

Understanding Threshold for Pain

Sales professionals typically follow a process broken into phases or steps. Those of us in sales management use these phases or steps for many reasons including forecasting, resource planning and productivity tracking. Each step in the sales process comes with actions, counteractions, deliverables, and impact measurements. This complex system of checks and balances represents the mechanics of selling. Often this is the behind the scenes stuff we don't want to talk about in public. These checks are what careers are made of, and ironically the primary reason many in sales management don't hang pictures on their walls.

The keys to a successful career in sales and sales management is not only the ability to sell well, but the ability to predict what and when you are going to sell something. If you work in sales for a publicly held company, then you probably understand this better than anyone else.

Buyers are actually like sellers in this sense. We (the sellers) just don't realize it. Here is the point. As a seller it is your responsibility to collect among other things the following information:

- Identify issues, pains or goals
- Capture and calculate current cost of the issues, pains, or goals
- Extrapolate the cost over a 3-5 year period

Threshold for Pain = Time to Buy

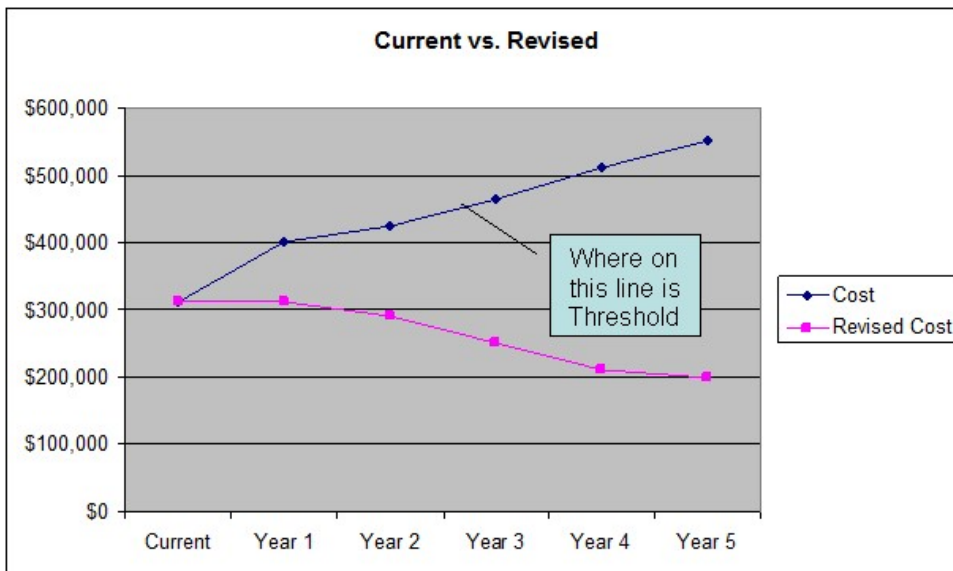
If you are able to capture this information and obtain agreement from your prospect, then you are able to *predict* threshold for pain. The threshold for pain is the point at which a buyer decides the pain is too much and they need to make a change. Or better said by your prospect, "It is time to buy!"

I had a client that was working with a large multinational corporation and laid out their ROI plan. A major point in the plan included the reduction of ten (10), \$150,000 FTE's—a savings of \$1.5 million. My client was very proud of the fact they could save their prospect seven figures. When they presented the ROI plan, their prospect laughed. They said that they have over 200,000 employees and ten headcount is insignificant to them.

I am telling you this story to help you realize, what may be of significance to you is sometimes insignificant to the buyer. It is a critical step in your sales process to review the issue, current cost and on-going cost so you may then ask the question, "At what point along this 5 year assessment of cost are you going to want to make a change?" We are talking about the risk factor. In other words, if you choose to do nothing what is the risk of loss over the five year assessment. Costs will continue to rise and so will the risk of loss.

Graphically Illustrate the Threshold

I strongly urge you to use graphics to illustrate the current and on-going cost over the three to five year period because it will help prompt the conversation that identify the buyer's threshold for pain. Be sure to show the trend line and discuss at what point the buyer is going to do something about the problem—the buyer's threshold for pain.



Understanding the threshold for pain also should take into account three primary factors:

- Issue
- Current and on-going costs
- Risk of no decision.

If you are able to capture this information, calculate and extrapolate the costs, then tying risk to impact is a simple process.

The Bottom Line

The bottom line is this, as a sales professional working on a complex sale you need better to understand a prospect's issues, pains, and goals. In addition, you need to work closely with the prospect to capture the current cost of status quo. Once you have current cost, you need to determine the factors that will enable you to calculate the on-going or future cost of the issue. Then you need to chart the current cost, on-going cost, and the impact of your proposed product or service. Remember, you need to do this for each issue you discover. Finally using the graphic illustration, simply ask the buyer one easy question, "At what point on this line will you make a decision to buy something?"

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