

# Selling Power®

## | SKILLS WORKSHOP |

### SKILL Probing for real objections

**PROBLEM** Dealing with a “budget’s been cut” objection

**SOLUTION** Determine if there really is a budget cut or if it’s a smokescreen  
Make sure you’re talking to the decision maker  
Schedule an appointment to discuss the situation  
Probe to find the real objection  
Offer creative financial solutions

**H**OW DO you respond to the prospect’s last-minute objection, “The budget’s been cut”? Is it a real objection or just a smokescreen to cover up a different problem? The “budget’s been cut” objection is an easy way for a prospect to avoid a commitment and get rid of a salesperson, and it’s a frustrating objection for the salesperson to counter. *Selling Power* asked John Russell, marketing consultant for Midwest Family Broadcasting in Madison, WI, and Nicholas Brezonik, area manager for Nuance Communications in Minneapolis, MN, for their views on how to deal with this situation.

“By the time you hear this objection, if you haven’t anticipated it you’re in for a challenge,” says Russell. “Be prepared for this objection and take steps to prevent it from ever happening in the first place.”

STAY POSITIVE IN THE FACE OF A NO-BUDGET OBJECTION, ADVISES JOHN RUSSELL. SHARE A SUCCESS STORY WITH YOUR PROSPECT.

Russell believes that the first step is to do your homework and try to ferret out if this really might be a legitimate objection.

“If you are going to invest time calling on a new client, do your homework first,” says Russell. “If this is a real objection, you can often overcome it before it comes up by asking the right questions early in the selling process.”

Russell systematically works to uncover the needs of his clients by using something called “System for Success,” in which questioning and financial analysis are used to design custom advertising programs.

“System for Success is a question-answering and information-gathering system developed by Midwest Family Broadcasting to uncover the needs and wants of our prospects and clients,” says Russell. “It also features a financial analysis that allows us to design our radio products and identify the customer’s investment up front.

“If the client’s objection is genuine and you have established value and discussed re-

#### SKILL SET

**1. Talk to the right person.**

Check to make sure you talk to the decision maker.

**2. Be proactive.** Discuss budget early on in the sales process.

**3. Arrange for a face-to-face meeting.** Don’t try to handle a budget objection over the phone.

**4. Ask questions.** Determine whether it really is a budgetary problem or just a smokescreen for a different concern.

**5. Establish your product’s value.** Show how your product can generate revenue or increase profits.

**6. Present alternate solutions.** A modified payment plan might let the prospect make room for you in the budget.

turn on investment, you should be able to get funding allocated in the budget planning cycle,” says Russell. “If, after qualifying the buyer for purchase and budgets you are still stuck with the no-budget objection, it’s a false objection. You need to return to the early stages of the selling process and ask more questions to probe for the real reasons.”

Russell advises salespeople to remain positive in the face of a no-budget objection, share success stories with stubborn clients and prepare ahead of time to face this specific objection.

“Maintaining a positive attitude moves your selling process in a positive direction,” says Russell. “You wouldn’t be hearing the no-budget objection if your prospects weren’t interested in what you have to offer.

“Learn a success story well and share it with your prospects,” adds Russell. “It makes them feel good to know you’ve run into this type of challenge before. Point out the benefits the customer received by finding room in the budget and making a purchase.

“The best way to prepare for these sales surprises is to plan for them and practice,” concludes Russell. “Taking time in sales meetings and on your own to review your strategy and role playing the questions and answers allow you to overcome the budget-crunch situation.”

“Because I sell a high-involvement, expensive product, I seldom run into the ‘budget

has been cut' objection," says Brezonik. "When salespeople run into this objection, it's an indicator that they haven't qualified their prospects enough and are most likely selling at the wrong level.

"If you're at the right level and talking to the right person, money isn't really an issue if you can cost-justify it," says Brezonik. "If you're at the project manager or analyst level, you better have all your paperwork and data together. If you don't, chances are you may run into the budget objection. Obviously, they have no control, and you need

*None is so perfect that he does not need at times the advice of others. He is an incorrigible ass who will never listen to anyone. Even the most surpassing intellect should find a place for friendly counsel.*

BALTASAR GRACIAN

to get to the person who influences or actually controls the budget."

Brezonik says that gaining access to the right person sometimes can be difficult, and it's important that salespeople give the prospect a cost-justifiable reason for going with their product.

"Sometimes it's tricky to go around the person you're currently dealing with to get to the true decision maker," says Brezonik. "Take advantage of your own senior management to gain access and use higher-ups to get to higher-ups. For example, ask one of your senior VPs or your CEO to call

and set up an appointment. The higher up in the organization you are, the better chance you have of not getting the 'budget's been cut' objection. You won't find a high-level officer of a company saying he doesn't have the budget.

"Involve your prospects in the process and give them a compelling return on investment," notes Brezonik. "Be creative and incorporate transaction-based pricing, such as deferred billing. Once they actually buy into your concept, they'll find the money in the budget," he concludes.

— WILLIAM F. KENDY

**EXPERT ADVICE**

## CUTTING THROUGH THE CUT BUDGET OBJECTION

**SALES CONSULTANT** and trainer Kevin Davis feels that, in most cases, the "budget has been cut" objection is symptomatic of a deeper objection or fear.

"The first thing a salesperson should do when hit with this objection is to assume that there is some other reason for the decision, not just the budget," says Davis. "If a prospect gets cold feet at the 11th hour, there are other stumbling blocks and most likely it's a question of fear.

"Think about the last time you signed a contract to buy a car," says Davis. "You probably had doubts and reservations right before you signed. It's predecision buyer's remorse. It's no different for your prospects."

Davis advises salespeople not to try to counter a budget objection over the phone; instead, set up an appointment to probe for the real concerns.

"More times than not, this objection is delivered over the telephone, and it's much easier for the prospect to get rid of you over the phone," says Davis. "When salespeople hear this, the first thing they should do is set an appointment to discuss it.

"You need to get face-to-face with the prospect and start a dialogue that gets at the real underlying issues," notes Davis. "Buyers have a lot of reasons for not buying. It could be fear, risk, the cost of retraining staff...a number of things. Often times, buyers recognize challenges in the implementation stage that they weren't thinking about before.

"Budget cuts that far into the process just don't make sense and are probably a smokescreen," says Davis. "Budget questions should come up in the very first meeting. A salesperson should ask budget questions and get some kind of indicator what the budget is, even if it's just a range.

"A salesperson needs to dig deeper for specifics and be totally up-front with the prospects. Tell them that you talked about bud-

get at the very beginning and ask what has changed since then," says Davis. "Has another more urgent need suddenly come up, or are there underlying concerns about you and your company? These are issues that can be worked out, but only if you know about them.

"We did a consulting project for a client where we contacted a series of prospects who had told this company's salespeople that they purchased from the competition because of price," says Davis. We found out that 25 percent of these prospects never purchased anything at all. Price and budget objections are easy ways to get rid of salespeople and send them off in different directions."

Davis notes that sometimes budget cuts are legitimate, and having a decision made by committee may reduce the odds of a budget cut objection coming up.

"If budgets were cut because the new CEO ordered a 15 percent reduction across the board, it's valid," says Davis. "But chances are, by networking, you'll know if a new CEO put the skids on spending.

"In a buying decision involving multiple decision makers, emotion is still involved, but logic and justifiable reasons play larger roles and it tends to be more of a shared-risk decision," says Davis. "Not all decision makers are equal and you're less likely to run into a budget objection at that level.

"If you've discussed budget with the right person at the initial meeting and this objection comes up during the fifth or sixth call, and you can't identify underlying fears or concerns, it's time to reevaluate the prospect," says Davis. "You've invested time and effort and have to ask yourself, 'Is this client really serious about doing business?'"

*Kevin Davis is president of Kevin Davis Selling Systems, LLC and author of the book Getting into Your Customer's Head. For information call 1-888-545-7355, or email Kevin@customreshead.com.*