

Reducing Risk

Coaching Questions

“What are signs that your customers are nervous?”

Topic Introduction

Risk and perceived risk of moving forward with your solution is where a majority of prospects fall out of your funnel.

Discussion Questions

- Do your customers say they have to confer with someone else within their organization?
- Do your customers hesitate to move forward?
- Have your customers asked one or more question about perceived risk?
- Is there body language that you should be paying attention to?
 - Not making eye contact?
 - Leaning away from you?
 - Crossing their arms?
- Why do you think they are nervous?

Key Learning

Signs of nervousness show you that you need to help your prospects reduce their risk.

“What risk could your customers perceive about your product or service?”

Topic Introduction

Putting yourself in your prospect’s shoes will help you understand why they might feel nervous.

Discussion Questions

- Would you buy your own offering if you put yourself into your prospect’s shoes?
- Are you hearing questions that are related to your customer’s risk?
 - Is there a payment plan?
 - Is this performance based?
 - Is there a free trial?
 - Is there a guarantee?
 - What is your track record?

Key Learning

Understanding your customers will help you sell to them and tweak your offering accordingly.

“How have you reduced customer risk?”

Topic Introduction

There are common tactics that you can use to reduce your customer’s risk.

Discussion Questions

- Have you created a payment plan?
- Have you provided testimonials, case studies, and references?
- Do you have a guarantee? A return policy?
- Is there a trial period?
- How much do you support customer in realizing success they purchase your offering?

Key Learning

Reducing customer risk will increase your conversion rates and keep customers in your funnel.

Examples

Real Life Example: What are signs that your customers are nervous?

A telemarketing firm helped small businesses ramp up their sales or test new markets. Most of their customers had used the traditional model of hiring someone full time, but this approach hadn't been successful as the salary of their employee would barely break-even if at all in the first year. With this history, most of their clients approached sales nervously.

How was this apparent? They saw the following behaviour:

- Many of their customers would ask for 100% performance compensation. They wouldn't want to pay the company anything until the first sale was made.
- Customers would ask for a guarantee. For the initial lump sum, they would ask for commitment that a specific sales volume would be achieved within a specific period of time.
- Customers would want to have weekly meetings in the first month to ask questions about progress. Sometimes the customers would call them 5 times in the first week.
- Customers would ask for additional information to be reported on.

Real Life Example: How have you reduced customer risk?

The sales organization realized that many of their customers were behaving nervously. To relieve this stress, the organization implemented some tactics:

- Case studies and testimonials were actively included on the website.
- All new customers were actively encouraged to speak with one of their existing clients regarding their sales.
- Expectations were levelled that results could be expected within 4 weeks.
- A client could start with as little as 10 hours of sales work done a week to limit their upfront investment.
- A minimum of two sales people were put on each account in case one sales person quit, had a personal emergency, or was in a sales slump. Having two increased success rates.
- All sales people were personally introduced to the client and the client was encouraged to maintain open communication with their dedicated sales team.
- Sales people were asked to email prospect feedback and hot leads directly to the client.
- Real-time reports of customer interactions were available through an online portal.
- Weekly reports of work and sales leads were emailed to the clients.
- Bi-weekly or monthly meetings were scheduled with clients to answer questions and tweak sales strategy.

Real Life Example: How have you reduced customer risk?

Luminosity is an online product that works out your brain, improving its efficiency and capacity. The added advantage is that the workout is a bunch of games, making it more attractive to continue using.

Luminosity employs a lot of tactics in its sales approach that show that they have taken into account their customer's perceived sense of risk:

1. Research studies: Scientific research and studies are on the site, explaining why the games work and how much they work.
2. Testimonials and case studies: Specific examples of how Luminosity has already helped people.
3. Trialability: You get a free trial upfront.
4. Reports and physical proof: You start your Luminosity session by taking a benchmark test. Every single time you do a game, your brain strength is measured. Over a period of time you can see your brain score increase.