

# THE MARKETING COMPANY

Sales & Marketing Training



*Essential Negotiation Skills™*

*LiveOnline™ Course*

## **Welcome to your LiveOnline™ course on Essential Negotiation Skills™**

	Tips for getting the most out of this course
1	Make sure you have your workbook ready
2	The course has been written for all 3 learning styles: Visual, Auditory & Kinesthetic (so you need to fill in the gaps: often written <b>in bold</b> on the slides)
3	Do participate in the online questions/quizzes

### **Below is an overview of the main topics covered in the programme:**

Part	Topic
1	What Negotiation Is
2	Negotiation Planning
3	Open Dialogue
4	Trading
5	Reaching Agreement
6	Next Steps
7	Summary

If you have any technical or other difficulties,  
please email [admin@THEmarketingcompany.com](mailto:admin@THEmarketingcompany.com) or call +64 6751 0048.

Enjoy the course!

## Traditional View



- Reasoned bargaining so that both parties see their needs satisfied
- Usually involves a compromise by two (or more) parties to reach agreement

### Usual Steps:

1. One party establishes 'sell' price
2. Other party makes 'buy' offer
3. One party concedes a little
4. The other party concedes a little
5. Each party alternates conceding until an agreed amount is reached

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## Points to Remember



- As long as what you're asking for isn't unreasonable, you have every right to ask
- Your idea of fair might not be the same as another person's– they may actually be 'generous'!
- The other person doesn't have to agree to anything at all- they are free to walk away anytime

Notes:

## Negotiation Steps

1-2-3

1. Negotiation Planning
2. Opening Dialogue
3. Trading
4. Reaching Agreement
5. Next Steps

## 1. Planning to Negotiate



- Up to \_\_\_\_\_ of your time should be preparation time (fill in workbook gaps)
- Before you start, you **MUST** identify your **Agreement Parameters** **AND** estimate **their** Agreement Parameters

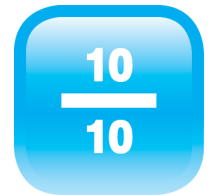
The three Agreement Parameters are:

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

Notes:



## Set Your 'Best' Position



1. Consider your price to equivalent products/services/offerings available
2. You can set a higher price than your competitors, but you must have a good reason
  - For example, if the list price for your second-hand car is \$10,000 and you ask \$10,500, there must be \$500 worth of extras to go with it, maybe a trailer or better seats
3. It should be a 'stretch' goal

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## Set Your 'Must Have' Position



- Remove all **emotion**
- Your 'must have' should be the minimum you will accept to not walk away from the agreement

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## Set Your 'Reasonable' Position



- Ensure it is realistic (SMART)
- It will likely please the other party too
- It should be a result at which you'll be happy but not ecstatic

Notes:

## Common Ground



1. Negotiation is easier where there is an overlap in what both parties want
2. Ask questions to find any common ground

<u>Negotiating for a desktop computer</u>	
<u>Seller – trying to get the highest price</u>	<u>Buyer – trying to pay the least</u>
<b>B</b> est - \$2,000	<b>B</b> est - \$500
<b>A</b> cceptable - \$1,000	<b>A</b> cceptable - \$800
<b>M</b> ust have - \$800	<b>M</b> ust have - \$1,000

## 2. Opening Dialogue



- You must build rapport
- You must develop trust
- You must open them up
- You must use active listening

Notes:

### 3. Trading



- Think about their position and **needs**. The more they need your product or service, the more flexible they will be.
- If you find this to be true, focus on justifying your **“best”** position at the outset. Keep their attention on that.
- Above all, never come across as desperate for the deal, or the other party will push you further and further back.

Notes:

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### Negotiation Tactics: Sweeteners



- To make the other party want to do the deal more: you can offer “sweeteners”

**Things to remember:**

- Make sure the extras are \_\_\_\_\_ and \_\_\_\_\_ to the other party
- They don’t need to have value to you, but they must be valuable to them
- Don’t offer them at the beginning

Notes:



## Negotiation Tactics

### 1. Think about **Good Cop-Bad Cop**

- Aim: The bad cop unsettles the other party, the good cop acts as a friend
- Tip: Don't think the person playing the good cop is on your side

### 2. **The Flinch Technique**

**Purchaser:** *"What! How much? \$4,000? That's a lot of money."* (A concession typically follows from the sales person.)

**Sales person:** *"That includes delivery and installation"*

**Purchaser:** *"It is still a lot of money!"*

**Sales person:** *"We could possibly arrange for some free servicing to be included."*

By accepting an offer without flinching, you may miss an opportunity to do better.

### 3. **The Delay**

- To find out how desperate you are/they are
- Could be looking at your watch or putting on a coat: "I'll think about it"

### 4. **Changing the Dynamic**

- Against you: can be used against you to make you justify yourself, to make you feel unworthy and weak
- For you: can also be used to surprise and unbalance the other party and perhaps get them to reveal more than they should

Notes:

## Negotiation Tactics



### 5. The Colombo

- Just as agreement is about to be reached... *"Oh, just one more thing..."*
- This is very effective, especially after a long negotiation
- Beware: don't be tempted to agree – remember, give something ONLY to get something

### 6. "I'd Love To, But..."

- Against you: call their bluff, the chances are that there will be some room to manoeuvre
- For you: can be useful to extract extras: "My boss says we need X before we do the deal"

### 7. Silence aka The Pause

- Can be very effective
- Don't interpret it as being a no
- If used against you, don't be tempted to fill the gap, it is designed to make you say, "Well, if that's not good enough, how about ...?"

### 8. Divide and Conquer

- If negotiating with a team, or there are other parties involved, try to get one party interested and sold on the idea. They can then work for you behind the scenes to put pressure on the negotiator to make a deal

Notes:

## 4. Reaching Agreement



- Do ask for the agreement
- Do remain positive and professional, especially when reaching agreement
- Do clarify the agreement verbally and write it down (see the Negotiation Plan)

Notes:

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## Deadlock



- The danger is if you name a price which is below their “must have” price. Then the negotiation will be deadlocked
- If deadlock is reached, you have two options:
  1. **Either:**
    - Acknowledge that a deadlock has been reached
    - Then make a one-off offer: (“*take it or leave it*”)
  2. **Or** get them to offer their final offer: “*So, what is your bottom line?*”

Notes:



## 5. Next Steps



- Agree the timings for the agreed actions
- Write the actions into the Negotiation Plan
- Summarise the actions and agreement in written/email form
- Go back quickly if ever there's a difference between the verbal and written

Notes:

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## Next Steps Tips



1. Make any agreements clear for both parties
2. Between verbal agreement and written contract **SAY NOTHING!** (You could break the agreement!)
3. Trust your gut instinct (if it feels too good or too bad, it probably is!)

Notes:

## Don't



- **Don't** underestimate the other party
- **Don't** close until you are happy
- **Don't** get over-emotional
- **Don't** leave the other party feeling cheated
- **Don't** agree to win-lose outcomes, they become lose-lose

Notes:

<u>Negotiation Plan</u>	<u>Date:</u> /       /	<u>Their name:</u>
<u>Your Agreement Parameters:</u>	<u>Their Agreement Parameters:</u>	
Best	Best	
Reasonable	Reasonable	
Must Have	Must Have	
<u>Expected Common Ground:</u>		
<u>Fact Find:</u>		
<u>The Agreement:</u>		
<u>Next Steps:</u>		

<u>Negotiation Plan</u>	<u>Date:</u> /       /	<u>Their name:</u>
<u>Their Expected Objectives:</u>	<u>Your Objectives:</u>	
Best	Best	
Reasonable	Reasonable	
Must Have	Must Have	
<u>Expected Common Ground:</u>		
<u>Fact Find:</u>		
<u>The Agreement:</u>		
<u>Next Steps:</u>		

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- Sales Visit Excellence™
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[THEmarketingcompany.com](http://THEmarketingcompany.com)



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