



Stop Blaming Price?

Throughout the past 20 years, we have worked with salespeople with varying levels of experience across a broad spectrum of industries. In our work with these clients, we've evaluated sales opportunities that were both won and lost. When we've asked about the lost opportunities, a common culprit frequently rears its ugly head—price. If we had a nickel for every time a salesperson has blamed a lost opportunity on price...

Price is easy to blame and sometimes it really is the culprit. But frequently it isn't. In fact, our research has shown that salespeople blame price far more frequently for a buying decision than buyers do. So if price isn't the problem, what is?

While working with the sales team of a large manufacturing company, we discovered that salespeople were constantly complaining to management about losing deals because of price. Management thought the current pricing model was correct, but in order to be sure they needed a deeper analysis with real feedback from lost prospects. In our interviews with these prospects, the first things we explored were the decision criteria used to evaluate our customer against other companies being considered. Although the definitions used by the prospects to describe their decision criteria weren't always the same, the most common criteria mentioned was post-sale support, supplier innovation, reliability, ease of use, safety, and price. We then asked the prospects to rank their top two criteria. Surprisingly, price was only in the top two for 15% of those prospects surveyed. Instead, the majority of prospects cared more about reliability and ease of use. One customer was even quoted as saying, "If the product isn't easy to use, then our staff wouldn't use it and productivity wouldn't improve."

Our final area of exploration in these interviews was the decision-making process itself — specifically who was involved in the decision. Our client had assumed, based on their sales team's feedback, that Purchasing held final authority. Unfortunately, the prospects said otherwise. Yes, Purchasing played a role, but in the end, other influencers had far more say in the decision than our client believed.

When we took this feedback to the sales rep and their manager, they were surprised. Even more, they were disappointed. They had industry reports proving that their product was the most reliable product on the market. They had references that could speak to its ease of use. And most importantly, they found out that they'd been speaking to the wrong person about the wrong issues.



Unfortunately, this is a common scenario. Many sales reps don't know the decision criteria, much less which criterion is most important to the customer. Salespeople also assume, often incorrectly, that they are working with the person most likely to help them seal the deal.

Try answering this question: If you've lost a major opportunity recently, why did you lose? If your answer is price, then we'd like you to peel back the onion to see if there is more to that answer.

Answer the following questions about a recent lost opportunity:

- What was the customer's decision process?
- What concerned you most about the decision process? What did you do about it?
- What aspects of the customer's decision process were you able to leverage in your favor?
- What did you do to leverage your "champions" throughout the decision process?
- What was said or done to make you believe your champion was really your champion?
- Who were your adversaries and what was your strategy to neutralize them?
- How did you leverage your champions to win over your adversaries?
- What were the customer's decision criteria?
- Of the key decision-makers, whose criteria mattered most?
- What was your customer's perception of your ability to meet its criteria when compared with your competitor's?

The answers to these question help build the foundation for selling strategically. Sure, over the past 20 years much as has been written on the topic of "selling strategically," and many salespeople and sales leaders struggle with what the term actually means or how to do it well. However, it is still critical for long-term success in a complex sale. One of the most important elements of selling strategically is planning. In complex sales, it isn't adequate to think of strategic planning as a car-ride brainstorming session, or a cocktail napkin diagram. Strategic planning is about developing a deep analysis of an opportunity so that you can evaluate what's happening inside an account and determine the best course of action to maximize your chance of winning. The questions above help



explore all the elements of the decision-making process, and if thoroughly analyzed and answered correctly, a better plan of action can evolve. Even though salespeople often spend much of their time evaluating opportunities on their own, our experience has shown that the best plans are developed with opinions and input from multiple people, including managers, peers, and maybe even an internal champion. These alternative perspectives can help ensure that an opportunity is evaluated from a variety of angles. When done right, the development of an opportunity strategy is hard work. But it is well worth the effort.