

7.1: Closing Starts at the Beginning

Closing the Sale: The Power of Negotiating to Win

Learning Objectives

- Discuss how to successfully close a sale.

“Show me the money.”

It's this line from the classic 1996 movie *Jerry Maguire* that says it all about negotiating and closing the deal. In the movie, Jerry Maguire (Tom Cruise) is a sports agent who has second thoughts about the way business is conducted, and when he voices his concerns, he loses his job and all his clients except one. Maguire's passionate plea to his sole client, NFL player Rod Tidwell (Cuba Gooding, Jr.), has become a dramatic metaphor for negotiations and deal making ever since. Jean-Marc Rocher, “Plot Summary for Jerry Maguire,” IMDb, www.imdb.com/title/tt0116695/plotsummary (accessed May 24, 2024).

While the movie is fictional, Maguire's character was based on real-life sports agent Leigh Steinberg, whose firm has negotiated and closed more than one hundred multimillion-dollar deals for high-profile clients in every professional sport. Steinberg's philosophy on negotiations and closing deals is based on the fact that life is filled with negotiations and deals—from deciding where to eat to buying houses and cars—and each should be handled with “a clear focus and principled philosophy.” Alan M. Webber, “How to Get Them to Show You the Money,” December 18, 2007, *Fast Company*, www.fastcompany.com/magazine/19/showmoney.html (accessed May 24, 2024). There's nothing better than closing a big deal... the right way.

Whether it's a major professional sports deal, business deal, or a major purchase, it's easy to visualize what the “desired state” is in any kind of deal. You can actually see the athlete in your team's uniform, imagine two companies merging together as one, or see yourself in the car you want to buy. In fact, you negotiate every day. You negotiate with everyone from your roommate about how to arrange the furniture to your siblings about who will use the car. You might even negotiate with your professor about when you can hand in an assignment that is late.

The step in the selling process that moves the conversation to a sale (or the desired resolution) is the **close**. Many people believe that the close takes place at the end of the selling process because that's when the prospect agrees to buy the product or service. But nothing could be farther from the truth. **Closing** the sale, or getting the order, starts at the beginning of the selling process, long before you even come in contact with the prospect.

Remember, **if you don't ask, you don't get**. You would not believe the number of salespeople who never ask the customer to buy. You don't have to be a sales superstar with a bunch of stock closes. Saying things like “want to take it home?”, “OK with you?” or “should I write it up?” might be all the close you need.

Closing can be a simple process but it does need to be done. Think back to the 7-step sales process.

- You have done your research (steps 1 and 2)
- You have determined the right approach (step 3)
- You have developed and presented a solution (step 4)
- You have handled objections as they have come up (step 5)

So now, the prospect has no reason not to want to buy whatever you are selling. Right? This is the theory. It does not always work this way. There are reasons why closes don't happen in a sales call. *Harvard Business Review* surveyed 230 businesses and here are the top 7 reasons why a sales call fails to close:

1. The salesperson is not trustworthy or respected. So, using good communication skills and doing your research will help build trust and respect.
2. Salespeople don't know how to talk effectively with senior executives. Again the focus is on communication and doing your research on your prospect. The survey noted that fewer than one out of three salespeople could hold an effective conversation with senior executives
3. The salesperson cannot clearly explain how their solution helps the buyer's business. The salesperson needs to be very clear on the **BENEFITS** of the product or service (not just features) and then able to communicate that into solutions specific to the customer.

4. Salespeople are too self-centered. The survey revealed that customers feel the salesperson may not have their best interest in mind. Again, salespeople need to communicate the benefits for the customer clearly and focus on the relationship.
5. Salespeople are using the wrong closing strategy. It is important to customize your sales presentation and in particular, the close to the customer. We will look at closing techniques in this chapter.
6. Salespeople don't reduce the feeling of risk with buying their solutions. Salespeople need to communicate the benefits clearly and help reduce skepticism. Take the time to build a relationship.
7. Salespeople cannot establish a personal connection to the buyer. Again, communication styles, research and knowing your product or service well (doing your research) will help build a connection and bring you closer to a close and a sale.

Steve W. Martin, *7 Reasons Salespeople Don't Close the Deal*, <https://hbr.org/2017/08/7-reasons-salespeople-dont-close-the-deal>, August 2, 2017, (accessed May 24, 2024).

This short survey demonstrates the value of building trust, focusing on communication techniques, and understanding the value from the customer's perspective. One more technique is to develop a list of questions that help uncover needs and problems so that you can learn how to translate your product or service into benefits. Some suggestions include:

"What has been your experience with....?"

What makes you choose....?"

"What do you like about?"

"What one thing would you improve about...?"

"How do your customers react to....?"

Also powerful are statements that start with:

"Tell me more about..."

"Help me understand why/how/when..."

So, you have done your research and followed the 7 step process to selling and are at the closing of the sales presentation. Now what? The next section outlines different closing techniques.

When to Close

It's rare that a prospect will say, "I'm ready to close this deal." That step in the process usually belongs to the salesperson to actively close the sale. The best way to know when to close is to listen and watch. There are verbal and nonverbal cues that prospects provide that help you understand when she is ready for you to close. Here are some of the signals that the prospect is ready to buy:

- **When the prospect displays positive body language and interaction.** The prospect is engaged, interested, asks questions, reviews literature, and provides insights about his business.
- **When the prospect asks questions.** It is a good time to close after answering a question. Questions like "How long will delivery take?" or "How would that integrate into our current system?" are good cues that the prospect is close to buying.
- **After you handle an objection.** This can be the perfect time to close, as you have just provided some insight that will help the customer make her decision.

Types of Closes

There is not a single surefire way to close every sale. You should be prepared with several different types of closes and use them as appropriate for each situation. Some situations may require a combination of closes.

Direct Close

Direct close means that you simply ask for the order. This is the most straightforward approach to a close. The fact is customers expect salespeople to ask for the order. This is a simple but effective way to close the sale.

You:	Can I write up the order as we discussed?
Prospect:	I think we have covered everything. Yes, let's wrap it up.

Summary Close

The **summary close** is a natural extension of the selling process. It simply summarizes the benefits of everything you have discussed throughout the process. This approach is especially effective when you are able to integrate and present benefits from the prospect's point of view that you have discussed over the course of several meetings. This is an opportunity to focus on how you can help her solve the largest problem that she faces. Barton A. Weitz, Stephen B. Castleberry, and John F. Tanner, Jr., *Selling: Building Partnerships*, 7th ed. (New York: McGraw-Hill, 2008), 319.

You:	We've talked about the fact that speed is extremely important to you and your company. We can deliver your complete order to your twenty-seven construction sites within forty-eight hours of your commitment. In addition, you'll never be at risk for product performance because we guarantee the product 100 percent. If you ever have a problem, you just call us, and we'll replace it, no questions asked. Will you be willing to commit to an initial order of fifty?
Prospect:	Yes, we are looking for a partner who will not only provide the highest quality product but also be able to deliver it on time to all our locations. It sounds like you have your bases covered. If you can deliver what you say, we have a deal.

Assumptive Close

The **assumptive close** asks a question that when the prospect replies, she is committing to the sale. Geoffrey James, "Close More Sales," *Selling Power*, <http://www.sellingpower.com/content/article.php?a=6389> (accessed May 24, 2024). In other words, you are assuming that the customer is going to make the purchase. This close can be effective if you have done your job of developing trust and rapport with your prospect.

You:	Shall we set you up on automatic billing?
Prospect:	Automatic billing definitely works best for us.

Alternative Choice Close

The **alternative choice close** gives the prospect a choice between two options rather than a choice between buying and not buying. "Alternative Close," ChangingMinds.org, http://changingminds.org/disciplines/sales/closing/alternative_close.htm (accessed May 24, 2024). This close is related to the assumptive close but gives your prospect the option of which product or service they will buy.

You:	Would you prefer the white or blue?
Prospect:	White is a more neutral color.

Objection Close

The **objection close** works when you don't know why a prospect is stalling. Often, the prospect still has a few objections. After you're certain that your prospect knows what your product offers, ask if they have more objections. By asking this question, you can address their objection instantly and get them to sign. Adam Turkington, "How to Close a Sale: Tips, Techniques & Why They Work", *HubSpot*, <https://blog.hubspot.com/sales/sales-closing-techniques-and-why-they-work>, (accessed May 24, 2024).

You:	Is there any reason that's holding you back from signing this deal today?
Prospect:	Well, I still have concerns about...

Combination Close

It's best to have several types of closes ready to deliver. In some cases, it's a **combination of closes** that helps you ultimately gain agreement with the prospect. Virtually any of the different closes can be used together.

You:	The horsepower on this model is the highest in the industry. And the model is so efficient that it will lower your cost per unit in all your factories starting on day one. Can we wrap this up?
Prospect:	It looks like this is going to be a good short-term and long-term investment for us. Yes, let's get the paperwork ready.

Whatever close you use, it's best to keep it focused and brief. Salespeople have a habit of talking too much, especially when they're ready to close!

Remember the Trial Close

One key tool in your sales toolbox is the trial close. A trial close helps test the water to get an idea on what the customer is thinking about the product or service. Trial closes are low risk because it is asking for an opinion or check on how well you handled an objection; it is not asking for a decision from the client. As international sales expert Grant Cardone says, "you're taking their temperature. Trial closes are valuable and low risk. A trial close asks for an opinion while a close asks for a decision." Grant Cardone, "How 'Trial Closes' Can Make You Rich", October 11, 2017, <https://www.entrepreneur.com/growing-a-business/how-trial-closes-can-make-you-rich/302451>, (accessed May 24, 2024). An example would be something like "On a scale from 1-10, how would you rate this new phone?" or "Now that you have seen how the product works in water, what do you think of its durability?" The best use of a trial close is after you have made a strong selling point or when you have answered objections. It can be simple like "It looks like you really like this. Is that true? Or "How would this look on your shelf back at home?" In essence, you are putting the idea of closing in their mind. So, given the ease of using trial closes and the 7 step process, why are salespeople reluctant to close? The number one reason is the fear of rejection. What if you ask for the sale and they say no? Research shows that this fear is attached to our culture where career success is directly linked to our self-worth and this impacts our willingness to close a sale. "9 top tips on how to deal with rejection in sales", <https://www.pipedrive.com/en/blog/fear-of-rejection-in-sales>, (accessed May 24, 2024). One of the best ways to overcome this fear of rejection is to build confidence through sales training (like taking this course!), having realistic goals, analyzing your calls afterwards to help improve, and practicing. Recognizing that it takes time to build relationships and that a No is not personal.

Some suggestions to help with closing challenges:

Source: Jeff Hoffman, "24 Sales Mistakes to Avoid in 2022 (and Beyond)", <https://blog.hubspot.com/sales/sales-closing-mistakes>, (accessed May 24, 2024):

1. Don't just close once. If you wait until the very end to close, how do you know if you have answered the customers' questions and objections? It's important to consistently close through the sales presentation using trial closes and a variety of techniques.
2. Not asking for what you want. This seems straightforward but as a salesperson might fear rejection, they soften their ask to minimize the change of hearing "no" or they don't write out clear objectives for the sales call and leave without really getting what they want.
3. Using statements instead of questions. This comes back to listening more than speaking and using good communication methods. Questions get at the root of the customer's problems so that you can sell on the benefits. Try and remember that talking too much is one main cause for not getting a sale.
4. Closing to someone who can't deliver. This challenge results from not doing your research to properly qualify a lead or not understanding the decision criteria in a business to business sales call.
5. Not embracing silence. Silence can be uncomfortable, but it's golden when closing. Many salespeople rush to comment on their prospects' responses immediately after being uttered, which is a sales mistake to avoid.

Key Takeaways

- **Closing** is not an event but an ongoing part of the selling process that starts with prospecting and qualifying.
- **Closing** is all about helping the customer solve the single largest challenge he faces.

- Salespeople should always ask for the sale and make it easy for the customer to go from the conversation or sales presentation to the sale.
- The prospect provides verbal and nonverbal cues that make it easier to know when to close.
- There are several different types of **closes**. Each can effectively be used alone or in combination with other **closes**.
- The **trial close** will help you "test" whether you have answered objections and understood your customer's need, and whether they are ready to on to a full close.

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