



INNOVEST SME
Accelerating Small Business



Turning No into YES: How to Overcome Sales Objections

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*The greater the obstacle,
the more glory in
overcoming it.*

M O L I E R E

PREFACE

Everyone who works in sales will run into sales objections. From retail employees on the sales floor to sales executives, people at every level of the business need to learn how to overcome sales objections. With the right training, it is possible to turn objections into opportunities. Investing in sales objection training will help improve sales and the company's bottom line.

*The world only goes round
by misunderstanding.*

CHARLES BAUDELAIRE



THREE MAIN FACTORS

Customers typically introduce sales objections for three main reasons. They may be skeptical of the product or service. It is also possible for customers and sales associates to have misunderstandings and miscommunication. Occasionally, however, customers may just be stalling. Part of overcoming objections is identifying the factors behind them.

SKEPTICISM

People are naturally skeptical. It is important to gain the trust of prospects and communicate effectively in order to prevent skepticism from developing into an objection. There are several ways that conversations with prospects can breed skepticism.

Common Mistakes:

- **Lack of Rapport:** It is important to develop a rapport. This requires listening and showing genuine interest in the prospect.
- **Poor questions or answers:** When speaking with prospects you need to ask questions that will uncover the needs of your prospects. You also need to answer the potential customers' questions completely. Do not minimize their questions.

- **Moving too fast:** Never rush a presentation. People tend to feel you are less than truthful when they feel rushed.
- **Overpromising:** People do not trust promises that seem too good to be true. It is essential that prospects understand how an organization will meet its promises.

MISUNDERSTANDING

Every relationship experiences misunderstandings, and misunderstandings happen easily when you are meeting with prospects. Communication is essential if you want to prevent misunderstandings and engage the prospects. There are three steps that all sales people can take to help prevent miscommunications.

Steps:

- **Identify the need:** Be sure to understand exactly what your prospects need and how you can help.
- **Understand goals:** Ask the prospects what their goals are and how you fit into their goals.
- **Provide benefits:** Do not give generalizations about your product or service. Explain exactly how your company will meet the needs and goals of the prospects.

STALLING

Occasionally, prospects turn to objections in order to avoid making a decision. There are different reasons why people stall when they are with sales representatives. It is important to understand why people stall in order to determine how you should proceed.

Reasons:

- **Not authorized to decide:** If the prospect is not authorized to make the final decision, meet with the person who is.
- **Other interviews:** People want to compare companies. Try to make sure that you are the final interview.
- **Not convinced:** If a prospect is not convinced, ask what questions you can answer to help.
- **No time:** Set a definite time to meet with a busy client.
- **No money:** If a prospect cannot afford your product, try to fit in their budget.

*Luck is what happens
when preparation meets
opportunity.*

SENECA



SEEING OBJECTIONS AS OPPORTUNITIES

Sales representatives need to expect prospects to make objections. Rather than seeing objections as hindrances, they should be viewed as opportunities. Addressing objections early on will help prevent any problems later on in the business relationship. Simply learn to translate the objections to questions and reasons to buy.

TRANSLATING THE OBJECTION TO A QUESTION

Objections can indicate that a prospect is interested in what you have to say. Therefore, objections should be welcomed and encouraged. It is possible to translate objections into questions. Practicing this technique will provide the opportunity to understand exactly what the prospect objects to and alleviate any concerns by answering their questions.

Example:

So, you are saying that you are concerned that product will expire before you use it all?

TRANSLATING THE OBJECTION TO A REASON TO BUY

Sometimes the objections that prospects give are actually good reasons for them to buy. It is the sales representative's job to point out how the objection is actually a benefit. A client may object to the change in the business your product would bring. The change, however, could lead to greater profits or open up a new clientele. This sales objection can be overcome by providing clear information and statistics that show the prospect the benefits of buying.

Example:

I understand that most of your customers do not use social media, but our service will expand your customer base.

PRACTICAL ILLUSTRATION

Cliffs Communities managed to thrive in the 2009 real-estate market. The initial objection to an employee-training program was to wait for the market to recover. Once the objections were questioned and overcome, the Cliffs Communities implemented a sales training program with great success. The closing average went from 4.8 percent to 11.9 percent.

*Successful people ask better
questions, and as a result,
they get better answers.*

TONY ROBBINS



Summary Report



GETTING TO THE BOTTOM

When handling objections, you need to ask the right questions in order to develop a positive rapport. Every salesperson should be prepared to face objections. Most customers have the same common objections. This means that you should have a number of appropriate questions ready to handle the different objections.

ASKING APPROPRIATE QUESTIONS

We have already established that you need to translate objections into questions. It is important to remember, however, that asking the wrong questions or even asking the right question in the wrong way will not encourage your prospect to make a purchase. You need to remain professional at all times, and never take objections personally. When asking questions, there are a few things you need to remember to do and not to do.

How to Ask Questions:

- **Allow the customer to finish:** Always ask the question when the customer is done speaking.

- **Be positive:** Believe in your product and allow the customer to see that in your demeanor.
- **Maintain eye contact:** Keep appropriate body language to earn trust.
- **Be prepared:** Work testimonials and statistics into your questions.

How Not to Ask Questions:

- **Do not argue:** Being defensive or sarcastic will not win any new customers.
- **Never tell the customer that they are wrong:** Even when people are wrong, avoid pointing it out. Say something like, *“Did you know....”*
- **Do not accuse the customer of not understanding something:** Make sure that your questions are not insulting. Ask for clarification rather than insulting a prospect’s intelligence.

COMMON OBJECTIONS

There are several common objections that people may give after they listen to your sales pitch. There are some basic questions that will help you respond to these objections.

Common Objections and Answers:

- **Your product is expensive:** May I ask what you are comparing it to? Did you know that the quality of our product results in fewer purchases from our customers?
- **I'm not interested:** I understand that you are not interested at this time, but may I explain how we can increase your profit margin?
- **I need to think about it:** Why don't you make a decision now so you can focus on your current needs?
- **Your product does not meet our needs:** May I ask what you find lacking?

BASIC STRATEGIES

Sometime objections are made before you even have the opportunity to discuss the project. This does not mean that you have to give up. There are simple strategies that may lead to closing a sale.

Basic Objections and Strategic Answers:

- **I'm too busy to talk about this:** I realize you are busy, is there a better time for me to call back?
- **I do not need this now:** May I send you my information, and you can contact me should you need our services?

- **Send me the information:** Could I discuss the needs of your company with you first, so I can send you the information pertaining to what your company specifically needs?
- **We cannot afford this:** Will you allow me to discuss different options that will fit into your budget?
- **I already have a vendor:** Are you completely satisfied with your current service? May I explain why our company stands out?

PRACTICAL ILLUSTRATION

Eureka Forbes was the first company to introduce vacuum cleaners and water filters to India. The products were not known in the area, and it was necessary to train the employees how to convince people that they needed the products. The employees were trained to choose their customers carefully. They adapted the direct sales method to educate customers by demonstrating items in the customers' residences. By staying customer focused and addressing all questions, the demand in India grew.

*Better a friendly refusal
than an unwilling consent.*

SPANISH PROVERB



FINDING A POINT OF AGREEMENT

An essential part of the sales process is finding points of agreement with the prospect. By agreeing on small points, clients find it easier to agree to a sale. For example, a client who agrees that technical support after the sale is important may consider buying. You may also need to agree with a client's objection to close a sale.

OUTLINING FEATURES AND BENEFITS

Each organization has its own set of features and benefits. Features are qualities of a product. A 4G phone is a feature. Benefits, on the other hand, solve problems, fill an emotional need, or make life easier for the customers. Sometimes features can become benefits. For example, a 4G phone provides the benefit of moving faster than the 3G models. Customers make purchases based on what they feel will benefit them personally. It is not enough to provide customers with a list of features; they need to see the benefits the features provide.

Providing Benefits:

- List the different features of the product.
- Identify the benefits of each feature.

- Explain the benefits.

IDENTIFYING YOUR UNIQUE SELLING POSITION

Every organization needs a unique selling position. This identifies how you are able to meet the needs of your target market. Your position has to be unique so that you can differentiate yourself from the competition, and it should motivate people to buy by solving a “pain point.” A pain point is common need for consumers. It is important that your selling position be brief and to the point. A single sentence will do.

Example:

Nyquil addresses difficulty resting with cold symptoms.

“The nighttime, coughing, achy, sniffing, stuffy head, fever, so you can rest medicine.”

There are basic steps to finding a unique sales position.

Steps:

- List the basic benefits.
- Discover what makes them unique.
- Solve a pain point or performance gap.
- Condense your idea into a single sentence; offer proof of your product, if you have it.

You need to stand by your selling position. Be careful, and do not make promises you cannot keep.

AGREEING WITH THE OBJECTION TO MAKE THE SALE

It may seem counterintuitive, but sometimes the best way to make a sale is to agree with the customer's objections. By agreeing, you show the customer that you are listening and understand why he or she believes something. You use your agreement to educate the customer. Take the price objection, for example. Rather than simply saying that the prices are high, explain why.

Example:

"Yes, we do seem to be a little more expensive than some other companies, but we only use the highest quality material to create our products. We also offer a longer than average warranty, and customer support after the purchase with that price. Many organizations have an additional charge for customer support."

PRACTICAL ILLUSTRATION

A well-crafted and unique selling position will determine how people view a company. FedEx, for example, created the unique selling position: *"Federal Express: When it absolutely, positively has to be there overnight."* The fear of late delivery sparked the guarantee of overnight delivery. It filled a gap not addressed by competitors. By showcasing the unique speed of service and delivering on its promises, this carrier increased profits and began to dominate the industry.

*All truths are easy to
understand once they are
discovered; the point is to
discover them.*

GALILEO GALILEI



HAVE THE CLIENT ANSWER THEIR OWN OBJECTION

It is useful to have clients answer their own objections. The questions that you ask about objections will show you how to move forward. A client who provides a reason for the objection is telling you what he or she needs to strike a deal. A client who does not provide reasons for an objection is probably not focused on your conversation. Either way, the client's answer directs how you should proceed.

UNDERSTAND THE PROBLEM

It is important to understand the problem that the client has with the objection. Price point is a common problem. Sometimes clients are simply trying to get a better deal and save money, and other times they honestly cannot afford your current price point. It is important to discover the difference by asking questions. Negotiation is part of any sales conversation, but you should only lower your price point when absolutely necessary, and do not reduce it too much or it will hamper the quality of your business.

Example of Questions:

- Why do you feel we are expensive?
- What price were you considering?
- What can you afford?

Price points are not the only objections clients should answer. Objections about the size or age of your company could indicate that they are afraid you cannot handle the job. Regardless of the objection, have clients answer so you know how to proceed.

RENDER IT UNOBJECTIONABLE

Once you understand your client's problems with your business, you are able to reverse the objections. There are several ways to prove yourself and your company to your clients. Reinforce your expertise and carefully explain the logic behind your company's procedures and prices. Educate customers, particularly if you have addressed a problem already.

Removing Objections:

- **Background:** Provide the background of the company along with its successes.
- **Credentials:** Explain why you are qualified to help.
- **Evidence:** Share case studies, statistics, and other evidence that prove your reason behind the price point, etc.
- **Narratives:** Give the client testimonials from satisfied clients.

PRACTICAL ILLUSTRATION

McDonalds helped forever change the way that people eat. Popular for hamburgers and fries, McDonalds has taken steps to address a common sales objection. Some people objected that company was contributing to America's obesity problem. The company added healthier options to the menu such as milk, fruit, and salads. In 2005, they changed to cooking oil without Trans-fats to make the fries safer. The company advertises the healthier options, and continues to address different objections in an effort to keep the customers they already have and earn new ones.

*You don't close a sale; you
open a relationship.*

PATRICIA FRIPP



DEFLATING OBJECTIONS

The only way to overcome sales objections is to communicate with the client. You should already know to expect sales objections, so bringing them up and discussing them with the client makes it easier for you to identify the inner workings and deflate objections.

BRING UP COMMON OBJECTIONS FIRST

Sales people are familiar with certain objections. For example, those who work with higher end items should expect price objections. Rather than waiting for an objection, bringing it up first will disarm the prospect. By showing that you understand the common objections, the client will be more comfortable voicing more specific objections.

Example:

"I know that we are a little more expensive than a few of our competitors, but please allow me to explain the quality of our product and service."

THE INNER WORKINGS OF OBJECTIONS

Finding the inner workings of an objection is similar to finding the customer's problem. The inner workings are voiced objections, and the

way that they are worded indicate how deep the objections are and what you can do to address the needs of the client. By making it easy to voice objections, clients realize that you care about their individual needs.

Examples:

- *“That is a good point. Let me illustrate how this will work for you.”*
- *“Would this still be a problem if we followed your company’s regulation guidelines?”*
- *“Allow me to explain what worked for another customer.”*

PRACTICAL ILLUSTRATION

Mary Kay revolutionized direct sales and provided an opportunity for women to work when it was founded in 1963. The focus was on educating the client and demonstrating the product. By training the employees to communicate with clients, it grew to make the *Fortune 500* list in the 1990s. Employees are still trained to handle objections, particularly when it comes to recruiting. They have prepared flashcards with different objections and how to address them. By using effective communication and direct marketing, the organization is still a part of American culture.

*I know you will guess
all I leave unsaid.*

COMTE DE MIRABEAU



UNVOICED OBJECTIONS

Not every objection is voiced. There are different reasons why prospects do not voice every objection. They may be uncomfortable or they may feel that the sales representative will not understand. A well-trained sales representative will be able to uncover the unvoiced objections and address them to the client's satisfaction.

HOW TO DIG UP THE “REAL REASON”

Prospects will provide clues to the real reason for the objection if you pay attention. Developing a relationship and communicating with clients will indicate if there are any unvoiced objections. Simply probe the client once you have developed a rapport, if you feel that he or she is holding back.

Probing Questions:

- *“Would you like to ask me anything at this point?”*
- *“Can I answer any questions for you?”*

It is important to gently probe throughout the conversation until you are sure you have addressed every objection.

BRINGING THEIR OBJECTIONS TO LIGHT

When you understand that the client has unspoken objections, it is important to bring them to light. Pay attention to reactions and notice when a client appears uncomfortable. Once you have identified the unspoken objections, you need to address them like you would any other personal objection:

Example of Questions:

- *“Am I correct in thinking that you have a concern about what I just said?”*
- *“Does this work for you?”*

Examples of Answers:

- *“Let me explain how this will increase your bottom line.”*
- *“With past clients, this has improved profits over time.”*

PRACTICAL ILLUSTRATION

Many organizations have objected to using social media as advertising campaigns. Coca Cola's VP of global advertising strategy, Jonathan Mildenhall, admitted that the company resisted social media at first. The company, however, has found great success using social media campaigns. In fact, *Slate* called it the brand “making the best use of Facebook.” Now, companies model their campaigns on Coca Cola's.

*Make a little, sell a little,
take small steps.*

3M CORPORATION CREED



THE FIVE STEPS

There are five basic steps to handle all sales objections. It is important to never argue with clients about objections. Rather, follow the basic steps to deal with objections and develop a strong working relationship with prospects.

EXPECT THEM

When it comes to sales objections, it is important to expect them. Allow customers to fully express their objections before you attempt to answer them. By expecting the sales objections, you will be better prepared to handle them when they do occur.

WELCOME THEM

Do not view sales objections as a hindrance to the sales process. Objections are an excellent sign. Customers do not voice certain objections unless they are interested in what you are presenting. Do not be annoyed. View objections as a customer's request for more information.

AFFIRM THEM

You need to affirm the clients after they present their objections. Let them know that you understand their needs and want to answer their

objections. You can accomplish this by echoing the client and repeating what he says or rephrasing the objection as a question, which we covered in an earlier chapter.

Echoing:

- Too expensive?

Rephrasing as Questions:

“So, you are saying that you are not sure about our product.”

COMPLETE ANSWERS

You need to provide complete answers to the customer’s objections. Do not gloss over questions and give vague answers. Prospects need facts, which help alleviate fear of taking a risk by doing business with you. If you do not have all of the pertinent information to answer their question, be honest and promise to contact them as soon as possible.

What to include in Answers:

- Statistics
- Customer testimonials
- Past experiences

COMPENSATING BENEFITS

Sometimes clients bring up objections that are legitimate problems. When this happens, you need to find a compensating benefit.

Example:

I understand that this is cutting into your budget, but you will be able to save money over time because the quality of our merchandise means that you will not need to make as many orders as you do now.

*I am the world's
worst salesman; therefore,
I must make it easy for
people to buy.*

F. W. WOOLWORTH



DOS AND DON'TS

There are some dos and don'ts to remember when handling sales objections. Most of the dos and don'ts are common sense. In the middle of a negotiation, however, it is easy to forget common sense rules. It is important to develop a rapport and earn the client's trust, so always remember the dos and don'ts.

DOS

There are basic actions and behaviors you should always remember when you are handling sales objectives.

Do:

- Stay positive
- Listen carefully
- Be aware of your body language
- Affirm clients
- Provide facts with your answers

DON'TS

There are some things that you should never do in a business meeting. In an effort to move past objections and close a deal, however, it is easy to forget the don'ts.

Don't:

- Say something unflattering about your company
- Say anything negative about the competition
- Lose your temper
- Lie
- Ignore an objection

*Some people dream of
success, while others wake
up and work hard at it.*

ANONYMOUS



SEALING THE DEAL

Once you overcome the sales objections, you should be able to seal the deal. Closing is a delicate process and it is critical to do it effectively. Time the close carefully, and practice tried and true closing techniques. Being over eager could cost you the sale.

UNDERSTANDING WHEN IT'S TIME TO CLOSE

A common business acronym is ABC, which stands for always be closing. The idea is that every conversation with a prospect is a chance to eventually close a sale. There are times, however, when it is more appropriate to ask a closing question then seal the deal. Customers provide clues in the way they interact with you. They will stop throwing out objections, and begin asking specific questions. For example they may ask about warranty or types of service after the sale. These indicate serious interest. After any presentation you should attempt a close with interested prospects. People who “think over” the sale rarely follow through.

POWERFUL CLOSING TECHNIQUES

There are different closing techniques that can be adapted for different situations or people.

Close Question: A close question is designed to spur an action. We have all been asked close questions at retail stores, so they should be familiar. Regardless of the technique you use, close questions are involved. Once you ask a close question, wait for the customer to respond. All too often, sales representatives talk sales away. Silence is not bad for business.

Example:

“Would you like to take advantage of the special today or risk paying more in the future?”

Assuming the Close: In this situation, you assume from the beginning that you will close the sale. You remain confident and approach the sale as doing the client a favor.

Example:

“I see that we are on the same page. Let’s improve your product. (Closing question)”

Physical Action: Physical action closes involve doing something that helps the customer make the decision and introduces the closing question.

Example:

Fill out an order form as you end the conversation, or ask the client to fill one out. (Closing question)”

Best Deal: The best deal close should be familiar. We all hear them during sales events. This close appeals to the desire to save money or get something for nothing.

“Today I can offer a 30 percent discount. I’m not sure how long this will last. (Closing question)”

THE POWER OF REASSURANCE

It is always best to close when a client is on an emotional high and excited about the sale. Actually paying, however, can lead to emotional lows. In order to combat the emotional roller coaster, you need to reassure the customer about his or her decision. It is important to bring the emotions back up before making a closing statement. This is sometimes called “rollercoaster closing.” There are a number of reasons to buy that give people a sense of security. Remind customers about these reasons to move the sale forward.

Examples of Reassurance:

- Money back guarantee: Remind customers if you have this, and inform them how long they have to decide.
- Case studies and Testimonials: A history of success is comforting.
- Positive reviews: Reviews provide a sense of credibility.

THINGS TO REMEMBER

When attempting to close a sale there are few things to remember.

- Remain calm and positive: This will help set the tone for the client.
- Do not pressure the customer: No one likes feeling pressured.
- Remember to reassure the customer: Provide reasons to buy.
- Keep things simple: Make the presentation easy to follow.
- Ask: Always ask the closing question after addressing all concerns.

*Wise people learn
what they can. Fools learn
what they must.*

DUKE OF WELLINGTON

CLOSING THOUGHTS

- **W. Clement Stone:** Sales are contingent upon the attitude of the salesman, not the attitude of the prospect.
- **Zig Ziglar:** Stop selling; start helping.
- **Nelson Boswell:** Here is a simple but powerful rule ... always give people more than they expect to get.



Rick Chisholm made history when he single-handedly changed the professional Audio Visual industry by breaking all the rules and capitalised over 50% market share in Australia with very little capital, no partners, mergers or lenders and set up the first franchise operation of its kind in the world in the late 1990's and early 2000's.

As a 7x founder of companies and 30x businesses such as Innovest, AI Machine, Lightsounds, LSW, Light Emotion with revenue in excess of \$300 million and having employed more than 1,000 staff over the last 35 years. Rick is known as the Start-Up and SME Guru and is Author of a number of books including Business Success for Life. Unlike many mentors, he actually walks the talk and has a number of businesses under management in such areas as Automation, Events management, Importing, Distribution, Retailing and E-commerce.

His BIG passion is Business Education empowering Businesses Owners through knowledge and skills. Whilst Rick has experienced great success, he has also endured many failures. Rick has faced and overcome the exact same challenges you are facing now.



Tala Chisholm is an SME specialist who has owned and managed several small to medium sized businesses in the last 20 years, several of which were eventually sold. She has extensive experience in the fields of retail, franchising, licensing, dealerships, education, importing, distribution and consulting.

Her expertise lies in building and implementing customised cross-platform database and software solutions for businesses, automation, IT, web marketing, advertising, graphic design, business administration, process refinement and implementation. Her business experience ranges from bricks-and-mortar Giftware retailing to highly technical fields such as Security, CCTV, Entertainment Lighting and Audio sales, hire and installations as well as e-commerce.

Throughout her career she also trained and mentored Franchise business owners as well as internal division managers. Some areas of training included retail operations, management practices, business strategy, accounting, cash-flow, marketing, customer service and IT. She has also headed up the drafting of Operating Compliance Manuals for Franchise operations and implementation of all the elements involved.



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