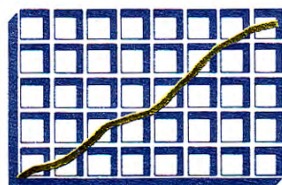


Bob Brown's Professional Negotiation Skills

**A Sales Systems Development, Inc.
Personal Development Series Module**

Participant Workbook



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“PROFESSIONAL SALES NEGOTIATION SKILLS” KEY LEARNINGS

1. The Negotiation Process

- Importance of Negotiation Skills
- Common Negotiation Mistakes
- The Four-Step Negotiation Process
- Difference Between “Selling” and “Negotiating”
- The Role of Conflict, Trust and Assertiveness in Negotiations

2. Effective and Ineffective Negotiation Behaviors

- Impact on Gaining “Commitments” versus “Agreements”
- How Negotiation Behaviors can Impact Execution
- Dealing with Tense, Confrontational Meeting Situations
- How to Offer and Respond to Proposals and Requests for Concessions

3. Personal Negotiating Styles

- Correlation Between Relationship and Results in Customer and Vendor Negotiations
- Five Negotiation Styles and Situational Negotiation

4. Negotiation Planning — Five Key Planning Questions

- Negotiation Goal-setting
- Role of Standards and Norms
- Power and Leverage
- Building “Perceived Value”
- Concession Planning

5. Bargaining

- Seven Concession Management Guidelines
- Bargaining “Give and Take” Techniques
- Eight Negotiation Tactics – How to Recognize, Counter and Use

NEGOTIATION

The art of getting people to see where their interests and yours overlap.



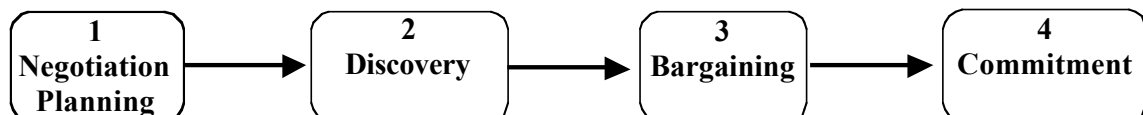
Negotiation Elements

1. Communication or interaction – between two or more people
2. With different as well as common goals
3. Designed to produce agreement or reconciliation
4. Yet, each party has the power to block the other to some extent.

An Effective, Efficient Negotiation Process Should...

1. Produce a wise agreement
2. Meet legitimate interests of both parties
3. Resolve conflicting goals and interests in a fair manner
4. Be Efficient – time, energy and emotion
5. Improve or at least not damage the relationship

Negotiation Process



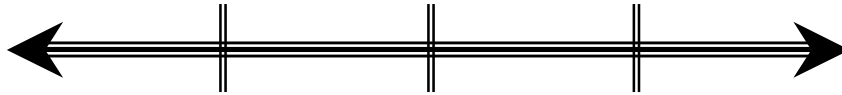
“Professional Sales Negotiation Skills”

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THE NEGOTIATION CONTINUUM

Psychologists have identified five negotiation styles or approaches based on each person's "tolerance for confrontation". Individuals have different comfort levels when confronted with the potential for conflict. Some look at negotiation as a contest in which to succeed, the other party must "lose". Conversely, other people tend to be more "cooperative" in their approach to negotiation situations. This often affects the extent to which a person is willing and able to confidently assert their position. Each person's tolerance for confrontation is a variable in negotiations. To be effective, we each need to understand our own "tolerance for confrontation" as well as recognize the styles of others involved in the process.

THE "NEGOTIATION CONTINUUM"



Two Primary Negotiation Style Dimensions

1. _____

2. _____

FIVE KEY NEGOTIATION PLANNING QUESTIONS



#2 What Standards or Norms Apply to the Selling or Negotiation Situation?

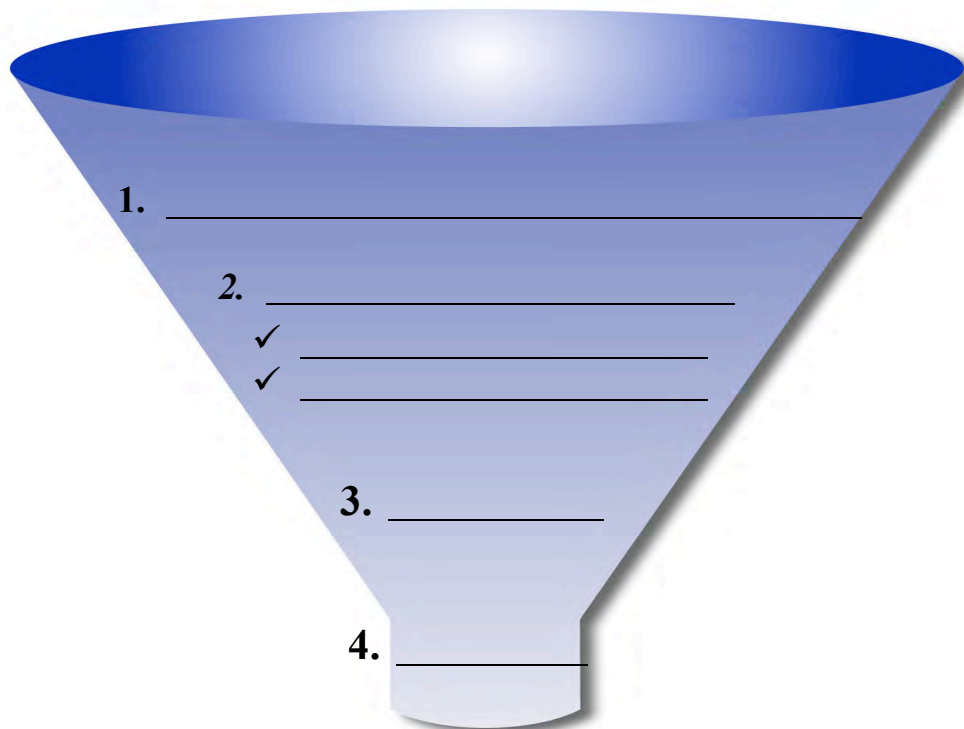
Negotiation brings into play one of the most basic human drives, the need and desire of most people to maintain an appearance, at least in their own eyes, of *consistency and fairness* in words and deeds. This psychological drive, the desire to remain consistent with existing standards, influences every negotiation. Sales people are inclined to negotiate on the basis of authoritative standards and industry norms. Not to do so, or to deviate to far from those norms, is to risk being viewed as unreasonable. All other things being equal, people like their decisions to be viewed as consistent and rational.

The “Consistency Principle” — the “Need to Appear Reasonable Phenomenon”

NEGOTIATION PROCESS STEP #2 DISCOVERY OR INFORMATION EXCHANGE

Goals of a Good Discovery/Information Exchange Process

1. Development of Rapport
2. Surfacing of Underlying Interests, Issues and Concerns
3. Test Expectations
4. Display and Evaluate Results vs. Relationship Positions



Percent Negotiating Time Spent...	<i>Skilled Negotiators</i>	<i>Average Negotiators</i>
Asking Questions	21.3%	9.6%
Testing for Understanding	9.7%	4.1%
Summarizing	7.5%	4.2%
Total	38.5%	17.9%

“The Behavior of Successful Negotiators”, Neil Rackham and John Carlisle, “The Effective Negotiator–Part 1

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PRACTICAL NEGOTIATION TIPS AND TECHNIQUES

Managing the “give and take” of Negotiation

It's ok, and in fact may be a good idea at the time, to...

- 1. Feign Misunderstanding – “Be smart, act dumb”**
- 2. Be “Indecisive” – “you know I just don’t know, let me think about that for a moment...”**
- 3. Remain silent...“silence is power assertiveness”**
 - **Do not respond to a question**
 - **After the other party has made one or more statements**
 - **Or, do not ask another question**
- 4. Repeat yourself...**
 - **Say exactly the same thing again, “As I mentioned, for this to work we need...”**
 - **If the other party uses “silence” on you**
- 5. Ask questions that may be none of your business**
- 6. Be wrong or not know the answer**
- 7. Politely, respectfully ask for more again, and again, and again.**

STEP 4: COMMITMENT TO SALES EXECUTION

1. Make commitments visible

The level of commitment will always be higher when the agreement is visible and public.

2. Define the follow through:

- Role of each person in the process, and
- The process used to track and measure the results, as well as
- The criteria for success.

3. Review again the “next step”

4. Reaffirm the relationship

- “Declare the other party the Winner”
- Reinforce Benefits of Success

