price" objection, like many objections, is often symptomatic of bigger problems in the sales process. It rears its ugly head when salespeople move too fast, failing to adequately understand the customer's needs. It is an objection also made because trust has not been established. The problem for salespeople is they fail to realize that price concessions often do more damage than good to a business relationship.

The first problem is the obvious one—loss of profits. Most businesses operate on very slim margins, sometimes striving to manage only 3 percent to the bottom line. Most salespeople fail to realize that a 1 percent price concession is not merely a 1 percent reduction in price, but is rather a 33 percent reduction in profits to a company. In other words, if a company earns only \$3 per \$100 of revenue, then a 1 percent

reduction reduces earnings to \$2 per \$100, a loss of 33 percent of company profits. The chain-reaction effects are a reduction in operating capital and potential resentment from the supplier toward the customer, particularly when the customer expects extraordinary levels of service support while demanding lower prices.

When a customer objects to price, you must establish cost levels that satisfy reasonable expectations while simultaneously protecting the profitability of your company. In most situations, the best, most courageous response you can offer is to politely inform the prospect that they "already have the best price." This establishes a new level of respect and power in the relationship. Moreover, you will discover more happiness and satisfaction in your career with no damage to the quality of your business relationships.

Concessions to price objections have subtle negative effects, such as a customer wondering if they've left money on the table. Additionally, the customer will then always expect price negotiations to be part of the sales process.

The skill of handling objections ultimately becomes one based in art. A great musician first learns the fundamentals of music—e.g. chord theory, playing technique, tempo, and rhythm—and then applies these skills to composing music. Similarly, a Sales Leader develops skills in the art of handling objections and then applies them to the various situations that arise. In both disciplines, the knowledge of the skills is easily acquired but takes a lifetime to master.

Playing the Right Tune

Develop the following skills to handle objections and then practice applying them to the various situations you encounter:

- 1. Listen carefully.** It is essential that you understand the meaning behind the customer's words or you may react foolishly to objections. Don't interrupt. Ask prospects specifically what they mean by their comments to draw out

deeper feelings and emotions. You often will discover that they resolve their own concerns without any effort on your part.

2. Consider your options.

There are numerous responses you can have to any given situation, including doing nothing. Whatever your choice, strive to recognize the emotional factors behind the customer's objections. You cannot overcome emotional obstacles with logic. Emotion is an infinitely more powerful motivator than logic.

3. Carefully observe your behavior and customer responses.

This is where the art and mastery of conquering objections begins. Repetition is the mother of learning and consistency in your responses creates reliable outcomes with your customers. As you try new responses, you will discover which are the most effective for various situations. Your observational abilities will create the skills you need to consistently handle many challenging situations. When you discover a response that works in a particular situation, use it again until a better one comes along.

- 4. Accept the outcome.** A lost sale is not necessarily failure. Furthermore, a sale that is unprofitable is not a victory. Recognize that you will not win every battle and learn from your losses.

If you really want to amaze your customers and prospects, resist the impulse to overrule their objections. They will expect you to fight back when they raise objections. Sales Leaders courageously exceed expectations by accepting the feelings of others. If they make the sale, a relationship is forged on solid ground where expectations are clear. If the sale is lost, the war is not over. When an objection is handled with courage and empathy, a lost sale may still produce lasting results. Your objective with builders is to forge solid, long-term relationships. Handle objections with a vision of long-term success and, while you may not win the battle, you will emerge victorious in the war. ■