

Ten Top Tips for Negotiating

Negotiation is an art form that you will never stop learning. Sales professionals who have not already attended a minimum 2-day negotiation skills class, should get booked on one as a priority. Good negotiation skills can mean the difference between selling at a small discount or selling at a huge discount. Even a few pointers can save you a fortune and pave the way to more profitable deals.

Here are ten dos and don'ts learned over many years – the hard way!

✗ Don't negotiate with yourself

It's amazing how, once you have put the quote together, you start telling yourself that it's too expensive. You discuss the deal with your boss and your colleagues and before you know it you are reducing the price. Stop! Remember, you can always go down in price but you can never go back up. Even if you incur a little "sticker shock", start with your genuine list price less any applicable discounts. That's why companies have list prices.

✗ Don't respond too quickly

You've given a quote and the customer comes back looking for a price break or some other concession. The worst thing to do is rush back with an immediate answer. You look too keen and they know that there is more on the table. Take your time – wait 24 hours and then respond.

✗ Don't negotiate on price alone

Keep the subject of price to last. There are other things to negotiate on such as contract terms and conditions, services, additional products, implementation, annual maintenance and timing.

✗ Don't be too serious

Humor is a great advantage, especially when asked direct questions that it would be best to delay answering. Humor also transforms you from the salesperson that all buyers hate to a human being with personality. You would be surprised at how even deadly serious negotiations can be progressed with a little humor. People buy from people and especially from people they like. Just like on a first date, humor says a lot about who you are and how confident you are.

✗ Don't aim too low

Successful salespeople have a habit of aiming high. When you aim high you set the agenda for your buyer and you say that you have confidence in your company and your products. Sometimes you

get the response that you're way above budget or beyond the individual's sign-off level. Don't worry, aim high and soon you will find out the actual budget and the buyer's authority level.

✓ **Do leave yourself somewhere else to go**

Most decisions for large technology deals are made by committees. But everywhere along the management line people are looking to "add value". Everyone in the chain wants to negotiate something to justify their part. Be sure that you have not offered up your best price too early or before the deal has made it through the committees and ranks of management.

✓ **Do listen with more than your ears**

You need to listen with more than your ears. But let's start there. Often, groups of people or even individuals will betray themselves or their organizations with small but accidental details that give you negotiating advantage. Stop formulating your response and start listening to every word.

Good negotiators also listen with their eyes. Of course, this has to be in a face-to-face meeting but you should always be looking at the body language of your buyer. A flicker of the eyes or a hand gesture can reveal the truth.

✓ **Do always offer alternatives**

The alternate close is one of the most powerful opportunities to move the negotiation away from price and on to the alternatives. Always offer at least two alternatives but rarely more than three. For example, you could offer a standard contract and then offer one with a multi-year maintenance component. That way, the debate becomes which alternative is better than the other rather than how to get a better overall deal.

✓ **Do ask for something in return**

Every time you give something up, always ask for something in return. You gave a little on the price – so ask for the order by month-end. You gave a bigger discount – then ask for the customer to take reference calls and appear on your website. Never give something for nothing.

✓ **Do ask for more than is being offered**

When you are getting to the final deal, always ask for a little more. So, you may have been negotiated down on license fees but ask for more on the maintenance. So long as it doesn't represent too much in terms of the overall deal, most buyers will throw a little more back on the table if you ask.