

Screen pass

Ask early questions to make sure deal is worth pursuing

Question:

I've personally experienced situations where a prospective client loved my proposal and acknowledged that it was precisely what their organization needed. However, after presenting my proposal, they disclosed that they had a fixed \$20,000 budget, which was significantly lower than my \$38,000 fee. How would you resolve this situation without losing the deal?

Response:

In sales, it's easy to get swept up in the excitement of scoping a project and strategizing how to win the deal. This is what many of us live for.

However, handling this excitement is only part of what it means to be a sales professional. Successful salespeople are greedy with their time, energy and resources. Early in the buying process, they ask qualifying questions to determine if the opportunity is worth pursuing or not. They know that not every prospect or project is the right fit for their product or service, and top-perform-

ing sales professionals don't pursue low-payoff projects or high maintenance clients. They're after the big win.

Asking budget questions may feel invasive on the first or second meeting. However, you have every right to know if the prospective customer is in a position to move forward or not. To eliminate the risk of being blindsided and wasting valuable time and resources, consider using these budget-related qualifying questions during the first or second meeting:

- "Mr. Prospect, what is your sense of urgency for completing this project?"
- "How will you know that we've been successful?"
- "Describe what will be better for (you, your department or the company) after we have completed the project."
- "Whose budget will support this initiative?"
- "Have you allocated a budget for this project?"
- "We can approach this project from different angles. We can take a basic approach where ... or we could take a middle-of-the-road approach where ... or we could completely address all of these issues simultaneously, which would involve ... What level appeals to you and your budget?"
- "At that level, the investment would range from \$10,000 to \$30,000. Is that in line with your budget, or should we redefine what makes sense for your budget?"

These questions will clarify the customer's desired outcomes, timelines and budget for the potential project.

You will occasionally encounter customers who are in discovery mode and are

simply seeking information. In these cases, submit estimates rather than comprehensive proposals. This will save a great deal of time for both parties without compromising the potential relationship.

When the prospect says he or she doesn't have an adequate budget, use these strategies to explore potential options:

Unbundle the proposal

Review the proposal with the customer to identify the core aspects necessary to achieve their minimum desired outcomes, and then develop a revised budget that includes just those items. If the investment is equal to or less than \$20,000, sign on the bottom line and move on to the implementation step. However, if the number is larger than \$20,000, try one of the other strategies listed below.

Negotiate additional funding

Conduct research so you know who will be involved in the decision-making process, and if possible, learn what's important to each person and why. Then build a case that qualitatively shows how the project will advance the company's strategic plan, further its personal agenda and/or generate a measurable ROI (return on investment).

Work the project in phases

Some projects can be phased in over time. For example, if you are upgrading the company's HVAC system, the client may need only one building completed this fiscal year and can wait until the next fiscal year to upgrade the remaining buildings. Flexibility like this would provide ample time to build the needed funds into the renegotiated budget.

Walk away

Sometimes it's in your best interest to simply pass on a particular project, especially if you feel that the customer is entirely price-driven. Companies that significantly reduce their prices to get their foot in the door compromise their credibility and undermine future bargaining power by setting unrealistic low price expectations up front.

To generate the highest return on energy investment (ROEI), eliminate potential projects that are time-stealers and instead, pursue high probability opportunities. Disciplining yourself to ask budget questions early in the buying process will result in qualifying or disqualifying potential opportunities so you invest time pursuing only high-payoff projects.



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