

2023

VALUE-ADDED NEGOTIATING VIRTUAL EDITION



Negotiate Value, Not Price.

Session 1 of 7 - Introduction to Negotiating Principles



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NEGOTIATING

Agenda



- Introduction to Negotiating Principles - Negotiating is a process
- How Different Types of People Negotiate
- Negotiating Tactics
- How Questions Impact the Negotiating Process
- Assumptions | Concessions | Power
- Situation Analysis

NEGOTIATING

Agenda



Session 1 Introduction to Negotiating Principles - Negotiating is a Process

Session 2 How Different Types of People Negotiate

Session 3 Negotiating Tactics

First customized virtual negotiating call
One hour (date and time determined with participant)

Session 4 How Questions Impact the Negotiating Process

Session 5 Assumptions - Concessions – Power

Session 6 Situation Analysis

Second customized virtual negotiating call
One hour (date and time determined with participant)

Session 7 Wednesday, March 15, 2023

VALUE-ADDED NEGOTIATING

What is negotiating?

ne·go·ti·ate

/nə'gōSHē,āt/ *verb*
gerund or present participle: negotiating

1. To deal or bargain with another or others, as in the preparation of a treaty or contract or in preliminaries to a business deal.
2. To obtain, settle on terms, or bring about by discussion.
3. Find a way over or through (an obstacle or difficult path).

noun

4. Strategic discussion that resolves an issue in a way that multiple parties find acceptable. In a negotiation, each party tries to persuade the other to agree with his or her point of view. By negotiating, all involved parties try to avoid arguing but agree to reach some form of compromise.

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The five types of negotiating strategies

- | | |
|-----------------|----------------------|
| • Competitive | Win – Lose |
| • Accommodating | Lose – Win |
| • Avoidance | Lose – Lose |
| • Compromise | Split the difference |
| • Collaborative | Win – Win |

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Competitive - I win, you lose.

Pros

- Can provide a good defense to other competitive negotiators
- Can be successful at generating very favorable results

Cons

- Can be damaging to future business or relationships.
- Often leads to deadlock

When it is most effective

- In one-off situations where long term relationships are less important
- When time is of the essence
- When the cost of a longer negotiation is not worth the time, money or effort.

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Accommodating - I lose, you win.

Pros

- Very helpful at repairing damaged relationships
- Short term loss for long term gain
- Helpful to steal business from competitors

Cons

- Sets bad precedents
- Creates a low perception of value
- Lack of confidence or low understanding of value
- Allows other party to take advantage

When it is most effective

- In situations where the relationship is strained
- Working to acquire business from the competition

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Avoidance - I lose, you lose.

Pros

Not many pros for this style of negotiating
Cheap and does not require a lot of money, time, or resources

Cons

Sets bad precedents
Creates a low perception of value
Creates an environment of indifference or lack of caring
Not good for building or maintaining positive relationships or reputation

When it is most effective

Good for when both parties are indifferent about the outcome and don't care much about the relationship. Main goal is to save time and not exert much effort.

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Compromise – Let's split the difference.

Pros

- May often be adequate for many situations
- Expedient – Requires less work than true win-win solutions
- May provide pleasing results for both parties

Cons

- Sets bad precedents
- Creates a lower perception of value
- Allows other party to take advantage
- Easy – may be viewed as a cop-out

When it is most effective

Good in situations with limited time or looming deadlines. Usually produces imperfect results for all parties.

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Collaborative - I win, you win.

Pros

- Maximizes outcomes for both parties
- Provides clear, transparent, and genuine communication for both parties
- Establishes a culture of trust and partnership

Cons

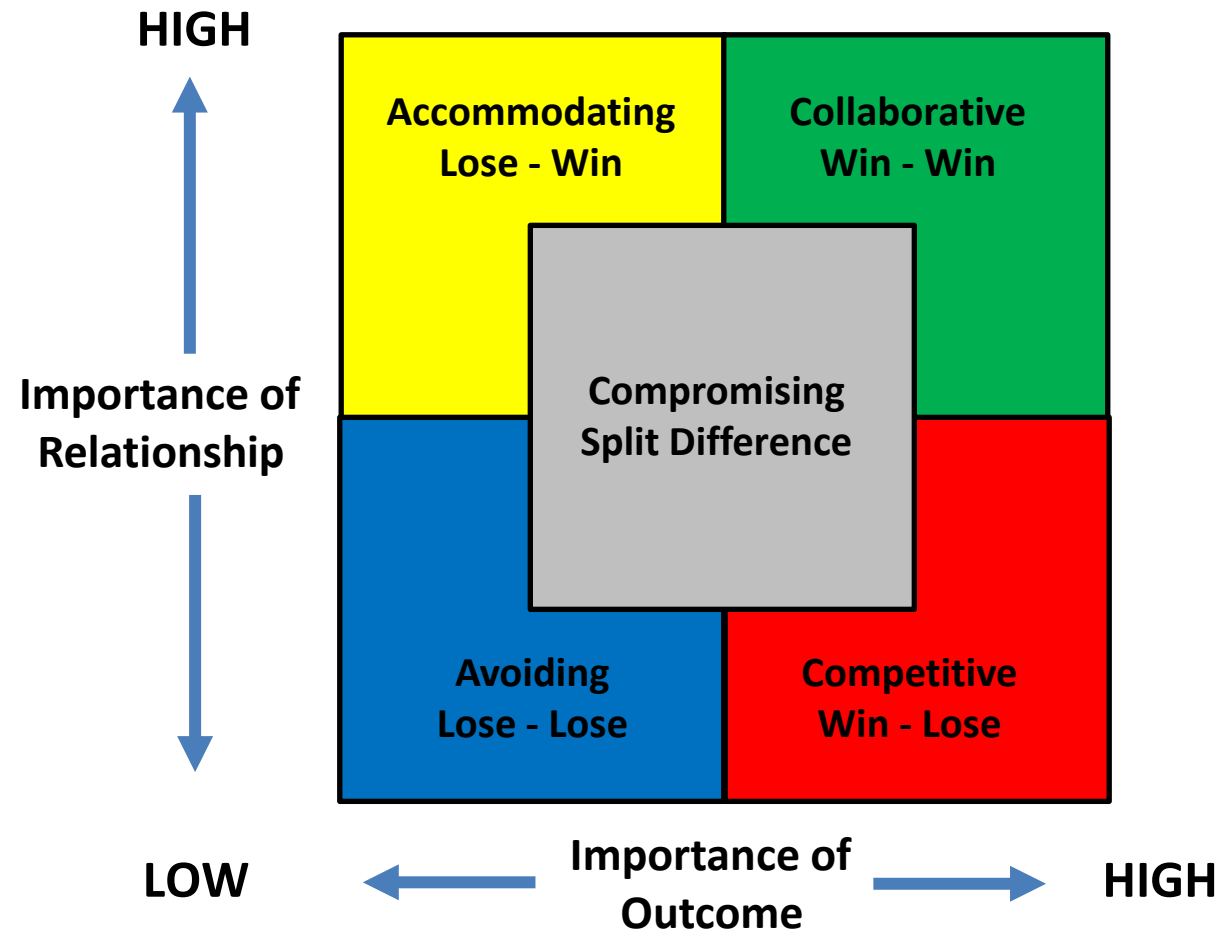
- Takes a lot of work and dedication for both parties
- Requires substantial time, energy, and resources to accomplish

When it is most effective

- In situations where there is a valued long-term relationship
- When working with important and impactful counterparts
- When stable long-term profits and relationships are important

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Negotiating Style Grid



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- Selling ability produces revenue.
- Negotiating ability produces profit!

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The key is dealing with people.



- Building Value
- Personal Negotiating Style

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When does negotiating begin?



*The Negotiating Process
Parallels The Sales Process!*

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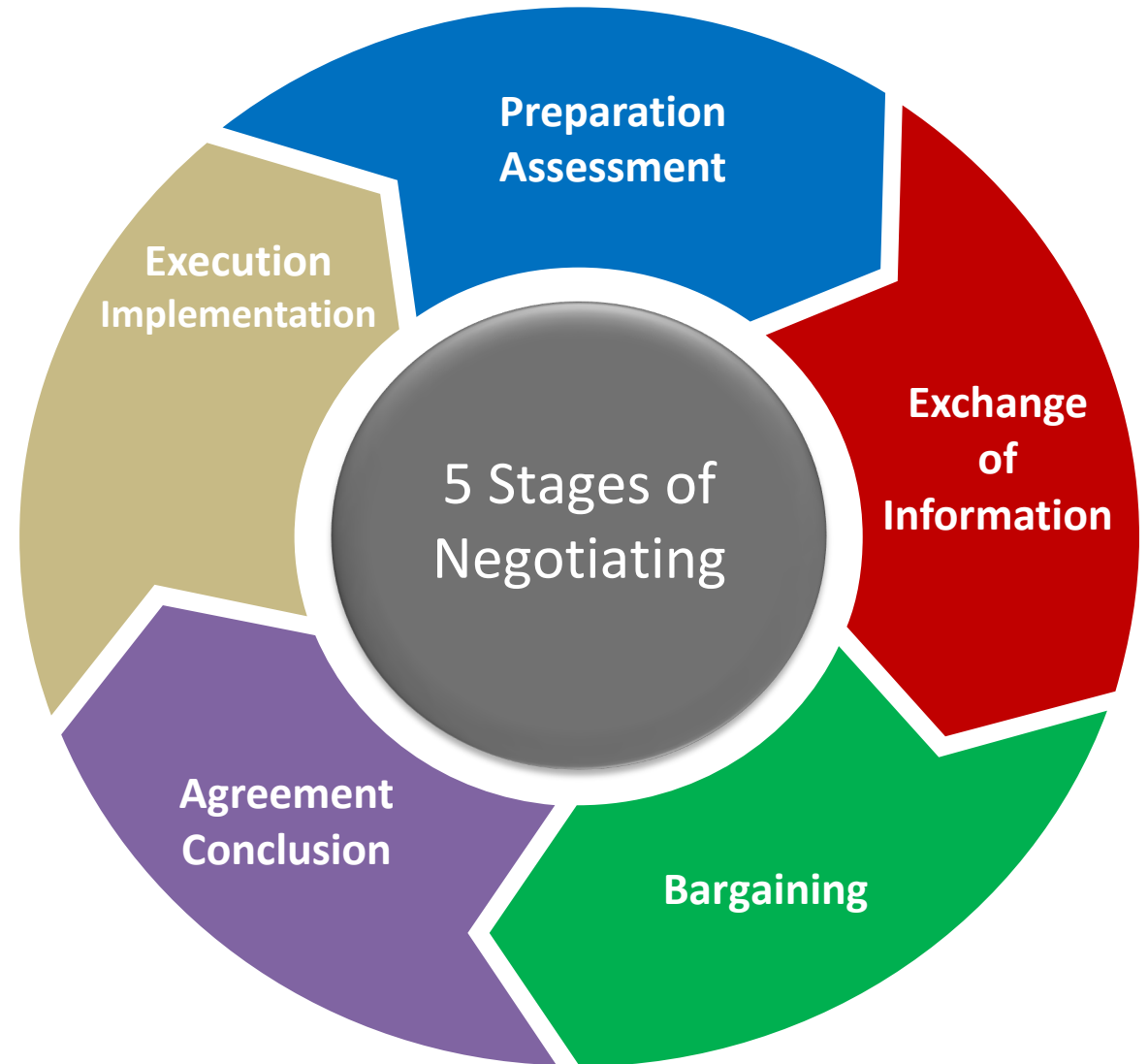
Negotiating is a process, not an event!



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The Five Stages of a Successful Negotiation

1. Preparation - Assessment
2. Exchange of Information
3. Bargaining
4. Agreement - Conclusion
5. Execution - Implementation



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Anything you say in a sales call...



Can and will be used against you in a negotiation!

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Be careful of what you say!



- We will work with you.
- Let me see what I can do.
- Let me talk to my manager.
- I am sure we can do something.
- Can I have the last look?
- Call me before you buy elsewhere.

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Be careful of what you do!



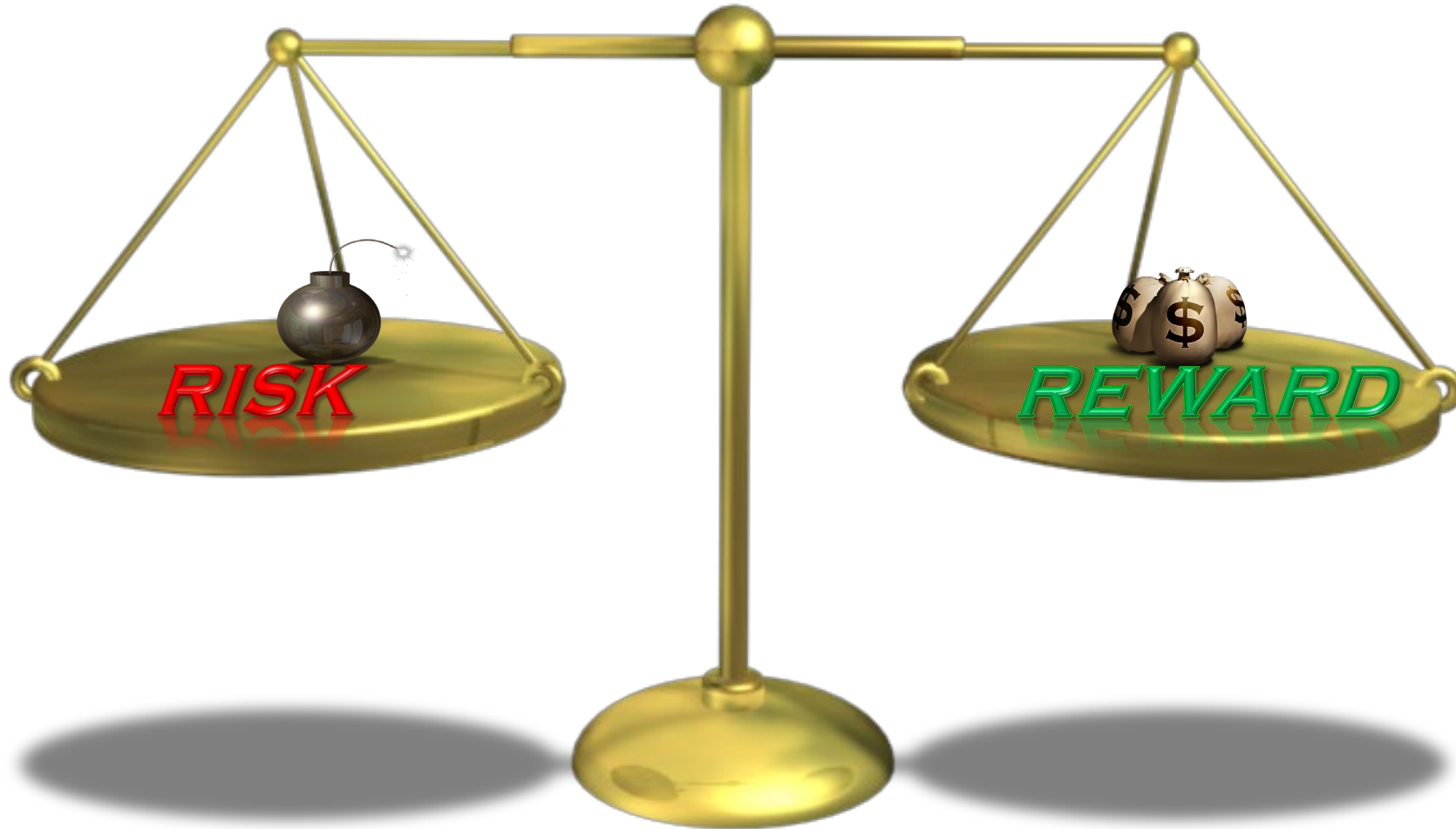
- Look down when price is mentioned
- Lose eye contact
- Voice changes
- Grimace
- Nervous or anxious behavior
- Do not be so smart

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Key points to remember

- Tricks only work once if at all.
- Manipulation only works once if at all.
- Trust is critical to business relationships.
- Your success depends on repeat sales not one-shot deals.
- You must be able to go back again and again.
- You must be able to earn referrals.
- There is no win if there's not a WIN/WIN

NEGOTIATING



AS VIEWED BY CUSTOMERS

DECREASE IN
IMPORTANCE



Price
Features
Competition
Objections



INCREASE IN
IMPORTANCE

Partner

Consultant

*Best Product, Service
or Solution*

*Better Product,
Service or Price*

Commodity

INCREASE IN
IMPORTANCE



Value
Respect
Opinion
Quality



DECREASE IN
IMPORTANCE

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