

10 tips to Stop Wasting Time on Deals That Will Never Close for You?



(Image Courtesy: Pixabay)

There are millions of B2B leads that enter sales CRM every year and thousands of deals that get closed. The time and effort spent between getting a lead and winning is the ultimate indicator of your sales efficiency. Typically called the closing ratio, it helps you get clarity on where to spend your time and money for best conversion rates.

The average close rate across industries is 19%.

****HubSpot***

Studies suggest that Sixty Percent of forecasted deals do not close.

Most salespeople, at best, spend three days a week selling: two days in front of customers and another day doing research and generating leads. The other two days are devoted to administrative tasks.

****CSO Insights***

This means, a salesperson is spending time on at least 4 out of 5 opportunities that would not close for him in the time frame he is expecting to close. The most crucial currency salesperson has on his hand is the time they spend on a particular lead. The last thing they need to do is to waste precious time chasing bad opportunities. Yet, this what we see many salespeople doing. If the salesperson can identify the bad deals early on, they can stop wasting a lot of selling time.

But first, let's define what we mean by a bad deal. A bad deal is the one that you will never win, or will never close or will not close in the time frame you are expecting. Consider the following questions to move an opportunity up or out of your sales funnel.

1. What is their reason to change?

The foremost test for an opportunity is the reason that they would want to change the status quo and invest in a solution. With technology and specialized teams, many salespersons have become savvy at understanding their prospect's business objectives but they lack the understanding of the issues that make achieving objectives difficult. If the reason to change is not substantial or is unrelated to the KPI of the person deciding, quit the opportunity.

2. What's their timeline to close?

Imagine the frustration of the salesperson to invest his/her precious time to figure out that the buyer would not decide for one year. That's what can happen if you fail to establish the closure timelines early in the sales process.

If you don't get specific answers to these questions, you're at risk. Probe your buyer to get a firm sense for timing or reverse engineer the timelines for the business issue to arrive at a tentative timeline and get it confirmed from your buyer. Otherwise, you could get an unpleasant surprise.

It takes 22% longer to close a sale than 5 years ago.

****CEB***

Because of the complexity of some products and services, the buying cycle might be months and years in the making. So, don't give up on an otherwise qualified buyer. Nurture that buyer through the sales process so you can make your numbers today and make your numbers tomorrow.

3. Are you engaging with the Decision-makers?

Avg. number of people involved in B2B decision has climbed to 6.8 from 5.4 two years ago.

****CEB***

If you are only dealing with 1-2 people from the buyer side, higher is the probability that you are losing on the opportunity to convince people who are involved in the decision making.

We should take care to involve people who can say "YES" for a decision with you or sign on the dotted line but also engage with people who can say "NO" to a decision on your favour? For example, any CEO might sign on a proposal to buy your services or product, the legal or procurement teams can only say "NO" if you don't meet their terms and conditions.

4. Have you Triangulated your understanding?

It's always best practice to triangulate your understanding about the budgets, timing, authority, etc. via multiple sources. Relying on information only from one source often leads to delayed or dead sales cycles.

5. Are they speaking only with you?

If the prospect says that they are only dealing with you, it's a big "NO" to forecast that deal. Prospects deal with one vendor in the case they are existing customers or the vendor works in a monopoly market. For any other scenario, you can take that the prospect is too early in the buying process and is just collecting information.

6. They have asked you to submit against RFP/Bid you didn't contribute to creating?

If you are asked to bid against RFP which you had no contribution in writing, means that a competitor has helped the prospect with the document and you are asked to bid so that the prospect gets more leverage to negotiate with the vendor who might have written the RFP.

7. Have you differentiated your offerings?

Often salespersons spend a huge amount of time following deals where they feel that they have differentiated the offerings, but it can't be farther from the truth. Failure to differentiate yourself from competition or status quo would only lead to longer sales cycles or stalled deals.

8. Do the steps to closure only involve action from your side?

There is nothing better to hear for a salesperson than a prospect speaking about next steps. Please be cautious if it only involves taking steps at your end only. A sales process involves taking steps at their side as well as vendor empanelment, budget allocation, business case, approvals, etc. If the prospect is not agreeing to or showing any steps on their side, something is amiss here and you are probably working on a deal that will never close or not close on your terms and timings.

9. Has the client raised any objections so far?

Unaddressed objections will block your sale every time and you will not even understand why you could not close the deal.

But what do you do if they do not confront you with any objection? Chances are that the major reason the client is not raising any objections is because they are only collecting information and are in no hurry to close. Other reason could be that they have finalized with your competitor and only collect information to have a better negotiation with them.

10. Is it worth my time and effort?

I once met a superstar salesperson who was an over-achiever for many years and asked him his secret to success. His response was, "I love my prospects. But not that much!" He was methodical in his time investment and even if he got an inkling that the prospect is not serious about closing soon or would close for too small a revenue compared to his effort he would move on.

Look for the revenue impact in both long-term and short-term before deciding the pursuit.

In, the end, your success matters on where you invest your time. Invest in deals that will close. By investing your time judiciously, you will find more time to find new deals, improve forecast accuracy and maybe some time in hand for yourself and your learning.

Happy Selling!

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