

Advance's
HOW to

**Qualify your
Sales -
Lose Quickly!**

By Dermot Bradley

Selling is not a problem. It's a process!

Part of the 'HOW to' range from Advance

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Advance
Get Ahead

Advance's **HOW** to Qualify your Sales- Lose Quickly!

By Dermot Bradley

Our Commitment Based Selling model is about bottling common sense and learning how to replicate the most successful sales people and sales operations. We work with SMEs to Corporates to transform their sales operations. We help experienced sales professionals to get the politics right to win big deals by having the relevant skills training and technology-based tools.

At the heart of our Commitment Based Selling model sits our well known SCOTSMAN® qualification methodology. This was developed in conjunction with Dermot Bradley: an experienced IBM systems engineer and salesman that became a successful sales coach and consultant. SCOTSMAN® has been used by tens of thousands of sales people across the globe over the past 30 years including companies such as IBM, Xerox, GE, Fujitsu, Accenture, BT and Unisys.

Selling in the 21st century has evolved. New sales processes exist, selling cycles are shorter and buyers are more educated. For many, marketing has become the new 'sales.' We contend that companies need to understand new sales processes and develop their people to have world class selling skills.

Our "How To" range of eBooks, online and classroom training, workshops and clinics help sales people to create opportunities, win opportunities and develop accounts. They do this by developing verbal, planning, and problem solving skills. They understand how to manage relationships and the politics of selling.

With our offering, engineered for the modern world and underpinned by Commitment Based Selling, the outcome is predictable sales growth, increased profitability and enhanced shareholder value.

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Introduction

A Play in One Act

The Title

How to double your sales

The Scene

Enter: Dermot Bradley and Salesperson.

Dermot: *What resource stops you selling twice what you currently do?*

Salesperson: *Time, there is just not enough of it.*

Dermot: *Well then, ... What is the biggest waste of your time when selling?*

Salesperson: *Travel?*

Admin?

Internal Meetings?

Dermot: *Wrong! Tell me, what is your current success rate of wins to quotes?*

Salesperson: *I win about one in three of the sales I quote for.*

Dermot: *Then, the biggest waste of your time is the two you lose. You cannot even claim that you learn when you lose, because you learn even more when you win. You learn how to install and be paid!*

At the moment, two thirds of your sales time is totally wasted. Burn that into your brain.

Tell me, do you know the name of the discipline you use to avoid this loss?

Salesperson: *Qualification.*

Dermot: *Exactly. Forgive me, but it seems to me that you are not very good at it. You know, the top salespeople win 70%*

to 80% of their sales situations. And that is not because they are better salespeople.

They refuse to get involved with sales they can't win.

They achieve this success for several reasons.

Firstly, they use strict criteria to see if it is worth bidding.

Secondly, they try to change the rules so that they can win.

Thirdly, they are not scared to walk away from poor opportunities. They organise it so that they have enough business in the pipeline so that they can fearlessly walk away from lost causes. And they know how to do it without upsetting the prospect.

Finally, they use the time they save to find ones that they can win.

Would you like to explore this idea in more detail? Read on...

Chapter One

The Biggest Waste of Time in Sales

What is Qualification?

At the end of a year's trading, you end up with a particular level of sales. But what stops you achieving twice that level? What is the constraint? What resource don't you have enough of?

When asked this question almost every salesperson will answer, 'Time. There is just not enough of it.'

But what is the biggest waste of your time in selling?

- Is it travel?
- Is it administration?
- Is it Sales Reports?
- Is it books on selling?

None of these are the correct answer.

If you submit 10 proposals to prospects, what is your hit rate? In other words, if you go through the whole process of bidding and submitting some form of proposal, then from your own history and experience, how many of the 10 did you win?

The most common answer is, 'Three'. I don't know why. But that is the most common answer when I ask this question.

I have heard this answer so many times that I have come to believe that there is some law that dictates this figure. Or maybe it is just a number that is acceptable to give. I suspect that many salespeople have a worse result than three out of ten.

However, the exact statistic is not that important.

The important point is this - If you are only winning 3 out of 10 of the sales you are working on then the biggest waste of your time is the seven you lose!

The Biggest Waste of Your Time Is the Sale You Lose

If you are only winning one third of the sales you work on then two thirds of your selling time is totally wasted. And you cannot even claim that you learn something when you lose because you learn a lot more when you win. You learn how to install; how to get paid and useful things like that!

If something is not worth doing, it's not worth doing it well

There are really only two reasons for losing a sale.

- You were outsold
- You should not have been there in the first place.

Now, there is a discipline in selling called Qualification. The idea of qualification is that when you find a sale you do not go rushing in to submit a proposal.

First, you take a cool hard look at the situation and ask yourself, 'Is this a winnable situation?' If it is going to take 2 or 3 months of your life to do all the work to quote, is it a good investment of your life? And if it is not then you drop it like a hot brick.

Having dealt with many organisations and many salespeople, I had come to believe that in capital goods selling they were telling the truth. In general, salespeople won about one third of the sales they bid for.

However, this idea was rudely shaken when I was asked to run a course for the 12 top performing UK salespeople for a large IT company. They were the top 12 out of a sales force of 350. This group claimed to be winning 8 out of 10 or 9 out of 10 sales opportunities they worked on.

I did not believe it and said so. But on detailed examination, it proved to be true. There were two reasons. Firstly, they were very good salespeople and given that they were bidding they would perform well. But far more importantly, in their minds,

was the fact that they refused to bid unless they were practically certain they would win.

At an early stage of any sale, they made a conscious hard-nosed evaluation of the situation and then a decision to walk away from the 'no-hoper'. This was qualification! The time they saved was used in two ways

- Winning the ones they could win
- Prospecting for new business.

If your sales have a short sales cycle, just one or two weeks or one or two meetings, then this concept is not that important. You have lots of time to go out and find more sales.

But major contracts can take months to negotiate. Qualification becomes fundamentally important. As the size of the sale gets bigger and the resources needed to win it increase then the more critical qualification becomes. The cost of failure is so high.

The biggest waste of your time is the sale you lose.

You should burn it into your brain. It is the first rule of major sales.

Does this sales situation qualify well enough for you to invest your life in it?

The very best salespeople claim to have a hit rate of 8 or 9 out of 10. That is not because they have some magic words to convince their prospects. It is because they refuse to get involved with sales they cannot win. They decline to bid. Then they use the time they save to find the sales they can win.

So, in many ways, this book is teaching you when and how *not* to bid! With major sales, this skill is the important one to learn. From a sales management point of view, it also means that expensive and scarce support resources will not be applied to pointless situations.

Selling complex products and services takes time. Prospective customers demand that time so that they can understand what

is being offered. They also take competitive quotes so that they may understand the offering more fully.

The salesperson will invest a lot of time and effort in bidding for such a situation. Many salespeople spend this time by default because they always bid whenever they can.

However, the time to win a sale is an investment decision by the salesperson. You must make a rational decision on whether or not it is a good investment.

Is the reward and its likelihood worth the cost in time?

This question cannot be answered without a formal checklist of questions and criteria. There are so many reasons why you can lose a sale that it would be foolhardy to leave it to instinct to measure the likelihood of a win.

The cost of failure is not just the sale you lose. It is also the lost time. It is the sale you could have won.

An example. I was running a training course for a group of salespeople who sell to Local Government. Local Government in the UK usually buy on price and my client was not the cheapest in the market. I was anticipating a low morale group with a success rate of about one bid in twenty. But, not so.

They were on a high and claimed to be winning over half their bids. I was intrigued.

Their sales manager had done some sums. It cost on average £15,000 to submit a proposal and their hit rate had been about one in ten. So every win was costing £150,000. Yet, the revenue on the sale was often not that high, let alone the profit.

So, he put out an edict. 'As from today, losing sales is no longer allowed!'

'Ridiculous,' chorused the sales force, 'if you want us to win then do something about our prices.'

'I can't,' he replied. 'They are controlled by the industry regulator. But losing sales is no longer allowed.'

‘So, what can we do?’

‘If you can’t win then don’t bid. We keep losing these enquiries where the Local Authority is buying commodity telecommunication products and asking all the suppliers to bid. Let’s drop that market and take a much more pro-active stance. Let’s get out there and create new projects in our area of strength, e-Government. Price is far less an issue in that market.’

Once they changed direction, business started to flow.

Thinking of your own sales situations, how do *you* qualify a sales situation?

Imagine that you go out into the world and you do some prospecting. You find what looks like a good sales opportunity. But you are smart; you’ve been around for a while; you know about selling. You are not just going to rush into this sale. Firstly, you are going to check it out.

So, what are the questions you should ask, yourself at least, to establish if this so-called opportunity is worthwhile?

Typical Qualification Questions

When asked this question, experienced salespeople will give a list something like the following:

- Is there an adequate budget?
- Can we meet their requirements?
- Is there a bias in favour of a competitor?
- Will they pass the credit check?
- Are we talking to all the right people?
- Can we meet their timescales?
- Is there a compelling reason to change?
- Do we have anything that differentiates us from our competitors?

Generally, that is about as far as they get. But there are other important questions:

- Is this sale big enough? Does it contribute enough to target?
- Is it too big? Do we have the resources?
- Are they actually going to make a decision in the end? How serious are they?
- Are we just a benchmark price?
- Are the prospect plans realistic?

So, we end up with a list of questions. Big deal. The real issue is how do we use this list? That is the key.

To help understand the process of qualification, I would like to give you four examples. At the end of each example, I am going to ask the same question and that is simply, 'If you found yourself in the situation I describe then what would you do?'

At the end of the four examples, you should have a clear understanding of the process of qualification and it may not be what you might think it is at first meeting the concept. It is much more subtle than first impressions might imply.

Situation One

You go out into the world and do some prospecting. After some time, you find what looks like a sales opportunity. But you know about qualification, you're not just going to rush into this sale and invest a lot of time and energy without qualifying the sale first.

So, you throw the sale up against the checklist and what do you find? You find that you have found one 'Hum-dinger' of a sale. Everything is perfect.

There is a budget, it's a realistic budget and your prices are less than the budget.

You have a good solution to their problem. You have done this sort of work many times for other customers and the prospect agrees that you have a good solution.

You do have competition on this sale but as far as you can see, there is no bias. Everyone is being examined fairly. And there

are not too many competitors so you feel that you have as good a chance as anyone to win this business.

If you run a credit check on the prospect, you find that they are no risk.

You are talking to all the decision makers. You have a good relationship with them. They know that there is a decision to be made. You even have some members of the group rooting for you, actively promoting your case.

As mentioned above, you have done many of this sort of sale in the past and have a lot of experience in this area. The prospect sees these skills as important. They are your uniqueness.

This particular sale is a good big sale. It contributes nicely towards your target. It will not take too many resources to implement. And, it is not too big.

The prospect is serious about making a decision. There is a proper decision making project in place. And there is an excellent justification for this project.

Their plans are realistic.

Everything is perfect.

Wait a moment. I have missed one line out. Timescales. You have a problem with timescales. Imagine that the prospect wants this project up and working in, shall we say, 3 months. But your best professional judgement tells you that they will need 5 months for a complex project like this one. In other words, there is a major discrepancy on implementation timescales.

If you found yourself in this situation, what would you do? Would you walk away from this sale?

Of course not. There are many things that you could do.

- You could ask them to increase their timescales.
Why is 3 months so important?
- You could talk about phasing the implementation.
Only implement the important bits first.

- You could ask them if they could put more resources into the sale.
- You could ask them if you could put more resources into the sale.
- You could find out if any competitor can meet the timescales.

The point is that you would not walk away from the sale. You would fight tooth and nail to resolve the problem. And that is the only point that I would like to stick in the ground.

You don't walk away from the problem, you attack it. And you attack it hard.

You try to change the rules.

That is the end of Situation One. Now for Situation Two.

Situation Two

You go out into the world. You do some prospecting. You find a sale. You throw it up against the checklist and once again you find that you have a really good sale. Except that, this time, you discover that you have two problems.

The first one is the same one as you had before - the 3 months/5 months discrepancy. The second problem is that the prospect has set a budget but, unfortunately, the price that you want to charge is some 15% higher than their budget. Now what would you do?

Would you walk away from this sale? Of course not. So what might you do?

- You could ask them to increase their budget. Maybe they could pay for training or implementation out of some other budget.
- Maybe your uniqueness is worth paying for and so you could convince them of the value of paying extra.
- Maybe you could phase the implementation, killing two birds with one stone.
- Maybe you could finance the sale differently - leasing instead of purchase.

- Or, in the last resort, you might even have some internal discussions to see if you could move your price.

Once again, the point is that you don't walk away from the problem. You attack it. You fight it tooth and nail. And once again that is the only point I want to stick in the ground.

You try to change the rules.

Situation Three

You go prospecting. You find a sale. You throw it up against the checklist. This time, you find that you have three problems.

The first two problems are the same as before - the 3/5 month implementation and the 15% budget problem.

This time you have a third problem. Every time you talk to the prospect you get a creepy feeling on your skin, you can smell it in the air. They don't use the words explicitly but you detect a major bias in favour of a competitor. Now what would you do?

Sell harder? Stress your uniqueness?

The strongest salespeople that I meet all have exactly the same response to this question. They would confront the issue.

They would put it on the table with the prospect.

I am going to speak in caricature to make my point more strongly but it is not too distorted a caricature.

They would go to the prospect and say something like this, 'Thank you for this opportunity to bid for the Xyz project but I have to confess that I am a bit worried about it. Every time I talk to you, I get this strange feeling that, at the end of it all, you are just going to buy from ABC. If you are going to buy from ABC, I don't really mind but please, tell me today. Don't tell me in six months time. Or at least tell me what I have to do to convince you to buy from me.'

If you do not do challenge in this way and then you work for six months and, in the end, they buy from ABC then that is dumb.

They were telling you six months ago that they were going to buy from ABC and you did nothing about it.

If you do challenge them in this way what might happen?

It is possible (in your best dreams), that they will say, 'Gosh, yes, you are right. We are being a bit unfair.' And then they will look at you seriously from then on.

Or they may say, 'Hm, yes, you are right, we are going to buy from ABC and there is nothing you can do about.'

Highly improbable, but if this response does happen you would reply, 'Thank you for telling me. Let's not waste each other's time. Let's shake hands, be friends. Maybe you can call me in the next time round.'

You then walk out through the door, your head held high, a big smile on your face, your hand on your heart and you say to yourself, 'My plan worked.'

And when you get outside - you burst into tears! (Then scratch your keys along his car! No, don't.)

Yet your plan has worked. You have just saved yourself six months of fruitless work.

However, far more likely than both of these options is that the prospect will say, 'Oh yes, of course we are looking at you seriously. You have just as good a chance as any of the other contenders.'

But do you believe them? I hope not. So, what do you do next?

You might say, 'Thank you. If you are looking at us seriously then we need to do something about your timescales and the budget; I need access to the following people and could we agree some form of timetable leading up to the decision.'

In other words, you test how serious they are by asking for a whole series of commitments. And the acid test is not the list of questions. The acid test is whether or not you get these commitments.

Think Businessperson

If you have the word 'Salesperson' on your forehead then you may find it a little difficult to be so direct with your prospects. But my deep recommendation to you is that you should strip that word from your forehead and replace it with the word 'Businessperson'.

If you approached the situation with a business mentality then you would have no problem whatsoever challenging the problem. You would be a fool not to.

And that is a fundamental part of this school of selling. The bedrock. The prospect is asking you to invest several months of your life into this sales situation. You are being asked to put the income and livelihood of your family at risk. So, you have every right in the world to say to the prospect, 'Convince me you are looking at me seriously.'

You would be an idiot not to. Then, in convincing you, they will convince themselves.

Contrary to popular belief, the salesperson does not have to 'sell' his or her way round every problem. For a sale to be successful, it must be good for both parties. Need creation skills make it worthwhile for the prospect. Qualification tests if it is worthwhile for the salesperson.

The checklist of questions only tells you that there is a real project. They are going to buy from somebody. It does not tell you that they are serious about you.

But how can they convince you that they are serious about you?

The only way you know that they are serious about you is by the quality of the commitments that you get from them.

Curiously enough, with big sales, prospects generally have high levels of respect for the salespeople who challenge them in this way. If there were a complex implementation after the decision then prospects like to feel that they are dealing with

people who can fight their corner. The implementation is likely to go far more smoothly.

Alternatives

Many salespeople feel embarrassed to ask the qualification questions necessary to establish budgets and decision process. They feel that it is too blunt to ask, 'Have you got a budget for this project?'

This reluctance can be overcome by asking the questions as alternatives: 'Have you got a budget for this project or are you still developing it?'

'Do you make this decision yourself or do other people get involved?'

Later on we will examine these words in much more detail.

When You Know You Will Lose

Sometimes, the buying policy of a company says that they have to get three companies to bid for any major deal. And they ask three companies to bid even if they already know to which company the eventual contract will go. This process is immensely unfair to the other two.

If you discover that you are being misused in this way; you decide that the bias is very strong; you decide that there is no way you can overcome the bias then strangely enough that puts you in a position of immense power!

If you do decide to walk away from this sale, who has the problem? You or them?

The fact is that you do! They need three quotes and now they only have two. Often, at this point, they will chase you to bid. Once again, you might be convinced to bid but only if they give you some substantial commitments, such as access to key people or changing the specification in your favour.

Sometimes, the prospect will complain to your higher management.

How dare you not bid? Don't you know who we are?

Sadly, at this point, so many sales managers and senior managers capitulate. They do not understand the message of this book. They force their salespeople to bid 'to keep the customer sweet'.

Salespeople then have to spend several months working with no enthusiasm on a project that eventually dies.

If you have bid to a particular organisation several times and lost each time, you also have this power. If they want you to bid then they will have to work hard to convince you it is worth bidding.

Of course, you don't just walk away. You go to them. In a totally unemotional way, you tell them about your fears. You tell them that you are considering walking away and then you say, 'Convince me you are looking at us seriously.' Then you sit back, relax and wait to see what happens.

Either they will convince you, which is fine. They are talking themselves into buying from you. Or they will tell you that you are indeed wasting your time, which is also fine because you will still have their friendship and you will be able to come back the next time. Or you will find out what you need to do to win this business.

So, that is the end of situation three. Once again, we don't walk away from the problem. We challenge it. We try to change the rules.

Situation Four

You go prospecting. You find a sale. You throw it up against the checklist. This time you find that you have four problems.

The first three problems are the same as before - the 3/5 month implementation, the 15% budget problem and the creepy feeling on your skin about the bias. However, this time you have a fourth problem. You are not actually talking to the decision makers. Now what would you do?

The answer is obvious - talk to the decision makers. And when you get to them, you do the other three things we have just

gone through - the implementation, the inadequate budget and the bias.

But suppose that you can't get to them. Suppose that you are selling to the Government and you are not allowed to talk to the Minister. Or you are selling to a big conglomerate and the CEO thinks his name is 'God' and doesn't talk to mere mortals called Salespeople. Or you are selling to a Japanese company, the decision will be made in Tokyo and your company would not fly you to Japan even if you did speak Japanese.

With big sales, there are many cases where it does not matter how good you are, it is impossible to meet the decision makers. What would you do now?

You might want to know what access the competition has. You might examine how strong your 'Internal Recommenders' are.

If it were my sale, I would begin to feel that there were so many negatives that maybe the right thing to do would be to drop this so-called opportunity. It all depends on how hungry you are; how badly you need this bit of business.

I could go on making my examples more and more bleak until I hit your trigger point at which you would want to drop the sale. My experience is that the best salespeople drop a sale far earlier than the rest but the moment when you drop a sale is a matter of taste.

But the important point is that, even in this very bleak situation, we do not just drop the sale. First, we try to get access to the decision makers. Firstly, we try to change the rules.

Inexperienced salespeople have to learn the lesson. It is OK to walk away from a bad sale. In the early days, they feel that they have to sell their way round every problem. Good salespeople can sell anything to anybody, they think. So, every problem becomes a sales problem.

In fact, of course, good salespeople realise that they cannot sell anything to anybody and so become very selective about what to sell and to whom.

Content versus Process

With these four examples, we have been qualifying sales situations. However, you have been so close to the content of the examples that you may not have seen the process. So, let me now take you up a level and look down on the four examples. Let's see what we have just done.

Three Way Process

Many people when they think of Qualification see it as a two way process,

'Do I bid or do I quit?'

But from the examples, I think that you can see that, in fact, qualification is not a two way process.

Qualification is a three way process.

If everything is fine and there are no problems with the sale then, of course, you bid. It's obvious.

If there are too many problems or the problems are too big then, of course, you don't bid. It's obvious.

However, in the middle, in any sale there are always some problems. And, if you think about it, the process of Qualification has told us very clearly what sales meetings are needed.

We need to get access to the decision makers to discuss timescales, the budget and their bias.

Look For the Bad Things

Many salespeople, when they qualify their sales, tend to qualify them by looking for the good things.

'They have a big problem; I have a good solution to their problem; they have a budget, so let's go!' Six months work.

Or 'I've got a really good friend in their organisation who is giving me a lot of information. So let's go.' Six months work.

What they don't tell you is that the budget is not big enough; there is a consultant involved who has never recommended your company; they never install untried products (which yours is) and your nearest competitor is 70% of your price. You are going to lose.

Many salespeople, when they qualify their sales, tend to qualify them by looking for the good things.

What they should do is look for the bad things.

In any sale, there are always some problems. These problems are real; they exist; they are not going to disappear by magic; not unless you do something about them.

The real way to qualify a sale is to put a black hat on, be a pessimist. Look for the problems. It's good for you. It tells you what work is needed.

Two Problems

For many salespeople, particularly experienced ones, this idea creates a couple of problems.

Firstly, since they were babies in selling they have been trained to be optimists. Do it now! This is the first day of the rest of your life. Think big. Think positive. Have a Positive Mental Attitude.

There is all this hype and propaganda about a Positive Mental Attitude. Then I, as a Sales Trainer, stand up and say, 'Be a pessimist. Think negative. Look for the problems - it's good for you, it tells you what work is needed.'

For many salespeople this idea of being negative does not sit easily on their shoulders.

In fact, that is my problem, not theirs. It's my job to convince them that it is easy.

Secondly, to do it properly they do need some sort of checklist. And salespeople hate paperwork. If I give them some form of

paperwork to fill in then the first thing they will do is screw it up in a ball and throw it in the bin.

“Thanks, Dermot for a bunch of new documentation.”

Again, that’s my problem - not theirs.

So the question you might well ask is how we can take this simple idea of looking for the problems and package it in such a way that it is fun to do and easy to remember.

This is where the mnemonic SCOTSMAN® comes in.

Main Lessons from This Chapter

The Biggest Waste of Your Time Is The Sale You Lose

If something is not worth doing, it’s not worth doing it well

The cost of failure is not just the sale you lose. It is also the lost time. It is the sale you could have won.

Think Businessperson

So, you have every right in the world to say to the prospect, ‘Convince me you are looking at me seriously.’

The only way you know that they are serious about you is by the quality of the commitments that you get from them.

Contrary to popular belief, the salesperson does not have to ‘sell’ his or her way round every problem.

Three Way Process

Look For the Bad Things

Chapter Two

SCOTSMAN®

SCOTSMAN® is a way of pulling the whole process of qualification into an easily remembered mechanism. In some high tech companies in the United Kingdom, it has become something of a bible for salespeople.

What Is SCOTSMAN®?

It is an aide-memoire or mnemonic device to help you remember the processes of qualification. What it says is that there are 8 areas where any sale should be qualified. A letter represents each area from SCOTSMAN®, as follows:

Solution
Competition
Originality
Timescales
Size
Money
Authority
Need

Let us examine them in turn.

Solution - S

The first S stands for 'Solution'.

'Do I have a good solution to their problem?'

No Good Solution

If we do not have a good solution to their problem, what should we do? Walk away?

The sales training purist answer is that we should try to change the problem!

But if we really do not have a good solution to their problem then we will almost certainly lose. Buyers are not stupid and they will see that we do not have a good solution too. Walk away from that sale. It's a waste of time. In any case, should we be selling if we do not have a good solution?

However, sometimes things are not quite so clear cut.

New Product

Imagine a situation where you have a good solution to their problem but you are selling a new product. If the prospect buys it, they will be one of the first to buy it.

The prospect agrees that it is an excellent solution to their problem.

As far as competition is concerned, there are no biases and there are not too many competitors.

There is something unique about this new product that the prospect really likes.

You can meet all the timescales both for the decision and the implementation.

It is a nice big sale that contributes nicely towards target. You have all the resources needed to sell and install the product.

There is a realistic budget and your prices are less than their budget.

You are talking to all the right people and getting on well with them.

And finally, they are going to make a decision; there is a proper justification for this project and there is a project team in place to make the decision.

Everything is perfect.

Yet, you lose. At the end of the sale, the prospect says that they just cannot afford to take the risk to be one of the first to install the new product.

If this happens to you, it is really dumb. Surely, it is so obvious that it might happen that you just have to go to the prospect at some point early in the sale and say, 'Look, this is a new product. If that worries you, please tell me now. Don't tell me in six months' time. Tell me what I must do to convince you to be one of the first to take this product.'

Sell What You Have

Your job, as a salesperson, is to sell what you have in the way of products, not what you would like to have. That is the job of Marketing Departments. Some salespeople will wait forever for the 'right product to come along'. They will wait forever and meanwhile other salespeople will clean up.

Precipitate the Crisis

Can you see what I am doing with my examples? I am taking things that might kill the sale and bringing them to the front. I am using them to polarise the situation.

You may say to me, 'Isn't it a bit stupid for me the salesperson to give the prospect the biggest objection to buying my product or service?'

I would argue exactly the opposite. If you don't raise it then one of your competitors will. 'You realise that you will be one of the first to install this product?'

Then the prospect might come to you and say, 'Were you trying to con us?' Far better to have an adult discussion about it.

In some schools of selling, salespeople are taught not to raise the objections themselves. They must not put the idea into the prospect's mind. But with big sales, buyers are not stupid. They will see the problems. If the salesperson tries to hide these issues, they will lose credibility. Far better to raise the issues yourself and gain a reputation for straight dealing.

In major bids, there is only one way to solve a problem. That is for the salesperson to 'precipitate the crisis.'

I don't mean have a fight. I mean grasp the nettle; bite the bullet.

If a problem is looming up on the horizon, it is rarely in the salesperson's interests to just sit tight to wait to see what develops. It can be best to sit tight very occasionally, but not often.

If your costs are greater than their budget then there is little point in hiding the fact hoping that the over-whelming benefits of your offering will make them overlook such a small detail. It is better to go and discuss it with the prospect.

If you wear a sales hat you may find it difficult to have this discussion. Put a business hat on your head and it is easy.

The whole qualification process, of identifying sales calls, is to identify those areas where crises should be precipitated.

If you do not have a feature, you need then to raise the issue quickly.

If a customer is moaning about service, you should attack this issue before an explosion takes place.

Two Products

It is common for salespeople to find that they have two separate products that will meet the prospect's needs. Or they may find that they can solve the prospect's problems using two separate approaches.

The question then arises: 'Should the proposal describe both solutions or should it just go through a single recommended solution?'

Very often, the prospect will ask the salesperson to cover both options in the proposal.

It is a mistake to be seduced into giving both options. In practice, it seems to confuse prospects, no matter what they say. It is a mistake because it is a cop-out.

Salespeople should spend enough time with the prospect before submitting their proposal so that they can go forward with a single recommended solution. If they cannot get enough time to talk it through with the prospect, they should question how seriously the prospect is looking at them. It becomes a major qualification issue.

'If you are looking at me seriously, I'd like to spend the time sorting out these options with you.'

The qualification process can be summarised as follows.

Identify the main reasons that you might lose the sale.

Take the problem to the prospect and use it to polarise the thinking.

If I am going to lose because of ... then I'd much rather that you tell me now rather than later or I'd like you to drop this area as a concern or consideration.

It is my experience that unless we get the opportunity to describe our offering to the Main Board in person, they are likely to misunderstand some of the key features. I'd like you to arrange a presentation for us.

If you are looking at us seriously, I'd like you to introduce us to all relevant executives.

Challenge the Main Problem

I don't mean have a fight. I mean grasp the nettle.

Competition - SC

The C stands for 'Competition'.

The issue is not, 'Who are my competitors?' although that is an important question.

The real issue is,

'What is in the prospect's mind about the competitors? Is there a bias? A preferred supplier?'

Bias

A bias is much more dangerous than a publicly stated preferred supplier. At least with a preferred supplier you know you have a problem.

Are there too many people bidding?

If there are many people bidding, what do you do? Sell your uniqueness harder?

The strongest salespeople I meet would go to the prospect and say, 'Thank you for this opportunity, we are very happy to bid. But there are an awful lot of people bidding. Could we at least agree some mechanism for getting down to a shortlist quickly?'

Of course, you want to be on the shortlist but if you are not going to be on it then you want to find out quickly.

I have a friend who is often in the situation where there are a large number of contenders. He has a lovely saying. 'If there are twelve clowns in the ring then you can jump into the middle of the ring and start reciting Shakespeare; but to the audience you will be just the thirteenth clown.'

All your wonderful words will be lost in the noise.

Anyone who has been a buyer in a large sale will attest to the fact that after you have met three or four salespeople it becomes very hard to remember who said what.

Believe it or not, the following anecdote used to be heard as a model of good selling. Only the market leader could do it.

An IBM salesperson was called in to a tender situation. The buyer told him that they intended to look at the market and invite 10 companies to bid. The IBM salesperson got up to go, 'Thank you for asking me to bid. Could you call me when you get down to a shortlist?'

IBM just assumed that it would be on the shortlist so there was little point in spending time in the early stages.

Maybe, it was this sort of arrogance that led to IBM's problems some years ago. However, it does illustrate the boundary needed between good qualification and arrogance.

Fighting the Industry Leader

Some salespeople quail when then have to fight the industry leader or against a Preferred Supplier.

'How can we win? They are too powerful', they ask.

In fact, it is not really a problem!

Firstly, it is a matter of qualification. Often, you should walk away. Many sales are unwinnable. For example, if there is a rigid Preferred Supplier Policy, you are probably wasting your time.

However, once you have decided to fight, your chance of winning can grow considerably, for the following reason.

Very often, the Number One will have the 'Luxury of Choice'. They do not need to work on a marginal sale because they have many other opportunities. So, if you fight hard, you can make the sale a marginal one to the Number One company. Once it becomes marginal, their salesperson, with all the Luxury of Choice is likely to walk away.

It will become marginal to them long before it becomes marginal to you - but only if you have done your qualification properly.

The Biased Prospect

In some sales, the prospective buyer expresses a bias towards a particular supplier (not you). This supplier may be the current supplier or a supplier that is clearly in the lead.

When this situation arises, the salespeople have an uphill battle on their hands. If the prospect is genuinely biased then they will probably lose.

The only way to redeem the situation is to take direct action to try to shake the prospect from complacency.

Every time I talk to you, you mention the PQR company. If you have decided to give them the business already, please tell me now rather than in a month or so after I have put in a lot of work. Convince me that it is worth my while bidding.

Several things could happen:

- The prospect tells you that he or she has, indeed decided to buy from your competitor. This result is a great thing to know. You have saved a lot of time.

- The prospect realises that he or she is biased, becomes embarrassed and starts compensating for that to the detriment of your competitor.
- The prospect tells you, 'I want you to bid because you are very strong in this area and have special skills in that area.' It is magic when the customer learns to be articulate in why you are good, isn't it!

Alcatel.Doc

A telephone switch supplier, a client, was sent a Request for Proposal for a telephone system from a prospect that historically did not use them.

The file name of the document was inadvertently left in the footnote of each page.

It was *alcatel.doc*. Alcatel was the incumbent supplier. Does my client have a chance of winning? No way.

But the sales manager insisted that they did bid. 'If we don't bid we have no chance of winning. If we do bid we might be able to persuade them'. They bid and lost, of course.

But both of them were wrong. No one challenged the bias!

They could have had such fun. They are going to lose anyway, so they could have had an interesting discussion with the prospect.

Salesperson: I am happy to bid. But could you explain why it says 'alcatel.doc' at the bottom of each page? Does it mean that you are going to buy from them? We are just the benchmark alternative.

Prospect: No, no. It is a mistake. We are asking three companies to bid and their name was the top one alphabetically.

Salesperson: To be frank. That's not very convincing.

Prospect: Well, how can I convince you?

Salesperson: I'm not sure. I suppose you need three quotes. I'll tell you what. Invite Siemens to bid; invite Ericsson to bid; write a letter to Alcatel telling them that they are not to bid and then we will happily make up the third name.

Could you do it this way? I don't know but it would be fun. And the mental attitude is exactly correct.

One of the big consultancies bid for a major outsourcing deal for £150m. They created a bid team of 22 people and spent £1.5m and a full year preparing their bid. They lost.

What a disaster! A few months later, Joe rang up the CEO of the buyer company to review why they had lost.

'We accept that we have lost. It happens. But please could you be brutally honest with me. If all that we had submitted was Page 23 of our proposal, the schedule of prices, would that have been enough? In other words, were we just the benchmark price?'

There was a long pause. Then the CEO said, 'Yes, I think it would have been enough.'

'That's OK. It happens.' said Joe. 'But the next time you need a Page 23, please ring up and ask for Page 23. I will give you the page but I won't spend a million dollars preparing it.'

Joe made his point but kept the door open for the future.

Of course, my real point is that it should have never happened in the first place.

No Competition

One of my customers sells a software package for about £45,000. The profit margin on the product is such that if it takes more than six calls to sell it, it becomes of marginal profitability.

Fortunately, the product has a number of unique features that allows their salespeople to approach companies to create the need. They do not just respond to needs that arise in the prospect's mind. But there are competitors.

My customer has imposed an interesting qualification on its salespeople.

If the prospect insists on looking at competitive offerings then they will withdraw. Competitive sales take too long. They sell their product on the basis 'buy from me or retain the status quo'. They approach their prospects with the attitude: 'I have an interesting product. I'd like you to decide whether or not you want it'.

The 'SIZE' in SCOTSMAN® asks the question 'Does the value of the sale justify the sales effort?' In this case, it only did if there was no competition.

Originality - SCO

The O of SCOTSMAN® stands for 'Uniqueness' but SCUTSMAN doesn't sound so good!

So, it is 'Originality'.

'Do I have anything unique that they need or that I can persuade them they need?

If you do not have uniqueness, then it's just a price battle at the end. Or worse than that, your competitor will have some uniqueness and they will win.

To beat competition, you need two things.

Firstly, you need some mechanism to find out how you are different from your competitors.

Secondly, you need some mechanism to burn these differences into the brains of your prospect.

For some time, I have been giving the following snippet on my courses.

You've Lost¹

CFO: I'm very sorry to tell you but you have lost this sale.

¹ Low Price, Quality, Service
Pick any Two out of Three
Harvey Mackay

Salesperson: Oh, that's a pity. Would you mind telling me why?

CFO: Certainly, you were that 10% more expensive than your competitors.

Salesperson: Oh, that's a pity. Tell me, if we had been the same price, would you have given me the business?

CFO: Certainly.

Salesperson: Would you mind telling me why?

CFO: You have a more resilient service. You have better backup and much stronger account management.

Salesperson: Don't you think that might be why we are a little more expensive...

Would it work? I didn't know.

In 2001, an Account Manager in BT, Anne Marie Jenkins, lost a sale.

She asked the CFO, 'If we had been the same price, would we have won?'

There was a long pause then the Finance Director said, 'No. We were using your proposal to put the squeeze on Cable and Wireless.'

'That is not very fair.' Anne Marie exploded, 'It is an expensive business writing a proposal. I spent a lot of time and energy on this proposal and now you are telling me I never had a chance.'

'I'm sorry. You are right. I had never really thought about it from your point of view. We won't do it again.' The Finance Director apologised.

Anne Marie said that, in future, she would ask the question much earlier in the sales cycle!

Timescales - SCOT

T is 'Timescales'. There are timescales for the decision and timescales for the implementation. Both can be too long or too short.

There is a classical salesperson's quiz question.

You are sitting at your desk one Monday morning. A Request for a Proposal arrives through the post. It is from a company you have never met. They have given you one week to respond, which is not enough. What do you do?

The answer is - Throw it in the bin. It's unwinnable. There is no way that within one week you can build up all the relationships, understand their business and respond professionally.

On my courses, I half jokingly make an offer to the participants.

If ever they should find themselves in this situation, just drop me an email and, with no further information, I will blindly bet them £1500 that they will lose the sale. I will probably lose £1500 a few times but I will also become a very rich man.

Of course, in practice, you don't do that. You go to the prospect and ask for an extension. If they give you the extension then you are reasonably happy to respond. If they refuse then you go to your manager and get your manager to give the Request for a Proposal to a trainee to work on. You have far better uses for your time!

The problem arises when the Request for a Proposal has spent the last three months wandering throughout your company trying to find the right desk to land on!

Size - SCOTS

The second S in SCOTSMAN® stands for 'Size'.

'Is this sale big enough? Too big? Does it contribute adequately to target? Does it demand too much effort for its size? Do I have the resources?'

If you are going to spend 10 meetings to sell one small machine then it is possible that you have better uses of your time.

Who Is At The Top Of The League Table?

I used to think that Size was one of the minor qualifiers in selling. But gradually, over the years, I have come to respect it more and more. Nowadays, I think that it may well be the most important one on the list.

To show why, let me ask the following question.

In your company, at the end of the year, are the salespeople at the top of the league table generally those who have won more sales or are they the ones who have won bigger sales?

In most companies, the answer is that they have won bigger sales. In fact, there is only so much time in the year and it is only possible to go through the whole cycle a few times. The salespeople who go for bigger sales get a far better reward for exactly the same effort.

An Example.

GEISCO was a computer subsidiary of GE. GEISCO had a large computer centre in Amstelveen, near Amsterdam in the Netherlands and they have another in Washington in the USA. There is a huge international network spanning out from these two centres.

GEISCO sold what they call 'International Business Transactions'. For example, they look for organisations that have a factory in the Far East and distribution in Europe because using the network, they can do all the import/export documentation. Or they look for organisations that want to know how much money they have in each of their bank accounts around the world.

Some years ago, the number two salesperson worldwide in GEISCO was called Freddy Nurski. Freddy lives and works in Belgium. For one reason and another, I meet him quite regularly. So, I was delighted that he had done so well but also somewhat surprised. Belgium is a small country with only about 10m inhabitants. I asked him to explain.

Freddy then told me about a long and complex sale that he had won. It was an interesting story and I enjoyed hearing it. However, at the end, I said that it did not really explain why he had done so well because many salespeople have long complex sales.

‘Ah,’ said Freddy, ‘I missed the point of your question. Let me answer it. When salespeople get a new sales territory, they ask themselves what the company sells. The answer is ‘International Business Systems’. So, they decide that they have to find all the multinationals that have decision-making capability in their territory from the Times 1000 and Fortune 500. Then they call on those organisations.

I got a new territory some two years ago and I did not do that. I sat down and asked myself the question, ‘Which organisation on my territory has the largest number of international transactions?’ The answer I came up with was a then relatively small company called DHL! That is why I was Number Two.’

For the same effort, he got a much better result.

Resources

Under the banner of Size, I would also suggest you look at resources.

The ‘SIZE’ in SCOTSMAN® asks the question ‘Does the value of the sale justify the sales effort?’

The CEO of one of my customers came down to one of my courses. He heard me waxing poetic about the value of qualifying thoroughly using SCOTSMAN®.

‘Excuse me,’ he said, ‘Do you mind if I say a few words here to back up what you have been saying? If a salesperson decides to waste his time on a low chance sale, I can live with that. That’s up to him and how much he wants to earn at the end of the year. Mind you, I need my salespeople to do well. No, the real problem is this; if we do bid, it costs a fortune in technical staff to do surveys, demonstrations, proposals and so on. If we lose then we have missed the opportunity to use these very

valuable people elsewhere. Qualification is of fundamental importance to me for this reason.'

Too Small

When I was setting up my business, I called in an Insurance salesperson to discuss Health and Disability Insurance and Life Insurance. After discussing my requirements, he came back to see me with a quotation.

Unfortunately, I had not finalised the details of exactly when I would launch myself on an unsuspecting world and so I was not able to give the go ahead on the policies.

The salesperson then said to me, 'You must understand, Mr Bradley that the value of these policies to me does not make it worth my while to call back at a future date, so I must ask you to make up your mind today.'

I'm afraid I saw red and showed him the door. I even rang up the CEO of his firm to ask him never to let the salesperson near me again. The CEO said, 'We don't have salespeople, Mr. Bradley, we have consultants.'

I agreed with him - he didn't have salespeople! No good salesperson would have been so manipulative.

Interestingly, the salesperson was probably right; the sale did not warrant a further call from his viewpoint. However, he made two big mistakes;

- He tried to twist my arm by making me feel small.
- He lost my subsequent business. I have bought lots more insurance since then but never from his company.

If you decide to qualify out on size then do it with tact, not as a gimmick and closing technique for a quick sale.

But keep your head

There is always a different angle. I was talking to the Deputy Managing Director and Technical Director of an Office Automation company. They were telling me how one of their

biggest customers had come out to tender to replace all their installed equipment.

Unfortunately, they did not have the equipment to meet the customer's new requirements and they knew that if they did bid they would certainly lose the sale. But despite this problem, they had decided to continue bidding. I was appalled as it was going to require several months of work to submit a proposal.

The Technical Director then explained why they wanted to bid. As the incumbent supplier the prospect would naturally give them a better than fair hearing and they knew that if they did bid they could muddy the waters and delay the decision by a few months.

Now, each month the customer paid them a vast sum on maintenance for the old equipment. These maintenance charges were independent of the amount of work done. They were an insurance policy and they were incredibly profitable as long as the equipment worked well.

Each month's delay represented an enormous contribution to company profitability.

Is it ethical? I don't know. There was only an ethical problem because we all understood qualification. Many organizations would have naively bid anyway because it was a big customer.

What about the salesperson? It won't help her meet her targets. I hope she did a good deal with her management to compensate for the lost time. I hope she understood qualification.

Money - SCOTSM

M is Money.

'Is there a budget? Is it realistic? Are our prices less than their budget? Will they pass the credit check?'

Setting the Budget

In your selling, do you find yourself talking just to the people who work within budgets or do you also find yourself talking to the people who set the budgets in the first place? Because it makes an enormous difference to the size and quality of the sales that you will work on.

If you only talk to the people who work within budgets then they will say, 'The budget for this year is already spent. Could you come back in October when we are setting the budgets for next year?'

And the size of the project will be limited by their budgets.

However, if you also talk to the people who set budgets you will often find that they keep a little money in the drawer. The sale can happen this year and often it can be somewhat bigger.

How Big Is Your Budget?

The second issue is a strange one.

Some years ago, I had a meeting with my Accountant. For reasons that I will not bore you with but which were to do with British Partnership Tax Law, he told me that I had to burn £100,000.

'That's very nice.' I said to Nick, 'but the problem is that I do not have £100,000.'

'Well borrow it,' said Nick, 'The interest that you will pay will be part of the burning process!'

The only restriction was that I was not allowed to use the money for purchasing capital goods; I had to use the money to buy revenue items. There is only so much stationery that you can buy before you run out of storage. So, the problem was how to spend it.

For some time, I have been helping large companies to plan big sales. When I do such a 'facilitation exercise', my client sees it as a very creative exercise. But the truth is that it is not really creative. There is a fairly well defined process.

In fact, it is such a clearly defined process that I had had the idea of developing an 'Expert System' or 'Knowledge Based System' in this area. I would capture my expertise on some desktop computer and I would be able to sell a cloned version of my expertise at some vast fee.

The need to burn this money seemed like an ideal opportunity to ask some software organisations to quote for this business. So, I telephoned a number of software companies that I knew were in the market of developing Expert Systems.

What followed was a real revelation. For someone like me who trains salespeople and loves the process of selling, I was appalled by the way my project was handled. It also made me very happy that there are so many bad salespeople out there in the world; I have job for life!

The first salesperson came to see me. He asked me what I wanted to do. It takes me about 20 minutes to describe what I want from the system. The salesperson listened for 5 minutes. Then he interrupted me and launched into a monologue about his company's wonderful project management capabilities and 5th Generation Programming Languages. I sat there internally drumming my fingers thinking that the salesperson did not really know what I wanted to do and feeling a little frustrated.

Finally, the salesperson finished then he asked me, 'How much money do you have to spend in this area?'

In my innocence as a buyer, I told him. £100,000'

About a week later, I received a proposal from this company. It was about two inches thick. The salesperson did not really know what I wanted to do, he hadn't asked. So, I could not take the proposal seriously. It was full of boilerplate text; no real relevance to me. I turned to page three where there was a schedule of prices.

Guess how much the quotation was for? Yes, £100,000.

I threw the proposal in the bin. He was trying to rip me off for every cent I had. There was not even a contingency for

overrun. Show me any software project that has come in on budget.

The second salesperson then came to see me. The result of the meeting was much the same. The salesperson did not really seem to be interested in the details of my project. Finally he too got round to the question, 'How much are you willing to spend on developing this project?'

Older and wiser now, I replied £75,000'

A few days later, his quotation arrived. Guess how much for?

Actually, it was for £68,000. It too was confined directly to the bin.

Finally, a young salesperson came from Logica, a large UK software company. His name was Matthew Grisoni. He sat down and asked me what I wanted to do. He listened for about 30 minutes asking many intelligent questions.

He then began to challenge my thoughts by asking me if my ideas could handle some of the situations he was currently dealing with. I found the conversation most stimulating. At the end of the conversation he got round to the inevitable question, 'What is your budget for this project?'

'£75,000', I replied.

He screwed up his face and sucked through his teeth. 'I am not sure about that. I think that it will cost at least £90,000, possibly more.'

Which salesperson do I trust the most? Clearly, the third one.

Maybe there is an important lesson here. If your prospect tells you their budget, maybe your knee jerk response should be that it is not big enough. You will gain a lot of credibility.

This story has a sad ending.

When Grisoni left, I said to my wife, 'That's the one'

I was filled with confidence. At last, I had found someone who knew what he was talking about and who understood my needs.

I awaited the promised proposal with anticipation. After a few weeks, I wondered if I should call him up but I decided not to. It seemed to me that their responsiveness was part of the evaluation process.

Meanwhile, I sought out other possible suppliers.

Finally, in February, some five months later, someone else telephoned. He asked me what the situation was concerning my project.

‘You tell me’, I said. ‘I am still waiting for your proposal’

After establishing that the situation was still open, this salesperson said that he would like to decide whether or not to bid!

A week went by before he rang up saying that he would like to bid. He declined my offer to meet him, saying that he had all the information he needed to put together a proposal! He said that he would write the proposal first then talk about it.

About three weeks later, the proposal arrived. In fact, it arrived the day before I had decided to make my decision between other more responsive companies. I did not even read the proposal. The salesperson rang two hours after I finally decided on someone else.

I told him that I was sorry for the amount of work that he had put in but I told him that there was no way I could choose his company. I had met them only once, the proposal arrived six months later and if this was the schedule they followed for sales then what would the schedule for implementation be like.

They Won't Tell You the Budget

How do you behave if the prospect is unwilling to tell you the budget?

This situation is very common in the business of developing bespoke software systems. The salesperson is not happy to do too much work until he or she knows what the budget is. The prospect does not know the budget to set until the salesperson has done enough work to size the project.

An impasse. Neither side is willing to move until the other side puts a number on the table. This situation is so common that software salespeople have had to develop a special way of dealing with it.

The process is almost self-explanatory from the name. It is called the 'Flinch Test' or the 'Falling Off the Chair Backwards Test'.

It works as follows. You make as realistic an assessment as possible of the price of the project based on the limited information available. (Let's say £750,000). If you are sensible, you double that number. Then you say, 'Until we have done the work I cannot really say what the price will be. But my instincts tell me that it ought to come in at a price less than £1,500,000.'

If the prospect collapses in front of you at this point and says, 'I thought it would be £500,000' then you know where you stand. It is relatively easy to backtrack and say, 'I seem to have a Rolls Royce solution in mind.'

You can always reduce your price but never increase it. Setting prospect expectations is all important.

If the prospect does not flinch at all then you quickly add, 'For Phase One!'

That last line was a joke. Don't do it.

If you have a salesperson's hat on your head then you might feel a little embarrassed to be so blunt about these issues. But if you wear a business hat they are the easiest questions in the world. It's all in your own head.

Up to...?

Usually, the prospect will not have a fixed budget. More likely there will be a range with an upper and lower level. If you ask for the budget and they are willing to tell you then they will usually get the lower number. A Sales Manager, Steve Green, gave me his 'Up to' technique.

Question: What's your budget for this project?

Answer: £250,000

Question: Up to...?

Answer: £300,000

If your prospect gives you a budget, as shown above, just follow it with the unfinished question, 'Up to...?'

Sometimes they will then tell you their upper limit! Other times, they will laugh! Either way, you win.

Authority - SCOTSM

A stands for Authority.

'Are we talking to the decision makers? Do the decision makers know that there is a decision to make? Do we have an Internal Salesperson rooting for us when we are not there? Do we understand the decision process?'

Find Out The Decision Makers

In general, is it easy to find out the true decision process in a major sale?

Sometimes it is. Sometimes it isn't. It depends on the account. So, how can you find out the true decision process? If you ask the question bluntly, people tend to tell you that it is their decision. They take a very personal and biased view of their own importance.

And do we believe them? Of course not.

So, how can you find out the real process?

It all depends on how you ask the question.

You need to ask, 'Do you make this decision yourself or do other people get involved?'

Or, 'The last time you had to make a decision like this, what happened?'

Or, 'What will happen to our proposal once it is submitted?'

In other words, you should encourage your contact to talk about the process of decision rather than the personalities. You can find out about the personalities separately.

And, of course, you should not take just one person's viewpoint as gospel. You should get confirmation from several different people.

Be Politically Aware

When salespeople are asked why they lost a sale, the word they most frequently respond with is, 'Politics'. They were beaten for political reasons. When you push a little, you find out that they did not even meet the final decision makers.

Steve worked for an IT company. He relates a very telling story in this area. He called on a financial institution in the City of London. This organisation used two IBM mainframe computers. Unfortunately for the prospect, they had run out of capacity.

Because of a glitch in IBM's product line at that time, IBM did not have a good upgrade path for these machines. So, IBM's proposal was that they should install a third machine. This solution would create something of a scheduling nightmare, trying to divide the work across three machines.

Steve suggested to the Management Services Manager that he should install one of his company's systems. Such a system would be completely compatible with the IBM system from a programming point of view but powerful enough to do all the work on one machine.

The Management Services Manager thought that it was a wonderful idea and took Steve to see the CFO who also thought that it was a great idea.

Steve was then doing all the work needed to land such a sale.

One afternoon, he was sitting at his desk when he got a telephone call. It was the CFO, 'Steve, I'm ever so sorry to tell you that but we have lost. Our company has ordered the third IBM machine.'

Note that he said 'We have lost' not 'You have lost'.

Taken aback, Steve asked what had happened.

Apparently, the IBM salesperson had set up a meeting with the CEO of the company.

He had said, 'Thank you for seeing me. The reason I wanted to see you is that it is head on the chopping block time. The fact of the matter is that I do not have a good solution to your problem. But the question I would like to put to you is this. Your company and mine have had an excellent relationship for the last eight years. Are you willing to destroy that relationship for the sake of waiting for six or seven months?'

The CEO had said that the relationship was important and had ordered the third machine.

Steve was furious. But he was honest enough to be furious with himself. It had not even occurred to him that it was important to meet the CEO.

Yet, when you are dealing with a powerful incumbent supplier, you cannot afford to ignore their political links.

Dissenters

One strong salesperson uses the precept 'Spend your time with the dissenters' as his main guidance for handling large sales.

This simple precept makes him do many things we have already been looking at and tells him what he must do politically to win the sale.

Need - SCOTSMAN®

N is Need.

‘Is there real need for this project? Are they serious? Are they actually going to make a decision? Is there a proper justification for this project?’

Often, the prospect organisations will ask salespeople to put a lot of work into a situation when, in fact, all they are doing is some market research and they had no intention at all of buying anything.

They are seeking free consultancy at the salesperson’s expense. It’s very unfair on the salesperson but it does happen. So, the salesperson really must check out how serious they are.

So, that’s it. SCOTSMAN®

- **Solution**
- **Competition**
- **Originality**
- **Timescales**
- **Size**
- **Money**
- **Authority**
- **Need**

This list is the same as the earlier list but hopefully it is somewhat easier to remember. And it tells you the important thing; that is that there are 8 areas where we have to qualify any major sale.

If you are going to lose, lose quickly!

Using SCOTSMAN®

I am going to show you three ways to use the list. The first is straightforward but it will get your brain juices flowing in the right direction. I will show you two other ways of using SCOTSMAN®. You may find them even more useful.

Chapter Three

Scoring a Sale

Scoring a Sale

If you take a sale and throw it up against SCOTSMAN®, you can 'score' the sale in the following way.

If in one of the areas of SCOTSMAN® such as Competition you have no more work to do; you are totally happy that there are no biases and there are not too many people bidding then you score that area as a '0'.

Zero = no more work.

If on the other hand there is a lot of work to do in that area because there is a major problem such as a bias then you would score that area as a '10'.

Ten = A potential showstopper.

And finally, if you just don't know, you haven't asked the question yet. 'Who are my competitors?' Then in this area you would score a '1'.

One = Data missing.

What is the score at the beginning of any brand new sale? It scores 8. There are 8 letters in SCOTSMAN® and we know nothing about any of them. What is the worst possible score? It is 80. And when you win the sale what is the score. It is zero. No more work to be done.

An Example.

Suppose that you go through a sale and you find that everything is perfect.

- You have a good solution to their problem, you have done this sort of work for many customers.
- In terms of competition, there are not too many people bidding and there are no biases.
- Your expertise is seen as important by the prospect.
- You can meet all the timescales for both decision and implementation.

- It is a nice big sale. It contributes well towards target. It will be profitable and you have all the resources needed to make it happen.
- There is a realistic budget and your prices are less than their budget; they will pass any credit check.
- You are talking to all the right people and getting on well with them.
- And finally, they really are going to make a decision.

You score all '0's.

In a case like this, you would certainly bid. It does not mean you will win; a competitor could also have all '0's, but it does mean that you have a lot going for you.

If, on the other hand, you go through a sale and you find that you have many problems, say 4 '10's.

- The budget is not big enough.
- The client's consultant has never recommended your company.
- You cannot meet their implementation timescales.
- And you have no real differentiators against your competition.

In this case, maybe you should ask yourself if it is worth bidding.

Why do I use the word 'maybe'?

Well, it's not black and white. If it is your biggest customer that is under attack, you can't just walk away from it. If this is the only way you can make target then you cannot just quit. In any case you would not just quit. Firstly, you would go to the prospect to try to change the rules.

Two Meanings of Qualification

However, this issue brings out a key distinction that needs to be made. In the language of selling, the word 'Qualification' is used in two different ways. The two uses of the word 'Qualification' are almost 180° opposite in meaning.

The first way that we use the word 'Qualification' is to say, 'I will qualify in (or out)'. In other words it is a decision, black or white. 'Do I bid or not?'

And this mentality is supported with phrases like 'Don't lose; choose' or 'Win it or bin it.'¹

The other way we use the word is to say, 'I will qualify the budget, the decision process, the implementation timescales.' In other words, we will do more work in these areas.

When I use the word in this book I am always talking in this second sense. The purpose of qualification is to identify what work is needed.

I Know I'm Going To Lose

I often hear salespeople say, 'I know I'm going to lose but I have to bid to get my name known so that I can bid and win future sales to that organisation.'

How stupid!

All that they will do is develop a reputation for coming second; or even worse, their prospect can, for the next few years, say, 'We looked at them but they were not up to the job.'

If you are going to lose, then qualify out. Lose quickly. Go to the prospect, explain your reasons and stay friends with them. Properly done, you will rise greatly in their respect and be far more likely to be given further chances.

The IT Director of a large UK bank was a guest speaker on a course I was running. During the question and answer session, one of the participants asked him what his role model was for good Account Management.

¹ Great lords, wise men ne'er sit and wail their loss,
But cheerly seek how to redress their harms

Henry VI Part 3 Act V Scene IV Queen Margaret
by William Shakespeare

‘It’s not your company.’ he replied. ‘Before coming to the UK, I was the CIO for a large investment bank in New York. I invited AT & T in to discuss a telecommunications issue. After hearing me through, the AT & T Account Manager said that AT & T would not be the best supplier to meet that requirement. She named a couple of other organisations then politely withdrew from that project. After that, whenever she said she could do something, I believed her.’

It is not hard, but the salesperson needs to take an adult view on life and to think like a businessperson

Sadly, life is not always so clean cut. I was talking to an executive of a large UK based retailer who said that a particular Information Technology company ‘had not yet lost enough times to show that they are loyal to us!’ A most unfair way of buying, I thought. I would qualify very seriously before selling to them.

Testing the Temperature

Having said all that, if everything is great and you have no problems, you have all 0, then, of course you bid. It’s obvious.

If you have too many problems, or the problems are too big then of course you don’t bid. It’s obvious.

But in the middle, there are always some problems. If you get a just a few 1’s and 10’s then the process of qualification tells you what sales activity is needed.

The important thing here is not the number of ‘0’s; it is the number of ‘10’s. For example, if you go through a sale and you get four ‘0’s and four ‘1’s then you would look at the sale and say, ‘I don’t know too much about this sale. But what I do know looks good and so I think I should continue.’

If, on the other hand, you get four ‘0’s and four ‘10’s you might say, ‘I don’t know too much about this sale but what I do know stinks and I think I should drop it.’

The point is that the '10' represents work. If there is too much work needed for the value of the sale then you might drop it.

You might end up thinking that the process is arithmetical or mathematical and it is not.

For example, you might have a sale where everything is perfect except that you have a lousy solution to their problem. Here you have a 10, and you will almost certainly lose. On the other hand, you might have a sale where everything is perfect except that the decision will finally be made in Tokyo. Your company will not fly you out to Japan and, in any case, you don't speak Japanese. Here you have a 10 yet you can still win.

The scoring process is a very crude way of getting a feel for the value of the sale. It should just be seen as a simple way of 'testing the temperature' of the sale, seeing which way the wind is blowing.

Score Each Area 0, 1, 10

0 - means that we have no more work to do in that particular area.

1 - means that there is a gap in our knowledge

10 - means that there is a potential showstopper

If we go through a sale and total up the amount of work to do then we could probably make some judgement as follows:

Solution	}	Just a few 1's	Looks good but there is a some work to do.
Competition			
Originality	}	A few 1's and a 10	There is quite lot of work to do. Plan this one carefully. It could easily be lost.
Timescales			
Size			

Money

Authority

Need

A few 10's

Is there anything better to work on? If not, then plan it very carefully.

Just because something is pretty, it does not make it good to eat. A cabbage is more tasty than a rose

At the beginning of any new sale, the score is 8. At the end the score is 0. As the sale develops, the score changes. A score of 23 would mean 2 showstoppers, 3 areas where there is information missing and 3 areas where the work is done.

An Existing Client

I am sometimes asked, 'Should you go through all this qualification with sales situations when they are an existing client? After all, you can't afford to walk away from an existing customer?'

The people asking this question have not grasped the basic issue of qualification. Because you cannot afford to walk away, qualification is even more important!

It is even more important because the purpose of Qualification is to identify sales calls. If you cannot easily walk away, then it is critical that you should identify the correct sales calls.

Walking Away From a Good One?¹

But is there not a danger that you could walk away from a sale that you could have won?

Yes, of course there is.

But that is not the point either. Qualification identifies sales activity. It is the prospect who tells you to walk away, not you. And anyway, most salespeople could afford to walk away from more situations even if a few good ones did slip through the net.

Strong Message

The message of this book is a strong one. If you can't win it, don't do it. Sometimes, I get nervous that I might get sued. 'We could have won this business but because of your advice we lost.'

Let me make it clear right now. The points in this book are general advice. You have to think them through carefully in your own context. I can take no responsibility for the implementation of these ideas without a full understanding of your situation. There, that's the end of the legal stuff.

One Monday, I had a telephone call from a sales manager. 'What have you done to Faizal?' he asked.

Faizal had been a participant on my course the previous week. There was something in his tone that told me that this might be the call I had feared.

¹ You got to know when to hold 'em, know when to fold 'em
Know when to walk away and know when to run
You never count your money, when you're sittin' at the table
There'll be time enough for countin', when the dealin's done

Every gambler knows that the secret to survive is
Knowing what to throw away and knowing what to keep'
Cos every hand's a winner and every hand's a loser
And the best that you can hope for is that I end asleep

The Gambler

sung by Kenny Rogers

Apparently, when he came off the course, Faizal had 43 names on his prospect list. On the Wednesday afternoon, Thursday and Friday, he had telephoned them, one by one, to find out if they were serious. And, one by one, they said they were not!

By the time the manager had got to Faizal, he only had three names left. The manager thought that he had gone stark raving mad. But he hadn't. He had just decided to stop lying to his manager and to stop lying to himself. Faizal had an excellent year.

Chapter Four

A Planning Tool

I would now like to go through another way of looking at SCOTSMAN®, which will make it a really usable sales tool.

A Better Way - See It From The Prospect's Viewpoint

Question. How do you know you have a really good solution to their problem?

Because you have done this sort of thing before?

No, that won't do. Forgive me for being pedantic about the use of words, but I asked how you 'Know' you have a good solution. If you have done it before then you can only 'Believe' that you have a good solution. So, how can you know?

You don't know you have a good solution to the prospect's problem until the prospect tells you. Until the prospect says, 'I like it.' you have more work to do. And that is, of course, what we are trying to find out.

So the question we should be asking is not 'Do we have a good solution to the prospect's problem?' Instead it should be, 'Has the prospect told me that they like my solution?'

Question. How do we know that the prospect has a real need?

Because they have a big problem?

No.

It's the same answer as before. We don't know until the prospect has told us. We can twist the words round and make them stronger.

We don't know that the prospect has a real need until they have created some sort of decision making project. Some people are happy to live with their problems for year after year.

A 'problem' becomes a 'need' when the prospect decides to do something about it.

Or putting it the other way round, we can certainly say that if there is not some sort of decision making process in place then we have more work to do in the area of Need.

Question. How do we know that we have something unique that they really need?

It's exactly the same. They have to tell us. Again, we can twist the words around to make them stronger. The question we should ask is not, 'Do we have something unique that they really need?' Instead, we should ask, 'Have they written our uniqueness into their decision criteria, either formally or informally.'

Until this happens, we have more work to do in the area of Originality.

Can you see what we have done in each of these cases? We have taken the basic questions of SCOTSMAN® and twisted them round so that we are seeing them using the eyes of the customer. Suddenly they become a lot more powerful.

So, under Money, the question is not, 'Do they have a budget?' rather it should be, 'Are my prices less than their budget?' Until this happens there is more work to be done in the area of Money.

The SCOTSMAN® Form




All these ideas can be summarised in the SCOTSMAN® form on the following page.

The form is divided into the eight areas of SCOTSMAN®. Under each heading, there are the somewhat stronger questions that we have just been through. Down the middle, there are two columns of 'Yes' and 'No'.

The idea is that the good answers go down the left hand column and the bad go down the right. If you examine a particular sale using this checklist, putting circles around the correct answer then wherever you have a circle in the right hand column you have a problem and some work to do.

Before reading any further, may I ask you to invest a little time and read through the checklist in detail to make sure that you understand the questions and the structure of the form.

Sales Project Qualification Summary¹²

Salesperson ³	Customer	Project Name	Review date
Forecast Value	Decision Date	Delivery Date	Potential
Qualification Questions 	 	Action: What do we want the prospect to do? What do we want our company to do?	Date
SOLUTION Have 'they' told us that they like our solution? Are they happy with any new/leading edge solution? Do we meet their decision criteria? Are we compliant? Does the prospect accept our references in this area? Are they already our customers in this area? Do we have our own company's approval to bid? Do they accept our contracts? Or do we accept theirs?	Y N Y N Y N Y N Y N Y N Y N	Show Stopper	
COMPETITION Is there a mechanism for short listing quickly? Do they express a bias ⁴ against us? Is an existing supplier bidding? Does competition have some unique/powerful advantage? Have we resolved any current relationship problems? Are we seen as 'the safe decision'?	Y N N Y N Y N Y Y N Y N		
ORIGINALITY Have they committed our unique features to their decision criteria, either formally or informally? Have they allocated time specifically to examine our strengths? Have we found further needs to strengthen our case? Are we addressing their Long Term plans? Did we 'write' the Invitation to Tender?	Y N Y N Y N Y N Y N		
TIMESCALES Has the prospect accepted our implementation timescales? Are the prospect's plans realistic?	Y N Y N		

¹ SCOTSMAN® is a Registered Trademark belonging to Advanced Selling Skills Academy Limited.

² Any sales organisation should document somewhere why they win and lose sales. This sheet is the place to do it!

³ An expert is someone who knows some of the worst mistakes that can be made in his subject and how to avoid them.

Werner Heisenberg

⁴ Bias = präferenz, préjuge, tendencia

Is the decision or implementation close enough to be worthwhile?	Y	N		
Is there enough time to prepare the proposal?	Y	N		
SIZE				
Does the job contribute enough to target?	Y	N		
If not, is the account potential big enough?	Y	N		
Do we have all the necessary resources?	Y	N		
MONEY				
Are our prices within the prospect's budget?	Y	N		
Is their budget realistic?	Y	N		
Do we have to justify being more expensive?	N	Y		
Can they afford it?	Y	N		
Can we afford it? i.e. Is it profitable?	Y	N		
AUTHORITY				
Are we talking to the decision-makers?	Y	N		
If not, can we talk to the decision-makers?	Y	N		
Do the decision-makers know there is a decision to make?	Y	N		
Do we have a good history/rapport with them?	Y	N		
Is anyone in the decision group new to their job?	N	Y		
Are consultants involved in the decision?	N	Y		
Do we have an Inside Salesperson in the Decision Making Group?	Y	N		
Do we know the personal needs of key people?	Y	N		
Have we a plan to deal with the politics?	Y	N		
NEED				
Is there a compelling reason to change?	Y	N		
Are they serious? Is there a proper justification?	Y	N		
Do they accept our Return on Investment analysis?	Y	N		
Have we agreed a decision timetable with the prospect?	Y	N		

'They' means the key people, the decision making group.

Collected Wisdom¹

There is nothing magical or absolute about these questions. If, in your own market, there are any reasons that you are losing sales that are not captured in the form then you should add

¹ Good judgement comes from experience, and often experience comes from bad judgement.
Rita Mae Brown

them in. The document is the collected wisdom for the reasons that you individually win and lose sales.

Let me give you a couple of examples to show you what I mean.

I was talking to a computer salesperson who sold to Local Government. He told me that whenever he got involved with a major bid and particularly when dealing with a socialist authority he would always ask them if they had asked ICL to bid. At that time, ICL was the UK indigenous computer company and there was great deal of bias towards it.

Asking such a question sounds really dumb. He is inviting in what is probably his most powerful competitor. Yet the school of hard knocks has taught him that if he does not invite them in then as sure as eggs are eggs, when it comes up before the elected members, one of them will stand up and ask, 'Why haven't we invited ICL to bid?'

ICL will then come in late with all the other tenders on the table and can undercut the lot and take the business. Far better to have them in there with everybody else scrapping it out.

At one time when I was selling for IBM, my territory was the Accountants and Solicitors in the City of London. My task was to sell these people IBM's telephone system.

This product was very advanced in its time. It was the first all electronic telephone system for use in private buildings and was very expensive. It cost about £1m and that was in 1975. At that time, it was the only product that had British Telecom approval. It was also some 50% more expensive than its nearest rival. However, despite that, it was winning about 90% of the market. That was because of all the fantastic features in the product.

Well, we had sold one of these machines to Price Waterhouse. We had sold one of these machines to Coopers and Lybrand. These two organisations have since merged to become PWC.

It was now the turn of Arthur Andersen. We visited the Administrative Partner of Arthur Andersen and soon convinced

him that they should replace their old, inefficient, manual telephone system with a modern electronic one. He was soon quite excited with the idea and took the idea up to the Administration Committee. They decided to look into the whole area more thoroughly.

As is the way with Arthur Andersen, they asked two other companies to bid. They asked IBM, of course, but they also asked what is now Siemens and Ericsson, the Swedish company.

The sale of a telephone system takes a long time, up to six months. That is because it involves traffic studies, rewiring the building and training all the operators and staff in how to use the new machine. The maintenance of the machine was done by British Telecom so there were three way negotiations. All these things take time.

It was clear as we went through these negotiations that we were way out ahead of the competition. Our machine was a lot more expensive but we offered a lot more facilities and if we looked at the total cost of ownership over the 15 year life of the equipment then we were a lot less expensive as our maintenance charges were so much lower. The competitive machines were electro-mechanical which is intrinsically more prone to failure.

We finally came to decision day. The Administration Committee had to give a presentation of their recommendations to the full partnership. They told us that they would indeed be recommending the IBM approach. Their presentation would start at 2.00 p.m. and we should come in at 4.30 p.m. with the contracts.

At 4.00 p.m., we received a telephone call from the Admin Partner, 'I am ever so sorry to tell you this,' he said, 'but you have lost. We have decided to give the business to Siemens.'

This bombshell came totally out of the blue. It was totally and utterly unexpected. 'I don't understand. What happened?' I asked.

Apparently, there were some 80 partners at the meeting. As promised, the Committee had started to recommend the IBM approach. However, soon after starting, one of the partners had stood up and interrupted the proceedings. 'Excuse me for interrupting but there is a very important question I would like to ask the partnership.' He then paused for a second or two. 'Does anyone in this room have IBM as a client?'

His eyes had scanned the room looking for any response. There had been none. 'Siemens is my biggest client. I do their annual audit.'

Wheeeeeew. Crunch. We lost. There was absolutely nothing we could do about it.

So, what is the moral of this tale?

If this problem happens to you once in your life, believe me, you feel really annoyed and angry. But if it ever happens to you twice then that is dumb.

So, you can be sure that the next time we went into one of these firms of accountants one of the first questions we would ask was whether or not they did any work with our competitors.

If the answer was, 'Yes' then we would approach that partner and ask them if it made any difference. Was it worth our while bidding? If they were going to recommend their client then could they tell us now and not make us waste our time?

Generally, they would say, 'No, no. I have a declared and vested interest. I cannot become involved with the decision.' Accountants are generally honourable people and having made that statement, they would stick by it.

In other words, in this particular environment, accountancy, the question, 'Are they suppliers to our competitor?' was a really important one that should be added to the qualification checklist.

So, whenever you lose a sale you should examine it to establish whether the reason for loss was a one time event or whether it

is something that could be repeated. If it might happen again then it should be added to the checklist.¹

It should be obvious but so few companies do it - if you lose a sale, you should review it to find out why? It should be routine.

You should ask the prospect. Their response may be illuminating.

You should review with the whole team, not to apportion blame but to make sure that the reason for loss is less likely in the future. Have 'Lost Sale Reviews'²

Convince Me I Should Bid

A salesperson was asked to quote for a specific opportunity by the potential customer. He was very concerned that the potential customer expressed a bias towards a particular competitor, the Number One supplier on his product. He asked me how he should put his case over to overcome this bias.

I suggested that he call on the potential customer with a statement along the following lines.

I have a major concern.

Putting in a bid is an expensive business. It is costly in my time, my support people's time, secretarial time and management time. I don't like to make that investment unless I feel I have a reasonable chance of winning.

Yet, you often express a bias toward my major competitor. If at the end of this exercise, you are going to select my major competitor, I'd rather you'd tell me now rather than go through all the investment of time. If not, then tell me why you want me to bid?

By tackling the problem head on in this way, you polarise the prospect. Either they will admit you have no chance or they will be forced to stop being so biased. Either way you have

¹ To get what you want, STOP doing what isn't working.
Dennis Weaver

² Fool me once, shame on you. Fool me twice, shame on me.

gained considerably. You will either save a lot of time not bidding a no-hope situation or you will materially shift the prospect's perception of the sale by challenging them to be unbiased. Asking the customer to convince you that you should bid can be used as a technique to overcome many problems with major sales.

You insist on a two month delivery. I can only offer four months. If you will eventually blow me out because of this problem then please let me know now rather than after a lot of work. Or, if you want me to bid, please relax your timescales. Why should I bid?

If you ask your prospect to convince you that you should bid then, in convincing you, they will convince themselves.

In fact, if you really decide that you do not want to bid then it puts you in a very strong position. You can go to the prospect and say, 'I'm very happy to bid here but you have to convince me that it is worth my while'

You listen to their protestations and say, 'No, I'm not convinced yet!' The boot is on the other foot.

I've Got A Problem

This opening line 'I've got a problem' is a very good way of starting a qualification meeting. It captures the prospect's attention and appeals to their better nature.

For example, if you are scared that you will do a lot of work but that in the end you will exceed their budget then you might say:

Thank you for seeing me. The reason I am here is that I have a problem. We can offer you a superb solution to your problem but, as you know, we will be 10% higher than your budget. Despite that, you say that you want me to give you a proposal. Could you explain to me why you want me to bid?

As they explain to you, they are talking themselves into taking you seriously.

Qualification Is an On Going Process

When a qualification meeting is held to discuss a particular sale, a number of points will arise. Later on in the sale, some of these issues will have been resolved, others will still be open and new issues will arise. So, qualification cannot be a one-time event. It is a continuous process throughout the sale. There is no magic moment at which you can say that the sale is qualified, except when the order is finally signed

Common Sense

My father-in-law, when he was a County Treasurer, attended a course for a few days. At the end of the course, he approached the lecturer. 'Very good course', he said 'but basically what you said is all common sense'.

'Of course', replied the lecturer, looking my father-in-law in the eye.

'But common sense is not so common, you know'.

Qualification is common sense, but there was a time when I did not know the word, the concept was not conscious in my mind.

One of my customers had large IBM computers. At irregular intervals, one of the many subsidiary companies would ask for quotations for computer terminals to link into the IBM computer.

The problem arose because the customer had installed an obsolescent communications technology on the IBM equipment. There were many suppliers of equipment for this obsolescent communications technology but not IBM! If IBM were to win then the customer would have to bear the additional cost of a conversion to more modern technology. We kept losing and the customer got more and more locked into the old technology.

Finally, in frustration, I went to see my manager. I was a bit nervous because what I was going to say was almost heretical. I explained the situation then I said that we should, as a matter of policy, refuse to bid for these terminal contracts.

To my surprise and delight, he agreed. Soon after this discussion, another request for quotation came in. I went to see the prospect and I told him why we would not be bidding. As I walked out, I felt like a king. I would not be wasting time and I could see that the prospect was just a little shaken that the great IBM didn't want to bid.

Common sense had discovered qualification (but not named it). If only it had been done consciously and explicitly, it could have been done much earlier and with far less nervous energy.

Devil's Advocate

Salespeople are notoriously optimistic about their opportunities. If they qualify at all they are likely to whiz down the checklist saying to themselves 'Yes that's OK, I can do that no problem there, I'm sure I can handle that' and so on. They then qualify in.

But qualification is about identifying realistically all the hurdles to be crossed. It needs a bit of time to think it through.

No one should qualify a sale alone. Ask someone to play the professional Devil's Advocate. Find someone who can dispassionately explore the problems.

Many a salesperson has complained to me that they have been very unsure about a particular opportunity but that their Sales Manager has insisted that they bid. The Sales Manager often is the worst offender in poor qualification. And, of course, people do what their managers say. Salespeople will then bid for the sale half-heartedly.

A far more healthy attitude would be for the Sales Manager to openly take the attitude, 'Convince me that we should bid. I am the Devil's Advocate. The record is that we only win one in three sales, so statistically we are likely to lose this one unless you can convince me otherwise.'

As long as both Sales Manager and salesperson are fully aware that this posture is slightly contrived to ensure that the sale is

well qualified and the real hurdles are identified then I am sure excellent results will follow.

Sadly and conversely, some Sales Managers take this negative attitude but by failing to explain why they are being negative, they antagonise the salesperson.

Analysing Competition

It is an interesting exercise to evaluate your competitors against SCOTSMAN®. How will they be qualifying the opportunity?

Such an analysis will help you assess your chances and it will give you some guidance on the sales strategy they might follow.

Go On. Pull Out

Salesperson: *Every time I talk to them they tell me how good our competitor, GHI, is. I am really worried about it. I don't know what to do.*

Manager: *Do they have a good solution to the customer's problem?*

Salesperson: *Well, yes they do ... but it's not as good as ours.*

Manager: *I'll ask again. Do they have a good solution?*

Salesperson: *Yes, they do.*

Manager: *Well in that case there is only one thing to do - Pull out; withdraw your proposal - Tell them you have decided not to bid!*

Salesperson: *No way! We have a much better way of handling the communications network than GHI and the reliability of our equipment is demonstrably better.*

Manager: *You have just told me that the prospect is not interested in our strengths in those areas. I tell you - pull out.*

Salesperson: *He has to be interested. He must give me the time to look at those areas seriously.*

Manager: *But you have said that he will not give you the time. I tell you that you will lose.*

Salesperson: *He must give me the time. If he won't give me the time, I'll be wasting my time.*

Manager: *Now you know what you must do to win the business.*

The Real Purpose of Qualification

The qualification process using the SCOTSMAN® mnemonic is in two parts. The first part is to 'test the temperature' of the sale by seeing how well it matches up to the 8 criteria. The second part is to work out the sales calls needed to overcome the problems identified.

It is this second part which is the most important. After one has worked out the sales activity needed to win the sale then one is in a far stronger position to decide whether to not to continue. It is only if there are too many calls or they are too difficult that one would decide to drop the sale.

Experience shows that after being introduced to SCOTSMAN® many salespeople only use the first part of the process; they test the temperature but they do not take the logical conclusion from their analysis; they do not work out the resulting sales calls. It is a shame because they are losing the greatest value from the exercise.

The Real Purpose of Qualification Is To Identify Sales Meetings

Problem to Commitment¹

If you examine the qualification form in the previous pages you will see that there is some space on the right hand side of the form to write in the work that needs to be done whenever there is a problem.

If you look at the top of that column you will see that it does not say, 'What am I going to do?' Instead, it asks two questions, 'What do you want the prospect to do?' and 'What do you want your company to do?'

In other words, it is asking you to think in terms of commitments achieved.

For example, under Money it asks the question, 'Are my prices within the prospect's budget?'

Suppose the answer is 'No.'

It is tempting to write 'Go and talk to them about the budget' in the space. That is not good enough.

Instead, you should write something like, 'Speak to my contact. I want him to set up a joint meeting with the Financial Director. When I meet the Finance Director I want him to agree to bring some money forward from next year.'

Or you might write, 'I will speak to my finance people. I want them to agree to a discount of 7%'

In other words, think in terms of commitments whenever there is a problem.

So, the qualification process results in the prospect giving you more and more commitments.

Qualification is one of the major ways of identifying the commitments needed in a meeting.

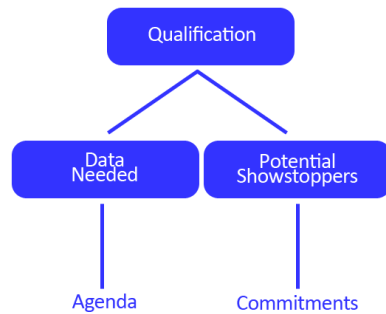
¹ Anyone can hold the helm when the sea is calm.
Publilius Syrus

Qualification Concern, If...	Typical Resulting Commitment I want you to...
There is no budget	Set up a joint meeting with the Finance Director. I want the Finance Director to allocate a budget.
I am bidding a new product	Confirm that there is no problem or clearly specify what I must do to convince them to be one of the first to buy this new product
There are too many competitors	Put me directly on to a short list or create a procedure which will quickly produce a short list
They do not understand our particular strengths	Put some dates in their diary when we can go through them
I am not sure that they are looking at me seriously	Set up a firm timetable leading to a decision, giving me access to key people
Their timescales are unrealistic	Modify their requirements
I am talking at the wrong level	Set a date for a management to management sales meeting at higher up level
I do not have the resources	Give access to the right people so we can quote for part of the work

If you fail to achieve these commitments then you are in trouble on that sale. If you do achieve them then the sale is better qualified.

In sales, in general, we have total responsibility but zero authority. It is our task to get others to do things for us.

Many times a salesperson will fail to be assertive because he or she is going in with a sales hat on rather than a businessperson's hat.



If the customer demands earlier delivery than you can give, then, as a salesperson, you might try to 'sell' the prospect on the idea of increasing the timescales.

But as a businessperson, you would have no qualms about going to the prospect and saying, 'You are asking for a four month delivery. I can only offer six months. If I am going to lose because of that then tell me now; not in four weeks when you make your decision. Either that or can I persuade you to change your requirements to six months?'

The Process of Qualification

When you are qualifying a sales situation, it is very easy to convince yourself that you have a good solution or that you are talking to the decision maker and so on when it is not actually true.

Salespeople qualifying their own sales are very likely to fall into this trap. They forget that the purpose of qualification is not primarily to tell them when to walk away. The purpose of qualification is primarily to find out what needs to be done if they are going to win.

To overcome these problems, I would recommend these three points.

- The salesperson should ask someone else to help with the Qualification.

- Qualification should be done formally, not sitting on the corner of a desk.
- At least one person, and probably all, should be as pessimistic as possible during the qualification process.

Salespeople are pathologically optimistic. But, it is only by taking a very realistic view of the situation that the correct actions can be defined. A pessimistic salesperson is probably taking a balanced view!

Qualification Is the One Area Where Optimism Is Unfounded

If they qualify at all, they whiz down the checklist. They say to themselves, 'Yes that's OK. I can do that. No problem there. I'm sure I can handle that' and so on. They then qualify into the sale. But qualification is about identifying realistically all the hurdles to be crossed. It needs a bit of time to think through.

Salespeople should not qualify their sales alone. They need a professional Devil's Advocate. They need someone who can dispassionately explore the problems. Many salespeople have complained to me that they have been very unsure about a particular opportunity but that their Sales Manager has insisted that they bid. The Sales Manager often is the worst offender in poor qualification and, of course, the salesperson will then bid for the sale half-heartedly.

A far more healthy attitude would be for the Sales Manager to openly take the attitude, 'Convince me that we should bid. I am the Devil's Advocate. The record is that we only win one in three sales, so statistically we are likely to lose this one unless you can convince me otherwise.'

As long as both Sales Manager and salesperson are fully aware that this is a slightly contrived posture to ensure that the sale is well qualified and the real hurdles are identified then I am sure excellent results will follow. Sadly, some Sales Managers do

take this attitude but, by failing to explain it, they antagonise the salesperson.

Sportsman

I had a telephone call from an ex-student some seven months after attending one of my courses. He reminded me who he was then in all seriousness asked, 'The reason I'm calling. What does the P stand for in SPORTSMAN?'

I can't win them all.

As a postscript, I had been telling this one-liner on my course for several years to get a quick laugh. But then in 1994 I went to Australia with the computer hardware company Sequent Computer Systems. They sell by collaborating closely with big Database Software companies like Oracle.

As we were looking through the detailed SCOTSMAN® questions, one of the salespeople pointed out that for Sequent the standard list of questions did not refer at all to the quality of that relationship. And yet, this relationship is all important for them. Instantly, another class member said, 'That's what the P stands for. Partners.'

We played around with it and so in Australia they use SPORTSMAN, with the R = Rivals!

And SPORTSMAN is much more memorable to Australians than SCOTSMAN®.

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