



Six Steps On How To Handle Objections When Selling a Business

by Peter C. King, CEO VR Business Brokers/Mergers & Acquisitions

An important part of the selling process deals with handling objections and addressing issues and problems raised by the prospect. Most novices make the mistake of jumping in and attacking an objection, and as a result, lose ground with their prospect.

To be effective at answering objections you must be a good problem solver. To do that you must maintain objectivity. Your prospects and clients are emotionally involved. You, on the other hand, must maintain your objectivity about:

- Your own sales skills
- Your clients' reactions
- Your prospects' comments and reactions
- The actions and reactions of outside parties

Neither buyers nor sellers may show it, but intuitively they appreciate an intermediary's objectivity. Point out to which issues are valid and which issues are unreasonable. Step away from the transaction and point out those issues to each party. Being objective does not mean that you are removed from the transaction or from the buyer or the seller. In fact, it allows you to relate better to the responses and requirements of both parties. You can develop a good solid trust while still being objective

A more extended version of this technique of handling objections is to go through the following six steps. It takes practice to learn this technique, but you will more than be rewarded for your efforts.

1. Listen to the Objection from the prospect carefully and hear him out. By jumping in too early, you risk annoying the client or answering the wrong objection.
2. Acknowledge the Objection by feeding it back to him. By showing the prospect you are listening, you gain trust, and clarify his real concern. "If I understand you correctly, you're saying that you believe the down payment for this business is too high?"
3. Question the Objection. Get the prospect to elaborate the objection by asking questions. In the process, he may answer his own objection and it will give you time to think about your response. "Do you mean that it is too high relative to other businesses you have looked at, or are you saying it is more than you can afford to pay?"
4. Answer the Objection. Don't duck the issue, and when you answer the objection be sure to use a feature-benefit approach. Watch for answers that you can use to objections, and internalize these so that they are natural and easy to use. "The down payment on this business is fair, relative to other businesses with a similar proven cash flow. The down payment is only one component of an offer to purchase. If you can buy the company now as it approaches its prime selling season, the down payment really is not at all out of line."
5. Confirm the answer. Make sure that you have answered the objection before moving on. Did they understand you? Ask a question to make sure. "Since we can take into account your concerns with the amount of down payment in the offer, do you consider this to be a good business for you?"
6. Move On! Another common mistake of novices is to dwell too long on answering the objection; they sometimes talk the prospect back into his original objection. After you have made your point, confirm the answer and move on.



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