
NEGOTIATIONS CHECKLIST

FOR SALES PROFESSIONALS

The most successful sales negotiations begin early in the sales process/customer relationship and are executed with two key insights. First, effective negotiation is about finding solutions for BOTH parties, and NOT about winning or losing. Second, the manner in which you negotiate will have profound implications on the long-term health of the customer relationship and your long-term profitability at the account.

Always keep sight of the customer's self-interest, because this is what will drive his or her decisions. This thought process will better prepare you to align your goals with your customer's goals and also provide context when negotiations begin and the customer articulates demands. Effective negotiations is about more than the deal at hand. Every negotiation becomes part of the landscape and your history with the customer.

1. CULTIVATE FAVORABLE CONDITIONS AT THE ACCOUNT

- Cultivate a positive customer relationship based on trust, credibility and rapport.
- Ensure your customer likes you and trusts you.
- Monitor your level of credibility.
- Continually explore for insight regarding your customer's needs, motivations, objectives and priorities.

2. ASSESS CURRENT SITUATION

- Determine your current position at the account.
- Know your level of credibility in terms of pricing and concessions.
- Understand who your supporters and critics are.

3. PREPARE FOR SUCCESS

- Conduct a thorough exploratory process to uncover your customer's current needs/demands/motivations as they relate to the negotiation.
- Determine what is *most important* to your customer and what is most important to you.
- Consider *all* items that are of value (not just price).
- Identify the benefits you envision for your customer.

- Discuss with your sales leader your own organization's goals relative to this client and this negotiation.
- Identify and prioritize your needs and objectives.
- Analyze the areas in which you have the most and least flexibility to negotiate.

Establish your walk away point and the margins necessary for you to make a deal. At the very core of effective negotiation is insight – understanding not only what is important, but what is MOST important to the individual(s) on the other side of the table, and what is MOST important to you. One cannot overstate the importance of a skillful and thorough exploratory process to uncover all of the customer's needs and motivations. This will prevent you being blind-sided by unknown factors and unanticipated requests (“Oh, by the way...”) that can quickly throw your fair and balanced solution completely out of balance.

4. ASSESS NEGOTIATION DYNAMICS AT THE ACCOUNT

- Perform an analysis of the decision-making process prior to starting the negotiation process.
- Understand who will be involved and their roles in the decision process.
- Identify the buyer types of each individual and tailor your approach accordingly.
- Ensure the appropriate people will be in attendance at all decision meetings and in all negotiation communication.
- Identify who will ultimately approve the final contract.
- Confirm whether the negotiations process involves pre-negotiators who do not have the authority to approve.

Be sure that everyone involved in a negotiation has a thorough knowledge of the decision-making process – who is involved and how they are involved – at the outset of any negotiation process. A common strategy of some customers is to have someone “pre-negotiate” without revealing that is what they are doing. It is a fair question to ask who will be involved in approving the negotiated contract/price. The answer to that question should also serve as the ideal attendance list for negotiation sessions and distribution on all communication. When working with a larger organization which employs a standard process that includes pre-negotiators, do not to make specific agreements early that you may regret later when more give and take might be necessary.

5. EFFECTIVE NEGOTIATIONS IN ACTION

- Self-check to be sure you are approaching negotiations with the right mindset. Remember, negotiations is about finding solutions for BOTH parties, and not winning or losing.
- Resist reacting to demands. Instead, listen and explore to understand the motivation behind the demand.

- Do not abdicate your role in establishing the value of your goods and services.
- Invoke quid pro quo vs. concessions at every stage in the negotiation (additional detail below).
- Have you identified and leveraged ALL value considerations in the negotiation process?
- Have you and your counterpart explored all the possible variables that may arise?

The value of any product or service is impacted by both buyer and seller, and they each have a role in determining value. Sales professionals must be careful not to abdicate their role in establishing the value of their goods and services and be mindful that effective negotiations is about finding solutions for both parties. It is critical that you have a sense of the economic worth of all the variables that may be exchanged, and that you have explored all the possible variables that may come up.

6. THE POWER OF QUID PRO QUO & COST OF CONCESSIONS

- Don't give away anything without getting something in return.
- Seek equal benefit while establishing and promoting a dynamic of fairness and collaboration.

Finding solutions for both parties is precisely why you should always pursue quid pro quo versus concessions in every negotiation. Concessions create a double hit to your negotiations efforts. Giving something away without getting something of value in return essentially communicates to the negotiating counterpart that what you gave/conceded to them is of little or no value. As a negotiator, you have lost something without gaining anything – including appreciation for what you have just given away!

Taking a quid pro quo approach to negotiations reflects the pursuit of balance, thereby appealing to the customer's sense of fairness. Because the notion of quid pro quo is the very essence of a win-win outcome, it gives permission to sales professionals to seek equal benefit from the deal – not out of a sense of greed, but out of a sense of fairness and a desire to maintain balance in the ongoing relationship.

7. ONCE NEGOTIATION IS UNDER WAY, ADJUST BASED ON BUYER STYLES & PATTERNS

- Identify the negotiation style/pattern of your counterpart(s).
- Review your strategy to ensure you have adjusted it according to their style.
- Do a reality check with yourself to make sure you are not getting caught up in the customer's pacing.
- Continually assess your own navigation. Are you maintaining clarity around your own goals, objectives and the economic value of what is being discussed?

It is a great advantage to understand the negotiation style/pattern of your counterpart(s), and adjust your strategy accordingly. For instance, negotiating with a security-oriented customer will be slower and hinge on a lot of details, while the power-oriented customer will attempt to dominate, be intimidating and move faster than others. It's easy for sales reps to get caught up in their customers' pacing, but it is also counterproductive. You don't have to match the customer's intensity or focus on detail. When you have clarity around your goals and objectives, and the economic value of what is being discussed, you are far less vulnerable to the negotiating styles of your customers.

The degree to which negotiations are challenging and stressful is directly related to your skills and confidence in this arena. It is important to understand that negotiations also present an *opportunity* to deepen and strengthen the relationship with a given client, and position yourself and your company for continued growth and success.