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Why do salespeople really lose business?

In my time as a sales director in the IT industry I spent a lot of time and effort trying to understand why we won and lost business, with most of the effort on the latter. In sales reviews, reading lost business reports and raking over the ashes with ex customers I compiled a comprehensive list of reasons. Top of the list was price! "The competition offered a lower price, bought the business or gave more for the same" were the usual suspects. Next was product, "they had this widget, or used newer technology or had a better roadmap for the future of their offering". Hard on the heels of these compelling reasons was "they went over the IT managers head, blew him out of the water and changed the basis of decision". Other reasons included "they had a better unique selling proposition (USP) than us", i.e. our marketing people are useless; "the customer has decided to write the software as they have people with little to do" and of course "they have decided not to progress the project as they don't have the budget".

One day one of my best sales people came to me and said he had just lost a piece of business. Out of morbid curiosity I asked why and checked my trusty list of reasons. To my surprise he came out with a reason I had never heard before. "I was outsold, their guy was better than me". This unprompted piece of honesty caused me to amend my list; I crossed out 'reasons' and replaced it with 'excuses'. Exploring this situation further, our offering was competitive in every area so the classic excuses were not relevant in any case. What was relevant though was the competition's sales person; he was their USP, because he added more customer value during the sales process. This was a really interesting lesson and led to another question. Why would this sales person adopt a very open position, when others blamed third parties? The answer was quite simply confidence. Unlike many of his

colleagues he did not suffer from the fear of failure (or the sack) as to him losing was a lesson to learn from, not a disciplinary issue. There are a few practical steps that can be taken to increase the confidence of your sales people and reduce the incidence of lost business.

- Firstly create an environment where the fear of failure is reduced and that engenders honesty. In turn this will help reveal the real reasons for failing to win business
- Ensure that these causes and how to resolve them are written into the sales person's development plan and are followed up by the individual and their managers. Make sure the rest of the sales team know and that they learn from it.
- Celebrate success; speaking to companies and individuals this is something which seems to have got lost in today's business world. Success is infectious and builds confidence in individuals and sales teams.

People will always lose business, it is not a crime. Failing to understand why and not learning the lessons is a failure of both individuals and their management.

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