

## CHAPTER TWO

# CATASTROPHIZING

“Striking out before  
you get to the plate”

**R**EMEMBER THAT C.R.A.P. IS AN ACRONYM that stands for Catastrophizing, Rationalizing, Agonizing, and Procrastinating. Thus, the first of the four internal obstacles we have significant control over is “Catastrophizing.” Catastrophizing takes two forms. The first of these is making a catastrophe out of a situation. One example of making a catastrophe of a sales situation is believing that your pipeline is hopelessly empty when it is really only temporarily inactive and there are things that you can do to change this situation. Another example is believing that, if your best customer does not close “one large deal” with you this year, you will not make President’s Club and might even lose your job. In actuality, there are steps that you can be taking today to make sure that you solidify that large deal or fill your pipeline with other opportunities. You get the idea. This kind of Catastrophizing takes a current situation and gives it a truly negative “spin.”

The second kind of Catastrophizing is closely linked to the first, but it is more mental and more future oriented. This kind of

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Catastrophizing occurs when we look to the future and anticipate all the things that are going to go wrong – then create a reality around those imaginings (e.g. “It’s bound to go South on me...”). Falling prey to Catastrophizing is like striking out in your mind before you even get to the plate. Both of these “types of Catastrophizing” limit your opportunities to achieve your sales goals and your quota retirement. Both may lead you to self-pity, to an irrational, negative belief about the situation, and

to a feeling of hopelessness about making the sale. Further, both of these types of Catastrophizing will define either the presence or absence of alternative possibilities, and possibly paralyze you from going further with efforts toward more closed sales, quota relief, and higher commissions.

However, the first type is the easier type to recognize and stop. The second type is harder to see and in the long term, is frequently more devastating in its consequences. Let’s begin by looking at the first type of Catastrophizing.

### **TYPE ONE CATASTROPHIZING:**

#### **Catastrophizing the Present — “I’ll never get that sale because...”**

We have all faced what we thought were selling catastrophes. It may have been an executive meeting you weren’t prepared for, an RFP response that garnered less than your best effort, or a cold

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call that left you speechless and appearing inept. Some of these statements may sound familiar:

*"It's going to RFP and we can only hope that we can beat our competitors with our response."*

*"He's going to sign a deal next week with our competitor. There is nothing we can do now."*

*"I've called and left messages at least five times and he just won't return my calls."*

*"She is the CIO and she will just not see sales people."*

*"Our price is too high. If we don't drop our price below our competitors, we will lose this deal."*

*"They can't afford the set-up costs associated with our service and my manager will never waive them."*

*"They've rescheduled on me twice for the water purification demonstration. I know they must be looking at a department store solution."*

*"They think that all vitamins and supplements are the same."*

Chances are that if you have been in sales for any length of time you have heard these types of comments coming from your mouth or the mouths of your fellow sales people. We have all lost sales, but it is critically important to remember, prior to losing a sale, you haven't lost it yet. In other words, never give up on a sale until the ink has dried on the paper, and even then, the sale is

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not *always* lost. Some sales people separate themselves from others by closing more business. These sales people make up the 10%, or the elite, in the sales profession. What do they do differently than the other 90%? For one thing, they never catastrophize the sales process. They realize that no deal is closed until the deal is closed. Catastrophizing the sales process prior to the deal closing is like throwing in the towel and just giving up. Type One Catastrophizing (making mountains out of molehills) can be controlled by understanding the process you and the buyer are going through. There is a Sales Process and there is a Buyer Process. As the Seller, you need to always recognize where you are and where your buyer is throughout your respective processes. Once you understand this, you will feel much more comfortable with your situation and you will be much less likely to catastrophize a situation. We will spend a considerable amount of time in examining the sales process from the buyer and seller perspectives, but first, Type Two Catastrophizing.

## **TYPE TWO CATASTROPHIZING**

### **Catastrophizing the Future — “They’ve probably already bought from someone else...”**

This form of Catastrophizing occurs when you create a reality around a future situation that is not even real, based on your negative thoughts. An example of Type Two Catastrophizing is when you don’t get a response from your prospect after four days of phone calls and you immediately throw in the towel and qualify the opportunity as a “lost sale.” What you may not realize is that there are three people on a buying committee and you have only been dealing with one of them. All this while you are Catastrophizing, thinking this is a lost sale! Let’s say your

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contact, we'll call him Bob, has made his recommendation and turned the project over to the other two members of the buying committee to review the proposals. So as you continue to call and ask for updates, this project is no longer a priority for him. He has made his recommendation and is now working on a new project.

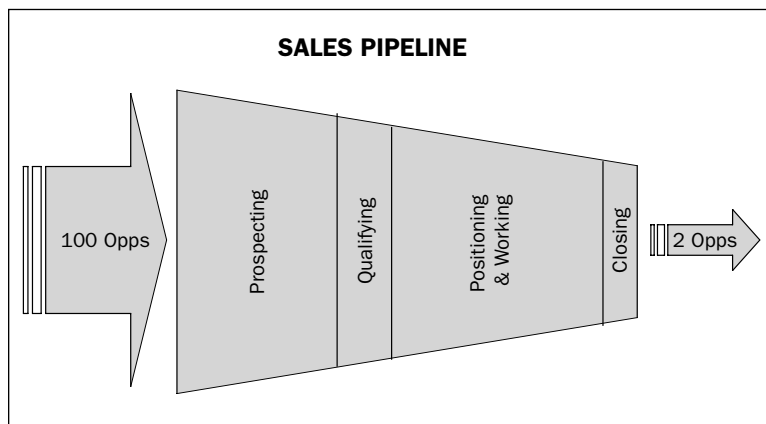
So, while you have been contemplating how you are ever going to replace this large sale that you have already forecasted to your manager, your competition has met with the other two buyers on the committee several times. They have met with them because they gathered the information on the buying committee several weeks ago when they met with Bob for the first time. While you were Catastrophizing, they were working the sale. They had the right information and therefore, were not shocked when Bob did not call back since they knew that the other two buyers were the decision makers and Bob was really only an "influencer" on this project. We will define the "Influencer" Buyer and the other types of Buyers later in this chapter. Information is the key to resolving Type Two Catastrophizing. You must gather information at every engagement with your prospect. Gathering information is a key element to eliminate Catastrophizing and to generate sales success. We will outline some steps to eliminate Catastrophizing from your sales life at the end of this chapter.

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## THE FOUR PHASES OF THE SALES PROCESS

Selling is a process. It is important to understand the phases of the sales process so that you can approach your sales opportunities in a positive and objective manner and avoid Catastrophizing. In a minute you will also learn that your buyers have their own process that they go through. By understanding the two and making sure that the buyer process and the sales process are always aligned with each other, you can close more business. The Sales Process consists of four phases: Prospecting, Qualifying, Positioning, and Closing. Let's discuss the Four Phases of the Sales Process in more detail.



**Figure 2-1 The Sales Pipeline**

Sales is often times referred to as a “numbers” game. What that means is that if you put 100 opportunities into the pipeline through prospecting, there may be only 2 that come out the other end as closed business. It's important to note that the sales process is a pipeline or a funnel, not a doorway. All opportunities must be “worked” through a sales process to closure.

### **Phase One: Prospecting**

Prospecting is what most sales professionals refer to as “filling the funnel” or “feeding the pipeline.” Sales people and sales managers see the sales process as a funnel or pipeline. You have to feed opportunities into one end of the funnel to get closed business out of the other end. No matter what you are selling, it takes time for an opportunity to progress through the pipeline. Prospecting is the act of locating opportunities that are worth pursuing. One method of doing this is the dreaded cold call, another is networking. Regardless of your most effective method of prospecting, you must do it continuously. As the ancient Chinese proverb goes, “*Don’t wait until you are thirsty to start digging a well.*” We will discuss prospecting and sales pipeline “feeding tactics” in more detail in Chapter Three.

### **Phase Two: Qualifying**

Once you have located an opportunity, you have to qualify the business. In other words, is it going to be worth the time and effort to pursue this opportunity? If you have ever played a poker game like seven card stud, you know that you are better off getting out of the game early rather than late if you have a horrible hand because you will forfeit less money. Now, while you could bluff your way to winning a pot in poker, this will rarely, if ever, happen in sales. And we can guarantee you this, if it ever does happen with a customer, it will never happen with them again, because next time, they will call your bluff. That is assuming, of course, that they deal you a hand at all! Qualifying techniques are covered in more detail in Chapter Three.

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### **Phase Three: Positioning or “Working Your Pipeline”**

Positioning is important in all sales whether you are selling cleaning products or professional services, but this phase is usually the longest and also the trickiest to navigate in more complex sales, and for good reason. Positioning requires that you have a constant “pulse” on what is going on with the decision makers and influencers for your sales opportunity. If you are not meeting with the right people and discussing the right issues, you are not positioned well to win this business. It is important to know if you are heading in the right direction and to recognize that you can always change your position as long as the deal has not closed yet. This phase can be best summed up with the metaphor of football. Every action you take should move your opportunity closer to the goal line. Knowing what steps are necessary to get to that goal line is your sales strategy. In more complex sales, those involving many different buyers, a sales strategy is imperative to secure the business. If you are selling products through networks, it is still important to understand how you are currently positioned and which steps will be required to close the sale. We will discuss Positioning techniques in more detail in Chapter Four.

### **Phase Four: Closing**

A generation ago it was assumed that the best closers were the best sales people. Today these types of sales people often come across as pushy and unprofessional. Niel Rackham dispelled the myth of closers as the best sales people in his best selling book, *Spin Selling* (McGraw-Hill, 1988). He points out that the one common trait among top sales performers is their ability to drive the sale based on “*customer needs and the seller’s diagnosis and pre-*

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*scription.*” The key is to listen first and prescribe second. There are literally hundreds of different closes that have been developed over the years, many of which are totally inappropriate for today’s selling environment. For example, the Alternative Close: “Would you like to order 50 or 100 units?” While this sample question may seem entirely harmless, the timing is what makes most closes inappropriate. We will teach you how to time the close so that closing becomes, in effect, a non-issue. In fact, the close is often times done prior to the actual scheduled close date. Closing should simply be the next natural step in the process when you reach that point. Even the buyer should view it as the logical next step in the process. We will discuss more of the sales close timing and tactics in Chapter Three.

**THE FOUR PHASES OF THE BUYER PROCESS**

Now that you understand the Four Phases of the Selling Process, it is important to understand the process from the other side of the desk, the Buyer Process. As we mentioned earlier, a good sales process is like a dance between buyer and seller. So, now, let’s look at the buying process. The Buyer Process also consists of Four Phases: Needs Awareness, Search for a Solution, Cost Justification, and Risk Assessment. Depending on what you are selling, a buyer may take 60 seconds or 12 months to go through all four of these phases. These phases designate the concerns that are at the top of the buyer’s list. When you understand what the buyer is going through, it makes your selling efforts more

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productive and fruitful because you are selling to their current needs. We never recommend trying to manage the buyer. Instead, you always manage the seller and buyer *processes*. Let's examine these four phases in more detail.

### Phase One: Needs Awareness

Have you ever bought something that you didn't need? We all have. That's why this phase can also be labeled as "Wants Awareness." Either way, in this phase the buyers are aware that they have a need (or a want) that must be satisfied. If you are selling to someone who recognizes that he or she has a need to be filled, you are further down the path than someone that does not

even know that they need the product.

For example, if you are selling air and water purifiers, many of your customers may not even know that they have a need for your product. So what should you do? Most sales people in this line of business do not make a sales call without giving a demonstration of what can be filtered out of the water and air. Why do they do this? To put the prospect into Phase One of the Buyer Process. The buyer now recognizes the need for something to clean their tap water. Most buyers enter Phase One without Seller assistance. Selling in a marketplace where buyers are not even aware of their needs is a

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much more challenging situation. It is also much more difficult to prospect.

### **Phase Two: Search for a Solution**

Once a buyer has recognized a need (or a want) that must be satisfied, the buyer will search for a product or service to satisfy it. When buyers are in this mode, they are more willing to engage with you if they think that your offering will satisfy the need that they have. If you have been in sales for a while, you may have heard the phrase, "In sales, timing is everything." To a certain extent, this is true. Sales people that close a lot of business based on this premise are hitting their prospects when they are in Phase Two. Have you ever made a sales call into a prospect and been told "Your timing is perfect; we were just discussing your product/service in a meeting yesterday." They have recognized a need and they are now searching for a solution. Appointments are always easier to set in this phase. Once in the meeting, it is important to position your solution as a viable selection to satisfy their needs, then move the buyer to the next phase, cost justification.

### **Phase Three: Cost Justification of the Solution**

In this phase, the buyer will begin to analyze the cost of the solution. Notice that this phase is not called "price" of the solution. The price and the cost are two separate issues. A price is a dollar amount usually associated with the product or service. The cost generally reflects the Total Cost of Ownership.

In the example of the water purifier, a unit that may have a higher price tag may require a new \$30 filter once every year

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whereas the lower priced unit may require a new \$10 filter every month. The filter prices may give the higher priced unit a lower “Total Cost of Ownership.” There is also a big difference between being “higher priced” and being “expensive.” High priced versus expensive is all based on buyer perception. If a buyer perceives an item not to be worth the price they are being asked to pay, they will consider it

too expensive. If it is higher priced, but justifiably so, it is merely a higher price for a higher quality item. If it is higher priced, the buyer will spend more time in Phase Four before making a final decision.

#### **Phase Four: Risk of Buying or Not Buying**

Buyer’s understand that every decision they make will have some risk in it. Risk is the motivator for buyers to purchase extended warranties on products, particularly vehicles. *“If it breaks, I don’t want to be financially responsible for fixing it.”* For a water filtration system, the risk may be \$150 if they buy the unit and an unhealthy family if they don’t. The cost of the medical bills and prescriptions for increased sickness over the year may outweigh the costs of the filtration system by 10 to 1. However, if their unfiltered water does not appear to be too unhealthy, the buyer may opt for no purchase at all.

Usually in Phase Four, the buyer only needs reassurance from the seller. This can be thought of as hand holding your prospect to the close of the sale. For larger sales in a corporate environment,

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this phase may require a reminder from the sales person about the Total Cost of Ownership (TCO) and Return on Investment (ROI) analyses that were done as part of the proposal. If you are selling something like food supplements, you need to remind buyers of the risks associated with *not* purchasing. What will

**BUYER PHASES AND THEIR CORRESPONDING PRIORITIES**

	<b>Phase One: Needs Assessment</b>	<b>Phase Two: Search for Solution</b>	<b>Phase Three: Cost Justification</b>	<b>Phase Four: Sales Closure</b>	
Buyer priorities during each phase	Risk	Risk	Risk	<b>Risk</b>	
	Solution	<b>Solution</b>	Solution		
	Price		<b>Price</b>		Solution
	<b>Needs</b>				Price
		Needs	Needs	Needs	

**Figure 2-2 Buyer Phases and Their Corresponding Priorities.**

All four concerns Needs, Solution fit, Price, and Risk are present throughout the Buyer Process, but only one area will be of major importance during each of the four phases. As buyers progress through the four stages of the Buyer process, it is imperative for the professional sales person to satisfy the greatest need at each stage. Without doing so, the Buyer will not proceed to the next phase of the Buyer process. The diagram above denotes the greatest concern with buyers at each phase of the process.