We Lose More Good Opportunities to 'No Decision' Than to Any Single Named Competitor!

By Gary Walker, Co-founder of CustomerCentric Selling®

Tell me if this sounds familiar. It's the middle of the month and you are reviewing your company's sales forecasts. For about the eighth month in a row, you see the same prospect you've seen lingering for months. This is the same prospect you authorized the multiple "four-legged" sales calls, prototyped the "must have or we won't buy" reports and hosted a full day visit at your corporate headquarters. Your company has put a lot of time and expense into selling this account. You call your sales rep to determine what needs to be done in order to insure that this prospect closes this month. He informs you that the prospect has decided to place this project on the "back burner" and he has been encouraged to follow-up in about sixty-days...if he'd like. In other words, this one has been lost to 'No Decision'.

If you have experienced this scenario, you are not alone. One of the chief concerns continually expressed by senior sales executives with whom we work is their frustration with the large number of qualified sales opportunities that are lost to 'No Decision'. Research shows that between 30 and 40 percent of all losses are due to 'No Decision'. ***That's more losses to 'No Decision' than to any single named competitor.***

No decision.

Here are four main reasons why your prospects elect to do nothing:

1. No Goal

Business executives don't authorize the spending of large sums of money just to be the proud owners of whatever it is you are selling. In our CustomerCentric Selling® workshops, we use the term "business problem" or "need" to describe those things that are preventing the buyer(s) from attaining their ***goal*** and, have prompted the potential buyer to begin to evaluate products and/or services in search of a solution. As a result, we subscribe to a core concept: "No *goal*, no prospect." At the very minimum, the prospect must be unhappy with some aspect of his business, and want to fix it, to engage and initiate a "buy cycle" with a sales person.

TIP: Sales people who fail to take the time to diagnose and understand their buyer's *goal*, and the business issues/obstacles that are preventing them from achieving that *goal*, either lose the sale to no decision or get outsold by the sales person who does.

2. No Solution

Despite your best efforts (the four-legged sales calls, the "must have or we won't buy" reports, corporate visits, etc.), the buyer still does not have a clear understanding of how he/she will achieve his goal(s) by purchasing your product or service. This gap is a result of the sales person leading with product feature and function, before understanding the *goal* that the prospect wants to attain, diagnosing and understanding the business issues and obstacles, then relating how the *capabilities* of the product or service can be used to eliminate the prospects business issues/obstacles, allowing them to attain their goal.

TIP: If your salespeople are unable to have a meaningful conversation with a targeted decision maker about the use of your offering to achieve a *goal*, solve a problem or satisfy a need, and document that conversation succinctly, then all the training on prospecting, qualifying, presentation skills, closing, handling objections, negotiating, and so forth are a waste of money!

3. No Power

How many times have you spent months selling to someone who told you early on that the decision to buy was hers, only to find out later she couldn't purchase ten sharp pencils without someone else's approval? While end-users and recommenders are fun to sell to, their needs and requirements may be altogether different than the ultimate decision maker - the person with the power and authority to buy. If she doesn't have the authority to purchase your products and services, you're not selling; instead, you're simply providing her with a free (but expensive for you) education.

TIP: Senior executives are responsible for identifying and solving problems. Gaining access to the decision maker(s) early in the sales cycle can help eliminate the risk of no decision, protect your expensive corporate resources, cause unbudgeted money to be spent, and dramatically shorten the sales cycle.

4. No Value

We've already established that for a company to change how they are currently doing business there has to be a *goal*. Remember, "No *goal*, no prospect." The *goal* has to be related to dollars - reduced cost, avoided cost or increased revenue, among other factors. If you are asking a company to pay $100,000 for your product, the value of achieving the goal(s) better be at least $200,000. It makes sense, doesn't it? Would you spend $100,000 to solve a $50,000 problem?

I'm amazed at the number of sales people who don't take the time to understand the value of their products and services to their prospects and, more importantly, don't actively participate in helping their prospect prepare a cost/benefit analysis. Your prospect is not the only one who is competing for his/her company's potentially limited funding. You need to equip him/her with the logic and rationale to support the request for funding.

TIP: Think of the tactical advantage a sales person has going into price negotiations when he knows exactly how much his prospect will save and when he will achieve a return on his investment. It makes it very easy to say 'No' in response to a request for a discount.

Now, a final question: What would it have been worth to you and your organization if your sales people could have reduced their first quarter losses to 'No Decision' by 20, 50, or even 75 percent? Isn't it time equip them with the sales process skills that they need?