

12.2: Closing Starts at the Beginning

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.

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*, <http://www.fastcompany.com/magazine/19/showmoney.html> (accessed November 19, 2009). 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.

Start Strong

“What it takes to win a championship is to have your preparation meet the opportunities, whether it's out on the racetrack or behind the scenes,” according to NASCAR driver Kurt Busch. Joe Guertin, “When Did ‘Closing’ Become a Bad Word?” This is true in sports and in selling. Winning in selling—delivering value to customers and to your company—requires good solid preparation and hard work. Sure, there are some sales that fall into your lap. Those are the ones that make it feel like selling is easy. But most sales don't happen that way. In fact, in many industries closing the sale may take weeks, months, or even years.

Despite the term “close,” which implies the end, closing the sale starts with the first step in the selling process—qualifying. Sometimes salespeople want to fill their sales funnel (or pipeline) with lots of leads so they don't take the time or ask the right questions when they are qualifying. While it's true that you want to “go out and get as many *nos* as you can,” you'll get a lot more *yeses* when you pitch to the right prospects. Joe Guertin, “When Did ‘Closing’ Become a Bad Word?” Agency Sales, March 2006. In fact, the selling process is analogous to building a house; if the foundation is poured right, everything else will easily come together. The same is true in selling—prospecting is the foundation of the entire process.

Not only does closing start at the first point in the selling process, but it also is far from the end of the selling process. In fact, closing is a lot like graduation—it is actually the beginning, not the end. Just like graduation is not the end of your education but rather the beginning or commencement of the rest of your life, the closing in sales is the beginning of the relationship with the customer, not the end of the selling process.

Closing Time

The close sounds like it might be a definitive part of the selling process. It's actually not a single statement, question, or event. Rather, the close is an ongoing series of events that occurs throughout the selling process, according to Mary Delaney, vice president of sales for CareerBuilder.com. Qualifying is the key; it's virtually impossible to close a sale with the wrong prospect. But the preparation doesn't stop there. The pre-approach, approach, presentation, and overcoming objections all play a role in the

closing the sale. According to author Ray Silverstein, the close is made in the first thirty seconds of the sales presentation. He says that's when a customer has an emotional response to you and your product or service story. Silverstein points to research that was conducted by William Brooks and Thomas Travisano that concludes that people want to buy from people they like and trust. Ray Silverstein, "How to Close a Sale in the First 30 Seconds," *Entrepreneur*, <http://www.entrepreneur.com/management/leadership/leadershipcolumnistsilverstein/article178590.html> (accessed November 17, 2009). If this sounds familiar, it should be. The concept of building a relationship based on first impressions was covered in detail in Chapter 3. And understanding the difference between needs, which are rational, and wants, which are emotional, makes a difference in how your prospect perceives you and the message you are delivering.

To demonstrate that the close takes place at virtually every point in the selling process, Daniel Sheridan from Extensis Group LLC, a sales training consultancy, says it best: "If you're waiting for a proposal to close, it's too late." He goes on to say that the most important meeting is the first one because that's when trust and rapport are established. Simona Covell, "Finding the Right People to Make the Sale," *Wall Street Journal*, May 29, 2008.

The close builds on everything that has already taken place throughout the selling process—rapport, trust, information sharing. It's also important to know what the close is not. The close is *not* a high-pressure exchange between seller and buyer. It's *not* a time when the salesperson resorts to trickery, manipulation, or other unsavory tactics just to get a sale. Geoffrey James, "Close More Sales: Train Your Sales Team," *Selling Power* 23, no. 8. While sales are the ultimate financial goal of the selling process, relationships, trust, and understanding a customer's business and providing cost-effective solutions are driving factors behind making the sale. Ram Charan, "What Your Customer Isn't Saying about Your Sales Pitch," *Wall Street Journal*, May 29, 2008. The same principles that guide the rest of the selling process also guide the close.

If closing is not a specific event that happens during the selling process, you might be wondering how you effectively get the order. You learned about the trial close in Chapter 10. The trial close can take place during any part of the selling process. The trial close gives you the opportunity to get specific feedback from the customer as it relates to her likelihood to make the purchase at any point during the process. While the trial close is most likely to come during the presentation, it could come even earlier in the process depending on the prospect and the product or service being purchased. A trial close asks for an opinion ("What is most important to you about this product or service?"), whereas a closing question asks for a decision ("Shall we complete the paperwork?"). D. Forbes Ley, "Trial Closing Questions Tell You When to Ask for a Decision," The Bachman Company. The trial close gives you the opportunity to learn what the prospect is thinking and will give you some insight as to when to make the close. In some cases, the trial close may result in a close, but if it doesn't, the prospect's response provides valuable insight. The trial close should be done early and often throughout the selling process. Getting the prospect's opinion at various points throughout the process helps you determine your path and how and when you should make your close.

ABC or ABO?

There is an old adage in selling that says, "Always Be Closing" (ABC). This means that a salesperson should never miss the opportunity to close a sale, no matter where it occurs in the selling process. But in today's collaborative environment, it's better to approach closing more like "Always Be Opening" (ABO). In other words, the best strategy is to always be helping your customer identify and solve his problems, just like you do when you are opening the selling process. Focus on asking the right questions and learning about how you can suggest solutions (in some cases, the solution might not even be your product or service). When you deliver value to your prospect, they will look to you for advice and counsel. "You become much more than a salesperson, you become their marketing expert, a resource, an ally," according to Mario Russo, general sales manager at radio station WBEN-FM in Philadelphia. "That's when you are successful in selling." Mario Russo, Executive Panel in Marketing 2335—Public Relations and Publicity, Saint Joseph's University, Philadelphia, PA, November 18, 2009.

It's true that asking for the order is critical for success in selling. But if you close too soon, you might run the risk that the customer thinks that the process is over and mentally moves on to something else. That's why it is a good idea to ask **exploratory questions**: open-ended, nonthreatening questions that encourage your prospect to discuss her business needs. This helps supplement the information you gathered during the preapproach, enabling you to understand what the customer needs and how to meet those needs. For example, if you are selling accounting software, you might ask the following exploratory questions: "What are the top three activities that consume your people's time daily?" "What is the ideal way you would like your people to spend their time?" "What are the types of activities that you think can be automated?" "Closing the Deal," *Selling Power*, May 17, 2004. None of these is a hard-sell question. Rather, each question allows you to listen and gather information so that you can identify how you can help the prospect solve his problem.

While you always have your eye on the prize of closing a sale, the focus is to extend your relationship with your prospect beyond selling to servicing and being a business partner. That's what ABO is all about. When you focus your selling efforts in this way, it makes it easier to sell additional products and services to existing customers because you are constantly learning about ways in which you and your company can add value.

Video: Always Be Closing - Sales Shaman's - ABC's



Video: The Psychology of Selling - 7 Keys to Sales and Business Development



Ask for the Order

When you focus on delivering value to your prospects and customers, you have earned the right to close or ask for the sale. It might seem obvious, but sometimes salespeople get caught up in the selling process and lose track of the fact that it is a buying process for the prospect. Sometimes, simple questions like “Will delivery on Tuesday work for you?” or “Should we start your service the week of the twenty-first?” help you and the customer focus on moving from the sales presentation to the delivery of the product or service. The specific closing questions will most likely differ based on the product or service you are selling. For example, in pharmaceutical sales, industry sales expert Jane Williams adds, “Never end a successful close without adding the proper patient dosing.” She says, “It is very important that your physician prescribe your product properly.” “Closing Arguments,” Selling Power Pharmaceuticals eNewsletter, September 11, 2007.

Sometimes salespeople don't feel comfortable asking for the order. Earn the right to ask for the order. Be confident: believe in yourself and your product or service. Laura Lorber, “Three Tips for Closing a Sale,” *Wall Street Journal*. The trust you establish from the beginning will translate into how you can close the sale. Closing the sale is all about presenting solutions for the biggest problems that your prospect faces. “If you can't help them with their biggest challenge, they won't have time for you,” says Mary Delaney from CareerBuilder. “Closing the Deal,” Selling Power Sales Management eNewsletter, May 17, 2004. Author Barry Farber includes the element of confidence in the closing equation by saying, “The important factor that contributes to your success at closing (or knowing when to move on) is the leverage you have going in and the confidence you have to back it up.” Barry Farber, “Wrap It Up,” *Entrepreneur*, April 2008.

Not every contact results in a sale. Typically, 80 percent of prospects say no to a sales offer, and that percentage may be as high as 90 percent during these challenging economic times. “Sales Closing—Closing Throughout the Sales Cycle Process Using Different Types of Closes,” Money Instructor, <http://www.moneyinstructor.com/art/saleclose.asp> (accessed November 17, 2009). This underscores the fact that it usually takes several closes to actually close the sale. In some cases, it will take at least three tries. In other cases, it can take as many as five or more attempts. It’s best to view closing as an ongoing part of the process, not a single event in which a prospect can say no. Confidence and the right mental attitude can make all the difference in being able to take all the nos on the way to yeses.

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. “Tips for Closing a Sale,” .
- **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.

✓ Tips for Closing with a Committee

It’s one thing to close a deal with an individual buyer. It’s another thing to close with a buying committee. Here are four steps to close with a committee:

1. Have a specific, measurable, actionable, realistic, and time-bound (SMART) objective.
2. Know each committee member’s name and role in the decision.
3. Identify your champion on the committee.
4. Leverage your champion to help “sell” the committee for you.

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 Request Close

Direct request 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. Gerald L. Manning, Barry L. Reece, and Michael Ahearne, *Selling Today: Creating Customer Value*, 11th ed. (Upper Saddle River, NJ: Pearson Prentice Hall, 2010), 310.

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

Benefit Summary Close

The **benefit 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, Setphen 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, "Sales Reps' Frequently Asked Questions on Closing," *Selling Power*, <http://www.sellingpower.com/content/article.php?a=6389> (accessed November 17, 2009). 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.

Video: Assumptive Close Explained - Effective Sales Closing Techniques To Increase Sales?



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. This close is related to the assumptive close but gives your prospect the option of which product or service they will buy. Charles M. Futrell, *Fundamentals of Selling: Customers for Life through Service*, 10th ed. (New York: McGraw-Hill Irwin, 2008), 417.

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

Video: Closing Technique Alternative Choice



Compliment or Vanity Close

The **compliment (or vanity) close** helps you relate the purchase to the person and appeal to his or her sense of identity. You are making a positive connection between the purchase decision and the judgment of the buyer. When you use this approach to closing, you are confirming their role as a subject matter expert. You are, in fact, paying them a compliment.

You:	One of the reasons I like calling on you is because you and your team really understand your business and your customer. You make it easy for your customer to buy from you and you offer them the product at a fair price. No games, no coupons just good, honest value. I think that our product can expand your offering to your customers with a company that shares your values about putting the customer first. I suggest you start by adding this item to your line and let's gauge the customer response.
Prospect:	I'm glad to hear that you feel that way. We do take our commitment to our customers very seriously and we only like to do business with people who feel the same way. I think it would be a good idea to start out with this one product and get some customer feedback. If they like it, we can talk about expanding to more products.

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.

✓ Keep It Brief

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. According to Michelle Nichols, contributor for *BusinessWeek*, author, and sales trainer, "Ask yourself what aspect of your offering would customers want so badly that they would miss lunch or cross a very busy street to get it? That should be the focus of your close."

What Works?

Closing is part of the selling process. A process is a systematic approach, which, by its very nature, can be measured. You won't be able to be successful closing every sale. After all, even professional baseball players only hit the ball three times out of every ten pitches to be considered above average. While hitting the ball 100 percent of the time would be considered unrealistic, every professional hitter takes batting practice to help increase his batting average. His batting coach gives him tips as to how to stand, swing, and ultimately increase his percentage of hitting the ball. The same can be done in closing. Record the information about your closings—what works and what doesn't.

You don't have to wait until the close to be able to track your progress. Sales veteran and author Barry Farber suggests managing accounts and the sales process with a simple visual tool. Post your prospects in the different stages of the sales cycle on a cork board. While there are several software programs that perform this function, there's nothing more powerful than seeing it play out on the wall in front of you every day.

Closing Complex Sales

A **complex sale** is a term that usually refers to high-value purchases (usually \$100,000 and higher). Products and services such as enterprise systems, health care providers, commercial real estate, manufacturing equipment, logistics services, and other major business-to-business (B2B) purchases are considered complex sales. These types of sales have a long selling cycle because there is a lot at stake for such a major purchase and there are multiple people involved in the decision-making process. In fact, it may take as long as six months to three years to close the sale. The product or service commitment is usually a long-term commitment with a contract as long as three, five, or even ten years or longer.

While the selling skills discussed throughout this book apply to complex sales, there are some differences. According to Jeff Thull, author of *Mastering the Complex Sale*, there are four phases to a complex sale.

1. **Discover.** As with any other sale, research about the prospect and his needs is critical to success. During the discover phase, you set the stage for the ongoing relationship or engagement. This stage includes your detailed research about the company and its current provider including several meetings and phone calls with the prospect. It is at this stage that the prospect determines whether the engagement has potential.
2. **Diagnose.** In a complex sale, the decision is likely to be centered on what should be changed, such as the location of a warehouse, and includes a collaborative effort between the salesperson and the customer to determine if the change is feasible and desirable. This stage also includes extensive financial analysis to determine the impact of the decision on the company. The role of the salesperson is to be a true business partner and help the prospect understand the trade-offs and benefits of making a major change in the operation.
3. **Design.** Complex sales usually involve products and services that are customized for each customer. For example, an ad campaign, software, retail fixtures, or other major purchases are adapted, adjusted, or designed exclusively for that customer. At this stage, the sales rep works closely with key people in the customer's organization to design the best solution to fit the customer's needs.
4. **Deliver.** If the first three phases are implemented correctly, this final stage should logically follow. At this point, the key people at the customer's organization have been involved in the design and financial justification of the product or service so the presentation of the formal proposal should lead to acceptance. Then the efforts are focused on the delivery of the product or service and implementation. For products such as software and other major purchases, there may even be training, troubleshooting, and other transition issues that are handled by the salesperson. "Winning Strategies to Succeed in Complex Sales," Prime Resource Group, March 2010.

During each of these phases, it's important to identify all the decision makers and their positions in the process. As with every stage in the selling process, this is about asking the right questions. "How will your organization go about making this decision?" and "Who else do I need to talk to?" are good questions to ask during the discover phase so that you can get input and feedback from all involved at the beginning of the process. Once you identify all the people involved in the decision-making process, you'll want to identify the decision makers. Again, the right questions will help you focus your efforts appropriately. Knowing to whom the expense will be charged helps you identify the ultimate authority. The person who controls the budget is most likely different from the person who will be evaluating the technical aspects of the product or service. For example, while the chief information officer may make the budget decision, the systems implementation manager may be evaluating the technical aspects of the software. Finally, you want to identify the "power broker," the person who will ultimately make the final decision. This is usually the person,

a subject-matter expert, who is the right hand of the person who controls the budget. In other words, you want to identify with whom you will be negotiating and ultimately closing the sale.

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**.
- **Complex sales** have a longer selling cycle, have many people involved in the decision making, and require a modified selling process.

? Exercise 12.2.1

1. Assume you are selling coffee to a chain of restaurants. The buyer is very concerned about changing the brand of coffee that the restaurant uses because coffee is the last experience that the customer has with the restaurant and she doesn't want to change anything about the current experience. You have sampled your coffee in a blind taste test with her and in several of her restaurants, and all who have tasted it have chosen it as the better-tasting coffee. Now that she is convinced that this change would be a good one, which type of close would you use and why?
2. Assume you are selling paper to a major high-volume printer. Your firm has just introduced a new type of recycled paper that is less expensive than previous options. The buyer is someone whom you know and respect. You have learned a lot of what you know about the industry from him. You feel like you are bringing him a new product that can bring benefit to his company. You are preparing a compliment close. What would you include in the close?
3. Think about a high-ticket product or service that you recently purchased from a salesperson. How did the salesperson approach the close? Which approach to closing did she use? Was it effective? Why or why not?
4. Name the type of close that is used in each of the following examples:
 - "Would you like the pay-as-you-go or the family plan?"
 - "Shall we formalize the deal with your signature?"
 - "I really enjoy working with you and your team, and the way you are growing the company so fast. That's why I'd like to suggest this service plan."
 - "With the extra capacity, you'll be able to expand your service as you need it, yet it won't cost you any additional monthly fees. You can sign right here, and we can start your service on Monday."
5. Create a closing for each of the following situations and identify the type of close you are using:
 - You are a real estate agent, and you just finished showing a house to a newly married couple.
 - You are a fine jewelry salesperson, and you are showing a diamond engagement ring to a young man.
 - You are selling high-end electronics, and you are demonstrating a home theater system to a couple who just bought a new house (and it's the week before the Super Bowl). You are able to have it delivered and installed before Super Bowl Sunday.
 - You are selling memberships to a health club, and you just took a couple on a tour. They recently moved to the area and are not familiar with all the competitors.
 - You are selling accounting software, and you just finished a demonstration of the product for a group of lawyers in a firm.

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