

SHORT CYCLE SELLING

***BEATING YOUR
COMPETITORS
IN THE
SALES
RACE***

JIM KASPER



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I am dedicating this book to:

My best friend, soul mate, and wife, Ginny.
Thank you for your help, guidance, advice,
inspiration, encouragement, and most of all,
the countless sacrifices you've made
in order for this book to become a reality.

My personal hero and son, Todd Kasper,
whose perseverance toward reaching his goals, words of
encouragement, and keen sense of humor
have always been huge motivators for me.
Your mother and I are truly blessed to have a son like you.

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Jim Kasper

WHY SHORT CYCLE SELLERS WIN THE SALES RACE

I contend that my firm's resource center library truly rivals any university's library in the country when it comes to reference books on sales and selling. The shelves are crammed with a multitude of fine books including *SPIN Selling*, *Solution Selling*, *Selling to Very Important Top Officer*, *Selling to the Top*, *Collaborative Selling*, *The New Strategic Selling*, *Conceptual Selling*, *434 Fast Tips for Sales Success*, *Relationship Selling*, *The Best Seller*, *Key Account Selling*, *Partner Sell*, *Secrets for Closing Sales*, *Integrity Selling*, *Guerilla Selling*, and just plain *Selling*. I've read each of them, some twice. They all profess to hone your already proficient sales skills in their respective areas of sales expertise. Many of them do just that and more. Many of them fall short.

What they don't do is address the hottest and most rapidly growing concern in selling today, shortening your *sales cycle*. Why have the two top professional sales trade publications, *Selling Power* and *Sales and Marketing Management*, begun writing about sales cycle topics in almost every monthly issue? Because they know from their research that in the corporate boardrooms of today and global sales meetings of tomorrow, the sales cycle is where competitive advantage will be established. They know that the world economy demands more performance in shorter time. Officers of top Fortune 500 companies know that in today's competitive global markets, the sales cycle cannot afford to be prolonged. They have the foresight to know that tomorrow's sales cycles must be even shorter. The sales race winners of tomorrow will be the Short Cycle sellers.

The benefits to you of shortening your particular sales cycle are many:

1. You will beat your competition to the punch.
2. You will sell more in a shorter time.

3. You will open many more new accounts.
4. Your earnings will increase dramatically.
5. Your proposals will be accepted more readily.
6. Your customers will remain more loyal and appreciative of your efforts.
7. You will be able to serve your current accounts in a more expeditious and capable manner.

THE ROLE OF TIME-BASED COMPETITION IN SHORTENING YOUR SALES CYCLE

In the early 1990s, George Stalk, Jr., then a vice president, of Boston Consulting promoted a competitive differentiation concept known as *time-based competition*. The idea behind time-based competition is that all of a company's operations departments must understand, control, and reduce the time it takes to perform each departmental process activity. *Process activities* are defined as business functions such as, but not limited to, order entry, shipping, production, invoicing, collections, and inspection. The time it takes to complete these process activities is expressed as *cycle time*. This can best be illustrated by example. The actual amount of time it takes to price, input, print, and send one order to the shipping department is called the *order-entry cycle time*. It is the time required to complete one order-entry cycle. By mastering this notion and identifying opportunities to condense each business function's cycle time, companies have given themselves a tremendous competitive advantage over industry rivals. Therefore, they have provided superior reaction intervals to their customers allowing them to win the race for their customers' businesses.

Time-based competition was conceived originally for the operations side of organizations. After years of direct sales and sales management experience, and 9 years of studying and teaching sales skills, I have discovered that by applying time-based competition concepts to the sales function you will shorten your sales cycle. Your *sales cycle*, like any departmental process function, consists of the steps that take you from initial customer contact to order placement. Each step affords you a

wonderful opportunity to beat your competitors by condensing the sales cycle (sales process time).

After identifying the stages in your respective sales cycle, we will walk you through the process that will shorten the time it takes to successfully complete your sales cycle. In this book, you will learn how to

- Identify and analyze your sales cycle.
- Shorten the time needed to complete your sales cycle.
- Gain a competitive time advantage by utilizing market segmentation.
- Recognize your competitor's weaknesses and develop your competitive advantage.
- Form a prospecting system that will yield more prospects in a shorter time.
- Quickly get the prospect's attention.
- Make more appointments with your prospects than your competitors ever hoped to.
- Establish customer objectives and learn how they affect sales cycle compression.
- Let customers tell you what to tell them.
- Compress the time and hassles of sales negotiations.
- Expeditiously turn objections into sales in seven steps.
- Promptly disarm a staller.
- Zero in your sales proposals based on your buyer's behavior.
- Get the order more quickly by using S.A.F.E. Closing techniques.
- Find more time to spend in front of customers while your competitors fiddle away.
- Utilize sales automation to sell to your customers while your competitors sleep at night.
- Develop a fantastic mental sales game plan that will keep your edge up.

Shortening the sales cycle is a hot topic with both sales executives and field sales representatives. Why? It means more income for both. It means more is accomplished with less expended. Psychologically,

from the buyer's standpoint, there is only a limited number of buying days in any given year. Compressing the sales cycle allows the sales professional to reach more buyers on their buying days. It means that scaled-down sales forces can compete effectively and even grow their volume. It means the best salespeople will become better.

Every day I hear sales managers and sales forces explain why their sales cycles are so long and why their sales process is so much different than that of anyone else in the world. The medical supply sales representative tells me that doctors are difficult people. The fiber-optic cabling salesperson tells me about the endless engineering requirements. The senior loan officers at banks tell me that they have so much paperwork to do that they can only make five or six calls a month. Every one of them will tell me at least once, "You don't understand. Our sales process is so much different than any other." My general response is

- A sales cycle is only as long as the *seller* allows it to be. It is ultimately the seller who should control the sales process. It is the seller's job!
- As far as the uniqueness of a respective sales method is concerned, I offer that the fundamental process in buying is very similar for all consumer and business-to-business purchasing. All buyers go through the following steps, albeit some business purchase decisions do require a committee and some purchase decisions are impulsive and routine:
 1. Problem recognition and identification
 2. Search for solutions
 3. Evaluation of alternatives
 4. Purchase
 5. Assessment of purchase satisfaction
 6. Alleviation of postpurchase dissonance (eliminate buyer's remorse)
- My experience shows me that differing culture is the only real significant factor that affects the uniqueness or difference of a selling process. The job of selling an environmental consulting contract con-

sists of the same skills as selling a house or selling a plumbing job. If you sell office supplies, you can sell fiber-optic catheters for heart surgery. The selling and buying principles are the same, and you can apply the concepts of Short Cycle Selling to both.

Many of our clients, to whom I have introduced the principles of Short Cycle Selling, are in mature industries. They sell paper products, fossil fuels, chemicals, signage, and financial products. Total market potential is expanding slowly, and if their sales are increasing, it's at the expense of a competitor. They have found that by practicing these doctrines, they are able to sell more new accounts in a shorter time period than their competitors. For some, it has been a matter of survival.

Several of my high-technology clients are still in emerging automation and data industries. Contrary to mature markets, they are operating in growth industries and there are plenty of new applications and customers every day. Some of them are suffering from the latest washouts in technology markets, and competitive pressures are life threatening to their organizations. Companies in both situations have found that instituting a Short Cycle Selling culture helps them capture new customers and market share more quickly than their competitors. This new culture keeps their prospects and customers up to date with the rapidly changing new technologies and market conditions.

When reading this book, I highly recommend that in order to provide a basic understanding of Short Cycle Selling, you start with Chapter 1, Identify Your Sales Cycle, and then you can go to any chapter that peaks your interest. All chapters illustrate distinctly separate approaches for shortening your sales cycle, with representative case studies. Each chapter contains *Compression Concepts*, which are ideas that explain proven sales practices that will compress your sales cycle. You will notice that throughout the book, *Sales Race Rules* are presented as your guidelines to Short Cycle Selling. There are 25 such rules strategically placed throughout the book. Heed them and you'll win the sales race. Ignore them, and your competitors will beat you. The view and the paycheck are always better for the winner.

Today, you have taken the first step toward being in the top 5 percent. For you winners who are already in the top 5 percent, you have taken the next step to being in the top 1 percent. I think that you'll find

WHY SHORT CYCLE SELLERS WIN THE SALES RACE

this book will be a tremendous resource that you can come back to, time and again, as you progress throughout your sales career. Many of our clients have used these concepts to break out of sales slumps and jump-start their careers.

Try Short Cycle Selling. Practice it religiously for at least 30 days or until the principles become habit. It works, and you *will* win many more sales races!

CHAPTER ONE

IDENTIFY YOUR SALES CYCLE

Champion Racers Know Their Racecourses

The race is on! It's on every day of the week, and it's a race between competing salespersons to be the first to get to the account and sell it. The results for the winner, and there is only one winner, are tremendous psychological and monetary rewards.

The concept of the sales cycle has enjoyed immense popularity in contemporary business and academic circles. From board meetings to sales meetings, sales and marketing executives have been wrestling with the impact that their customers make on their sales cycles. I am offering a new concept to these sultans of sales: a race to shorten your sales cycle by the salesperson, who has the greatest impact on the sales cycle.

The new compression sales culture insists that salespeople make the greatest impression on the sales cycle, not the customer. The complete cycle time of a sale rests squarely on the shoulders of the salesperson. It is up to the salesperson to actively prospect or promptly respond to an inquiry; determine the customer's needs and wants as accurately and

expeditiously as possible; expertly dispense with objections and stalls; gain some form of commitment, preferably an order; and ask for referrals so that this process may occur again with someone else. The activities that transpire in this entire sales process are referred to as the *sales cycle*. The sales cycle is just that, a cycle. It consists of several logical steps that take you from the beginning to the end. Each step within the sales cycle is called a *stage*. For instance, the beginning stage in a typical sales cycle is prospecting. The standard sales cycle usually ends with the transaction closure or referral stage. Inside each sales cycle stage are two basic components:

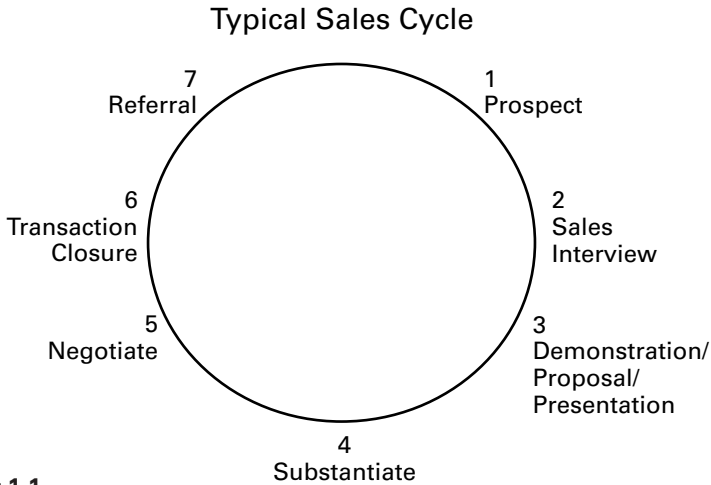
1. The predominant (or principal) activity
2. The compression objective

The *predominant activity* is the basic task you will need to perform within each stage of the sales cycle. It may consist of data collection, information gathering, determining needs or wants, or making a telephone call. As I explain each sales cycle stage, I will discuss the predominant activity or, as my time-based manufacturing friends refer to it, the process.

The compression objective is the primary focus of each stage of your sales cycle. It is the basis for all sales success. Each stage of the sales cycle has a compression objective. You, as the professional salesperson, determine in each stage of the sales cycle what action you want your customer to take to move your sale to the next stage. Unless your customer makes some form of commitment to you, your chances of reaching transaction closure are slim. The compression objective can range from setting up another appointment to gaining your customer's commitment to presenting and supporting your product or service to her boss. Since this is a predominant concept in *Short Cycle Selling*, I have dedicated the entirety of Chapter 5 to its explanation.

COMPRESSION CONCEPT: SALES CYCLES HAVE STAGES

In order to understand better the notion of a sales cycle, we have developed a generic example in Exhibit 1-1.

**Exhibit 1-1**

Stage 1: Prospect

In the first stage of the standard sales cycle, you identify and try to uncover and penetrate a prospect by attempting to make an appointment with the decision maker or within the decision making sphere of influence. This is not as easy as it was a few years ago because many companies have adopted the *participative management* style of decision making. Participative management means that many people within your customer's organization have input into major decisions, such as specifying and purchasing your product or service. Most companies have taken the concept of participative management to limits far beyond its original intent by involving many employees, also known as committee, in the simplest of purchase decisions. It is my experience that the larger the organizations I'm selling to, the more committees are involved at every level in the decision process. This means that you as a sales professional must not only determine the decision makers, but must impress the purchase influencers on these committees. This has made the job of separating prospects and suspects very difficult. Short Cycle sellers know that prospects have three elements:

1. The authority to make a buying decision
2. Control over the budget

3. A need or want for your service or product

Suspects are missing one of these three elements.

The predominant activity in the prospect stage of the sales cycle is to determine who are suspects and who are prospects.

Stage 2: Sales Interview

The second stage in the sales cycle takes place once you have sold the prospect on seeing you. In the past, this has been commonly referred to as the *sales call*. The concept of the traditional sales call has changed with the advent of *consultative selling*. As Tom Hopkins says so succinctly, “selling isn’t telling” anymore. The customer’s needs and wants have become predominant over *telling* about features and benefits. Therefore, the sales call has become a questioning or discovery event rather than a selling event. In order to further this concept, we have re-named the sales call the *sales interview*.

The interview stage is characterized by the predominant activity of fact- and emotion-finding about your prospects.

Stage 3: Demonstration/Proposal/Presentation

The third stage in the generic sales cycle involves the demonstration, proposal, or presentation of your product or service. An old sales cliché that I learned over 20 years ago states, “The sale is made at the point of demonstration.” This was very true 20 years ago. You may not have necessarily received the commitment at that point, but your customer did make up her mind right then and there. With the emergence of the sophisticated buyer, this expression has changed to, “The purchase decision is influenced at the point of demonstration.” In other words, in today’s business-to-business (B2B) marketplace, our product or service is subject to much more scrutiny. The customer is more sophisticated due to technology and may have to solicit many opinions before the actual order is placed, regardless of the size of purchase. Obviously, this is affected by the nature of your product or service. If you sell a product or service that is a routinely or repeat purchased

item, the sale will be made at the point of price proposal or bid. On the other hand, if you sell an item or service that is either high-priced or quite technical, you can no longer count on the purchase decision being made at the point of demonstration, proposal, or presentation. More than likely it will be made at the point of collaboration or committee. Regardless, there is a stage called demonstration/proposal/presentation.

The predominant activity in the demonstration/proposal/presentation stage is to present and reinforce the benefits of certain features of your product or service that will satisfy your customer's needs and wants.

Stage 4: Substantiate

The fourth stage in the sales cycle is the substantiate stage. The activity that transpires here is often referred to as establishing credibility and believability, or substantiating your competencies. Two factors will affect the exact location of the substantiation stage in your sales cycle:

1. *Your industry.* For instance, in the consulting business, the substantiation stage takes place either in the prospecting or the interview stage. Consultants must be able to validate their competencies before they can move the sales cycle to the demonstration/proposal/presentation stage. In insurance sales the substantiation process occurs in every stage of the sales cycle. Why? Because insurance is a mature industry and there are many perfect substitutes or alternatives for prospects to buy from.
2. *Your previous experience with a prospect or customer.* If you've had positive significant experience selling to a particular customer, you will not have to validate your competencies unless you are selling a product that your customer has never purchased from you before. If you have had negative prior experience with a specific customer, the substantiation stage may be the first stage in your sales cycle.

This stage of the sales cycle is most affected by brand identification or market presence. If you are a leader in your industry and well known

to your prospects or customers, you may even be able to skip the substantiate stage because credibility is already established. If you are a relatively unknown entity to your customer or prospect, you may need to substantiate continuously throughout your sales cycle. Another factor that affects the importance of substantiation is the industry life cycle. Once your industry becomes mature, you will have many competitors fighting for a slowly growing or even diminishing marketplace. Substantiating your credibility may be what gives you the edge. This means that you must substantiate at the beginning of your sales cycle.

The predominant activity in the substantiate stage is the establishment of credibility, which gives your customer confidence and comfort in purchasing from you.

Stage 5: Negotiate

In the traditional world of selling, the word *negotiate* sends chills up the spine of even the most seasoned sales pro. Believe it or not, the thought of price dickering is what keeps many salespeople from making a full list price quotation to their customers or prospects.

When we first begin a training program with a client, the very first event that takes place is an interview with every salesperson. Among the many questions that we ask each person is, “Tell me what you like least about selling.” Looking back over all the answers that our thousands of training participants have given to this question, dealing with price objection is the most prominent by far. To the contrary, Short Cycle sellers welcome the negotiation stage. They know that by engaging their customers in negotiations they have a better than 85 percent shot of closing the business. They are also aware that negotiations can take place over more than just price and at any stage in the sales cycle. For sales race winners, getting to negotiations is what it’s all about. Price should be the last issue to be discussed.

The predominant activity in the negotiation stage is to engage the prospect or customer in a negotiation and keep the negotiations going until you close.

Stage 6: Transaction Closure

In the transaction closure stage of the sales cycle, you experience what many sales managers refer to as *THE CLOSE*. This term seems a bit incongruent with the basic philosophies of relationship and consultative selling. *THE CLOSE* sounds so conclusive and final. Many salespeople view each individual sale with a certain element of finality. My feeling is that this logic is one of the reasons so many salespeople just can't grasp the concept of nurturing a relationship with their customers. The sales cycle is indeed a continuous closed loop. Look at the sales cycle example in Exhibit 1-1. There is no break in the circle. There is no terminality to the process. After the last stage, the sales cycle continues again or it reproduces itself with another prospect being created, much like living cells split. Short Cycle sellers view each sale as a *transaction being brought to a close*. Therefore, *THE CLOSE* cannot exist, but the transaction closure can.

The predominant activity at the transaction closure stage is to bring each transaction to an end by taking an order.

Stage 7: Referral

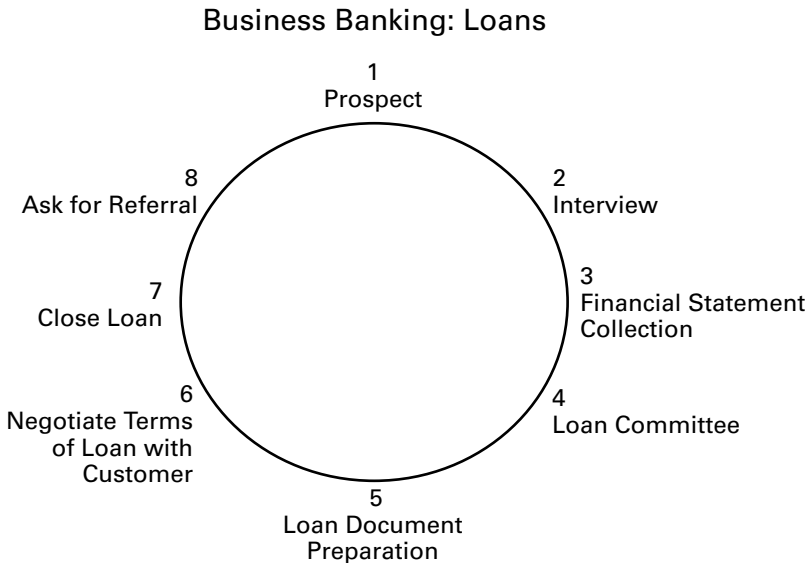
The transaction closure is just one of the many benefits of your efforts. It is your payday. However, if approached properly, your customer should reward you with a bonus in addition to an order. It's called a *referral* and is responsible for the continuation of your sales cycle with another true prospect. This is a crucial point in the continued success of your sales efforts. We all know salespeople who are too busy to breathe (hopefully, one of them is you). If you ask them what is their key to continued success, they will always mention referrals as their number one prospecting tool.

The predominant activity at the referral stage is to accurately describe your prospect profile and gather data on at least three prospects.

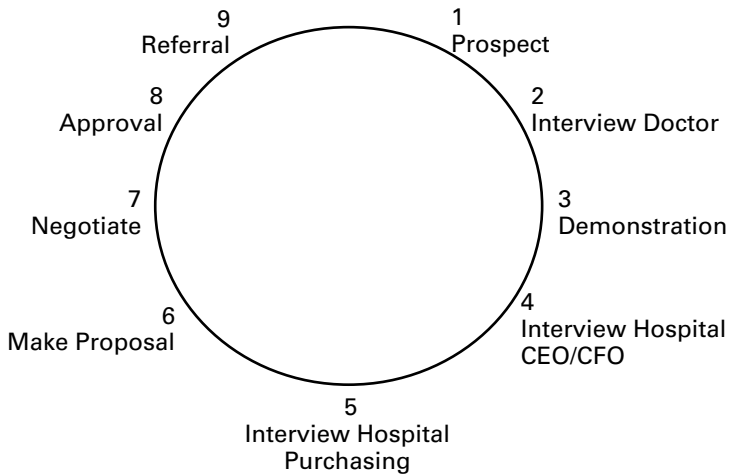
COMPRESSION CONCEPT: NOT ALL SALES CYCLES ARE ALIKE

After carefully studying the typical sales cycle, I'm sure you are saying to yourself, "Hey, wait a minute. He forgot the objection stage or the product design stage." Remember that Exhibit 1-1 is just an example of a sales cycle containing steps that appear in different industries. It is very possible, in fact, very probable, that you follow the exact same steps as we have shown, but may use different nomenclature or may, in fact, add, delete, or combine steps. Also, you may have realized by now that your sales cycle with a prospect or new customer will probably be much different than a sales cycle for a repeat sale to a current customer. To illustrate the point about differing sales cycles, let's take a look at some sales cycles from different industries in which I've conducted sales training. The sales cycles for a business banker and a medical equipment salesperson in Exhibit 1-2 are representative of calling on prospects, not reselling to a current customer.

Exhibit 1-2



Medical Capital Equipment



Upon examination, you will immediately note the differences in the respective stages of the two sales cycles. Stage 3 for the medical equipment manufacturer involves a predominant activity consisting of a product demonstration. Stage 3 for the business banker revolves around collecting financial statements of the prospective new client. In stage 6, the medical equipment salesperson is making a proposal and the business banker is already negotiating.

After more careful scrutiny, you will notice that there are also many common stages. Both the business banker and the medical equipment salesperson have to find a prospect. It is very difficult to have a sales cycle without a prospect. Their qualifications for a prospect may differ, but they both need to have a prospect. This selling twosome must conduct interviews, negotiate, ask for business, and ask for referrals. Even though one is selling the invisible and the other is selling a tangible fixed asset, key components of the sale are alike. Despite the similarities and differences between sales cycles, each salesperson, regardless of what he sells, has to go through his own sales cycle dealing with respective customer-, company-, and industry-specific conditions that will affect each stage of the sales cycle.

What conditions affect the stages of *your* sales cycle?

SHORT CYCLE SELLING

- *Selling a product or service to a prospect who is buying from you for the first time.* Selling to a first-time buyer generally will require you to follow all the stages in your sales cycle. In fact, you may need to repeat some of them. The net effect is that your sales cycle will be longer on a first-time sale if you don't practice the principles of Short Cycle Selling.
- *Selling the same product or service to a current customer who has previously purchased from you.* Selling the same product or service to a current customer who frequently purchases from you should allow you to delete some stages of your sales cycle. For example, you won't need to prospect or go through the interview and negotiation stages. Obviously, if your customer is a repeat buyer, there is no need for product demonstration or substantiation of your competencies. The net effect is a shortened sales cycle.
- *Selling a totally new product or service to a current customer.* On the other hand, if you are selling a current customer a totally new product or service that your company has developed, you will want to demonstrate and substantiate your competencies in that product line. Also, you will find yourself negotiating terms and pricing on totally new products and asking for names of others that could use this new product or service. The net effect is that you may experience a shorter sales cycle than if selling to a completely new prospect that doesn't know you, but a longer one than if selling the repeat product to the same customer.
- *Selling an existing product or service to a current customer who has never purchased that product or service from you before, but has bought it from a competitor.* If you are selling a product or service to a current customer who has never purchased that product or service from you before, but has purchased it from a competitor, you definitely will want to conduct a sales interview and demonstrate and substantiate your competencies. You may not have to penetrate your customer's organization, but you will have to penetrate the organization's buying sphere for that product or service. Someone in your customer's company was purchasing this product from someone they

liked. In this case, I guarantee you that there will be substantiation and negotiations involved. The net effect will be a shorter sales cycle than if selling to a new prospect, but a longer one than if repeat selling to the same people.

- *Frequency of purchase.* If what you sell has a low repeat buying pattern or frequency of purchase from your customers, your sales cycle will be longer on a repeat sale. I say this because many times when we go back to resell to a customer after a lengthy period of time, things have changed. Your customer may have changed personnel, the decision-making process or the use of your product or service, or have a lower profitability. In any case, the frequency of purchase will have a tremendous impact on actions that you will need to take to practice Short Cycle Selling.
- *Your reputation or credibility (or lack thereof) in the marketplace.* This is one factor that has tremendous influence on the length of your sales cycle. If you or your company has a strong reputation in your marketplace, you still may have to go through all the stages of your sales cycle, but the time spent in each stage may be significantly shortened. Your prospects' and customers' perceptions of your competency, service levels, and quality are based on your reputation. If your reputation is favorable, then people are predisposed to doing business with you. If your reputation is tarnished, your sales cycle will definitely be longer and you will find yourself spending significant time working on validation and substantiation issues. It doesn't take long to damage a reputation, but it takes years to repair that damage. Changing your marketplace's perception of your reputation is one area that your marketing department can help you with. We will examine that in detail in Chapter 15.
- *Control of the sales cycle.* I will be preaching this throughout the entire book: *It is your job to take control of the sales cycle and guide your customer through it.* If you let the customer control it, you *will* end up with a significantly longer sales cycle. This book will provide you with numerous ways to gain and retain control of your sales cycle.

SALES RACE WRAP-UP

There are a series of sequential steps that comprise your sales process. Collectively these steps are referred to as your *sales cycle*. Individually, the steps are called *stages* in the sales cycle. Each stage has two major components, the *predominant activity* and the *compression objective*.

The predominant activity is the primary task of a specific stage in your sales cycle. A predominant activity can best be illustrated by example. Determining your customer's needs and wants in an interview; relating specific product features and benefits during a demonstration; and gaining customer participation during a presentation are classic examples of predominant activities. They are what customer contact is all about.

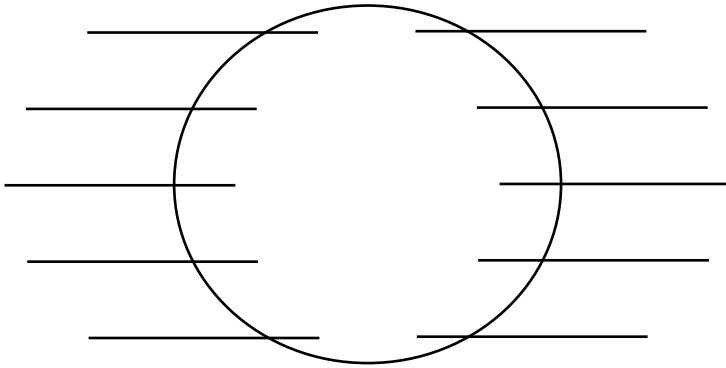
The Compression Objective is the primary focus of each stage of your sales cycle. To reach the Compression Objective takes a concentrated effort to elicit some form of commitment or action from the customer that will move the sale to the next stage of your sales cycle. It is your responsibility to establish the Compression Objective and guide your customer to it. There is a Compression Objective for each customer contact. That objective is to move your customer to the next stage in your sales cycle. Before you can accomplish this objective, you must have a thorough understanding of all the stages in your sales cycle.

There are numerous conditions that affect each stage of your sales cycle. Some of them are first-time sale to a prospect, repeat sale to current customer, first-time sale of a new product to a current customer, and first-time sale of a product to a current customer who has been buying that product or service from a competitor. Each has its own effect on shortening or lengthening your sales cycle. The most important thing to remember is that the first salesperson through all of the stages wins the sales race. There is only one winner.

MASTERING YOUR OWN SALES CYCLE

Because it is so important for you to understand your sales cycle, space is provided for you to create your own sales cycle. Below your sales cycle, describe the predominant activity for each stage of your sales cycle. Space is provided for 10 stages in your sales cycle; however, you may not need to use it all.

Your Sales Cycle



STAGE 1: _____

The predominant activity is _____

STAGE 2: _____

The predominant activity is _____

STAGE 3: _____

The predominant activity is _____

STAGE 4: _____

The predominant activity is _____

STAGE 5: _____

The predominant activity is _____

STAGE 6: _____

The predominant activity is _____

SHORT CYCLE SELLING

STAGE 7: _____

The predominant activity is _____

STAGE 8: _____

The predominant activity is _____

STAGE 9: _____

The predominant activity is _____

STAGE 10: _____

The predominant activity is _____



Professional



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