

## ARTICLE REPRINT

### **What To Do When Your Prospect Says, “Sorry, We Have No Budget.”**

We have learned in talking with our clients, especially during these difficult times, that the lament, ‘Sorry, we have no budget,’ is just a starting point for what can turn into a fruitful conversation that benefits both the seller and the buyer.

As a senior executive or senior sales leader, how do you respond when your sales professionals tell you that their buyers are telling them that their companies have needs, that they’d like to do business with your company, but they have no budget for your products or services?

In talking recently to an influential, mid-level manager at an international IT consulting firm, we were told that an important initiative we had been working on with the manager had been taken off the table for 2009, along with several other initiatives approved in 2008. He explained that he had no budget for something everyone in the sales organization acknowledged was critical to the future success of the sales team.

The manager went on to explain that in order for anyone in the company to receive approval for any expenditure in 2009, or at least until further notice from the executive suite, those who requested funds would have to answer three critical questions:

- 1) How will the solution impact the company’s business strategy?
- 2) What negative business consequences would occur if the solution was not adopted now?
- 3) What is the projected ROI of the solution?

He didn’t mention a fourth critical question that we know from experience must be answered if the sales professional hopes to present a solution to senior management: What’s in it, personally, for the buying influencer to present the solution and to champion the solution if it is approved?

As the manager continued to talk, we learned that the short-term mandate for the sales team was to reinforce the sales methodologies currently in place, to increase the productivity of new hires and to ensure that front-line sales leaders help their teams articulate why, especially in these tough times, the research and analysis provided by the IT consulting company is more important than ever to its customers. We also learned that one of management’s strategic objectives is maintaining its historical client contract retention rate of 80-85%.

A conversation that began with, ‘Sorry, we have no budget,’ did not end there. Further dialogue provided us with critical information we needed to pursue business now with our client. We learned that a potential solution must impact the company’s strategy, obviate potential problems the company might experience without the solution, and deliver measurable, positive ROI.

We crafted our proposal to address the three critical questions senior managers posed for any solutions that did not have budget this year.

First, our solution included a training component with reinforcement and coaching designed to help the sales team prove the value of the company’s continuing research and analysis to clients, especially in a down economy. Successful efforts to renew client contracts would help the company achieve a key strategic objective for 2009.

Second, we presented a case for less-than-optimal performance unless the sales team and the front-line managers were provided effective knowledge, training and tools to achieve their objectives.

Third, because the senior managers demanded that all solutions funded this year show a positive ROI, our proposal included a methodology and online tools for assessing performance and measuring the results of three critical metrics for training solutions delivered to any customer:

- new sales made that would not have been made without the solution components
- incremental sales made to existing customers that would not have been made without the solution components
- sales at risk that were closed as a direct result of using the solution components

Finally, approval of our solution would be a direct, personal win for the manager. His department maintains control over the process of training the front-line leaders throughout the organization, monitoring performance, measuring ROI and reporting results directly to senior sales management.

Unless a company is standing in front of the federal courthouse, waiting for a guard to open the doors to bankruptcy court, senior executives are normally willing to entertain potential solutions that will favorably impact their businesses, especially in a down economy.

“Sorry, we have no budget” doesn’t have to be a sales conversation killer. It can be a great opportunity for the sales professional who knows that senior executives can and will create budgets for solutions that favorably impact their businesses, help them avoid trouble and deliver positive ROI, especially in these difficult times.

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