

Sales Solutions

Using the 'fear and doubt' technique with clients

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Question: I am a debt consolidation counselor working for a nonprofit firm. We help our clients consolidate debt and are often able to reduce interest rates on their credit card debt so that they may pay it off sooner rather than later.

Sometimes when counseling my clients I run into a roadblock in getting them to commit to initiating the debt consolidation plan I've laid out for them. It's sometimes a matter of not wanting to give up certain lifestyle habits and other times simply denial about the bad financial habits they have, which make them a candidate for debt consolidation services in the first place.

How can I get my clients to better understand the need for them to initiate and stick with the debt consolidation plan I lay out for them?

Answer: You've really got your work cut out for you any time you are dealing with money and habits pertaining to lifestyle. The technique that will be most effective in getting your clients to implement the debt consolidation plan you lay out for them is what's called the "fear and doubt" technique. Not that you want to scare someone into doing business with you, but because it sounds like your plan will genuinely help your clients, it really is in their best interest to heed your advice.

The fear and doubt technique requires you to be able to convey to your clients that the best predictor of future behavior is past behavior. In other words, unless they make some changes in lifestyle spending habits, they will continue to have problems with debt.

Paint a picture for your clients or tell a story that shows them exactly what will happen in the future based on their past behavior and current course of action if they do not make any changes.

Before you are able to make a recommendation on a debt consolidation plan, I would imagine you have the pertinent information from your clients to be able to show them very specifically what their financial future holds if they choose not to make any changes.

Explain to them the power of time and its relationship to money. Show them how much they will actually pay on the amount they owe by just paying the minimum balance on their debt

each month. What will they pay in five years, 10 years, 20 years or more if they just pay the minimum balance due each month? This, of course, assumes they won't rack up any more debt, but will just pay the minimum on what they currently owe.

Then explain, based on their past behavior, what their future behavior will look like in terms of new debt they'll be adding each month because of current spending habits. Once you've shown this, assume the minimum balance paid on this new debt that occurs each month and add it to the above scenario of just paying the minimum balance on current debt.

The idea here is to show your clients an accurate portrayal of their financial future if they do not listen to your advice and fail to implement the plan you are recommending. In other words, what will happen if they do nothing?

By painting this picture for your clients based on factual evidence you have of their current spending habits, you will create fear and doubt about what will happen if they don't take your advice.

Initiate the "fear and doubt, if they do nothing" plan first, and then outline what their financial future will look like instead with your recommended changes, including the impact of your working with their current credit card companies to lower the interest rate on their current debt.

By showing both scenarios, starting with the least desirable scenario first and then the most desirable outcome last, you will improve your success rate considerably when bringing on new debt consolidation clients.

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