



Negotiation Skills 101

Have you ever been on the wrong end of a negotiation? You closed the business only to discover the more business you write the more money you lose! In other words, you didn't negotiate price, terms and agreements to create a true win-win outcome. It's important to be equipped with good consultative skills as well as good negotiating skills. Here are three skills to add to your sales tool belt.

1. Clearly identify your ideal client.

Neil Rackham, author of "Rethinking the Sales Force," does a great job of explaining the impact of the information age on business. He tells how the information age is creating two distinct type of buyers: the *transactional buyer* and the *value buyer*.

The *transactional buyer* is interested in one thing and one thing only....price. This buyer doesn't care about your expertise or relationships. They believe they can find the same expertise on the internet and the vendor (YOU) can be easily replaced.

The *value buyer* still values expertise, business relationships, and the shortcuts both those areas bring. They are still willing to pay for value and recognize the tangibles and intangibles which accompany that business model.

Know who you want to serve and who you best serve. If you are a value solution provider calling on a *transactional buyer*, don't bother negotiating unless you're ready to be the low priced provider.

2. Get the proper mindset.

Years ago I attended a negotiation seminar. The first lesson given by the instructor was, "If you can't walk, you can't talk." Translation: If you are not willing to walk from a deal, chances are you will discount too quickly, not ask for a concessions, and end up with margins that are not sustainable.

The root cause of not being able to walk is two-fold. The first issue is that you don't have a full sales pipeline and are in desperation mode (you will take any deal). The second problem is that you aren't really convinced of the value you bring to the table. The fix is to double your prospecting efforts and change your self-talk to, "I am worth it."

3. Have a concession strategy.

There are many tactics taught in negotiation training. One of the most important is having a concession strategy. Many salespeople give up something to get the deal, i.e. price, terms, delivery, etc. The problem is they don't ask for something in return. For example, if you decide to concede on price, the concession should only be offered if you get something in return. You can give a 5% discount if you get more volume,

upfront payment, consolidated delivery schedules, more bundled products, or extended contracts. When you have a concession strategy, you create a win-win scenario for both parties. And when everyone is winning, you ensure repeat, long-term relationships.

Get good at negotiation and create true win-win sales relationships. Let someone else deal with the price shoppers.

Good Selling,

Colleen Stanley
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