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**Consulting Tips from the Million Dollar Consultant:
The Dreaded "That's More Money Than We've Budgeted"**

by Alan Weiss, Ph.D.

When you've submitted a proposal and the buyer responds with some variation of "Sorry, we like it, but we don't have anything near that kind of money," you're likely to stammer, "Well, what kind of money DO you have?!" For all I know, that might work, but I think there are some less mortifying replies.

First, understand that the buyer isn't really saying that there isn't enough money, but that he or she really doesn't see enough value to justify the investment. After all, there's ALWAYS money. I have to tell consultants every day that their clients, no matter what size, are wasting far more money each month than the fees in their proposals. What's actually the problem is that the buyer doesn't appreciate the results the project will generate.

So, immediately turn the resistance into a question about the buyer's perception of value. Most consultants fall into the trap of focusing on the client's reluctance to spend, rather than the inability to see. Also, let the buyer know that his or her position is one you commonly encounter. Your reply might be, "I understand, that's not an uncommon reaction at this point. Let's focus on the outcomes: What is the value that you perceive you'll receive as a result of the successful implementation of this project?"

What you've done is to firmly demonstrate that the objection is neither a stumbling block nor a deal breaker, that it's quite common, and that you want to know about the prospect's expectations. That is a tremendous reversal in just a sentence or two. Once the buyer explains his or her perception of value, you have several options.

One: The perception of value is too small, and you have to re-educate the buyer about the true benefits. The buyer may be thinking in terms of one year, although the savings will be gained indefinitely, or may grow every year. Or the buyer may not tie-in a communications improvement with a productivity improvement.

Two: The urgency isn't sufficient. The buyer may believe that living with the problem isn't so bad, or that the issue has stabilized. You have to demonstrate that the issue is deteriorating and that every passing day causes more lost productivity and progress.

Three: The buyer appreciates the value but wants to see if you can be moved on fees because other people have been, or the buyer is simply a natural bargainer. If you allow your fees to be moved, they will be. Best retort: "I haven't seen your company lower prices for their computers when a customer requests one for 30% less than your price. Why would you expect me to do it?"

Four: The value isn't very impressive. You may have taken on a minor issue with a howitzer instead of a pea shooter. If you can't demonstrate higher value yourself, then it is time to revamp the proposal or forego the business.

The preventive action, of course, is to gain conceptual agreement before the proposal on objectives, measures of success, and value to the buyer's organization. When you've established that agreement, the buyer should be looking at value right from the outset. Remember, few

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buyers budget for major interventions, which simply arise out of unanticipated organizational need, an executive's initiative, or customer demand. The money will be found-someplace-to fund it.

Finally, if you have a legitimate proposal for major value and you're at an impasse, don't be afraid to shock the buyer through analogy. For example, "Do you realize that you're spending less on the development of your people than you are on the preventive maintenance of that equipment over there? But people are an asset, not an expense. Does that make sense to you?" Or: "I'm willing to make a bet that you are spending more than twice as much money as called for in this proposal on ruined postage, damaged stationery, and updating business cards every year. What do you think?"

These last tactics may seem risky, but they're not. Someone has to stand up for value, and it might as well be you.

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