

# WINNING **EDGE**



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## Death of closing

New thinking on how to play the end game

## Say no to sloppy selling

Put a stop to strategies that just don't work



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Why companies are contracting out

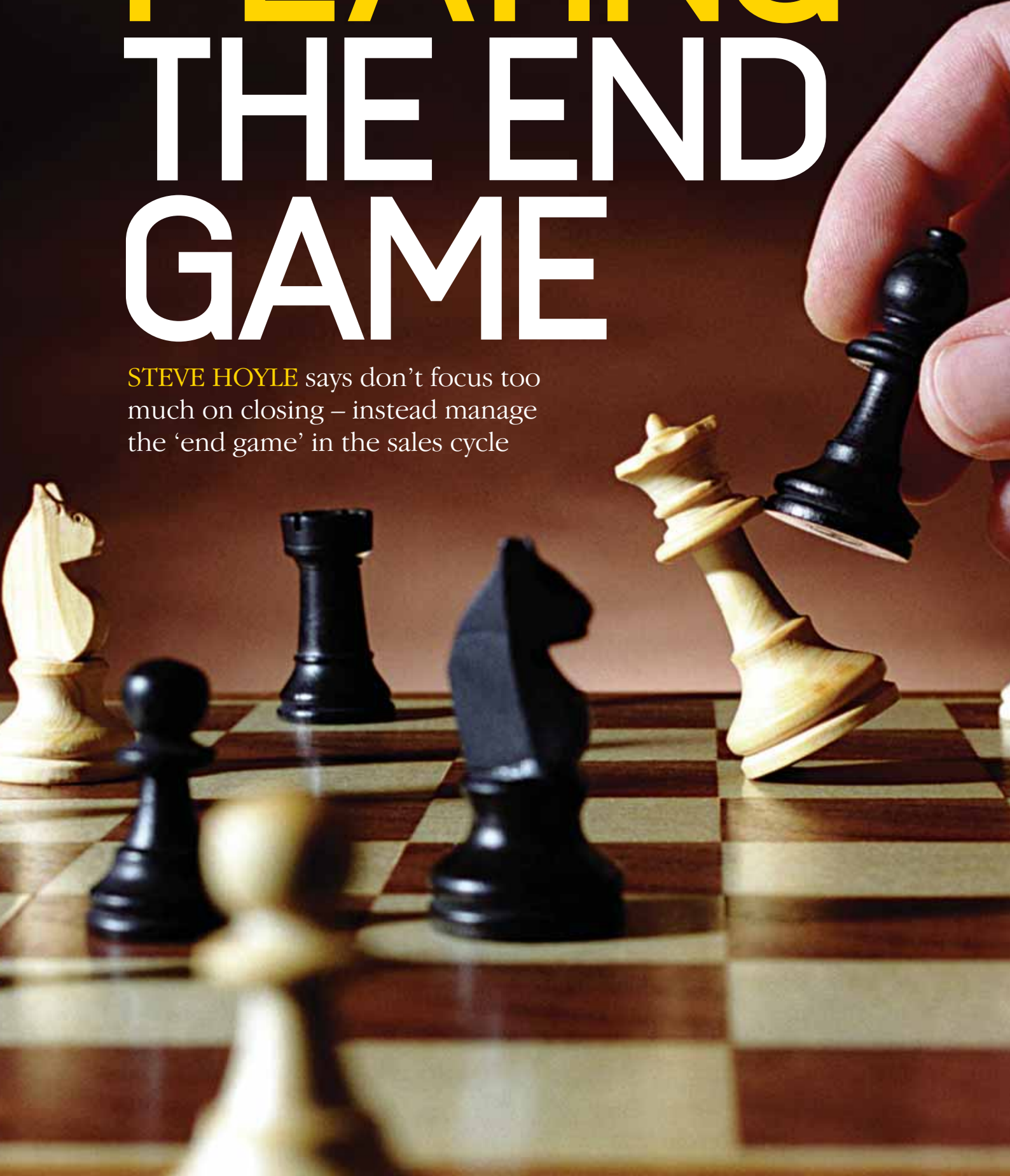
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# PLAYING THE END GAME

**STEVE HOYLE** says don't focus too much on closing – instead manage the 'end game' in the sales cycle





Often get asked by organisations and sales managers to help improve the ‘closing ability’ of their salespeople. Sometimes the skills involved in handling issues late in the sales cycle are indeed the problem, and quite often you find a salesperson who has a reluctance to ask for commitment, normally through lack of confidence. But in the vast majority of cases, it is not closing that is the issue — it is what has happened previously up to the point where the prospect should be making a decision — the end game.

And working with colleagues, observing and analysing many hundreds of cases, we also have to challenge the very notion of ‘closing’ as a separate skill. Much of my recent work has focused on issues late in the sales cycle and has reaffirmed that the shift from closing to managing the end game is accelerating. There has been more written on the subject of closing than any other sales topic, yet in my experience nearly all of it is at best inconsequential and at worst often damaging to our sales efforts.

Obviously, gaining commitments at the end of sales calls and at appropriate points in the sales campaign are important, and as I’ll explain, end-game strategies can be critical in complex competitive situations. But the concept of closing, meaning to get someone to commit to an order, is in most cases old-fashioned and counter-productive.

Just as selling has moved from a ‘push’ to a ‘pull’ approach, so closing has changed to agreeing mutual commitments. The distinction is very important, as closing involves the buyer giving up control to the provider, which any person would like to avoid. Agreeing something



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mutually, on the other hand, is simply a next step in a process of solving a business issue.

The difference was brought home to me recently when examining sales methods used by a number of large systems integrators in the IT industry. Getting accurate information in these circumstances is difficult, but customers, ex-prospects and past employees can be great sources, in addition to published materials. In many cases we discovered that big decisions were not actually being taken formally, but business was being placed based on a constantly flowing process.

An example involves a major insurance company looking to implement a new contact centre. One potential supplier did a good job of interpreting the original request for information (RFI), proving capability through executive level briefings, introducing potentially unique deal-moving applications, and building relationships high and wide. But at the end of its campaign, all it could do was maintain relationships and ‘close’ — which was always resisted as the prospect wanted to ‘look into a few other issues’.

The major competing supplier took the very different strategy of identifying some key, pivotal individuals in the business, and quietly working with them to develop a more detailed statement of requirements, then developing a return on investment case with them. Towards the ➤



◀ end of this exercise the supplier brought in some higher level consultants who were engaged on the basis that they could provide ‘expert-level’ guidance on the use of the models.

Naturally, although the initial consulting engagement was free of charge, the potential client wanted more advice that they were willing to pay for. This was a very low value but very strategic point, as now this particular vendor was on the inside track. From there the situation progressed with jointly developed implementation plans and pilot studies. Within a short period of time the competitive vendor had been forgotten, the project had morphed out of recognition from the original RFI, and very significant business was placed without a head-to-head battle and decision point.

This is an interesting strategy as although at first sight it looks like a classic ‘fragmentation’ approach it was very successful because it had linked various elements in a seamless manner.

Traditional closing appears to be a dying concept, and is being replaced by ‘action commitment gains’, which are best thought of as the actions in minutes that come out of a meeting. For senior executives in particular, a good meeting is one where there are some actions. It is well understood in solution or consultative selling that a key indicator for a successful sales call is for the prospect to agree to do something, and action commitment gains are a simple extension of this.

We know that traditional ‘push’ type closing techniques (alternate, Roosevelt, assumed, two-hat etc.) are of little use in today’s complex sales situation, and can be counter-productive, as prospects react against what they see as manipulative techniques. While closing is becoming less relevant as a concept, the importance of having defined end-game strategies is becoming more important. In a world of more complex and often inter-related decisions, the end-game, which we define as the point from which technical evaluations have been concluded, is increasingly critical, as new people get involved (or re-involved) in the decision-making group, new priorities become apparent, competitors make desperate last-minute attempts to gain advantage and business drivers for the project are re-examined.

The greatest danger that we observe for all suppliers is in not anticipating the end game. Sales teams work hard during the evaluation phases and are often blind to what will then happen in decision-making terms once final bids have been submitted. But it is planning



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and positioning before the end game that is a huge determinant of success. Typical activities prior to the end game will be establishing or renewing relationships with key individuals, arranging access to individuals and groups during what will be a silent period, building in ‘wobble room’ to allow more access and changes to offers, and orchestrating other seemingly unrelated events, possibly involving other projects or activities, so that conversations can coincide with the new project.

Of course, as well as preparing and planning the customer-facing activities you will prepare your internal resources so you can respond rapidly to unforeseen developments, and in many cases prepare your own management support to kick in both in what could be periods of frantic activity and periods of frustrating silence.

Having planned and prepared for the end game, the second danger is in being too rigid. This is going to a very dynamic time, and you will need to requalify continuously, and re-evaluate and adapt your approach to rapidly changing situations.

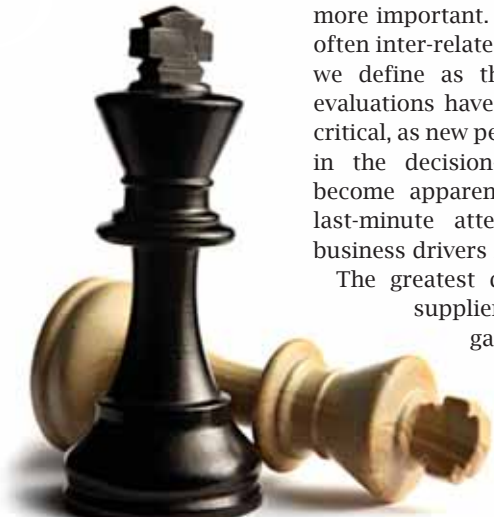
Finally, although our recent work suggests that closing in the traditional sense is counter-productive, you still have to be prepared to seek a major commitment when the time is right. We still come across a number of salespeople who do not give the prospect the opportunity to buy something.

**Key conclusions**

Our recent research into the whole area of ‘late cycle’ issues reveals:

- ❑ Don’t use traditional manipulative closing techniques; buyers are more sophisticated and spot them a mile off so at best they are useless and often counter-productive
- ❑ Plan and prepare the end-game strategy, getting all of the tools in place, but be prepared to be flexible
- ❑ In particular get relationships and contact points in place early
- ❑ Continually seek agreements to ‘next-step’ mutual actions
- ❑ Qualify continuously and be prepared to adapt, as the end-game is very dynamic
- ❑ Ask for commitments at the appropriate time.

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## ➤ Old closes become end game strategies

**While few salespeople actually use traditional closing techniques in modern selling, especially when dealing with more sophisticated customers, it is amazing how some of the new end-game strategies bear an uncanny resemblance to yesterday's more blunt techniques.**

### THE ALTERNATE CLOSE

The alternate close, where rather than asking for the major decision the salesperson asks for a minor choice to be made ("Would sir prefer it in brown or black?") bears a strong similarity to the specifications workshop, where rather than asking for a binding commitment, the next step is a workshop where vendor and customer jointly specify 'the details'. Of course, this strategy has the added benefit of creating much more buy-in and also keeping the momentum of the decision flowing nicely under your control.

### THE WELLINGTON OR ROOSEVELT CLOSE

The Wellington or Roosevelt close (depending on which side of the Atlantic you are) is where you ask the customer to list the advantages of your solution against the advantages of others and/or doing nothing (obviously with you heavily prompting the customer about your list). This is now often replaced with the total cost of ownership (TCO) approach. Rather than listing the advantages of your solution, you get the customer to look at the total costs involved, direct and indirect, of the various alternatives, including the current way of working. Again, the art is in asking pertinent questions to get the customer to appreciate the hidden costs in other solutions, and all of the hidden financial benefits in your offering.

### THE ASSUMED CLOSE

The assumed close is the classic case of just brushing past the actual decision point and hoping that the customer doesn't drag you back. In the modern case, "So shall we put you down for

delivery next Friday?" is often replaced with, "So shall we get the joint project initiation team to start meeting next week?", or "I'll ask the engineers to do an initial site survey", both of which are examples of the more modern 'timetabling strategy', which can be brought into play at any stage, typically early in the sales cycle so that the actual decision is at worst another checkpoint on the previously agreed schedule, and at best a milestone that can be passed with a brief nod.



*The classic puppy dog close works best when the puppy is initially handed to any child*

### THE SPECIAL OFFER IF YOU SIGN TODAY CLOSE

This is designed to get around the key issue of customer intransigence and losing momentum in the sale. It is still practised in its raw form in many industries. But even in those complex B2B deals where it is often thought that such tactics can appear shabby, salespeople at the top of the profession will use a 'created compelling event', which is basically the same as a salesperson offering "20% off if you sign tonight". This close is often dressed up by talking about the need to secure scarce resources, fit in with manufacturing schedules, take advantage of currency movements etc. but is designed to do the same thing and move the sale forward with a sense of urgency rather than letting it drift, as loss of momentum is often the biggest deal killer.

### THE HALF-NELSON CLOSE

The wonderfully named half-nelson close is best described by:

**Customer:** "Do you have it in green?"

**Salesperson:** "If we had it in green would you buy it?"

This classic piece of sales manipulation will rarely succeed today, but the principles are still inherent in approaches such as the decision-in-principle followed by a detailed discussions approach or the single tender negotiation.

### THE PUPPY DOG CLOSE

The much loved puppy dog close is still incredibly effective if you are trying to sell puppy dogs or anything

else that has instant appeal to users. You simply ask someone to look after the puppy while you are trying to find an owner and then a little while later go back to collect it – when of course it will be impossible to take the puppy away. In more complex businesses it is called a pilot or even 'proof of concept trial'. The approach will obviously only work if you can very quickly determine significant business benefits. The puppy dog close works best when the puppy is initially handed to any child (what parent is going to refuse to keep it), and in modern B2B selling, a trial involving customers (provided that they see real immediate benefit) can work wonderfully. Unfortunately many buyers have seen this before, so in most cases it will only work if you have already built up their support and trust.

### THE DIRECT CLOSE

Finally, there is one traditional close that appears to have survived intact and is rightly doing as good a job as it has ever done. It is of course the beautifully simple direct close. Simply asking for commitment that the customer perceives as important has proven many times to be effective at the end of meetings and at the end of the campaign. When used at its best it is normally preceded by a summary of agreed real business value, and timing is important to get maximum receptivity. The only major change is that as buying comes under more scrutiny we have to gain commitment more often from more people before major deals can be sealed.

