

MONEY PITFALLS



By John Whitehall, Strategic Sales Training Solutions, Member, Small Business Resource Association

As a professional, your reluctance to be perceived as a "salesperson" may cause you to have trouble being up-front about money issues. This can cost you money. Here are two common money pitfalls, and ways to avoid them.

#1 You give your expertise away. Your prospective client has an objective: To find what you know, how you can solve his problems and how much you cost. When you give this information without payment, it's called free consulting.

Many salespeople and professional service providers do a lot of free consulting. You find out what the needs of the prospective client are and then say, "Let me tell you how I can fix that for you." Then he says to you, "It looks good. It's one of the best presentations we have seen. You have given us a lot of really good information (the operative word here is "given") that I am sure we can put to good use. Send me a proposal and I'll talk it over with my partners." What you don't know is that the prospect already has several proposals. They all say basically the same thing, so someone gets beat up on price, or the prospect does nothing.

#2 You give a price too early. Prospective clients often underestimate their problems. They paint a simplistic picture of what their needs are and say, "Well, I think I'm paying too much. What can you do for me?" The problem is, you don't really know how much it's going to cost until you get in and look. Generally, when you quote a price too early, that price winds up being higher after you uncover the client's true needs. Then you have the problem of saying, "I know I told you \$5,000, but it's really going to be \$7,000 or \$8,000." You gave in to pressure from the prospect to give a number and you came up with one too soon.

Try this instead: "Based on what you've told me, it sounds like this may run between \$4,000 and \$5,000. Now, do you know what my problem is when I give you a number like that? The problem is this is just an estimate. Typically, when I talk to people like yourself, they tell me about A, B and C. Once we get a close look, we find out about D, E and F. Chances are it's going to be more. So, I'll tell you what, understand that this estimate is for A, B and C, and that if there are some other things you need, it's going to be extra."

Yes, it's a gutsy thing to say. But remember, that your expertise and service are money in the bank. Don't give it away! Charge what you are worth, get your price, and make it stick.

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