

NEGOTIATING



Executive Series
Consultative Selling Classroom

Leverage Strengths
CustomSalesTraining.com

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Learning is a challenge!

First we have to get over our natural resistance to allowing *anything* new into our, already too busy lives.

Secondly, we have the challenge of understanding all this new and unfamiliar information.

Finally, we have to deal with the forces of habit. The habits of routine, how we react, how we feel and how we think.

No wonder this process can seem just *too much effort!*

But the effort is worth it, and you are worth the effort!

As adult learners we have the added challenge of incorporating our life experiences and all the existing professional expertise we have accumulated into this new mix.



Learning is definitely a challenge, but one that you are up to, and you are not alone. Following are some very important tips that will help you through this process.

● Introduction

Following is our suggested framework for learning that will support you during the new experiences ahead:

- This is a DVD and Workbook learning package. You will need to spend time with both. Allow yourself the time you need to be successful.
- Watch the DVD on it's own first! Allow yourself to **watch and listen** to the material without distraction. If you have the workbook in front of you, your attention will be distracted. Leave the workbook to one side for now.



Put on the DVD, be open-minded to what you are about to see and hear. You do not need to take notes or do

anything else at this stage.

- After you have watched the DVD once in it's entirety, then collect the workbook.
- Watch the DVD and follow along with the workbook. You will notice that the titles on the top, right-hand corner of each page correspond with the blue strip titles that appear periodically throughout the DVD presentation.
- During the DVD presentation, a *workbook prompt* will appear. The image of the notebook is your opportunity to pause the DVD and turn to your workbook to read the appropriate section and complete the exercises.

Some sections will have a small amount of reading; some will be quite a few pages.

● Introduction

Some exercises will require just a few minutes of thought to complete, others will be involved and require you to gather information from your real life work situation. Be prepared to take the time you need to complete the learning process thoroughly.



The goal is to advance your existing skills; this is not a test situation or a race to the finish. As we have said before, *allow*

yourself to succeed.

Understand the natural barriers we all face as experienced professionals in a learning situation and

use these steps as a framework for success.

Each one of us has different learning styles and very different life experiences to draw from. Do not judge yourself against how long or how well others have worked through this material.

Finally, enjoy the process.

**Expand your knowledge
and have a**

great learning day!

Welcome to this module on negotiation. Before we continue, let us look at a couple of different definitions for the word 'negotiation'



- Negotiation is the mutual discussion and arrangement of the terms of a transaction or agreement. This definition is from infoplease.com.

Let's try another one.

- Negotiating: To confer with another or others in order to come to terms or reach an agreement. This definition is from Dictionary.com.

That is not so scary, is it?

We sometimes think of negotiation as being evil or mean. We may even fear and avoid negotiations. But negotiating is a business activity just like any other. Once we understand it we can begin to become comfortable with it. Just as with any other business skill, we also need to practice the steps to successfully incorporate the skills into our business processes.

Negotiating is just like anything else, if we have not done it before, it may appear beyond us. This module will walk you through what negotiating is, how to break down the steps to become a confident consultative seller with excellent negotiating skills.

● Introduction

In life, the biggest part of courage is having done a thing before.

Negotiating is not new to any of us; we all negotiate all the time. Let us think about how many places we are already negotiating:

“I will schedule this blood test, MRI, skin panel, (whatever if might be) for next Thursday.”

If you show any resistance the doctor looks you right in the eye and asks with great sincerity and concern, “You don’t want to take a chance with your health, do you?”



What happens when your significant other wants you to help in the yard, but you want to watch the game, that movie, or perhaps settle on the sofa with a book?

What do you do?

You negotiate a compromise.

What about your kids? Aren’t they wonderful negotiators, naturally? What can they teach us? They can teach us about timing. When do they ask for money? They ask for money when we are running out the door.

What about Doctors? Who hasn’t been talked into a questionable test or procedure by the phrase,

Studies show that infants as early as six weeks will read the facial expressions, body language and voice tone from their mothers.

Mothers want their babies to sleep through the night. The baby wants to feed when they are hungry. The baby wants to keep the mothers happy. The baby starts sleeping through the night.

● Introduction

What about in the grocery store? It's busy; you need to pick up a few things and dash back to work. You and someone else reach the shortest line with your carts at the same time. You look at the other person and, without saying a word, you two somehow decide which one goes first. This was a negotiation. Maybe we know more about negotiation than we think.



This brings us to your first workbook assignment. Quickly list five, not so obvious negotiations that you experience regularly. Hint, what happens when you want to merge into traffic?

#	Situation where I already negotiate
1	
2	
3	
4	
5	

● Impact of Negotiating

What is the impact of negotiating during the sales cycle? Let us now take a look at two frequent areas that our customers want to negotiate; the cost of our products and the details of our service.



A huge part of negotiating is about relationships. Building them, keeping them, and repairing them.

This is mostly about how another person feels after they are done with the negotiating process. Many of our current and potential customers enjoy the battle. They are also used to negotiating every day.

Cost of Product:

Negotiating Over Price

We have fixed prices for our product don't we? Yes, and if we do not we need to institute them. Why, so we do not spend all of our time negotiating over price. If we negotiate with one customer once, we will negotiate with them *every time* we see them. And, if we negotiate with one customer, we will negotiate *with all of them, all of the time* because they talk, don't they?

So why look at negotiating at all if we've decided to fix our prices?

Think about what our goals are before we put a process in place to block or resist the negotiating strategies of our customers. First and foremost we want to keep or acquire a customer. Why did we say keep first? It is a whole lot easier to keep an existing customer and sell them the same ad than it is to acquire a new customer. It is a whole lot easier to sell employment advertising to a property manager who is using you to fill empty apartments than cold call for the same ad. It is a whole lot easier to sell a referral from a current customer than it is to cold call.

● Impact of Negotiating

● Remember Your 4Ps & 2Rs

Customers want to feel good, as if they have won something.

If we negotiate on price once, we will always have to. But, if our price is fixed, it's no longer just about price.

Negotiating for Leverage

Healthy relationships are all about equal balance. This is just as true between the sales professional and the customer as in our private relationships. If, as a sales professional, you ever feel that you are entering into a customer conversation with a tin-cup in hand, then you are at an immediate psychological disadvantage and the customer *will* pick up on it. The relationship

will not be balanced. Neither party will feel honored.

Sometimes as a sales professional we may feel that we do not have any leverage, but we do. We have a great product that makes people rich. We are experts, even *masters* of our business and our business is to do what? Help our advertiser get the phone ringing or customers walking through the door.

What other leverage do you have as a sales person? The first requirement to be a good negotiator is to be willing to walk away from the deal. Think about it. Can't you replace any customer you have? Is any *one* customer really a reason to alter business policy or practice?

The answer is no. This internal knowledge gives you strength.

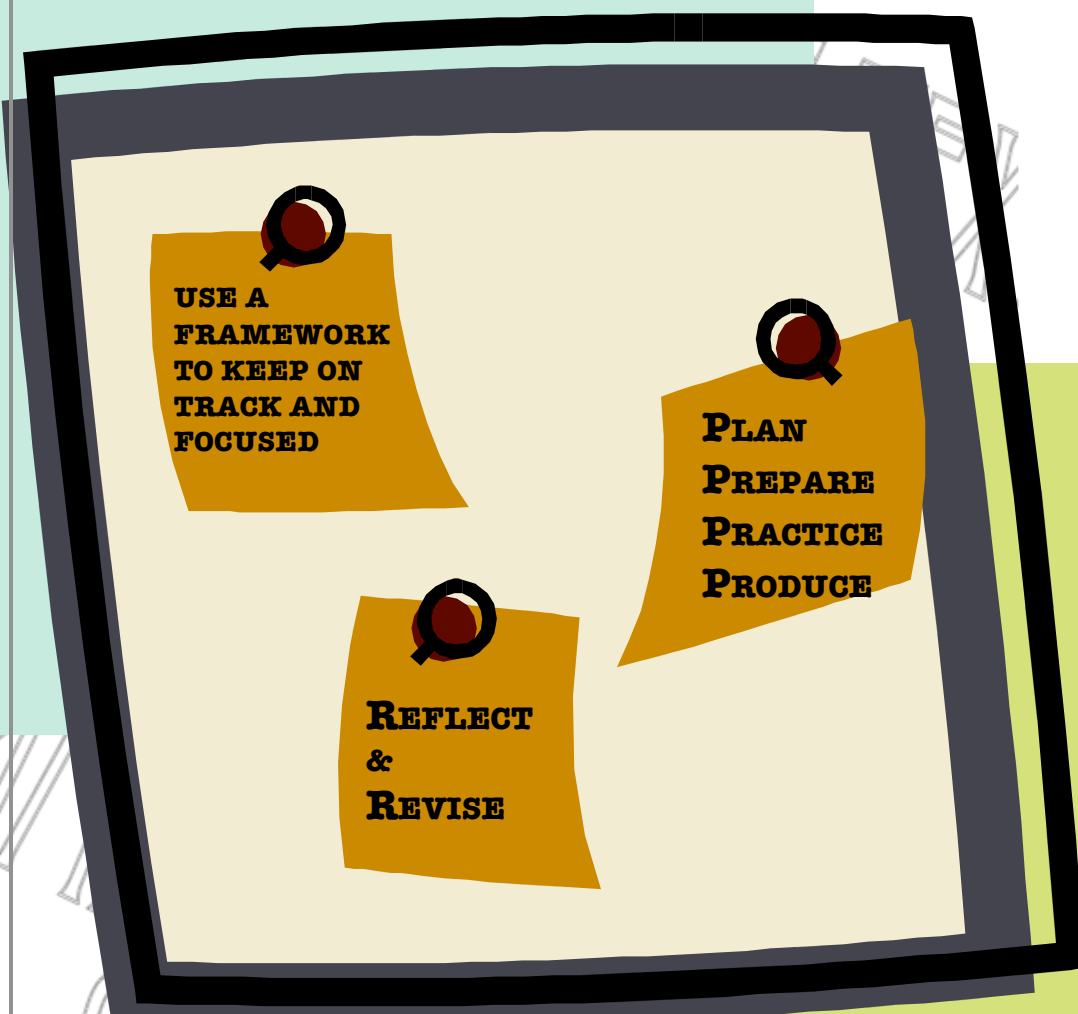
There is always another day, there is always another customer.

Why should we negotiate with our customers?

The negotiating process provides the customer with a sense of control. They want to 'win' and feel good about their buying decisions.

- Impact of Negotiating

- Remember Your 4Ps & 2Rs



**USE A
FRAMEWORK
TO KEEP ON
TRACK AND
FOCUSED**

**PLAN
PREPARE
PRACTICE
PRODUCE**

**REFLECT
&
REVISE**

● Who are our customers?

Do our customers ever negotiate?

Our customers negotiate all the time with all of their customers and all of their vendors. Our customers bid to get business and barter on contracts.



Our customers are not only very comfortable with the negotiating process, they are very good at it too. Let us take a look at a few examples.

Real Estate

What do realtors negotiate on?

They typically negotiate on commission, terms, give backs, the price of the house, what's included and provided by the buyer/seller, whether they will pay for an appraisal or a termite inspection.

Let us look at a business model.

The normal commission rate in Sacramento is about 6% on a medium priced house at \$381,990. If you are the listing *and* the selling agent, this means you would get half of that six percent or 3% of 381,990 for a total of \$11,459.70.

Quiz Who gets the other half?

If someone negotiated a 5% commission, you would get half of 5% of 381,990 or \$9549.75. This is a difference of almost \$2000 in gross pay. Suppose the market starts to cool, the buyer negotiates the price down to \$375,000 and a 5% commission. This gives a gross pay of \$9375.