

## The Top 10 Reasons Why Salespeople Get Outsold

*By Dave Stein*

In my business, it has been an interesting and very busy two quarters. I've worked with sales managers, marketing executives, professional services practice managers, business development executives, divisional presidents, two dozen sales teams, nine VPs of Sales and directly with 29 CEOs in North America and in Europe. I've seen a lot of deals won and more than a few lost.

When I first meet my clients, I find that some really do not know why they have won or lost business, although often they think they do. Their answers to just a few of my questions provides me with a pretty good idea of where to dig in more deeply. (Note: For me to perform a comprehensive diagnosis and provide appropriate recommendations for improvement, a formal win/loss analysis is required.)

In order to help you diagnose why you may have lost one or more deals, I am sharing with you in Letterman-style reverse order, the top ten reasons that salespeople (generally those employed by my clients' competitors) got outsold ...

**#10.** They are depending on capabilities of their product or service to win. This is a prevalent cause of losing. Deals have been lost this way for years and will continue to be lost in the future, unless salespeople begin to understand the critical trap they are stepping into if they assume this strategy. I don't know of too many companies these days that truly have a unique enough product or service that they can depend on that offering to win. And even if they do have that truly unique product, it doesn't take a desperate competitor very long to convey to their market that they have greater capability and a lower price. Once that happens, you're in a capabilities "beauty contest" and your product or service is destined to be considered just a commodity. Winners differentiate their product or service in ways that convey value to executives, while protecting that value proposition from attack--and they don't count on their demo or presentation to be the ultimate death knell to their competition.

**#9.** They're afraid. Unfortunately a lot of salespeople have been using the down economy and resultant changes in customer buying patterns as an excuse for not selling. They are afraid to get out of their comfort zones and assume a position of strength--to be more persistent, to negotiate for access to the real buyer and to be more persuasive. Unfortunately, they're coasting, using headlines in the Wall Street Journal as justification for a lack of activity and productivity.

**#8.** They don't know who their competition is. More often than you would believe salespeople plod along in a sales campaign without knowing whom they are competing against. It could be an incumbent, no decision, an internal corporate department (such as IT) or pressure to fund another initiative or project within their prospect's company. Other times, sales people who get outsold simply don't know anything about that person who is in contention for the same piece of business--not their name, how they sell, to whom they sell, whether they are new at the job or highly experienced or what that person is likely to do to win the business. That's selling blind.

**#7.** They're not flexible enough to meet customer/client budget and risk requirements. Companies are holding back on capital expenditures, cutting expenses, slowing down or delaying initiatives (and always looking for ways to raise the top line). Their holding back means fewer and smaller sales for us. I'm not suggesting discounting as a primary strategy here. What I have observed again and again is that vendors

*Continued on next page*

who are willing to adapt-- and I mean really adapt--their typical terms and conditions of sale to their customers' requirements (for example payment schedules and phase-in approaches) are much more likely to win business. Software companies are renting software. Consulting firms are agreeing to shared risk contracts with performance bonds. Is your company ready, willing and able to adapt?

**#6.** They depended on '80s or '90s sales strategies, tactics and skills to win. Attending a two- or three-day class and learning about selling skills that worked five or ten years ago just isn't going to do it for you today. Think about it: All your competitors have taken the same classes, from pretty much the same instructors. I see the same training programs listed on scores of resumes that come across my desk. Where's the competitive advantage for those reps?

The big name training companies have done a terrific job over the years growing their own businesses, but many of them differentiate themselves through complexity of approach and related account planning tools. That's one of the reasons so few sales people use the very process they've been trained in. They are just too difficult and time consuming to use. I know. I get called in to pick up the pieces and get the sales teams back on track. And no matter what those training vendors represent, they can't possibly be flexible enough to keep you informed about what it takes to win today. Not with shrink-wrapped programs and teams of trainers who have to be re-trained and re-certified every time a change is implemented...

**#5.** They depended too much on relationships. One of my clients, who is the CEO of his company, said recently, "Relationship selling isn't enough anymore. If you can't prove the value, all you'll get from the person you've built a relationship with is an empathetic rejection, rather than a dispassionate one." Sure you need relationships with key buyers and influencers, but if the business case isn't there, there is often little they can do to help you win. After all, the CIO still has to go to the CFO or CEO to justify the investment he or she is looking to make, especially now in publicly-held corporations since the Sarbanes-Oxley Act was passed. If all the answers to the inevitable tough questions aren't right for the executives, who have learned a whole new definition of the word "accountability," then no sale.

**#4.** They failed to build a trusting win-win relationship with an influential ally. I said in #5 that you can't depend on relationship selling the way you once could. However, we do need allies in our accounts that can provide us with unwritten decision criteria, competitors' strategies and tactics, and to sell for us when we aren't there. These days with rules and purchasing organizations restricting communication with suppliers, recruiting and building trust with allies is more difficult than ever before and for that reason, more important than ever before.

**#3.** They didn't have a plan to win. What was once a straightforward, short sales cycle two years ago is now often drawn-out and complex, and maybe for a lot fewer dollars. What was a complex sale two years ago is now beyond the capabilities of even the best sales reps to plan for and manage by the seat of their pants. I'm working with companies who are pursuing deals worth hundreds of millions of dollars and although the sales teams are filling out the colored sheets, or the deal tracking software, they don't have a comprehensive, competitive plan to win. They've filled in the boxes in the plan, but haven't done the planning.

**#2.** They counted on unqualified business. Salespeople really don't lose these opportunities. They never had a chance to win them to begin with. As I've said many times before, the buying environment has changed so much that new degrees of rigor are required to qualify and re-qualify opportunities. When a sales VP tells me his team lost a deal because they couldn't (or wouldn't) meet a competitor's price, it takes me a while to convince them that the deal wasn't lost at all. It was just never a viable deal. And the #1 reason sales people get outsold is...

*Continued on next page*

They didn't have all the skills and traits required to win. When I work with my clients, I collaborate with management in building a specific profile of skills and personal traits that are absolutely required for their salespeople to win for that company, in that market, at that time, selling that product or service to the appropriate level of buyer. The profile is used for hiring as well as sales development. What has become apparent to me is that the skill levels and behaviors required for sales success in today's selling environment are different from what they were even as recently as two years ago. Sales professionals (and their managers) whose everyday behaviors map to the profile win. Those who don't, invariably lose. And by the way, I see many salespeople who had the right skills but due to complacency or neglect, fail to use them habitually. A bit of coaching can generally bring them back on track.

I coach sales teams to be more effective no matter what sales process or methodology they use or have been trained in. To learn more about these subjects, read my book, take my downloadable training program and/or let my office know if you'd like to have a discussion on the subject.

#### **About the Author**

*Before founding The Stein Advantage, Inc. in 1997, Dave Stein spent more than 20 years employed in a diversity of executive sales and marketing roles for corporations worldwide. Dave consults with, coaches, speaks and trains on competitive selling strategies, helps companies to strategize specific, complex opportunities, organize a sales organization, present and position themselves with analysts in the best possible light, as well as to recruit and hire the best sales reps. He is the author of the Amazon best selling business book: *How Winners Sell: 21 Proven Strategies to Outsell Your Competition & Win the Big Sale*, Dearborn Trade Press, May 2004. For more info: [www.HowWinnersSell.com](http://www.HowWinnersSell.com) or contact his office at [viv@HowWinnersSell.com](mailto:viv@HowWinnersSell.com) or call (845) 621-4100.*

Article Source: [http://EzineArticles.com/?expert=Dave\\_Stein](http://EzineArticles.com/?expert=Dave_Stein)

*This article is reprinted from the March 2009 issue of the PharmSource PERISCOPE, a free monthly e-newsletter that provides valuable business insights for pharma vendors. The PERISCOPE is a companion publication to the PharmSource Lead Sheet (PLS), which delivers up to 70+ fresh, targeted leads to pharma vendors via e-mail every week. For more information, please call PharmSource at 703-383-4903 (ET) or visit us at [www.pharmsource.com](http://www.pharmsource.com).*