

How To Synchronize The Selling And Buying Processes

Podcast #23 Transcript

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Hi, it's Phyllis Mikolaitis continuing my discussion on Lean and Continuous Improvement. Today I want to discuss how getting the selling and buying processes in step can increase your close ratio and your revenue. Just as the seller has a process for his or her activities, the buyer has a process for his or her decision-making activities. Research shows that today the majority of buyers begin their decision process before the seller is engaged in the process. As a result, buyers are more knowledgeable which makes it more challenging for sellers. Once engaged, the salesperson's level of success depends upon her ability to influence the prospect's buying decision.

The more you understand the buying process and where and how you can influence it, the greater your opportunity for a sale. Where does Lean or Continuous Improvement come into the picture? There are several steps that we will discuss. But first I want to note that my blog posts are currently discussing integrating Lean with your sales and CRM processes to create a system for success. In this podcast, I am focusing on the decision-making process of the buyer and then synchronizing the sales process to the buying process.

Many of the current sales training and CRM programs focus on the steps in the sales process and don't include the buying decision process. Countless sales professionals think that the steps in the buying and selling processes are parallel activities. However, this is not reality. There are both practical and emotional steps that the buyer must take to reach a decision. If the salesperson doesn't understand the buying decision process, she can make mistakes such as offering a solution before fully understanding the customer needs. I know this one all too well I thought I was going to have a fun day traveling with a sales rep. Unfortunately, in my discussion with the customer, I uncovered the fact that the salesperson has sold a solution that could not perform the functions the customer thought it could. Therefore, I had a real task ahead of me. I had to un-sell the product that had been sold and resell the right product. So it's important to match up the steps. He or she could also fail to uncover the decision criteria and all of the players involved in the decision. The buyer may have questions and concerns that



need to be resolved before making a decision. Sales reps often think these are objections and ignoring them will make them go away. But, the buyer is not ready to move to the next phase until the concerns are resolved. Ignoring the buyer's concerns and pressuring him to make a decision can cost the sales rep the sale. Finally, there is a customer perceived value in a smooth, supported implementation phase. Ignoring the steps and details in that phase can lead to dissatisfaction and loss of future sales. Unfortunately, research shows that thousands of salespeople have failed to match their sales steps with the buyer's decision-making process and it has cost them millions in sales.

So, let's look at the buyer's decision-making process. Once you understand it, you can determine where the prospect is in the decision-making process. Then you can match your appropriate phase and the associated steps in your sales process.

Buying Process

1. Recognizing a Need

The first step in the buying process is recognizing a need. The decision-making process begins when the prospect is no longer satisfied with the current state. In this phase, the problem grows from a small problem or annoyance to a concern that needs to be resolved. The urgency to resolve the problem depends on the level of dissatisfaction or need. The need can also arise from company growth or the decision to move into a new product area.

2. Research

When the need is strong enough, the buyer will research vendors to determine who can provide the solution. During this phase, the buyer may contact a trusted advisor, search the Internet, query social media groups or contact other people in industry organizations. The buyer will look at the current budget and resources available to make a decision. He may be facing a compelling event that will determine the target date for a resolution. Alternatively, the impacts and urgency of solving the problem or meeting a need will provide a target date.

3. Qualification & Determine Fit

The next phase in the decision making process qualification and determining the fit is a meeting between the prospect and the salesperson. In this meeting, the buyer asks questions to ensure the vendor meets the criteria to provide a solution. The seller's responses to the buyer's questions will qualify him for the shortlist or it will exclude him from the process. Depending upon the complexity of the solution, several people from the buyer's organization may meet separately and then with the salesperson to clarify their needs and requirements. During these meetings, the buyer will develop the goal for the project and compile a list of must-have and nice to have requirements.

4. Development

The next phase development or exploring possibilities is typically where the greatest amount of time is spent. The buyer works with the vendors on the short list to determine the available solutions if they will work for the buyer and how they will integrate with the buyer's environment or other processes. The buyer will also seek information regarding pricing, support, and testimonials. He will determine how the buyer and seller will work together to accomplish the outcomes for this phase. The buyer will also specify any technical specifications, requests for a demonstration or a site visit to an existing customer. It is usually in this stage of the development phase that the buyer finalizes the criteria for making a decision. The final product of this phase is the request for a proposal.

5. Decision

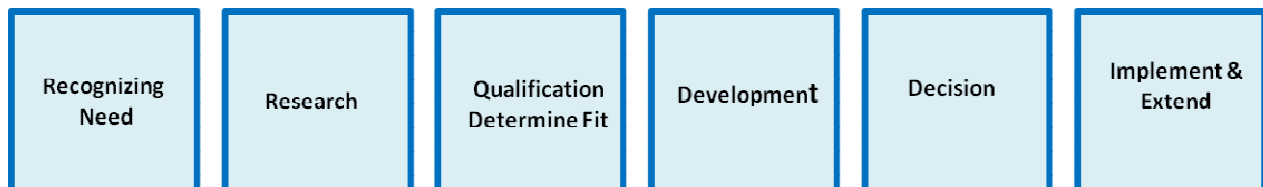
Let's assume that the buyer decides you have a good solution and is interested in making a purchase. He may still have questions and concerns. As I mentioned previously, they must be addressed openly and truthfully for the buyer to make a purchase decision. Assuming you have successfully resolved the buyer's questions and concerns, the buyer will advise you of the date the contract or purchase order will be available. He will also agree to a delivery timeframe. In this phase, the buyer and the winning seller should be on the same side of the desk working together to compile a list of action items that must be completed in the pre and post-delivery periods.

However, this happy ending is not always the case. Although the buyer has worked with the salesperson through the development phase, the decision phase is where a great many sales get stuck. According to experts, up to 70% of buyers make a no-decision or decide to remain status quo. If the buyer isn't confident that the solution will solve the problem and will be a good business decision, he decides that no decision is better than a bad decision. He does not want to risk his career on something he is not confident will be successful. This may be the fault of the buyer or the salesperson. If the buyer is too controlling during the development phase, he may not obtain the information required to make a good decision. If the salesperson didn't provide the information or didn't build a positive relationship that will convince the buyer to make a purchase, it will end with no decision.

6. Implement and Extend

I like the idiom "It isn't over until the fat lady sings" The expression is attributed to many including my favorite Kate Smith singing "God Bless America" at the Philadelphia Flyers ice hockey game. But it is also attributed to opera fans and Dan Cook, a sports reporter writing about the San Antonio Spurs and Washington Bullets series in 1978. In any event, the sale is not over, and the buying process is not complete until the solution is delivered, installed if necessary and then billed. The buyer forms an extended relationship with the salesperson and his or her company and an associated opinion of the company as a result of the entire end to end process including post-sale customer service.

The Buying Cycle



Sales Process

Now let's take a quick look at the sales process, and then we'll be speaking the same language when I discuss synchronization.

1. Prospecting and Leads

The first phase in the sales process is the generation of leads and prospects. The marketing department is usually the source of leads. However, many salespeople also perform activities to generate leads. It's important that the leads meet criteria that make it worth the investment of the salesperson's time and is viable to enter the sales pipeline. In the case of a sales generated lead, the buyer may not be aware of the need, or he may be in the early stage of the buying process. A relationship with a buyer in this phase is valuable because the salesperson can help him uncover the need, any implications of his problem and provide valuable information. As a result, the salesperson can become a trusted advisor.

2. Qualifying Prospects

The phase two in the sales process is a meeting between the salesperson and the prospect. The salesperson will ask questions to ensure the prospect is qualified to move through the sales process often referred to as the sales funnel or pipeline. It's critical to determine if there is or is not a match of criteria at this point. It is an important point as sales reps often fail to qualify a prospect adequately and then the prospect falls out of the pipeline at a later time. This is a waste of time and resources for both the salesperson and the buyer. You could be spending that same time on a qualified prospect.

In this phase, the salesperson validates the buyer's goals and determines the business requirements. She will check to see if the buyer has a target date for the solution or if there is a compelling event. She will also discuss the buyer's strategy or plans for making a purchase.

It's in this phase the salesperson begins to build a personal and business relationship that will lead to trust. The salesperson also begins to establish that she is a source of insight and business value.

3. Developing the Sale

As mentioned in the buyer discussion, phase three in the sales process is the longest phase of the process. Here the salesperson invites the buyer to collaborate in the

exchange of information and development of the specific requirements. She will also discuss the current state and the buyer's desired state. The gaps between the states will help clarify the needs. In this phase, the rep will also ask questions to uncover the elements that are necessary for the buyer's project to achieve its mission. The salesperson will demonstrate that she comprehends the depth of the buyer's need or dissatisfaction. She then paints a picture of the new reality with the recommended solution. The salesperson works to build confidence and trust that the solution is worth the risk and will provide the desired results. She may provide technical specifications, a demonstration or take the customer to a site visit to an existing customer as proof of the solution capability.

4. Gain Commitment

Then she'll move to phase four gaining commitment. If the salesperson has moved the buyer through the process and is not out of step, there should be no surprises here. The salesperson may have to resolve some final questions or concerns such as the impact on business during transition or the employee's learning curve. She may also engage in some negotiation with the buyer before submitting a proposal or RFP response.

5. Implementation and Extend

Signing the order is not the end of the sale. It is the next phase in a deepening and extending the relationship. The salesperson must ensure the order is processed correctly and the delivery and installation, if required, go smoothly, and it is billed correctly. She also ensures that any training is scheduled and is successful. Project managing these activities ensures the building of the relationship and further development of the salesperson as a trusted advisor. Skillful handling of this phase opens the door to future sales and recommendations.

Sales Process



Synchronizing The Buying And Selling Processes

As we discussed, the buyer and salesperson each follow a process. The key to success is communication and synchronization of phases in the processes. Applying Lean to the sales process will allow you to synchronize with the buyer and achieve much greater success. Thriving sales teams have found it a best practice to map the sales process and the buying process and then list the criteria for the buyer and seller to move through each phase. During my time working in the quality processes at Xerox, we set gates at each threshold. At the gate, the prospect and the salesperson must both complete a list of activities to allow the process to move forward. In the quality processes instituted by the Japanese, they use the term Poke Yoka which means error proofing. A commitment to error proofing and a checklist at each gate in the map will ensure you are working with qualified prospects and you're moving through the sales process toward success.

Without error proofing, the prospect and the salesperson are often out of step. This misalignment usually occurs because the salesperson has either jumped ahead before the buyer has completed all of the activities in the phase or he insists on going moving backward and covering every detail in the previous phases rather than matching the phase, gathering the information required and moving forward. The salesperson can also have omitted completing an activity or did not obtain critical information.

Let's look at the sales process and how Lean activities can help you get in synch and achieve greater success.

1. Prospecting.

We'll start with step one. Marketing and sales must work together to set the criteria for a viable prospect. This will prevent poor prospects from entering the pipeline and falling out at a later time. Ensuring you have valid prospect will save sales time and resources. Lean tools can help you identify the criteria and implement a process to identify quality prospects.]

2. Qualifying Prospects

In this meeting, the salesperson's goal is to confirm the prospect is a serious opportunity and his level of commitment to obtaining a solution. The sales team can use Lean tools to develop a score sheet or list of criteria for the prospect to be moved to the development phase.

At the gate to exit this phase the salesperson and the buyer should have established goals and a timeframe for a decision. The salesperson should also have determined the buyer has access to funding or is willing to move to the next phase and discuss an ROI within a specified timeframe. It is also helpful to determine which other vendors will be considered.

3. Develop

In phase three development, the buyer and salesperson discuss how they will work together and establish expectations and commitments. The development of the relationship and the trust between buyer and salesperson in this phase is critical to the success of the sale. The activities in this phase depend upon the complexity of the problem or opportunity and the number of people involved in the decision. The phase includes exchanges of information to ensure the buyer has what is required to make a decision and the salesperson has what she needs to develop a solution and the associated proposal. The salesperson must clearly understand the specific requirements and the feelings of the buyer in this stage. Misunderstanding in this phase can definitely derail the sale. To exit the buyer from the gate of this phase, the salesperson must have a clear list of specifications, identification of the individuals involved in the decision, when the decision will be made, confirmation that questions or concerns have been resolved and if there is any other technical information required.

4. Close

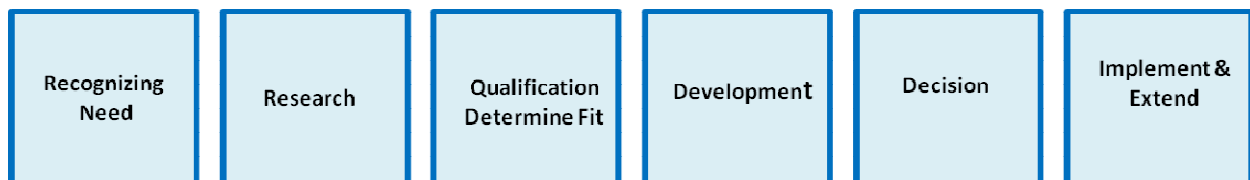
Now it's time for phase four, the close. At this point, the buyer and salesperson should definitely be in synch. Pushing for a signature too early or failure to ask for the order are two serious mistakes salespeople often make. Yes, they fail to ask for the order: they say, "So, what do you think." If all of the activities at the previous gate have been

completed, the salesperson has earned the right to submit the proposal and ask for the order. The activities to exit the gate for this phase are a signed contract, PO, check or another form of payment, a list of buyer and salesperson activities along with committed dates in preparation for delivery. A post-installation plan is also critical to not only this sale but continued business.

5. Implement and Extend

In this phase five implementation and extend, there is not a gate but rather a checklist to ensure all of the installation activities and training are complete. The buyer should have completed his commitments concerning payment and have received the information for customer service and administrative services. The salesperson will discuss the ongoing relationship and how they will continue to work together. A successful sale should also include an agreement from the buyer that he will act as a reference or provide a testimonial.

Buying Process



Sales Process



Today I have provided an overview of both the sales and buying processes and elements that help you synchronize the processes. Applying Lean to the sales process and integrating your CRM can yield consistent excellent results. There are Lean tools



and processes that can be applied to each step of the sale to streamline the process, eliminate waste and increase your revenue.

You may want to print out the transcript of this podcast and review the phases of each process. I also recommend mapping each process and looking at your sales process to determine if you are in synch with your buyers. I'll have information more for you in future podcasts as we delve deeper into applying Lean to sales.

Well, that wraps up our podcast for today. Thanks to my producer and audio engineer John Switzer, for his great work with me on today's podcast. Join me next time when I'll share more hints and tips. I appreciate your feedback so please send your questions, comments or topic suggestions to me at Phyllis@salestrainingsolutions.com.

Don't forget to visit our website to get your free resources @ www.salestraining.com; look under freebies. You can also join our bimonthly newsletter and get our Free eBook on Storytelling: the Secret to Sales Success as well as Lean checklists. The link is on our website next to the podcasts and blog posts.

Watch for our FREE mini-course on Lean coming soon. As I said, It's is absolutely Free and filled with tools, tips, and resources to help you achieve success.

Well, Bye, bye for now.