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Are You Really Losing on Price?

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There are many reasons why a client will choose not to buy from you: perceived product performance, poor past track record, credibility issues, an inability to create the right solution, timing or any combination of these.

If price was the main reason for losing a sale, it would be a lot easier to win by simply dropping it. The reality is, there are solutions clients will pay a premium for. Ultimately, clients decide to buy from you because they believe you brought to the table something that has value to them and cannot be obtained elsewhere.

Learn Why You Lost

The only way you will know the real reason is to ask. Understanding why you lost represents a great opportunity to improve your future performance, especially considering that so many salespeople do not conduct this follow through activity.

In Miller Heiman's annual research of Sales Best Practices, barely a quarter of respondents agreed with the statement, "Win or lose, we get accurate feedback on all proposals from our clients." Analyzing the key factors of a winning account has value, but knowing why you lost an account can help you avoid the same mistakes, increasing your success rate.

This research was also supported by the 2008 CSO (Chief Sales Officer) Insights Research that showed that those organisations who conducted frequent win/loss reviews ultimately had better sales results than those organisations who did not.

From Excuse to Action

But is price really the issue? Here are three common rejection responses you've probably already heard and what they really mean.

"Our budget was cut at the last minute."

You may not have reached the right level of decision maker to insulate your sale from this outcome. A higher level decision maker may have been able to reserve a budget if your proposed solution is critical enough to their business issues.

"We didn't need all the features included in your solution; it was too expensive for what we need."

Better evaluating the needs of the client can help you focus on the elements of your solution that they consider most valuable. Identifying features that have no value to them may allow you to eliminate items that inflate the perceived wasted cost. This is a response commonly given by people who can say no to you but cannot say yes because they don't have the authority to buy in most cases.

"Your solution doesn't give us everything we need to accomplish our objectives."

In this case, you may have actually had the lowest price, but because you did not offer a solution that fits what the client is trying to accomplish, you were not selected as the best option.

"Your solution looks ok but we don't have budget this year" In this instance the client is trying to be nice but really saying we don't have enough trust established to move forward.

Improve Your Results

The knowledge you can gain from understanding the sometimes veiled reason why the client did not choose your solution provides can actually bolster your credibility, showing genuine interest in why your solution was not selected and how you can better understand the client's needs.



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A great way to test the price issue is to provide pricing options – a good range is three. This allows the client to engage in a dialogue about the features and benefits of your offer with you and through this you will get a “feel” for the budget the client has.

In terms of budget excuses this is another buying signal. Asking about financial year up front and whether funding is approved and from a capital or expense area will also eliminate this excuse later on as you can provide finance options or payments spread over two fiscal years for example in your proposal.

Believing you are losing because of price negatively impacts your chances to affect your future performance. Become more proactive at developing your skills by identifying and acknowledging the real reasons behind past lost sales and take action to improve your results in the future by eliminating them or at least reducing them up front.

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