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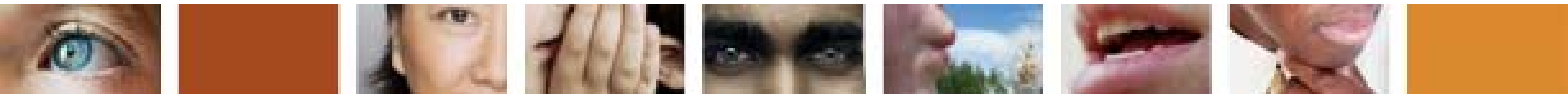

Why Your Sales Process Matters Less than the Psychology of Selling

This article first appeared on raintoday.com

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Think of the business development training programs you've attended—the sales books you've read—the internal discussions about selling.

What proportion of those efforts focused on:

1. **The business process of selling**: lead management, pipelines and sales funnels, account classifications, account planning, call planning, buyer influencer categorization, account strategy development, forecasting, preparation of marketing and sales support materials?

vs.

2. **The personal interactions of selling**: the conduct of sales meetings, listening skills, question formulation, reading buyer signals, meeting design and facilitation, handling objections, talking price, presentation skills?

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The firms I've worked with spend more time and effort on the former—much more. And their sales suffer as a result. Most need more emphasis on interpersonal interactions. This is evident in the numbers, and in buyer behavior.

The Numbers

Suppose every 100 leads your firm gets generates 70 personal sales calls. 45 of these sales calls reach the proposal stage, yielding 20 final sales, averaging $100K each. You can improve your results in three distinct ways:

1. get more leads in the door;
2. be more efficient at each step, though mainly the early steps;
3. be more effective at each step, though mainly in the later steps.

Broadly, 1. is marketing; 2. is process improvement; and 3. is personal sales effectiveness. In this article, I'll address only 2. and 3.

Improving your efficiency reduces "dry holes" – the time you spend on low probability efforts. Suppose you qualify out 40% of leads, instead of 30%, yet manage to keep the same number of proposals—45—of equal quality. You have—best case—saved the cost of 10 personal sales calls. This increases sales ROI by decreasing the "I" factor.

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By contrast, effectiveness addresses the "R" factor. You might raise the sales yield per proposal from 20/45, or 44%, to 25/45, or 56%, and the average proposal size up 20% to $120K.

If your process's yield rates are higher at the front end (e.g. from leads to sales calls) than at the back (e.g. proposals to sales), then you probably need more efficiency, and should look at process design. But, if your later-stage yield rates are below 50%, and/or your average sale varies widely in size, you will benefit more from improved personal effectiveness.

Buyer Behavior

Do clients buy rationally, analytically, based on the numbers, transaction by transaction, impersonally, with risk built into the price, and with deep product knowledge?

Or do they buy emotionally, based on relationships, without full product knowledge, and with an aversion to risk?

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My clients often tell me two contradictory statements at different times:

1. Their business is complex, specialized, customized, one-off;
2. Their business is becoming commoditized and price-competitive.

Looking at products alone, the second is right. An audit, a bit of market research, or an actuarial review of a pension plan will be done similarly by similar firms. But the client-professional relationship itself is almost infinitely differentiable.

> *Claiming price is the deciding factor is convenient for clients because it avoids uncomfortable discussions.*

Let's explore just one variable—price. Try listing the last ten competitive bids you lost. How many did you lose on price?

Now list the last ten bids you won: how often did the client tell you that you won because you were low bidder? Let me guess: a lot less than you lost. In truth, you didn't "lose" on price. You lost—and won—on the relationship. Price is a convenient fiction we all embrace.

Claiming price is the deciding factor is convenient for clients because it avoids uncomfortable discussions (picture breaking up with someone, and them saying, "But why—I don't understand?"). It's convenient for us because we have little taste for hearing why someone rejected us. ("Rejection! If I'd wanted to deal in rejection, I'd have gone into sales!")

What's true for price is true for other aspects of buying: prospecting, benefits, objection handling, closing. Clients buy more emotionally than we like to admit.

On the basis of the numbers, and of client buying behavior, most firms should put high emphasis on personal sales effectiveness, and lower emphasis on systemic efficiency. In practice, the opposite happens.

Why Does The "Sales Process" View Dominate?

Because professionals like it that way. It's a "like" rooted in fear.

"Sell" is a four-letter word in professional services firms (PSFs). "Business development" is preferred—in the passive voice, since "developing business" sounds too aggressive.

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The legal profession still constrains advertising. Some consulting firms (Accenture, KPMG, McKinsey) use sponsorships or image advertising, but often say "we don't sell." Most professionals see "selling" as antithetical to professionalism.

Business schools have adopted a research-driven, hard-science-paradigm approach to business education drenched in academic data, statistics, and a strong bias for behavioral descriptions of human relations.

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In the "real world," you hear "if you can't measure it, you can't manage it" (patently false on the face of it, but that's another article). There is a bias for measurement, data, behavior, plans and results, gaps and needs assessments, variances, and alignment of quantitative results and rewards. Hardly any top MBA program teaches personal selling—because it isn't "academic" enough.

Finally, people who become consultants, accountants, actuaries, or lawyers are (relatively) more comfortable with abstractions, numbers, and data than with interpersonal interactions.

The result: a desire to keep the world one step removed, reinforced by business schools and business dogma alike. Professionals want to believe that selling can be managed like their content: by data analysis, done comfortably in the office, with occasional forays to client sites—though only after careful planning to minimize surprise interactions. Viewing sales as a process is a comfort zone issue: we fear the reverse.

Hence the popularity of colored sheets, classification of buyer power centers, elaborate sales funnel forecasting systems, and—the mother of all data lodes—CRM systems. Unfortunately, just because we like to sell this way doesn't mean clients buy this way.

Why Buyers Behave Non-Rationally

Buyers are not stupid. What they do makes perfect sense. They first use linear processes and statistical data to screen; they then make selection decisions emotionally. *Clients decide with the heart, and rationalize their decision with the brain.*

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Buyers don't just want a solution: they want to *feel good* about it. They want to sleep well at night, to believe that surprises will be resolved satisfactorily, and that the salesperson has the buyer's interests at heart.

A service provider's trustworthiness is immensely valuable to a client. Clients will pay for that value—if only they can find it. Clients hate buying from the lowest-cost provider. They'd far rather buy what they have to buy anyway from someone they trust.

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Trust, Processes, And Psychology

Many professionals believe trust is created through brands, credentials, brains, and great work.

Sadly, it's not.

Trust is a psychological relationship between individuals. People trust people, not institutions. Credibility and reliability are just two trust drivers: a sense of intimacy is another. Most important is the buyer's belief that the seller has her best interests at heart.

Trust isn't created back at the office, but in real-time personal interactions, primarily face to face. And, it's created—or not—during the sale.

All buying situations contain both business process and personal psychology. Most professionals emphasize the former. Selling economics and buyer behavior suggest otherwise. Firms should recognize the rich emotional content of the client's buying process, and address it more in the ways they approach business development.

TQ DIAGNOSTIC TEST

TAKE THE TQ Diagnostic Test and discover your Trust Temperament™.

Answer 20 simple questions based on the Trust Equation, and you will discover a powerful tool for business success-—your Trust Quotient and your Trust Temperament™. These revealing answers will tell what you do that helps people trust you, and the things you can do to improve the way you are perceived.

Your Trust Temperament report will tell you whose trust you are most likely to gain, what about you people are likely to trust, and specific actions you can take to be as trustworthy, and as trusted, as possible, so you can:

- Increase sales results
- Improve credibility in business
- Build deeper and more satisfying personal relationships with people who matter

Invest in yourself now! Take the Trust Quotient diagnostics now and get your 20+ page personal report now.

DEEP ANALYSIS, BIG REWARD, SMALL PRICE.

Take the TQ Diagnostic Test

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