PROFESSIONAL SALES NEGOTIATIONS™

Miller Heiman Group™

PROFESSIONAL SALES NEGOTIATIONS™

Professional Sales Negotiations™ is built on recent global research which identified the critical success factors associated with negotiation success today and into the future. A two-day program, Professional Sales Negotiations™ focuses on three key areas: Sales Negotiations Defined, Preparation, and Leading a Negotiation. Throughout the program, participants focus on planning for their own client negotiations, brainstorming options with their peers, and practicing negotiation strategies. Importantly, participants work with complex negotiating situations in class, allowing them to succeed in the field – in not only similar scenarios– but also "in the moment" or less complex scenarios.

Target Audience

Sales professionals with experience in their territories (typically 2 years or more) and sales managers

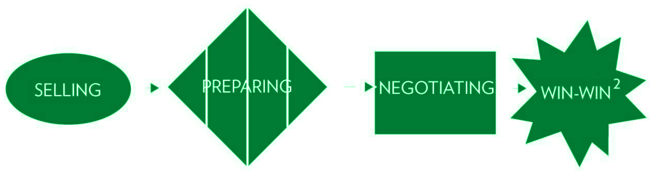
Outcomes

At the end of the program, participants will be able to:

- Determine which situations require selling sales skills versus transactional or consultative negotiation skills and when to use these skills.
- Analyze the customer and sales points of view to gain the perspective needed to negotiate effectively.
- Develop a negotiating strategy that optimizes the outcome for all parties and results in a mutually beneficial agreement.
- Adopt a rational mindset for negotiating.
- Lead a consultative sales negotiation through to a successful conclusion.
- Redirect counterproductive behaviors to maintain a consultative approach.
- Generate variables and alternatives which satisfy the requirements of all parties and satisfy both negotiating and relationship goals.
- Utilize planning tools to prepare for negotiating success – in the moment.

Key Concepts and Models

Defining the Approach: This unit begins with an understanding of the differences between selling and negotiating. Once established, sales negotiators learn the differences between consultative and transactional negotiating and how to recognize which approach should be taken in specific client situations. They explore what variables are negotiated in their own environments (price, terms/conditions, deliverables) and they are introduced to the concept of win-win2 which defines the true measure of success for a sales negotiation: a salesperson win, a sales organization win and a customer win.



Preparing for the Negotiation: One of the conclusions of the recent research was that salespeople are often at a disadvantage in negotiations (particularly if they are negotiating with a professional buyer). This disadvantage arises from the fact that customers often prepare longer and more in depth than their sales counterparts before a negotiation. As a result, we devote a significant portion of the *Professional Sales Negotiations™* program to Preparation.

Specifically, this includes:

- Timing: Using a set of criteria to determine when to negotiate or when to keep selling (when faced with customer issues over price, deliverables and terms and conditions). The four criteria enable salespeople to ensure that they do not negotiation unnecessarily or too soon. Specifically, a salesperson should not negotiate until he or she has:
  - Gained a conditional commitment from the customer.
  - Proposed deliverables, terms & conditions, and price.
  - Attempted to resolve each concerns with selling skills.
  - Confirmed that all concerns have been expressed.
- Insight: Leveraging insight on both sides of the table: sales and the customer. Sales professionals learn to analyze each of the players which will be involved (in terms of their role, style, and drivers) and the parameters that those players will work within (must-have needs, would-like-to-have needs, walk always, other options, etc.)
- Strategy: Developing and evaluating a creative list of alternatives which can be used to alter your proposal in ways which are satisfactory to all parties involved. Participants are taught to set goals (for both the relationship and the deal) and then develop a variety of alternatives to be used during the negotiation: Trade Offs, Concessions, Enhancements and when to Split the Difference. These alternatives are evaluated using the evaluation matrix (below).

Finally, participants plan their approach and determine which differences they will address in the negotiation first depending on their situation (e.g. start with price, or address others first?)

- ▶ Mindset: Assessing and improving (if necessary) the balance between pressure and power going into a negotiation. Participants consider frames of reference, build strength through options and prepare to handle potential counter-productive behaviors.

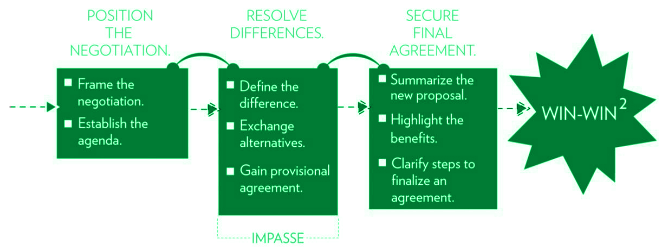
Specifically, participants learn to evaluate their feelings as well as the client's feelings and emotions in order to gain a realistic picture of the context for the negotiation:

Then, they learn to consider other ways they can invest their time in lieu of pursuing an agreement with the current customer. Knowing these options boosts a salesperson's ability to enter the negotiation with assurance.

Finally, participants are provided the skills to handle clients who engage in unproductive negotiating tactics:

- ▶ Maintain a consultative approach.
- ▶ Refocus the conversation.
- ▶ Discuss the impact of the behavior, if necessary.

Leading the Negotiation



In the final section of the program, sales professionals learn how to conduct the negotiation itself including positioning and framing the negotiation, exchanging alternatives to resolve differences, handling impasses, and securing a final agreement.

Situational Content:

In addition to the content covered in class, participants receive (as part of their participant kit) a Resource Guide which includes a diagnostic tool linking common challenges to negotiation tips and techniques. These tips cover situational topics above and beyond what is covered in class. For example:

- ▶ Multi-cultural negotiations
- ▶ International negotiations
- ▶ Transactional negotiations
- ▶ Reverse auctions
- ▶ Email usage
- ▶ Negotiating in teams
- ▶ Tiered negotiations

Design Approach:

Professional Sales Negotiations™ is primarily "guided discovery" based. This means it allows participants more opportunities to come to their own conclusions, use their own examples, and increase the time spent on practice. In addition, it also leverages some level of "directive" learning, including step-by-step knowledge acquisition, and practice.

Learning is enabled through a series of activities which:

- Increase the payoff for participants and bring out the WIIFM earlier in the course of the program.
- Strike a good balance between reading and allowing breathing room for discussion, processing, and debrief.
- Help participants transfer information into long-term memory through being engaged while they learn.
- Help salespeople learn by linking concepts to orientation devices such as maps or models.
- Spend time on 'doing' rather than just learning about.
- Use a mix of activities to support a variety of learning styles.
- Create opportunities to customize.

As part of the pre-work, sales professionals are asked to bring real account situations to work with throughout the program. These should be:

- Situations late in the sales cycle prior to negotiation (but where negotiations are anticipated) or
- Past negotiations in which the deal was lost (used for lessons learned and to prepare for better results in similar situations).