

# The Danger of Assumptions in Sales

By Jeffrey Grover

**M**aking assumptions is dangerous, in any business. In fact, making assumptions in any situation could spell disaster. Why, then, do so many of us fall victim to making assumptions in sales?

First, let me gain your agreement that assumptions in sales do exist. Consider the following scenarios:

1. A sales representative is preparing for a presentation to one of his regular clients. He is seeing a particular decision maker to review a new innovative product line that would replace an existing product the client is purchasing from a major competitor. The sales representative assumes, in advance, that the customer isn't going to seriously consider his new product/service.
2. An opportunity to gain an existing piece of business has come up. The sales representative knows the competitor, and thinks she has a good handle on the price/margin required to gain the business. The sales representative assumes what the price needs to be.
3. A materials manager is speaking about a new product line idea at the weekly internal management meeting. He has been in the position for more than 10 years, and everyone around the table makes assumptions about the value of what he is going to say.

IE - NO ONE IS ASKING FOR GROVER  
GROVER MUST BE PRICED SAME OR LOWER THAN CURRENT PRODUCT REGARDLESS OF PERFORMANCE



Do any of the above scenarios resonate? If so, do they concern you at all? If not, let me share what the potential implications may be of each assumption:

1. The sales representative, feeling defeated, doesn't adequately prepare for the presentation. He goes through the motions and assumes that any new idea he shares with the client is going to be fed back to his competitor. He doesn't work to help the client understand a need for change, and further, doesn't benefit from gaining needed insight into his client's current situation and associated problems and implications. The result: an otherwise "professional" sales representative does a disservice to himself, his company and his client.
2. The sales representative, having years of experience, does a reasonable job of getting her client's interest in her product. However, she spends little or no time building value for her company's product. She has no real idea as to why the customer is dissatisfied with the competitor and is just happy to get the business. She quotes a price that she assumes will be acceptable. The result: an otherwise "professional" sales representative leaves margin on the table, which will be hard to recover in the months ahead. The lost revenue impacts her commissions as well as her company's profitability.

3. Company managers think of the weekly manager meetings as obstacles to getting things done. Managers look at these meetings as a necessary evil and tend to shut down. This is particularly true when they have to listen to what they assume to be another hare brained idea from the material manager. They assume that his product line idea is going to be abstract, and unrelated to the real world of their customer base. The result: another new product idea goes fallow, and the enthusiastic materials manager becomes even more isolated and disenchanted with other management as well as the sales team. The company loses new revenue and profits.

People don't change unless they recognize a need for change. If things are going along well, why rock the boat?

However, in an economy that is becoming increasingly competitive, can sales professionals afford to make assumptions like the ones illustrated above?

Can sales professionals afford to tune out and get lazy with certain customers or make assumptions about behaviors?

Can managers afford to miss opportunities to build interdependent partnerships with suppliers, as well as co-workers from all areas of their company?

I don't think that they can, particularly in the wholesale distribution channel. If you measure the "cost" of assumptions in lost revenue, it may compel you to consider some potential remedies for eliminating assumptions from your arsenal of tricks.

Imagine the impact on commissions if new products are not sold or if margin is left on the table. It's like the "one that got away" on the fishing trip. If you close your eyes, you never know.

However, if you saw the fish glistening at the surface, if you felt its tug on your line,

if you battled it for an hour... then, you would feel differently about learning how to fish more effectively.

Likewise, lost sales and commissions, if they were measured, might make the "assumptive" professional a bit less assumptive. Imagine the impact of losing \$100,000 of annual gross margin, for example. Here are some potential remedies.

① Remedy one: Drop your attitude and pre-conceived notions.

② Remedy two: Don't have your batting average in mind before you understand the situation.

③ Remedy three: Stop anticipating what the other person is going to say or pre-determining the value of their ideas.

What do I mean by the above remedies? Drop the attitude and pre-conceived notions.

I really dislike it when somebody makes assumptions about what I think. Comments like, "I know that you aren't going to like this," or, "I know you're happy with what you are currently doing, but I have to show this to you anyways."

Do salespeople really say this at times during a sales presentation? They don't have to. It's in their attitude.

① Let's be real. People buy from people. Sometimes, there are existing relationships that may be almost impossible to penetrate. However, having an attitude of failure before even exploring an opportunity virtually predicts failure.

Give the customer an opportunity to experience your presentation by not pre-judging his response. Focus on the customer's needs and stay present in your presentation. Stay in the moment, and keep your attention on the questions, and most importantly, the answers, that will enable you to build awareness and shared understanding. If a roadblock arises or a sense of customer apathy or disinterest seems to appear, explore why.

In the past, I have found myself assuming that certain customers are just protecting their current source and are just using me for information or ideas. Any objection, verbal or non-verbal, would lead me to an almost impulsive offensive posture or tone, often unknowingly.

Feeling defensive often begets offensive behavior. Ironically, by assuming that the customer was going to be unreceptive, I had completely lost the chance to turn him around and have an open exchange. Empathy was lost, and my assumptions about the result came true.

Don't have your batting average in mind before you understand the situation.

OK, it is good to be confident. Great golfers like Tiger Woods envision a shot being successful before they swing.

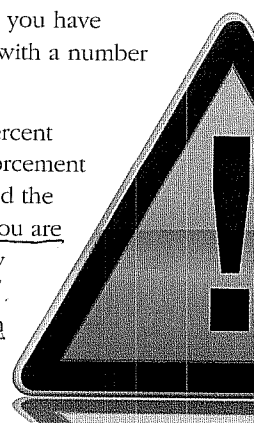
However, sometimes assumptions about pricing can create a result similar to the over-confident Casey, who struck out as I recall.

Let me draw on a real situation from my past life as a sales manager at a paper and packaging company. During a routine account review, I noted that a particular salesperson had a 25 percent gross profit percentage on a specific product category. What was notable was that the company's average gross profit percentage on this category was almost 30 percent.

So, I asked him, "Larry, how do you arrive at this particular profit margin for this product category? I notice that you have virtually the same percentage with a number of your customers."

His answer: "Oh, that's a 25 percent item." Being the positive reinforcement type of sales manager, I resisted the temptation to say, "You idiot. You are making assumptions, being lazy and forgetting about building value for our product line. Even commodities should have their day to shine."

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Instead, I said something to the effect, "Larry, I think it's great that you sell this product line to so many of your customers. Nice work. However, by making assumptions about the price before you explore the customer's need and the associated value for our product, you are probably under-pricing."

This is the opposite of the first scenario. In that scenario, the salesperson is defeated before he even interacts with the customer, assuming rejection. The salesperson assumes the customer will not be interested. In this scenario, we fall victim to assuming things about the other person, rejecting her ideas before they are even expressed.

As a result, even the biggest dolt can have the next great idea squelched because we make assumptions about what he is going to say. Imagine how you would feel if people speaking with you have the assumptive subtext of, "I know what Jeff is going to say. I can use this time to think about how I'm going to get to the Indians game before 7 p.m."

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For example, the average percentage we earn is five points higher or 20 percent more than you typically are charging."

2 Frankly, by making assumptions about profit margin, you tend to eliminate the opportunity to help our customer recognize the value of a particular product or service.

2 Professional salespeople sometimes take this short cut, going through the motions, relying on assumptions and not treating each situation as unique.

As a result, they may gain business, however, they may be putting ourselves at risk in the long-pull. Other competitors may distinguish themselves by simply asking more of the right questions. Think about this the next time you or one of your salespeople loses an established account, or an established piece of business that was assumed to be in place forever.

Stop anticipating what the other person is going to say, or pre-determining the value of their ideas.

I used the example of the veteran materials management person who everyone shuts off. It may not be a deliberate attempt to ignore his ideas. Instead, it can be a subliminal reaction.

I use the example of the internal manager because most of us tend to focus on finding ways to have salespeople's behavior improve with his customer. This can be dangerous. Managers, don't forget to focus inside, as well. Look at yourselves, first.

It is very easy to go through the motions when interacting with others. If you find yourself interacting with another person and are having an internal monologue about your tennis game, stop! This is a symptom of laziness and is total hypocrisy. Being present and in the moment means that we don't put our own agenda or assumptions above the person with whom we are interacting.

It can be particularly difficult when interacting with someone we know, particularly someone we think we know well. The danger here is that people tend to make assumptions based upon their paradigms and past experiences.

Let me share an assumption about you, the reader. I assumed that it would be easy to gain your focus due to your concern about the negative impact that assumptions have on the wholesale distribution channel's sales and profitability. It would be logical to assume that you would eat this article up because of your interest in keeping your company healthy.

However, the reality is that people in all walks of life, including wholesale distribution, not only make assumptions but also counter them every day. Where do you fit?

Consider the negative impact of assumptions on your business. Consider assumptive behavior's cancerous impact on sales and profits. More importantly, consider the price paid on your internal and external customers. After all, who wants to be taken for granted?

Reduced profitability isn't the only price we pay by making assumptions in sales. There are many other dangers, as well. ●



Jeffrey Grover enjoyed a 22-year career at National Paper and Packaging, which he and his business partner and brother, Brent, sold in October 1999. During his tenure, Grover served as chair of the NPTA's Young Leaders Division and subsequently on the NPTA Alliance's Board of Directors. He also served on several merchant advisory councils. After leaving National Paper and Packaging, Grover founded The Grover Group LLC in 2001.