

## Negotiating 101

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We negotiate everyday; in business transactions, in our personal lives, with friends, family and strangers. Yet, most people are not comfortable or confident when they negotiate. This often results in a less than satisfactory conclusion.

Many salespeople make the mistake of buying into the myth that the customer or prospect holds all the power and control in the negotiating process. This is not the case! As a seller, you have a great deal of leverage. Recognize that your prospect or customer needs something too.

Negotiating is a process, not something that happens at the end of the sales presentation when you discuss the financial details of the transaction. Negotiating begins as soon as you make contact with your prospect. Your appearance, approach, personal connection with your prospect, contributes to the final outcome. The manner in which you conduct yourself, talk to your prospect, and position your product or service also has an impact on the end result.

One of the most important rules of thumb to follow is to not allow price to become the main issue. There is no question that price is a factor in virtually every single sales transaction. However, it is seldom the most important issue although many salespeople will tell you otherwise. Any intelligent buyer or business owner will ask for a better price or a higher return on their investment. That doesn't mean they expect to get it. Nor does it mean that this is the primary factor in the sale. This means that you need to invest the time at the outset of the sales process learning what is important to your prospect. Ask questions and create an environment that encourages the other person to open up and share information with you. In previous issues I've written what type of questions you can ask to achieve this. Practice and develop your questioning skills; they will help you more than any other sales or negotiating skill. Finally, position yourself as a problem solver versus a vendor and price will become less of an issue.

It is also critical to learn a few fundamental strategies.

- a. Always ask for more than you think you will get. In many cases, the other person will agree which means you'll earn or save more money.
- b. Avoid saying "yes" too quickly even if you like the deal. Make the other person feel good by having to work for it.
- c. Listen carefully to what the other person tells you. They will often reveal information that can help you.
- d. Always ask for something in return when you give a concession. Make the other person work for what they get.

It is also important to avoid some of the most common mistakes made during the negotiating process. Here are a few of the mistakes you should be aware of:

1. Not gathering sufficient information. This prevents you from positioning your product or service effectively.

2. Giving into demands too quickly. Many people ask for concessions they don't think they'll get. Don't be hesitant to stand your ground.
3. Not taking time out to think. It is critical to take a few breaks during the negotiating process to give yourself planning time or to re-think a strategy or approach.
4. Allowing your ego to interfere or influence your decision. Pride is one of the biggest enemies to reaching an equitable solution. I can think a several situations where I've walked away from a deal because my ego got in the way although the deal itself was one I should have accepted.
5. Moving to the bottom line too quickly. Resist the temptation to discuss price too soon. This reduces your product/service to a commodity.

Negotiating is a skill and, like any other skill, it can be learned. Fortunately, like any other skill, negotiating can be learned. It takes time, effort and discipline. It takes a willingness to experiment and try new approaches as well as persistence, flexibility, and the ability to listen and focus on the other person. Take advantage of the multitude of resource materials on the market. Learn a few tactics and their counter-tactics. With a little bit of courage and some practice you can soon generate more income to your bottom line.

***Kelley Robertson** is the author of "Stop, Ask & Listen. How to welcome your customers and increase your sales." Kelley helps businesses maintain their competitive advantage by teaching them how to increase their sales, develop their negotiating skills, and motivate their employees. His web site is [www.KelleyRobertson.com](http://www.KelleyRobertson.com) and he can be reached at 905-633-7750, 1-866-694-3583 or at [Kelley@RobertsonTrainingGroup.com](mailto:Kelley@RobertsonTrainingGroup.com).*