The Step-by-Step System to Building Your Small Business

Helping small business owners around the world build successful, profitable and rewarding businesses

Module 3

Client Conversion Made Easy

Lesson 3C

Handling Objections Effectively

Solutions and
Direction for tomorrow's possibilities

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Introduction

Dear Business Owner,

I am excited to teach you how to "Handle Objections Effectively!" I am excited because I know that once you master these techniques, the number of prospects who become your clients will increase dramatically! Remember, the focus of all your marketing efforts, essentially everything you do to grow your business, is for the purpose of securing and conducting Comp Consults. And an important part of the Comp Consult is being able to address the questions, concerns and objections of the prospective client.

The good news is that if you follow the Comp Consult structure in Lesson 3B, you will get far fewer objections than you are probably getting now. In addition, the objections you do receive will be far less potent and much easier to handle. The reason for this is the potential client has already experienced the pleasure of achieving whatever it is that he really wants. The person has also already felt the pain of not achieving what it is that he wants. Do not underestimate the power of those feelings as you prepare to handle objections.

You have created a foundation, so if a prospective client objects, you can reconnect him with these feelings and uncover what is really holding him back.

In this lesson, you will learn:

- That there are only about 7 objections you will ever hear.
- The "Magic Question" that you can use for every single objection.
- How to get the prospect to invite you to "sell them."
- Exactly how to handle the dreaded money objection.
- How to uncover the person's true issue or concern.
- The critical success factors for handling every single objection.

You can learn how to address any objection that might come your way. Simply follow these guidelines and practice!

Best regards,

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Overview

Imagine you have followed the recommended Comp Consult structure. Your consultation has provided value. You have painted a picture of how much better the person's life/business could be if he works with you and how things probably won't improve if he doesn't do something differently. You have established a connection and you really think the person would benefit from working with you. So you ask the question...

"Would you like to hire me?"

And what does the person say?

A few people will say "Yes!" on the spot. More often than not, however, people will respond with questions, concerns, challenges, fears and objections. I call this the "Moment of Truth." It is an opportunity for you to use your coaching skills to uncover their true concerns, answer their questions and help them make the best possible decision.

There are two phases to handling objections:

1. The preparation you do now.
2. The steps you follow in the moment of truth when you get an objection.

This lesson outlines exactly how to prepare and then how to handle virtually every objection there is.

The Preparation Phase

There are three main components for preparing to receive and handle objections. As with this entire business-building system, do not let the simplicity fool you. These three foundational steps are incredibly important because they help strengthen the "professional posture" that is so important for your success.

1. Expect and Plan

People may tell you that expecting a negative is making it a reality, so don't expect to get objections. I disagree! You are going to get objections, so expect them and prepare.

People are afraid of "being sold." When this happens, they create an objection to avoid making a decision. It is your job as a business owner to uncover their true concerns and coach them in order to help them make good decisions.

There is nothing worse than being unprepared, feeling that you are doing something wrong or believing that nobody else is facing objections. We all are! It is our natural tendency to have questions, concerns and objections. If you expect such obstacles and are comfortable "coaching to the objections," you will be more successful!

2. Practice! Practice! Practice!

I could write this word ten more times, and it would not adequately express the importance of this step! Since you know you are going to get objections, why not prepare for them in advance and practice exactly what to say?

In an actual Comp Consult, you will customize your response based on the conversation with that particular person. But trust me; you don't need to modify much! Practice with business associates, friends and family in advance. Your belief and confidence will go through the roof!

I know it may be hard to believe, but it is actually FUN coaching to objections when you know exactly how to respond to every objection because you are fully prepared.

3. Believe

Do whatever it takes in order to fully, completely, unabashedly, and proudly BELIEVE in your prices and in your business offering! You must feel in your bones that you are providing a valuable service/product that is worth every penny you charge.

Objections should almost feel silly to you because you so believe in the value of what you do and provide. When you really understand this, following the structure for handling objections will become natural and easy.

Remember, if you find that you are not handling objections the way you would like, chances are it is because you are not prepared and/or you do not really believe!

Critical Success Factors

Get Permission

It is incredibly important throughout the objection phase to continue to get permission to continue. You will notice in the role plays and examples in this lesson that the coach is constantly saying things like, "May I challenge you on that?" or "Can I ask you a question?" or "Do you want to talk about this some more?" This type of questioning puts the prospect in control, so they don't feel pressured and then respond to you with resistance. Also, it builds your confidence because they are inviting you to continue.

Hold to Higher Standards

Do not let them off the hook! As long as you balance this with "getting permission," you will do fine!

If the Comp Consult is done well and you have helped them identify what they want, how they will feel when they get it and how they will feel if they don't, then they will want you to challenge them!

Tap into the Pleasure and Pain

There is a reason you conducted the Comp Consult the way you did. It is incredibly important for the person to feel the pleasure of achieving their goals and dreams as well as the pain of not doing so. Remind them of this when they object.

Combine this with challenging them and holding them to a higher standard as described above. Ask them again, "How are you going to feel if you don't do this?" The key is not to tell them but to allow them to "feel it again" both the pleasure and the pain!

Speak from Experience (Professional Posture)

It is important and powerful to remind the person of your knowledge and expertise. Make comments like, "It has been my experience" or "In my work with dozens of other clients" or "That is understandable. You are not alone. Many of my clients feel that way." This gently reminds the person that they are in good hands. That you are an expert! That you have experience. That what they are experiencing is normal. Unique, yes, but not out of the ordinary.

Act as if You Have Been Working with the Person for Six Months

Think about how powerful your work with clients becomes once you have worked with them for a significant amount of time, say six months. You are probably at your best…comfortable, direct, honest and open.

When you relate to them in this way during the Comp Consult, you will get more clients! People want a powerful, professional, honest advisor who can talk straight, challenge them and hold them to a higher standard. It begins in the Comp Consult and continues throughout the objection phase. Act as if you have been working with them for six months, and don't be afraid to say and ask whatever you would to a long-term client!

Make the Decision Together

It is important for you to feel and "get" that this isn't about being on two different sides of a negotiation table. Position it as a decision that you and the prospective client make together. For example, if a person says he needs to think about it, you should genuinely want to help that person make the best decision he can.

Say something like, "Look, Joe, I only want what is best for YOU. You would not make a good client for me if you are not sure. I don't want you to feel as though you need to go at this alone. So, let's think about this together. That is what I am here for. I genuinely have your best interests at heart, whether you decide to work with me or not. May I coach you to help you make the decision that is best for you?"

Say What Comes to Mind

It continues to amaze me how many professionals are fearful about saying what is on their minds. Here is an example: If a person says, "I need to think about it," don't you wonder what the person needs to think about? It surprises me how few professionals will ask that question! So, if you are wondering about something, consider it a sign to ask! You cannot coach to an objection or assist the prospect in making a wise decision, unless you know what the issue is. And the only way to know is to ASK!

Always Get the Next Appointment Scheduled

Do not end the conversation as soon as the person says, "I will let you know" or "I'll be in touch" or "You'll hear from me next week." When you hear these types of things, it usually means that you did not do an effective job in the Comp Consult of building trust, connection and support. Remember, it is best when you can make a decision together. A great response is, "Joe, how about I go ahead and set another time to meet? You can share your thoughts with me then."

Get Payment and Solidify the Agreement Immediately

A client is not a client until three things happen:

1. You get an agreement.
2. You schedule your work, calls, meetings, etc.
3. You receive payment.

As much as possible, your goal is to do all three of these at the end of the Comp Consult. If you are going to take your business seriously, you must be able to accept credit and debit cards. At the end of the Comp Consult, when they say they are ready, you say:

> "Great. I need two things to get you started. One is a bank or credit card. Two is we need to choose our consultation times."

Offer a Free Subscription to Your Newsletter

If someone decides not to hire you, it is important for you to continue to serve the person. You can do this by offering to refer them to other professionals and by offering them a subscription to your free newsletter. You want to continue to provide value and build a relationship. The person might decide to hire you at a later date or might become a great source of referrals.

Three Simple Steps

You will be happy to know that there are just three simple steps in handling objections effectively:

1. Acknowledge the response.
2. Ask "The Magic Question."
3. Address and coach to the objection.

Each step is covered in detail below.

Step 1 Acknowledge the Response

Whenever you get an objection, the first thing you want to do is acknowledge that you heard the person and that you understand and appreciate their concern. Do NOT argue or make the person wrong. This will only make the person defensive and more focused on their position.

Examples:

"I understand how you feel."

"I understand your concern."

"You're right, it is a big decision."

Step 2 Ask "The Magic Question"

After you have acknowledged the person, it is time to ask "The Magic Question." All you are doing with The Magic Question is getting their permission to continue the conversation. When you get an objection, after you acknowledge the person, try something like the following.

Examples:

“So, (name), would you like me to let you go right now, or would you like to talk about it a little more?”

“I said I wasn’t going to hard sell you, so would you like me to address your concern, or would you rather I wrap up the call right now?”

Do not let the simplicity of The Magic Question fool you into thinking it is not important. When the person responds that they would like to talk about it (which 90% of the people will do), you are literally halfway to closing them! Please do not skip this step!

Here’s why The Magic Question is so powerful:

- It gives the prospect a choice. People love choices!
- It puts the prospect in control. It shows that it is their decision.
- It builds trust.
- It allows you to keep your promise to not “sell them.”
- It allows the prospect to invite you to continue!
- It shows that you are unattached to the outcome.

Step 3 Address and Coach to the Objection

The key to handling objections is to remind the person of the pleasure and pain of achieving/not achieving their goals and dreams. This is why the Comp Consult is structured the way it is.

This is where you get to be a coach. Help the person focus on what he or she really wants, and have them articulate what “solving their problem” is worth to them. Reiterate the results and benefits the person can expect to achieve if they work with you, and help them see what it will cost them if they do not address the issue.

Keep asking permission along the way: “Would you like me to go on?” “Would you like to talk some more?” “May I ask you a question about that?” “Can I challenge you a bit?”

This is important because each time you ask a question and they say “yes,” they are giving you permission to continue. Your confidence will build because you will realize that they are asking you to close them!

The 7 Main Objections

When I ask business owners to name all of the objections that they have ever heard, the same objections come up over and over. Although each one may be phrased in a number of different ways, virtually every objection falls into one of these 7 categories:

1. Not Ready

"I am not ready now; maybe in a couple of months."

"I have to get some things handled first, and then I will be ready."

"I am just not sure I can commit to this right now."

2. No Time

"My plate is full. I cannot take on anything else at this time."

"I am not sure I have time for this."

3. No Money

"I can't afford it."

"Wow, that sure seems expensive. I can't pay that for (your service)."

4. Unsure of Value

"I am not sure this is for me."

"I am not convinced this will really help me."

5. Check with Third Party

"I want to talk about it with my spouse first."

"I need to run this by my business partner."

6. Think About It

"I am not sure right now; I need to think about it."

"I take time to make decisions; let me sleep on it."

7. Interview Other Competitors

"I would like to research my other options."

Below are sample scripts for handling the "Not Ready," "No Money" and "Check with Third Party" objections. Read these through to see how the three steps covered previously are implemented and how the "Critical Success Factors" apply.

The "Not Ready" Objection

Often when people say they are not ready, it is an excuse or a way to cover their real concern. This is where you put on your coaching hat and discover what is really holding them back!

Example:

Coach So, Jane, would you like to hire me to be your coach, so you can start living a more balanced and stress-free life?

Client It sounds good, but I am not sure I am ready to commit yet. Maybe in the future.

Step 1 Acknowledge

Coach You're right, Jane, it is a commitment!

Step 2 Ask the Magic Question

Coach Jane, I made a commitment to you at the beginning of the call that I wouldn't pressure you or hard sell you in any way. Would you like me to let you go, or do you want to talk about this for a little bit?

Client What do you mean, talk about it?

Coach Well, Jane, I want to challenge you a little bit, but it is up to you. Coaching only works if it is something you want. May I challenge you in a friendly way?

Client Okay.

Step 3 Address and Coach to the Objection

Coach What exactly do you mean by, "I am not ready to commit yet?"

Client Well, I think in a couple of months it might be better. I have a lot on my plate right now and don't want to take on anything new.

Coach Jane, I'm confused. You just spent 20 minutes telling me how important this is to you! You said that achieving work/life balance would dramatically improve your life, and that the stress you are currently under is making you miserable. What's changed in the last five minutes?

Client Well, when you put it that way…I just think I need to get a few things in order first.

Coach Can I ask what you need to get in order?

Client Well, I just feel like I have a lot going on right now, and I want to free up some time before I start something new.

Coach May I ask what some of those things are?

Client Well, I have….etc., etc., etc.

Coach Has this worked in the past, getting all your ducks in a row before you take time for yourself and your life?

Client No, not really.

Coach Jane, may I be direct? People often feel like they have to "get their house in order" before they can address what's really important. In its purest form, this is fear. I'm not saying you're wrong. It's common, and I see it all the time. And I feel it is my responsibility as a coach to point this out to you.

In fact, if we decide to work together, one of the first things I would focus on is getting your house in order and freeing up some more time for you.

Let me ask you—are you really serious about giving up the stress and misery and living a more joyful, fulfilling and balanced life? I really believe I can help you achieve that, but it's up to you to make the decision.

This conversation could continue. Jane could say yes right here or continue to object. Do you see how in this example the coach is doing two important things: uncovering the real issue and coaching on the obstacle that is keeping Jane from addressing this important issue? See "Critical Success Factors" below for more details on these two techniques.

The "No Money" Objection

The money objection is probably the most common. Whenever you get the money objection, follow these three steps:

Step 1 **Acknowledge what they say.**

Step 2 **Ask The Magic Question.**

Step 3 **Determine if they flat out can't afford it** (i.e., they do not have the money to make the investment) **or if they don't really see the value.**

It is very important to find this out right away. Depending on how the conversation goes, you have a couple of options:

1. If they simply cannot afford what you do:

- **Consider offering your Low-Tier Pricing option** (see "Lesson 3A: Pricing for Profit" for more details).
- **Consider offering enrollment in a group or buddy program** (if you have one).
- **Consider referring them** to a competitor who is newer in your field, charges less or is looking for pro-bono work.

2. If they don't see the value or are unsure about making the investment:

- This is **usually caused by lack of belief** that your service/product will work for them. Did you do a good job explaining your *How*? If not, **revisit the conversation about how you work and what they can expect**.
- Help them identify **what it would be worth to them to achieve** what it is that they want.
- **Find out how much they expected to pay and only talk about the difference.**
- **Consider offering a money-back guarantee** or **reducing their upfront cost and commitment**.

Example:

Coach So, Jane, would you like to hire me to be your coach, so you can start living a more balanced and stress-free life?

Client It sounds good, but I am not sure I can afford it.

Step 1 Acknowledge.

Coach I'm glad you think it sounds good! And you are right, it is definitely an investment.

Step 2 Ask The Magic Question.

Coach So, Jane, there are two ways I can go right now. If you like, we can talk about it a bit and see if there is a way you can afford it; or, if you like, I can let you go. Which would you prefer?

Client: Well, I'd certainly be interested in hearing a way I can make it work.

Step 3 Determine if they don't have the money or don't see the value.

Coach Is it that you flat out don't have $400 per month, or is it that you don't see the value in this?

Client It's a little of both.

Coach It sounds as if you saw the value, you might be able to find a way to make this investment in yourself. I understand your hesitation, and I firmly believe that you will get way more than $400 worth of value per month. Would you like to talk a little more about this?

Client Sure.

Coach Jane, you just spent 20 minutes telling me how once and for all achieving work/life balance would dramatically improve your life and that the stress you are currently under is making you miserable. Were you pulling my leg earlier in the call, or are you ready to finally get this area of your life in order?

Client (Laughs) I was serious! I guess I just don't believe that coaching is going to help me. I've been a workaholic my whole life, and I don't really see how that is going to change.

Coach Well, Jane, if you really want it, I can help you get it. But it's up to you. So let me ask you, are you ready to live a more balanced and stress-free life, starting right now?

Find out how much they expected to pay and only talk about the difference. (It is much easier to justify a $100/month difference than $400/month.)

Coach: Let me ask you, how much would you expect to pay for this kind of service?

Client: I don't know. Probably about $300/month.

Coach: So, it sounds like your concern is about the extra $100 per month, right?

Client: Yeah, I guess you're right.

Coach: Based on our conversation today, I'm convinced that within three to four months of working together, your life will be significantly less stressful and more balanced. Isn't that worth the additional $300 or $400 to you?

<u>*Help them determine what it would be worth.*</u>

Coach If money weren't an issue, would you be ready to get started?

Client Definitely.

Coach So, let's say we worked together for three to four months. You were implementing a plan we created together and were well on your way to achieving true work/life balance. What would that be worth to you?

Client I don't know, but I probably couldn't put a price on it.

Coach In the grand scheme of things, how does $400/month for a couple of months compare to that?

<u>*Consider offering a money-back guarantee.*</u>

Coach How about this? I only want to get paid if this is valuable to you. Let's get started. I'll bill you $400 for the first month, and if you don't receive the value you expected after those first three calls, I will refund your money. How does that sound?

The "Check with Third Party" Objection

When a potential client says that they are interested but needs to check with someone else, use the following strategies:

Step 1 **Acknowledge what they say.**

Step 2 **Ask a modified version of The Magic Question.**

Step 3 **Determine the person's true readiness** and what the "checking" with someone else is really about.

Step 4 **Offer to have a conversation with the other person.**

Step 5 **Set up a definite time** for the prospect to get back to you with a decision.

Example:

Coach So, Jane, would you like to hire me to be your coach, so you can start living a more balanced and stress-free life?

Client It sounds good, but I would like to run it by my husband first.

Step 1 Acknowledge

Coach Good for you! I think it is great when couples make decisions together.

Step 2 Ask a modified version of The Magic Question.

Coach Before I wrap up, may I ask you a couple of questions?

Client Sure.

Step 3 Determine the person's true readiness and what the "checking" with someone else is really about.

Coach Are you 100% ready and committed to work with me as your coach to dramatically reduce your stress and live a more balanced life?

Client Why do you ask?

Coach Quite frankly, because if you are not really ready and committed to making a change in this area, it will be difficult for your husband to see the importance of this investment. He has not been experiencing my coaching like you have. It is important that you are passionate and dedicated to this before you try to explain it to your spouse. Does that make sense?

Client: Sure. I guess I have some concerns, too…

Address the concerns.

Step 4 Offer to have a conversation with the other person.

Coach: Jane, I really want you and your husband to both feel great about my coaching you. If you like, I would be happy to coach you on how to approach your spouse, and/or I would be happy for the three of us to have a conversation, so I can answer any questions he may have. Do either of these options appeal to you?

Step 5 Set up a specific time to speak and get the person's decision.

Coach: Jane, may I ask when are you planning on having this conversation with your husband?

Client: This weekend.

Coach: Great! Let's pick a time to touch base, so you can let me know what you decide. Does Monday at 4 P.M. work for you?

Assignment Practice Handling Objections

1. Make a list of all the possible objections you think you might encounter.
2. Work with your coach or a buddy and role-play each of the objections.
3. Practice! Practice! Practice! and before long you will feel confident and be able to handle any objection!

The possible objections that I might encounter:

____

____

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____

The coach, buddy, associate, or friend(s) I can practice handling objections with:

____

____

____

I will call the above individual(s) by _________ (date) to schedule a practice session.

Summary

The ability to coach to objections is incredibly important for filling your business with clients. I have heard too many stories where business owners report that their Comp Consults are not working.

I invariably ask, "What happened when you asked for the business?"

Often the business owner will say, "They said they would think about it, or they just weren't sure, or they needed to check with their spouse."

Then I ask, "What did you say?"

All too often, the owner admits to backing away and just asking the prospect to "Let me know when you have made a decision."

Would you let YOUR clients off the hook this easily? Certainly not!

Handling objections is critical to growing your practice. If you are performing Comp Consults and are not converting at least 30-50% into paying clients, let me know, so we can fine-tune what you are doing to improve your results!

Good luck, have fun and practice!