

Make a Deal

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Incumbents only lose 20% of the time. If losses spike, pay attention.

Deals we thought were in the bag have suddenly been put on hold. It feels like sales are flying out the window. Have to get things turned around, or next quarter could be really ugly. Help!

Thoughts of the Day: Quickly evaluate facts. Look for trends and fixes. Get creative. Forecast realistically. Decide if you have to get aggressive with hiring additional resources.

Look at the big picture. How many deals have been lost? How many more are vulnerable? What's the # and % - of deals and dollars?

Get facts on contributing factors. Why are you losing deals? Did the sector get soft? Is a competitor making a big move? Did your product or service just become obsolete?

Review lost and vulnerable deals. Are you talking to the top decision maker, or can you move further up the food chain? Are they cancelling with your company altogether, or just this order? Is the order lost or just delayed? Is there an appeal process? Have budgeted dollars been re-allocated or can they still be tapped? Is there a P.O. or contract? Were there cancellation terms?

Build solutions. Find out what customers wanted, and what got in the way of achieving that. Make them offers they can't refuse.

Cash flow an issue? If your balance sheet is stronger than your clients', consider financing a portion of the deal – so long as you're sure they will be able to pay off the debt long term. And dump the unprofitable clients, fast.

Look at the profit on each cancelled order. That's what you're trying to protect. Is there a less expensive way to deliver that allows you to lower price and protect gross and net margin?

Customer worried about obsolescence? Commit some of the profit on this deal to future R&D dedicated to that customer. Sign a multi-order contract to seal the deal.

Competitive threat? Investigate the intruder. Why did they your order? Where are they weak? Make a counter offer. Consider partnering with another company that has deeper

ties to the client, and give them a piece of the action if they can help you close your deal.

Not talking to the decision maker? Shame on you! Go over the buyer's head with compelling reasons why your product or service is a better solution.

Protect price on orders placed before a specific date – even in delivery is planned out into the future. Bundle discounts if the client places multiple orders. Lock up orders with cancellation penalties.

Don't take "no" for an answer. Just because this order was lost, don't go away. Ask what went wrong. If you caused the problem, fix it – and tell you former customer when it's fixed. Send over case studies from satisfied customers as proof that things are going well. Ask the lost customer for the next order, and the one after that. Be persistent, even to the point of annoying. If you've already been cut, you have nothing to lose.

Put together a forecast. Change probabilities based on what you're learning about existing losses. Multiply contract value by the revised probably close percentage to get a deal-by-deal pipeline value. Compare that to the sales needed for the next 12 months. Are you close?

If sales are way off, put your foot down on the accelerator before things get even worse. Form a sales swat team. If you need to hire additional sales resources, start with customer service. They can protect existing contracts and look for expansion opportunities. Boost marketing activities to fill the pipeline with cold and warm leads. Then assess if you have enough feet on the street, looking for new opportunities. Hire multi-line commissioned reps who are already selling similar, but non-competitive products or services to your prospects. Finally, add to payroll with sales people who have been tested and who show high potential for delivering the sales you need.

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