

Closing Methods and Techniques

This Session:

Motivating the Client to Take Action on Their Goals

Goal:

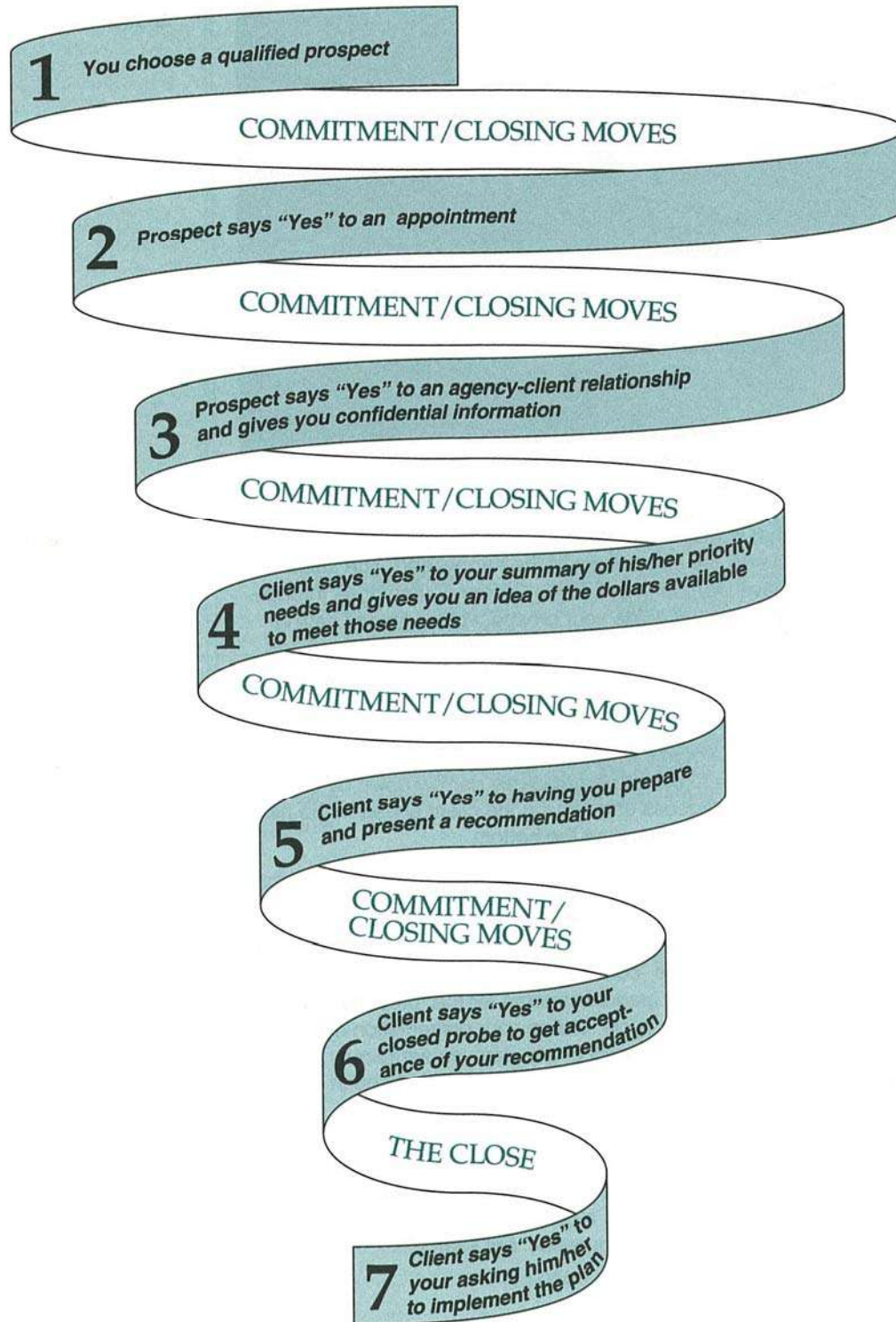
Learn to be More Effective in Motivation Prospects and Clients to Action

Each step in the process from the initial contact to completing the sale is what motivates, eliminates objections and increases the client's long term satisfaction with the decision. It also strengthens the relationship
BAKING ANALOGY





Closing Moves And The Close





Motivating Clients to Take Action

1) Involvement in all aspects of the buying process

a) Approach

- i) Using language that demonstrates a connection to the specific market

b) Opening Interview

- i) Commitment
- ii) Engagement
- iii) Soft Questions (best/worst) (why/why not)

c) Fact-Finding/ Discovery Interview

- i) Defining values/goals
- ii) Establishing need to change behavior (if you continue what you have been doing...where will you be?)
- iii) Engagement
- iv) Establishing comfortable budget

d) Need specific presentation

- i) Building value
- ii) Related to the specific values and goals (what will be accomplished)
- iii) Show that it is the most effective solution and alternative
- iv) Educate/facilitate as the client negotiates

2) Timing

a) Your prospect must perceive two things:

- i) That accepting your recommendation is the most logical or sensible thing he can do
- ii) That there is not real buying decisions to be made. All your prospect has to do is mention any concerns he or she may have. You will address those to your prospect's satisfaction then take care of the rest.

b) Buying Signals

c) Trial Closes

d) Closing Techniques

e) Answering Objections



Buying Signals

This will help you pace your presentation to the client's ability to take in what you are saying. It will also involve the client as an active participant in the presentation instead of having you do all the talking. But, most importantly, it will create opportunities for small agreements, encouraging the client to say "yes" repeatedly. Responding positively to your closing request for action, will then be a natural part of the pattern of "yeses" you have established for your client.

Recognizing buying signals during the presentation is a key behavior of Client-Centered Behavior one of the Success Factors of superior CBS brokers. You can often detect an initial buying sign when a particular benefit you have brought up intrigues a client; and, when something you have said really hits home, a buying signal will come across even stronger in the form of a buying question.

You can recognize the *initial buying signs*, for example, when the client:

- Begins to relax,
- Leans toward you with interest,
- Nods his or her head positively,
- Picks up some of the material you are using for the presentation and starts to study it, or
- Says, "It sounds pretty good to me...it might just work."

Clients ask buying questions because in their own minds they have already made the decision to buy. They are trying to work out the details and feeling what it will be like or them when the plan is in force. Here are some typical *buying questions*:

- "Would I have to take a physical?"
- "How would I pay for it?"
- "What would happen if I changed my mind?"
- "When would be the best time to start?"
- "Would I name my wife as beneficiary?" or
- "Would you be around to follow-up on changes we might want to make in the future?"

These kinds of questions should be music to your ears. When this happens, forget everything else you were going to say. Answer the question briefly and go right into the close. If you don't, you might talk yourself right past the golden moment.

Even though the client is showing interest in buying, he or she may still be struggling with the final commitment to take action. It is at this point that you need to apply decisive but gentle pressure to get that commitment made.



Timing

If your presentation goes the way you rehearsed it, close the sale just after the client has said “Yes” to your closed probe for acceptance of your recommendation.

For example:

Your closed probe at the end of the presentation recommending the insurance to fund a buy-sell agreement might be something like this:

“Kathy do you see how this plan will help either you or Jane keep the Beach Boutique stores going in the event that one of you were to die?”

If Kathy says “Yes”, strengthen her agreement by saying something like

“Good” or “I am glad you feel that way” and move right into the close.

If Kathy says “No”, find out what her concern is, respond to the concern, support your response with a benefit, and then move right into the close.

If your client starts giving you buying signals, before you have completed your presentation and asked you final closed probe for acceptance, STOP PRESENTING. Treat it as though the client has said “Yes” to that closed probe you were saving for the end – move right into the close.

The Basic Closing Technique

You might expect that, if you have done all of the closing moves properly, at the end of your presentation the client will say, “That’s great I’ll buy it”. This will happen occasionally, but don’t hold your breath while you wait for the client to ask for the pen to sign the application. You will have to support your client’s internal decision making process and tell him or her what the next action should be. People need help in deciding to act.

There are four steps in the basic closing technique:

- 1. Summarize the plan benefits that the client has accepted.**
- 2. Describe the action the client must take to implement the plan.**
- 3. Request commitment to action.**
- 4. Lead the client through the completion of the initial action steps.**

Expanding on Basic Closure Technique

1) Summarize the Accepted Benefits

By summarizing the benefits the client has accepted before you ask for action, you support your client's internal decision making process on how the plan can meet his or her needs, you should concentrate of benefits (what the plan will do for the client) rather than features (the characteristics and provisions of the plan).

Remember, NO NEW BENEFITS, just the ones the client has accepted. Keep the funnel narrow. New benefits may raise new objections. For example, if the client wasn't concerned about the internal rate of return of the recommended policy during your presentation, don't raise IRR as a benefit during your summary as you move into the close. Stay focused on what the client has shown interest in. Don't talk yourself out of a close.

A summary might be something like this:

"Jane, you and Kathy can now have the peace of mind you have been looking for. This plan is a very economical way of funding your buy-sell agreement so you can be certain that either of you will be able to keep the store open if the other were to die. And, if either one of you were to become disabled and couldn't keep up the payments, the plan would continue to provide protection."

2) Describe the Action

The second step of the close is to tell the client exactly what action he or she needs to take to make the plan a reality.

Describing the action might be something like this:

"To get this protection going, I will need your help in filling out life insurance applications on each of you and I'll need your checks made out to ABC Co. for the initial premium for each of you."

3) Request Commitment

The third step of the close is a closed probe in which you ask for the client's commitment to the action you just described.

The request for commitment might be something like this:

*"Shall we go ahead with this, Jane?" or
"With that in mind, I suggest we start with the application, OK?"*

Even though you carefully answered the client's objections during your presentation, as in all other instances throughout the sales cycle when you ask for commitment, the client might raise an objection at this point. Don't let this throw you, you know how to answer objections. Besides, it's probably the final objection as the client struggles with his or her last remaining doubt about buying.



Six Steps In Responding To Objections That come Up During The Close

1. Decide what kind of objection it is –

Objections are about four types of

concerns: **No Need** **No Hurry**

No Money **No Confidence**

During the close its usually “No Money” or “No Hurry”.

2. Accept the client’s concern –

Say something like, *“I can understand how you feel...”* The purpose stand here is to communicate that you heard the client, the concern is important, and you are willing to discuss it.

3. Clarify the concern –

Be sure that you and the client agree on what the issue is. If necessary, probe to be certain which concern you should respond to.

4. Respond to the concern –

Your response will depend upon the kind of object it was.

For example:

No Money –

Help them see your plan not as an expense but as an investment. Go back over the dollar commitment they gave during the fact-finding interview, and help them find premium dollars.

No Hurry –

Help them see the high cost of waiting. Then say, *“Why don’t we go ahead and complete the paperwork now that we are together, and you give me a check to bind the coverage. You then have three to six weeks to think about it while ABC Co. processes your application. If you change your mind, let me know and I will cancel the application and return your premium in full.”*

5. Support your response with a benefit –

It is important to reinforce your response with a benefit related to what you have just told the client.

6. Move on –

Once you have responded to the objection and supported your response with a benefit, move right ahead with the close – rephrase your Request for Commitment.

Example: “With that in mind, can we get into the paperwork?”

4) Lead the Client Through the Initial Action Steps

Remember that the ultimate objective of the close is to obtain the client’s signature on the application and a check for the initial payment. You will need to lead your client through the steps to get there.

To Begin filling out the application you might say something like:

“Jane, I know your birthday is in August, what was the day and year? ...Your Social Security number?”
When the application is completed, get the client’s signature.

To ask for the check you might say something like:

“Jane, as I said earlier, the annual investment for your plan would be \$6,850 and for Kathy it would be \$5,305. Would you like to pay for that annually, semi-annually or monthly?...If you will give me two checks now made out to ABC Co. for the initial premium we can start conditional coverage for accidental death immediately. Full coverage would begin as soon as the company has completed its underwriting procedures. That would be...(give the exact amount for the checks.)”



Variations On The Basic Closing Technique

Most of the familiar closing techniques are variations of the Basic Closing Technique. They all contain some form of the four steps:

- **Summarize**
- **Describe the action the client should take**
- **Request commitment to action.**
- **Lead the client through the initial action steps.**

Summarize:

“You will recall that there are four key steps in financial planning:

1. Set goals
2. Prioritize those goals

You have taken these two steps.”

Describe the Action the Client Should Take:

3. “Initiate a plan of action, and that’s what we’ve been talking about.
4. Review and update the plan regular.
This step is critical to any plan because things do change.”

Request Commitment to the Action:

“John, I’d like to make a commitment to you today. If you’ll take step 3 by initiating a plan of action now...

I will make myself available to review and update your plan on a regular basis. Would you agree that this is a fair arrangement?”

Lead the Client Through the Initial Action Steps:

When you get a positive response to the last closed probe you complete the necessary paper work and get the client’s check.



However, you can use these four steps in many different ways...

The Implied Consent Close

There are several closes which assume the first three steps of the basic closing technique and begin at the fourth. Three of these are:

- **The Implied Consent Close**
- **The Medical Close**
- **The Minor Choice Close**

These closes are most appropriate when the client has given a strong positive response to the closed probe for acceptance at the end of your recommendation. When this happens, you can make the assumption that the client wants to take action immediately. In that case skip the summary of benefits, the description of the action the client should take, and the request for commitment. Go right into leading the client through the initial action steps.

Take out the application and start filling it in by saying something like:

“What is your middle initial?” or “What is your Social Security number?”

In a business setting you could say something like:

“Jane, I assume you will have your attorney draw up the agreement as soon as possible; but we can get the insurance started right away.” Then, go to the first question on the application.

Once you get the application signed, say something like:

“In order to get this started and bind the coverage for you, I’ll need a check for the initial premium made out to ABC Co.”

The Medical Close

Tell your client that ABC Co. has the final say on issuing the plan. Then say something like:

“Let’s see if you qualify. I’ll need to get some medical information on you. What is your current height and weight? When was the last time you saw your doctor? ... Would you like me to set up a physical exam for you?”

After you get all the medical information and set up an exam if necessary, the rest of close will take care of itself. Just tell the client that in order to get things going he or she is going to have to sign the completed application and give you a check for the initial investment.

The Minor Choice Close

Ask your client to make a choice between two positive alternatives. Say something like:

“Would you prefer to pay monthly or annually?” or

“Where would you like ABC Co. to mail the policy annual report, to your home or to the office?”

Whatever the answer is, it indicates that the client has already made the decision to buy. By giving the client a minor choice, about how to pay or which mailing address to use, you have made it easy for the client to express his or her decision to buy and move ahead with the process.



The Ben Franklin Close

The Ben Franklin close includes all four steps of the basic closing technique. This is a method Ben Franklin, the great American statesman, actually used for making difficult decisions. He drew a line down the center of a sheet of paper. Put a plus sign at the top of the left side and a minus sign at the top of the right side. Next, he listed all of the pros on the plus side and all of the cons on the minus side. He would then study both lists to reach a decision.

To employ the Ben Franklin close with your client:

- **Summarize** by asking the client to use Ben Franklin's method of decision making. As you draw the chart on a piece of paper, explain how Franklin would make up his mind on an important point by weighting the pluses and minuses. Then ask your client to think of all the reasons in favor of the decision today. Help the client think of all the benefits he or she accepted during your presentation and list them on the plus side. Next, ask the client to think of all the reasons against the decision and list them under the minus side. Stay quiet. Let the client work on the minus column alone. Usually you will end up with a much longer list on the plus side.
- **Describe the action the client should take** by saying something like:
"John, it looks as if you have made your decision. To get the plan activated we'll need to complete the application and send a check for the initial premium to ABC Co."
- **Request commitment** by saying something like:
"Let's get started with the application. Okay?"
- **Lead the client through the initial action steps** by starting the paper work immediately. When the application is completed, get the client's signature and ask for the check for the initial premium.

Close Several Times If Necessary

Experience shows that your chances of completing a sale increase as you ask for the sale as many as five times or more. Be sensitive to your client's feelings as you are closing; but do not let one objection get your client "off the hook." Remember to classify the objection, accept the client's concern, clarify the concern, respond to the concern, support your response with a benefit, and move ahead with another attempt to close.



The Procrastinator Close

I really like this procrastinator close. It answers one of the biggest objections I run into. It goes like this:

“Jim, I can see that you’re really not concerned about your ability to handle the plan this year. What you’re really concerned about is the future. Is that right?”

“Yeah.”

“Well, Jim, there are only five things that can happen. Think about it.”

“Five?”

“First, your income can remain the same. If it does, there would be no problem, would there?”

“No.”

“All right, your income could increase, as it probably will. In that case, would there be a problem?”

“No.”

“Now, your income could decrease and, in that case, we could tell the

company to reduce the plan accordingly. So there would be no problem there, would there?”

“No.”

“Fourth, your income would cease because you became disabled. In that case, by contract, my company would pay all future premiums for you. So there would be no problem.

“Finally, the fifth thing that could happen is that you could die. And if that happened, the plan would immediately mature and the entire amount would be paid to your wife.”

This is a very simple presentation. I always try to explain things in a very simple manner. People don’t want to hear you using big words or terms they don’t understand. In a way, you’re insulting their intelligence when you do that.

The Doorknob Close

This is the one you use when you’ve given it your best shot and the prospect still won’t buy. He’s come up with one excuse after another and still won’t give you his major objection because he doesn’t want you to have the ammunition.

Finally, you say, “Bill, I know you’re busy and I want to thank you for your time. I won’t take up any more of it.”

You close your briefcase, you get up, and you put your hand on the doorknob. The prospect immediately begins thinking about what he has to do when you’re gone. His sales resistance is down. You start to open the door but you stop, turn around and say:

“By the way, before I go, I know you are not going to buy my plan today but I was wondering. Could you help me with my presentation? Could you tell me what the real reason was that you’re not going with me on this?”

When the prospect gives it to you, you take your hand off the doorknob and say,

“Bill, I’m really glad you told me that because that’s my fault. Obviously I didn’t explain that part of my presentation properly. May I go over it just one more time?”

If you can answer this objection effectively, you should be able to close most of the time.

Close At Least One More Time

Vic Brandrup, CLU, ChFC, of Silver Spring, Maryland says, “Act as if you fully expect to close the sale.” He recalls an insurance agent who called on him following the birth of his first child. The agent was well-prepared and outlined a beautiful program of insured savings for his son’s college education. “I countered every close with an objection and he answered every objection with another close,” Brandrup says. “Finally, I could think of no other objection, but the agent failed to ask for the check again.”

“Two years later at my first underwriter

association luncheon I found myself sitting opposite that agent. Reminding him of his visit with me, I told him I would have bought if he’d asked me one more time. When we met again several years later, he thanked me profusely. ‘Because of you,’ he said, ‘I’ve made it a practice to close at least one more time. It’s helped me qualify for the Million Dollar Round Table the last two years and I’m on schedule again this year.’”

Responses To Typical Objections

1. I can't afford it.

With money as tight as it is today we are all feeling the pinch. However if you find it difficult to set aside the \$xxx we are talking about, can you imagine how difficult it would be for your family to find \$500 a month for groceries if your income was lost. Do you agree that you have to find a way to set aside the \$xxx/day it takes to guarantee that in the event of your death, your family will have the things you want to have.

2. My spouse can go back to work.

I am sure he/she can. Tell me what did he/she do prior to leaving the work force? Why is he/she not working now? Would it not then be even more important that in the event of your death that he/she still be able to spend 100% of his/her time with children?

3. I want to shop around.

I can appreciate that Mr. Jones. There are over 20 companies licensed to do business in B.C. I would be pleased to help you shop around. I can get information you wish. What companies would you like me to get competitive information from?

or

Discuss the three elements that go into pricing a life insurance policy and how all three are likely to be about equal between companies. The major difference is the agent, YOU. Discuss your qualifications and commitment to service.

4. I want to wait till

Tell me Mr. Prospect, why do you want to wait? (This may give you a logical answer):

Mr. Prospect, if your family needs this money should you die after... (Date), is there a reason they would not need the money should you die before then. Is there really any reason to wait?

5. I can get a better return by investing my money elsewhere.

That may well be, after all life insurance is not an investment. Investments need time to grow. Life insurance on the other hand is guaranteed to reach it's ultimate value. If death robs you of the time, we will mature the policy for it's ultimate value immediately.

6. Leave it with me, I want to think it over

Rarely is this a legitimate objection, rather it is hiding the real objection. To successfully answer the objection requires probing to find out what the real objection is.

Tell me Mr. Jones, what part of the work we have done today would you like to think over.

or

I can appreciate that, after all it is a serious decision as it involves the financial future of Sally and the kids. When it comes to decision about life insurance there are only three things we can think about.

- Do I need it? Discuss the need. Once the prospect agrees that he needs the policy move to the next point. If we cannot get him to agree to the need, at least we know the objection was that stopped us from getting the sales.
- Can I afford it? Again discuss the premium till he agrees he can afford it, or we have offered an alternative he can afford. Again, if cannot get them to agree to a commitment, at least we know the objection.
- Is it the right plan for me? As above, get agreement it is the right plan. If we cannot get agreement; no sale.

Mr. Jones, we have agreed you need the coverage, you can afford the premium and the plan is right for you... Is there really any reason to delay making a decision?