Transcript: Handling Objections

Introduction
Welcome to the RAIN Selling lesson on handling objections. Objections are not so horrible, but they’re often poorly handled. In this lesson, you’ll learn what objections are and what’s behind them, how to classify types of objections, and then we’ll walk you through a five-step process you can employ to win the right way when faced with objections. We also pay special attention to money objections, and help you to leverage the advanced technique of uncovering hidden objections.

Unless you are fortunate enough to find prospects who completely understand their own needs, recognize the value you provide, agree with the impact of moving ahead, have supportive buy cycles, and prefer you above all others, you will at some point in your rainmaking conversations run into serious objections. Such as:

“Well, I like what you said, but I don’t think it will work here.”

“We are working with someone right now to handle all our needs in that area.”

“Sounds good, but I have a pretty full plate for the foreseeable future.”

“How much? We’re talking about buying your software package, not your entire company.”

“I have been talking to some other providers and their numbers are much lower.”

“I prefer to work with someone with more direct experience in our industry.”

“I have always worked with someone local. You guys are 500 miles away.”

When faced with comments like these, all too many salespeople get flustered, make mistakes, and, in the process, push the buyer and the sale further away.

Worse, salespeople sometimes ignore objections because they have “happy ears.” They don’t want to hear objections so they block them out, but the objection remains while the sale disappears.

Some sales experts suggest that you deflect, sidestep, rebut, or try to avoid objections altogether. However, the objections that arise in a complex sale require more than a readymade, canned response.

Objection Defined
An objection is an explicit expression by a prospect that a barrier exists between the current situation and what he or she needs to satisfy before buying from you. Objections are clear signals
that you have more work to do in the selling process.

Yes, objections are barriers, but they are also buying signals. An objection shows that prospects are engaged. They raise objections because in the process of weighing the pros and cons as they perceive them, they cannot see a path to success around the barrier.

**Overcome the Objection**
Your objective is to overcome the objection the right way and advance toward the sale. To do so, keep in mind:

The close begins the relationship: In transactional selling where the relationship doesn’t matter, sellers are taught to overcome objections at all costs. This does not work in complex sales and sales where the relationship is important, such as in service businesses. If you plow through the objection without addressing it fully, the underlying reason for the objection will come back to haunt you. And, if you handle the objection as if it or the buyer doesn’t matter, you lose credibility and trust.

Objections often have merit: The objection may mean you have not fully articulated your value, not uncovered the underlying needs, not provided a key piece of information, not demonstrated your experience, not differentiated from a competitor, have a tough competitor with advantages over you or numerous other missing pieces.

Many objections take a process, not a quick answer, to overcome: The complex sale often has many buyers with diverse buying criteria. Some objections may only need simple clarification on your part, but others may require you to build a strong case for overcoming them.

**The Five-Step Objection Handling Process**
Regardless of the type of objection, you can handle each one by using our Five-Step Objection Handling Process.

When the prospect indicates that he is not ready to buy, he voices an objection. To handle it right and advance the sale, you should:

- **Listen**
- **Understand**
- **Respond**
- **Confirm**
- **And Continue**

**Step 1: Listen**
Listen fully to the objection. Don’t interrupt. Don’t anticipate. Fight the urge to respond immediately. By doing so, you give yourself the chance to hear what is on the prospect’s mind. When presented with an objection, it’s natural for your defense mechanisms to go up right away. You don’t want to veer off course, so you interrupt and anticipate. When you become defensive, your words sound defensive, your body language looks defensive, and you sound combative
rather than collaborative.

As soon as somebody says, “I have a few concerns,” you know the objections are coming. Take a deep breath. Force yourself to focus and listen.

**Step 2: Understand**
The stated objection often masks what’s really going on. Your charge is to work with your prospect to get to the root cause of what is standing in the way of a favorable decision. Ask permission to learn more, restate the issue, and then ask questions to understand the issue completely. By asking permission to continue, you let the prospect know that you respect his concerns. It also reduces any adversarial dynamic while demonstrating you want to work with him to address issues.

The first and most powerful thing you can do is to ask why they ask. This is a subtle application of the concept of Reversing Direction.

When a prospect says “Well, here’s the issue.” In most situations, your first response should be, “Can you tell me why you say that?”

Here’s an example. If he asks a question such as “Is there any way we can do this for less?” you can then ask, “Can you tell me more about why you ask?”

They might say they don’t have the money in their budget this month and they’d like to do something right now. This might indicate that there’s a timing issue, not a value issue, a negotiating ploy, or another type of money objection.

Ask about why they ask, and they’ll often share the thinking behind it, especially if they’re dealing with you honestly.

As you move along, you should work to understand the objection more fully.

For example, in another situation, the exchange may go something like this:

[Prospect:]  “I don’t have time to address this now. I have too many things on my plate.”

[You:]  “Can you tell me a little more about why you say that?”

[Prospect:]  “It’s just that a bunch of different priorities have come up at once, and I have to make some decisions about what I can and can’t tackle.”

[You:]  “Do you mind if I ask a few questions about that?”

[Prospect:]  “Go ahead.”

[You:]  “I hear that you have a lot of other things going on right now and this doesn’t appear to be a priority for you. Is that correct?”
Sometimes when you restate, the prospect himself sees the issue more fully. As a result, you get closer to the true source of the objection. But you are not ready to move on yet. Next, make sure you have the objection right. Even if the buyer says, “Yes, that’s exactly what my issue is,” there’s often still more to it. In this case, put that objection aside for a moment and ask, “What else?”

“What else is bothering you?”
“What else does that affect?”
“What else is getting in the way of moving forward?”
And/or “What else is on your mind?”

Often, it is the answer to that last “what else” that contains the biggest barrier to moving the sale forward. But unless you cover all of the other “what else” options, the barriers continue to exist.

If the objection is major, you can also start asking “Why?” questions. In this case, you might find yourself ending up in a fairly lengthy problem-solving session, but, depending on the importance of the relationship or the sale, investing your time to work with the prospect to untangle complicated knots can lead you down the path to great success.

**Step 3: Respond**

Once you have listened and gotten to the bottom of the issue, it’s time to respond. Answer honestly and to the point. Long-winded responses quickly sound insincere. As Queen Gertrude opines in Macbeth, “The lady doth protest too much, methinks.” Don’t overdo it.

Include in your response your resolution to overcome the objection. Describe exactly how you are going to remove the barrier.

[You:] “Based on what you’ve shared, your principal concern is that you feel like this might overtax your staff given current projects. But it won’t take too much of your time to initiate the project. It’s just what happens after that causes the concern.”

[Prospect:] “Exactly.”

[You:] “How much time do you think it will take your staff if you took this on?”
[Prospect:] “Well, it’s a lot, isn’t it? At least two people for 10 hours a week. And then the same amount of time ongoing every week.”

[You:] “I’m glad we’re talking about it. You’re right, it will take about that for one week, but after that, the average is one person for three hours every other week. If that were the case, do you think you would feel differently?”

[Prospect:] “Of course. Doing it once is no problem. It was the ongoing commitment that concerned me. Does it really only take an average of one person 1.5 hours a week to keep it all going?”

[You:] “That’s what our other customers report. Would you like to speak with a handful of them and see what their time commitments have actually been? And, of course, you can ask them whatever else you’d like to ask them about the product.”

[Prospect:] “I would.”

Step 4: Confirm
After you completely understand the problem and propose a solution, ask whether your answer will satisfy the objection.

[You] “After you speak with a few of our other customers, and you find what you need to find out about the time commitment, will that take care of the issue?”

[Prospect] “Yes, it will.”

If the buyer still hesitates, don’t give up. Most likely you haven’t gotten to the final “what else” yet. On the other hand you also don’t always want to take yes for an answer immediately. Sometimes prospects say, “Yeah. That works,” and you can tell by their body language or tone of voice that they really aren’t happy with your proposed solution. They said, “Yeah, sure,” but they’re really thinking, “I don’t want to talk about it anymore,” or, “I don’t care one way or the other because I’ve moved on to other things.”

It’s up to you to say, “I hear you, but it really doesn’t sound like you completely agree that this is a good resolution. Is there something else still concerning you?” By accepting a lukewarm yes, you can end up continuing to work on a sale, perhaps spending significant time on a proposal and presentation, when you still have a major barrier in your way. Once you get the prospect to confirm with a genuine, “Yes, that will work,” you are ready to move on.

Step 5: Continue
When you are comfortable that you have provided an acceptable solution to your prospect’s objection, pick up the conversation wherever you left off. Wherever objections surface, follow the five steps to address them, go back to where you were in the RAIN Selling framework, and continue to advance the sale to commitment.
Four Objection Types
Objections come in many shapes and sizes, but they all boil down to four categories: Need objections, Urgency objections, Trust objections, Money objections. Click on each tab to hear the definition.

Need objections: The prospect does not yet recognize, or does not yet admit, the need to solve a problem. There may be a need that you see, but until she sees it, you won’t be able to sell.

Urgency objections: The prospect does not yet see the impact, or doesn’t think the impact is worth the effort to achieve it. Until you establish impact; she won’t see the value.

Trust objections: The prospect has fear, doubt, or misgivings. She may doubt you, your solution, or your company. She may perceive risk and fear loss if the solution doesn’t work out. And sometimes objections, such as price objections, are not what they seem.

Money objections: The prospect communicates that she doesn’t have the budget or can’t find the funds.

Let’s look at each of the objections in order, starting with need objections.

Before we do, though, keep in mind that even if you have done a good job in the earlier part of the RAIN process, and have also done a good job with your FAINT qualification, they can still come up.

Sometimes the buyer just needs reassurance, or to understand something he might have missed. The tips that follow can help you overcome the objections if this is the case, but it’s also possible that you might have missed something earlier, and will need to re-address core issues.

If you do, the best advice is to go back and study the appropriate content in the other RAIN Selling lessons.

Now, on to the objections…

Need objections
The prospect has to need what you’re selling. When a prospect says there’s no need, it may be true. But it’s also possible that you are not resonating or you are not addressing the right need. Or he simply doesn’t see the value in what you have to offer.

Here are some guidelines to help you address Need Objections.

**Research your prospect's business and competitors.** Knowing where a company has need and how your products or services fit in will give you a huge advantage. Sometimes you can discover ideas by checking out what their competitors are doing. Your prospect will want to keep up.

**Focus on outcomes, not process.** Focus on the ultimate value you bring to the table, not
the mechanics of how you achieve results. Prospects care more about the outcomes than the process you take to get there.

**Don’t give up if your initial questions don’t resonate.** Ask questions to uncover what your prospect really needs. You might find the prospect isn’t a good fit for what you intended to sell, but they’re a perfect candidate for something else.

Lack of urgency from a client can be frustrating. The prospect appears to trust you, sees the need, and can afford to buy, yet…nothing. In these situations, show the impact of your solution.

Here are some guidelines to help you address Urgency objections.

**Uncover rational impact.** Build the return on investment case. This requires estimating numbers and doing math. Let the customer choose and compute the numbers so they own the solution. The prospect must see a tangible dollar value. No ROI. No urgency.

**Uncover emotional impact.** Take your prospect on an emotional journey. Get him excited about that promotion he’s been trying to earn or the appreciation he’ll receive when his colleagues can do their jobs more efficiently. The old adage is true: People buy with their hearts and justify with their heads.

**Questions to Drive Urgency**

In the short video that follows, John shares the questions to ask to drive urgency.

[John} One of the biggest complaints I hear from sales people is that it takes too long to make the sale, that their sales cycle stretches out forever and they can’t get prospects to move ahead. They’ll be in a position in the sales meeting to get the client to say, “Yeah. That sounds interesting,” and they’ll walk out of that thinking, “Hey. This is pretty good,” but in the end what happens is the clients put them off and put them off and put them off. Essentially what they’re facing is a lack of urgency on the part of the prospect.

So, what do you do when you come up with that lack of urgency? What you want to do is ask the question “what won’t happen?” Ask yourself that question first. What kind of things will not happen in terms of achieving goals or solving problems if they don’t move ahead with your solution? What kind of things would get in their way to achieving any kind of great success in their company if they don’t go ahead with your solution?

What you want to do is ask yourself first what won’t happen. Create that series of possibilities, write them down, think of what they could possibly put together and then go back to the client and ask that very same question. “Well, if you don’t move ahead with this kind of a solution, what will happen to your company? What will happen to your division? What will happen to your revenues? Will your cost cutting be successful?” Often when you get clients to start to think about what won’t happen, you can put them in a position to prioritize all the other things on their plate and move ahead.
I once worked with a client who faced that all the time. They had a fantastic opportunity that prospects should just go for. In fact, leaving the sales meeting prospects feel pretty good about it, but he couldn’t seem to move it ahead. It wasn’t until he started asking that question “what won’t happen” that clients got on board for the same solution. So, whenever you’re frustrated by that long sales cycle or prospects who won’t make a decision or the seaming endless conversations that go nowhere, ask yourself “what won’t happen” and then ask your prospects what won’t happen. This will help create that sense of urgency; they’ll move your sales forward and provide you a great deal of success in getting those clients and prospects to move ahead.

**Trust objections**
You overcome a lack of trust by building it. The prospect needs to believe that you can and will do what you say you’ll do. When the prospect believes you, you reduce risk and get closer to the sale.

Here are some guidelines to help you address Trust objections.

**Research the company and industry.** The more knowledge you have about the prospect’s business, the more confidence he will have in your services.

**Prepare relevant stories and examples.** Show how you’ve helped similar businesses in the past. Make past results as tangible as possible and offer to put the prospect in touch with your past clients. This builds credibility.

**Be genuine and show interest.** First and foremost, be yourself. Anything else will come off as phony. Relax, smile, and have a positive attitude. Ask questions that show an interest in your prospect as a person, not just a business partner. Use their names when speaking and writing to them. People trust who they like.

**Balance inquiry and advocacy.** Find the sweet spot between asking questions and talking about your offerings. One of the best ways to advocate is by telling stories. A great storyteller is endearing and credible.

**Money objections**
Probably the most common objection of all is the money objection. Price pressure can be severe, but you can overcome price objections and get full fees for your offerings.

**Money Objections**
Money and budget are tricky, and they are almost never what they first appear. When buyers say some version of, “Money is going to be a problem,” any of the following reasons could be behind it. Click on each to find out more.

**Honest pushback:**
“That’s a lot. Can we do it for less?” [What they say]
“I just want you to cut the price—I always ask this, and have succeeded in getting price cuts fairly often.” [What they think]

**Bluffing:**
“I don’t have the money—we’ll need to do it for less.” [What they say]
“I have the money, but I want to see how low I can get you.” [What they think]

**Value challenge:**
“It costs too much. Money is going to be a problem.” [What they say]
“I don’t see why we need to spend that much. It doesn’t seem worth it.” [What they think]

**Competitor pressure:**
“Your bid isn’t as competitive as the others that I received.” [What they say]
It’s true, and they’re looking to understand why. [What they think]
or
It’s true and they’re looking to use it against you as a bargaining chip. [What they think]
or
It’s not true, they’re just saying it. [What they think]

**Budget:**
“Money’s a problem because it’s not in my budget” [What they say]
It’s true, and they’d like to see what they can work out. [What they think]
or
It’s true and they’re looking to use it against you as a bargaining chip. [What they think]
or
It’s not true, they’re just saying it. [What they think]

**Reversing direction on you:**
“Too much money. Call me back if you think there’s something you can do.” [What they say]
They’re bluffing: “They’ll call me back. I’ll get them lower.” [What they think]
or
They’re not bluffing: “I hope they can lower the price so I can actually buy it.” [What they think]

**Money issue masks non-money problems:**
“Money is going to be a problem.” [What they say]
“I have multiple issues holding me back, but I’ll just say money is the problem right now.” [What they think]

**Responding to Money Objections**
Money objections don’t just derail sales, they derail sellers. If money objections come up, you should follow the five-step process for handling objections. As you do, keep in mind the following as well.
Make sure it’s a money issue. As we noted in the previous slide, price objections are often red herrings masking non-money issues just under the surface. Work to uncover the real objection.

**Get to the decision maker.** When stuck on a money issue, make sure you’re talking to the person responsible for budget decisions or someone high enough up the ladder to pull the trigger. You’ll continue to get price push back and to lose sales if you don’t speak to the person holding the purse strings.

**Don’t cave.** It can be tempting to respond right away with, “How much can you spend?” or “Let me see if we can lower the price.” Some sellers quickly get anxious and give away the farm. Don’t let the objection throw you off guard. Following the five-step process will help you collect yourself and focus on finding a solution.

**Choose your words wisely.** Price push back doesn’t mean that the prospect is challenging your value as a company or person. We’ve seen many sellers take price pressure personally. It never turns out well. As much as you might like to respond with a terse “You get what you pay for!” or “Those are my prices and it is worth every penny!” there’s no glib, pat answer to money objections. Thoughtfulness and patience will serve you better than sharp wit and a snappy response.

**Don’t dismiss buyers when they push back.** We often hear this from sellers, “If they push back on price, we don’t want them! Pushing back on price is an indicator that a customer will be high maintenance or worse down the road.” Perhaps this is not the case. Buyers are taught to challenge prices in multiple ways. Just because they challenge you doesn’t mean they are bad people or are destined to be bad customers.

**Focus on value.** Assuming they’re FAINT-qualified, prospects can usually find the funds to buy. (If they’re not FAINT-qualified, you might not be talking with the right buyer.) By focusing on value first, you can often fix areas you missed earlier in the sale. If value is not the issue—if they see the reason to move forward—you can continue from here to find out what the problem is.

**Figure out which part they don’t want or need.** This is a great approach when it seems like they don’t perceive the full value of the solution.

Let’s say you find yourself in that place where it seems there is no other option for moving forward except for coming in with a lower price.

Salespeople are tempted to cut prices when they get persistent push back, especially for deals that seem large to them. The logic goes like this, “It’s a $120,000 deal, but if we get it, we can get by with $110,000. That would be better than losing the whole thing.” Then they cut price. This is a bad precedent to set, especially if repeat business is important at your company. You’ll always end up having to play the price-cut game at contract renewal time. Instead, when a client is considering a $120,000 deal comprised of five major components, ask to spend some time walking through the various components of the solution, and see if there’s anything you can leave out.
Then review each component. As the customer realizes he wants the whole thing, you often don’t cut your price or scope. Also, going component by component helps the prospect remember the impact of each piece. All of a sudden the price seems more reasonable. You might also find that buyers do pick three of the five items at full price because their budget or ability to pay is gone or cut, and it’s now smaller. You make the sale, and prepare to expand it as soon as you can.

**Deal with competitor challenge.** When someone says, “I have competitor bids for less,” you can acknowledge that other sellers’ prices are, indeed, all over the map, and that what you get from one provider isn’t necessarily the same as the other. Then ask the buyer, “Is there a reason you haven’t already given them the business yet?” Buyers often state why they’d prefer to work with you, and you can leverage those reasons to maintain your price.

**Don’t start talking cost structure.** When buyers don’t see why “something costs so much” they often ask what your cost structure is. Imagine, for example, your company is looking to sell $60,000 worth of technology hardware. Some customers will ask, “Well, how did you come up with that price?” The seller then pulls out a cost sheet with how much each piece costs, and how much time it’s going to take for installation. Heading down this path is a slippery slope and leads to nickel-and-diming. If you went to buy a car and asked what the exhaust system cost or how much the dashboard set them back, you would probably get laughed at. In the same vein, you should not lift up the hood simply because someone asked to see.

**Financing and payment terms.** Many buyers can’t buy because of payment terms. Money is an issue right now, but if they could pay it over time, they could buy. Many companies have financing support for their products. One security technology company we worked with greatly increased their sales by training their sales force to understand and use leasing to their advantage. Sales shot up once leasing entered the conversation because, as they told us, it negated buyer sticker shock.

Follow these guidelines and you’ll overcome all surmountable price objections. Keep in mind you can’t overcome them all. If a buyer is bluffing, or simply, “Won’t pay that much,” there are only a few options you have. You can call the bluffer’s bluff and see what happens. Often he’ll come back, sometimes he won’t. That’s how it goes. If the prospect truly can’t or won’t buy because of money, then, assuming you can’t help with financing, it wasn’t in the cards anyway.

**Handling the Unspoken Objection**
Our definition states “An objection is an explicit expression by a prospect that a barrier exists between the current situation and what he or she needs satisfy before they buy from you.” Sometimes, however, an objection may exist but the prospect hasn’t explicitly stated it. If you sense there’s something still under the surface, or if you want to nullify an objection before it even comes up and handle it before the prospect says a word, bring it up yourself and make it explicit. Do this, and you can minimize the impact of the objection, overcome it entirely, and
often negate a competitor’s apparent advantage over you.

Anticipate and raise objections that may be below the surface. Don’t think that just because objections haven’t been raised they aren’t there. You take a risk when you bring up possible objections, but if you’re not the front-runner by far, the risk is often worth taking. At the same time, you build the relationship with your honesty and openness. Buyers appreciate that.

**Quick Check**
Please answer the following questions as a way to review what you learned in this lesson.

**Conclusion**
Many salespeople see objections as a sign of rejection or a call to arms. With this attitude, it is no wonder objections are so often poorly handled. However, if you follow the five-step objection handling process you learned in this lesson, you can overcome the lion’s share of objections and move the sale forward.