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Why Information Technology Sales Fail to Close

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Picture this: It's the middle of the month and you are reviewing your company's sales forecasts. For about the eighth month in a row, you see the same prospect you've seen lingering for months. This is the same prospect you authorized the multiple "four-legged" sales calls, prototyped the "must have, or we won't buy" reports and hosted a full day visit at your corporate headquarters. Your company has put a lot of time and expense into selling this account. You call your sales rep to determine what needs to be done in order to insure that this prospect closes this month. He informs you that the prospect has decided to continue to do business as usual. The opportunity has been lost to 'No Decision'.

If you have experienced this scenario, you are not alone. One of the chief concerns among senior sales executives in today's competitive high tech market is their frustration with the large number of qualified sales opportunities that are lost to 'No Decision'. Our research shows that between 60 and 80 percent of all losses are due to 'No Decision.' That's more losses to 'No Decision' than to any single named competitor.

Below are four major reasons why prospects elect to do nothing:

1. No Goal

Business executives don't authorize the spending of large sums of money just to be the proud owners of your stuff. In our sales training workshops, we use the term **pain** to describe the critical business or personal issue that has prompted the buyer to begin the search for a solution to their problem. They have a GOAL. We have a saying, "No GOAL, no prospect." At the very minimum, the prospect must be unhappy with some aspect of their business, and want to fix it.

Sales people who fail to take the time to diagnose and understand their buyer's goal, and the contributing reasons that are preventing them from achieving it, either lose the sale to no decision or, get outsold by the sales representative who does.

2. No Solution

Despite your best efforts (the four-legged sales calls, the "must have, or we won't buy" reports, corporate visits), the buyer still does not have a clear understanding of how your product or service will help them achieve their goal(s). This results when the sales person leads with product feature and function, without first taking the time to 'diagnose' the reasons the buyer's goal exists, and expects the buyer to figure it out for themselves. We fondly refer to this affliction as, 'spraying and praying'. If the sales person will simply take the time to clearly understand the 'reasons', they can then selectively use the correct feature and functions to eliminate those reasons and help the buyer develop a 'solution' to achieve their goal(s).

3. No Power

How many times have you spent months selling to someone who said the decision to buy was their decision, only to find out that they couldn't purchase ten sharp pencils without someone else's approval? While end-users and recommenders are fun to sell to, their needs and requirements may be altogether different than the ultimate decision maker—the person with the power and authority to buy. If they don't have the authority to purchase your products and services, you're not selling; you're simply providing this person with a free (and expensive) education.

Senior executives are charged with identifying and solving problems. Gaining access to the decision maker(s) early in the sales cycle can help eliminate the risk of no decision, protect your expensive corporate resources, and dramatically shorten the sales cycle.

4. No Value

We've already established that for a company to change how they are currently doing business there has to be a goal. The goal has to be related back to dollars, such as reduced cost, avoided cost or increased revenue. If you are asking a company to pay \$100,000 for your product, the value of achieving the goal(s) better be at least \$200,000. It makes sense, doesn't it? Would you spend \$100,000 to solve a \$50,000 problem?

I'm amazed at the number of sales people who don't take the time to understand the value of their products and services to their prospects and, more importantly, don't actively participate in helping their prospect cost justify their purchase. Your prospect is not the only one who is competing for his/her company's potentially limited funding. You need to equip them with the logic and rationale to support their request. Additionally, think of the tactical advantage a seller has going into price negotiations when he knows exactly how much his prospect will save and when they will achieve a return on their investment.

Now let me ask you a final question. Think about all the opportunities for your company that have been lost to 'No Decision'. What would it be worth to you and your organization if your sales people could reduce their losses to 'No Decision' by 20, 50, or even 75 percent?

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