

# VALUE-ADDED NEGOTIATING

GETTYSBURG, PA | NOVEMBER 4-5, 2025

# RAUSCH<sub>USA</sub>



*“Customized Training for Rausch USA”*

SALES CONCEPTS

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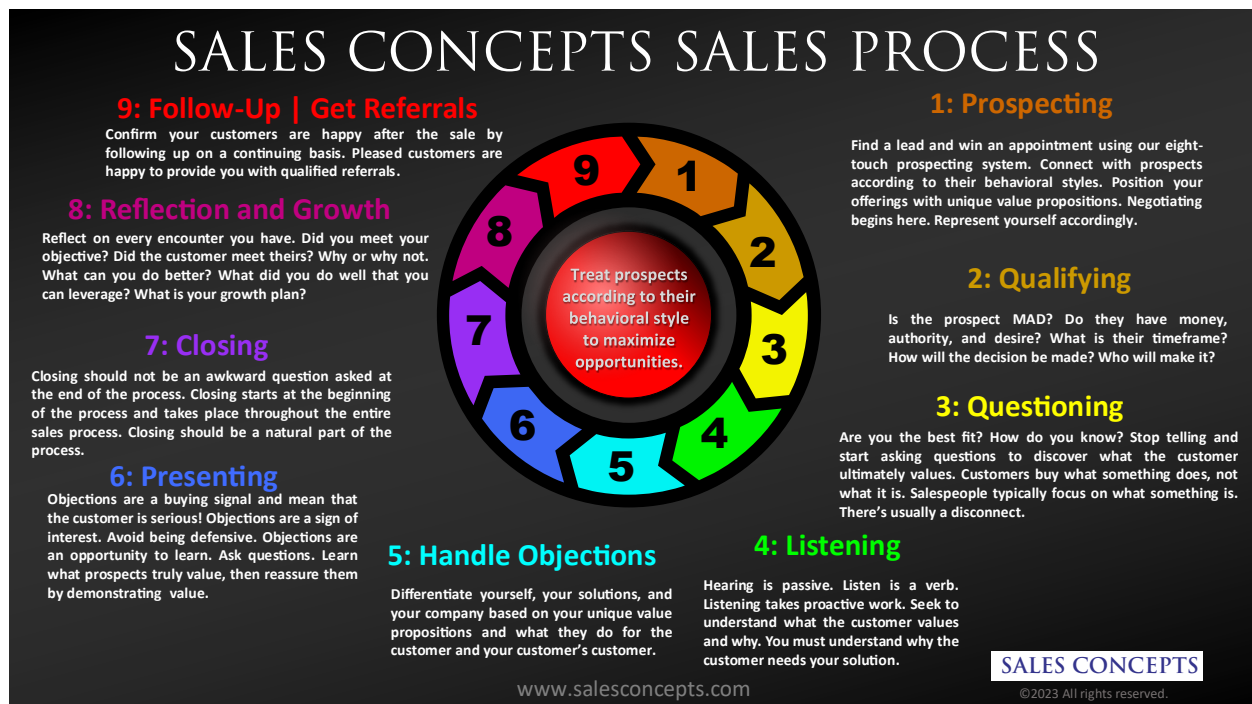




## Introduction

Welcome to *Value-Added Negotiating* by Sales Concepts. We're happy you are attending the program today. Please participate in the discussion as much as you feel comfortable. Our goal is to help you become as successful as possible. With that in mind, let's have some fun.

## The Sales Process



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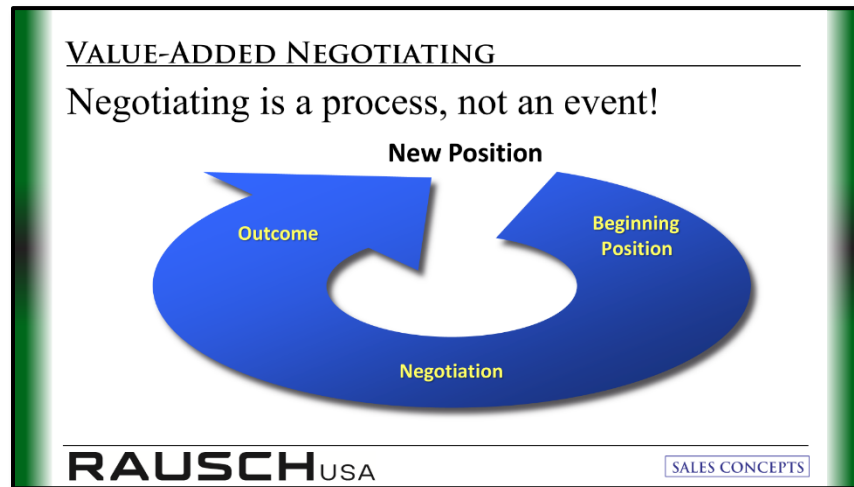
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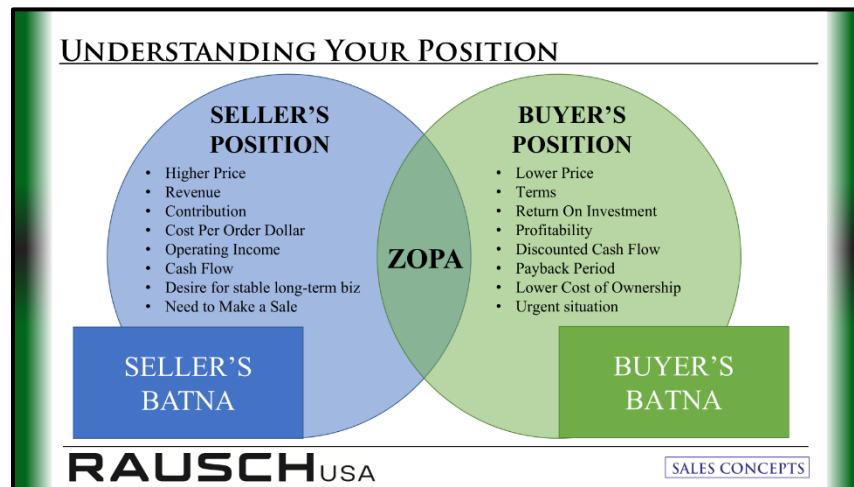
# INTRODUCTION – NEGOTIATING PRINCIPLES

Many people sell what they want to sell instead of what prospects should have or need. It is much easier to sell value if you ask the right questions to determine your customers' needs before recommending solutions. Negotiating begins the moment you meet the prospect, and it probably starts sooner than that! If the prospect or customer is familiar with your company, they already have an opinion. Their opinion becomes your starting position. It continues throughout the entire sales process. Value is the competitive advantage you bring to your customers. Quality is what goes into your product(s). Value is what your customers gain from it. You must understand what value you provide to sell it. Otherwise, you force yourself to sell on price if you do not understand this value, and value exists in the eyes of the customer.



Selling can be an art or a science, depending upon the view and position of the seller, the lateness of the hour, and most probably, the success or failure of the prior meeting. Understanding what makes for successful selling and what constitutes a professional salesperson is critical.

Buying can be seen as the process where the seller identifies and satisfies the buyer's need for the mutual benefit of both parties. The buyer recognizes the value of the product or service. The emphasis is on the needs of the buyer.



Where the two circles intercept is known as the Zone of Possible Agreement (ZOPA), this is where the needs of the seller meet the needs of the buyer.

To be successful, the outcome of the negotiation must be the best alternative for both parties as compared to their BATNAs or the Best Alternative to a Negotiated Agreement. In other words, what can they do if they don't agree? What options do they have? If they don't buy from you, what will they do? Conversely, if you don't sell to them, what will you do?

Skillful salespeople often quickly identify the needs of prospects and customers because they are involved objectively, not emotionally. Skillful salespeople are aware of new products and techniques, and they have the advantage of talking over these ideas with a variety of experts in the industry. Because these salespeople spend significant time in customers' offices and plants, they observe the good and the bad.

## VALUE-ADDED NEGOTIATING

The Five Stages of a Successful Negotiation

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

5 Stages of Negotiating

Preparation Assessment

Exchange of Information

Bargaining

Agreement Conclusion

Execution Implementation

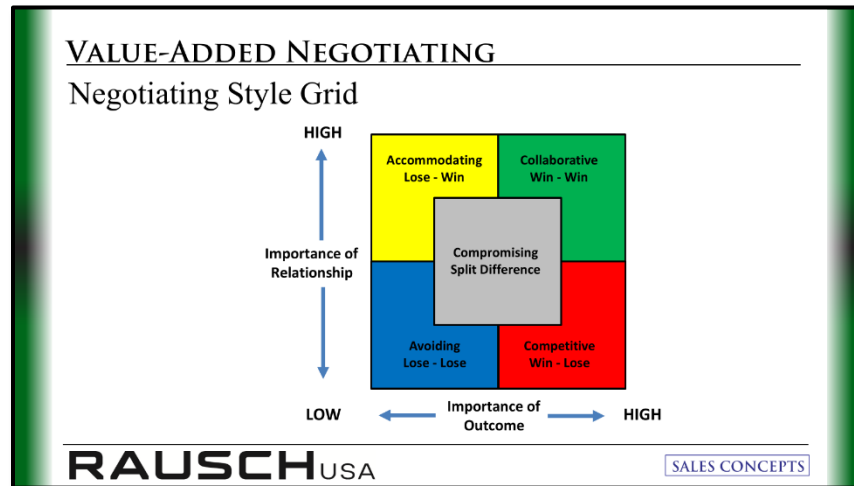
## RAUSCH USA

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This image shows a blank sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

# INTRODUCTION – NEGOTIATING PRINCIPLES

Profit is not a four-letter word. It is okay. We all have or will have to negotiate at various times. Negotiating should not produce negative feelings. It should be positive. The key is dealing with people and building value per their style. Both sides should win. Many times, we don't invest the time to find a win-win solution, and the negotiation ends with one or both parties being unhappy. The goal of a successful negotiation is not to take advantage of the other side but to make sure they get what want as well as us getting what we want. This is what a collaborative agreement looks like.



What are the reasons to negotiate well?

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Why don't salespeople negotiate well?

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# INTRODUCTION – NEGOTIATING PRINCIPLES

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## Remember

VALUE-ADDED NEGOTIATING

Anything you say in a sales call...



*Can and will be used against you in a negotiation!*

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Be careful of how you respond, what you say, and what you do. Skilled negotiators pay attention to how you behave. When they sense weakness, they will pounce on it. Watch the verbal part of your negotiating skills.

VALUE-ADDED NEGOTIATING

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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# INTRODUCTION – NEGOTIATING PRINCIPLES

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Watch the physical part of your negotiating skills.

VALUE-ADDED NEGOTIATING

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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VALUE-ADDED NEGOTIATING

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

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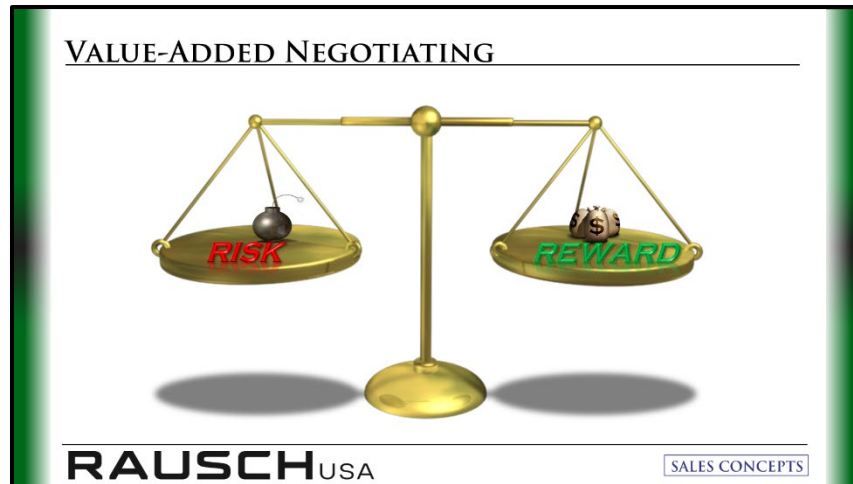
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# INTRODUCTION – NEGOTIATING PRINCIPLES



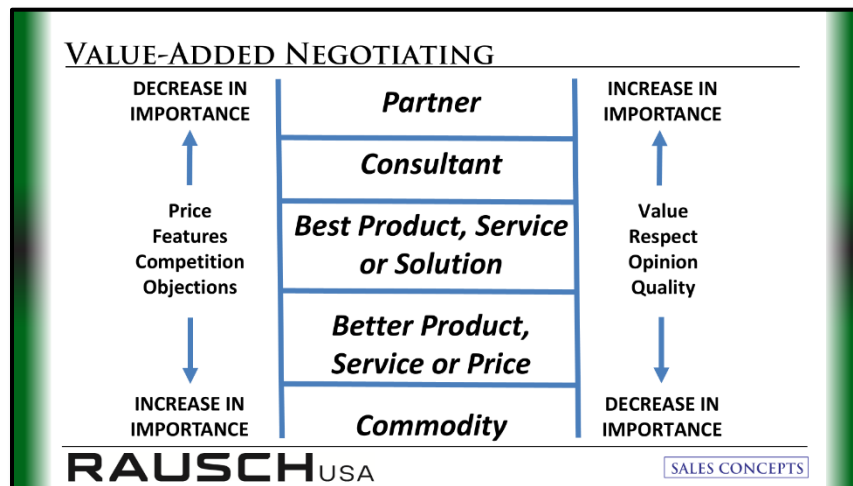
At Rausch, it is continuous long-term sales, not just one-shot transactional deals.

Why do people buy?

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What does it mean to be a partner?

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*“Effective negotiating results in mutual satisfaction.”*

Look for a win-win solution.

**VALUE-ADDED NEGOTIATING**

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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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We must set goals when negotiating.

Most salespeople approach any negotiation with some outcome in mind. Salespeople set some goals, and management may set some goals. Sellers have goals pertaining to quotas, costs, profitability, contracts, personal income, and promotions. The higher the aspiration level, the higher the rewards.

Buyers set goals on needs, costs, delivery, performance, and promotions. They may be rewarded because of the money they save a company. Again, the higher the aspiration level, the higher the rewards.

Past successes affect the goals set, especially in a negotiation. When entering a negotiation, people often carry the baggage of the last negotiation. If they held their ground on giving major concessions and made the deal, their aspiration level is higher. They believe they can do it again.

The effect is just as powerful in the opposite situation. If a negotiator holds their ground and fails, they will be more willing to concede. The fear of losing lowers the aspiration level. They want to make a quick deal and get out.

What people believe affects the goals they set. The power of belief is critical to successful negotiating. People who believe their products and services are worth more obtain more. We are not saying never give an inch. If sellers and buyers never give an inch, they eventually deadlock, and nobody wins.

What is deadlock?

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[illegible]

**VALUE-ADDED NEGOTIATING**

**Messages sent when you deadlock:**



- Wants May Not Be Consistent with Reality
- Reduces Everyone's Aspirations
- Extra Work is Required
- Failure
- Breakdown of Relationships
- Possibility of Animosity
- Threat to Confidence
- May send negative messages to management.

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**VALUE-ADDED NEGOTIATING**

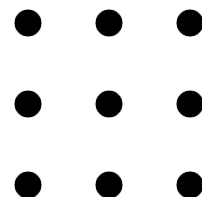
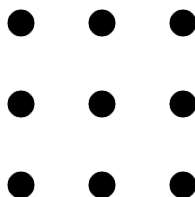
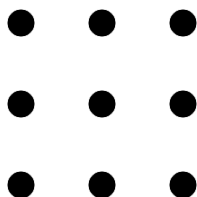
**How to overcome deadlock:**



- Plan
- Strategize
- Have Alternatives
- Be Creative and Flexible
- Swallow Your Pride
- Walk Away

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Try the nine-dot puzzle.





Always remember:



Key points to remember:

- What you believe impacts results.
- You must feel good about your position, company, products, and services.
- When you believe in the value your products and services provide, you do a better job of convincing your customers to believe in the value as well.
- Before your next negotiation, raise your aspirations.

## Customer buying styles | How customers negotiate.



*Buying Styles is a method of relating to different types of people to meet their buying expectations better.*

*Buying Styles is behavior. It is not personality.*

*Personality is the reason you behave the way you do.  
Behavior is what you let others see of you.*

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# HOW CUSTOMERS BUY – BUYING STYLES

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## Customer Buying Styles

How do you define behavior?

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Buying Styles increases your awareness of other people's behavior and your effectiveness in communications and teamwork. By using this method, you'll be more effective at understanding and meeting the expectations of prospects and customers. You also see where potential conflicts may arise. Customer Buying Styles is only what you see of someone on the surface. It's not rocket science. It is what is observable. Two research psychologists and one research assistant from Stanford University developed this model, although it has roots going back to the time of Aristotle and Plato.



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## Customer Buying Styles

CUSTOMER BUYING STYLES

***What is a buying style?***

- Surface Behavior
- Observable
- Nonverbal
- Habitual and Repetitive
- Place of Refuge

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CUSTOMER BUYING STYLES

***It's how a person does things.***

It's a particular *pattern of actions* that others can observe and agree upon for describing a person's usual behavior.

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Buying Styles has nothing to do with morals or values. It is simply a way to describe one's *usual* behavior—how a person behaves most of the time. At various times, anyone can exhibit all forms of behavior. We are talking about *usual* and *consistent* behavior over time. This also relates to the first few minutes of an encounter.

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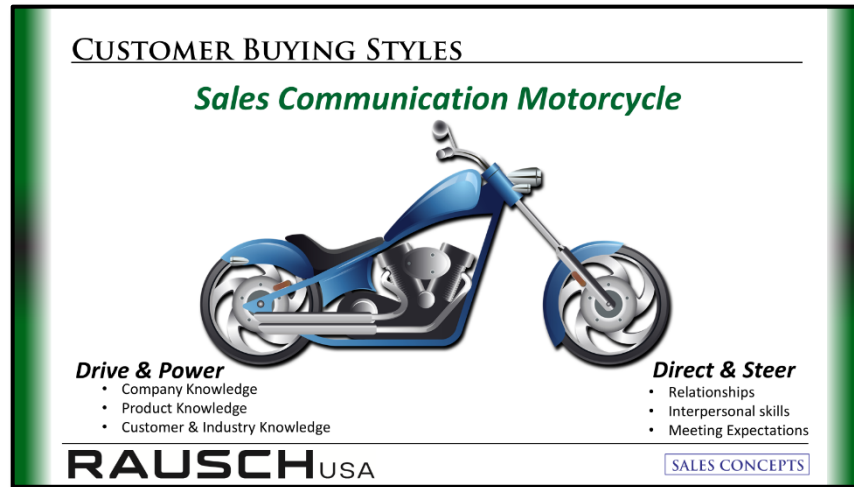
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# HOW CUSTOMERS BUY – BUYING STYLES

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## Customer Buying Styles



What does the rear wheel on a motorcycle do?

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What does the front wheel do?

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If you put your communication cycle on autopilot and treat everyone the same way, eventually you are going to crash.

### PLATINUM RULE

*“Do unto others the way they like.”*

It works.

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# HOW CUSTOMERS BUY – BUYING STYLES

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## Customer Buying Styles

To determine a person's behavior style, you must evaluate two dimensions of their behavior. Pace and Priority.

**CUSTOMER BUYING STYLES**

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***How to determine someone's style...***

We evaluate two dimensions of human behavior:

- ***Pace***
- ***Priority***

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The First Dimension of human behavior: Pace


**CUSTOMER BUYING STYLES**

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***Pace***



D	C	B	A
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***Slower*** ← ***Faster***

A = Faster paced than at least 75% of the population  
B = Faster than half but slower than a quarter of the population  
C = Slower than half but faster than a quarter of the population  
D = Slower than at least 75% of the population

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C and D people:

Do things by asking questions.  
Prolong decisions.  
Tend to be more cautious.

A and B people:

Do things by telling.  
Make quick decisions.  
Tend to take more risks.

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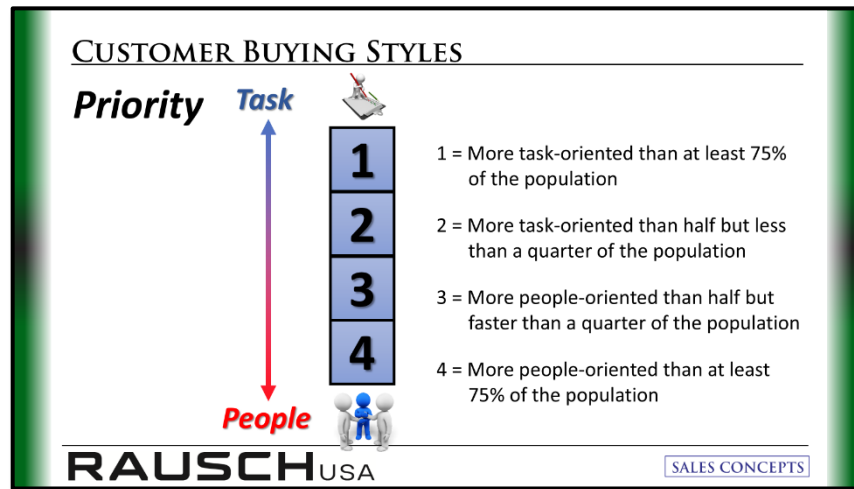
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# HOW CUSTOMERS BUY – BUYING STYLES

## Customer Buying Styles

The Second Dimension of human behavior: Priority



### 1 and 2 people:

Show little facial expression.  
Are private—hard to tell what they think.  
Are not comfortable showing their feelings.

### 3 and 4 people:

Easy to read.  
Share their emotions.  
Extremely outgoing.

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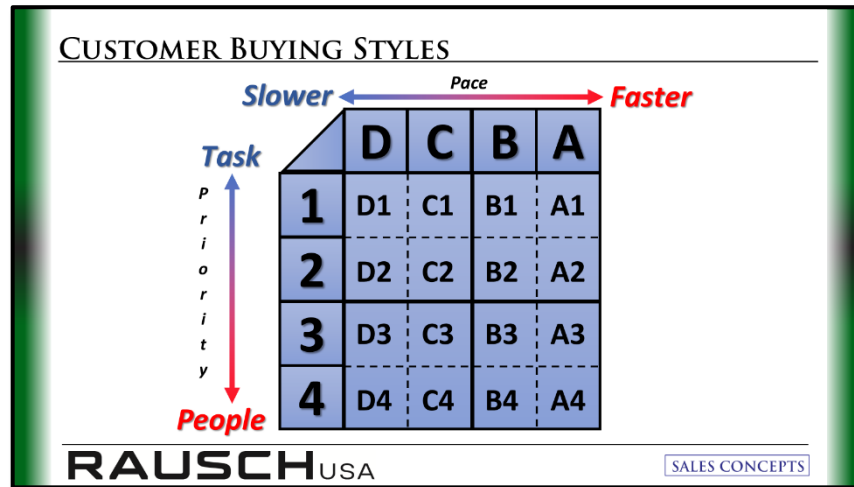
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# HOW CUSTOMERS BUY – BUYING STYLES

## Customer Buying Styles

Now combine the two axes.

On the axes circle your letter and number.



Where do they intersect? \_\_\_\_\_

This means I am a: \_\_\_\_\_

Analyticals are C1, C2, D1, D2.

Assertives are A1, A2, B1, B2.

Amiables are C3, C4, D3, D4.

Animateds are A3, A4, B3, B4.

*There is no right style to be.*

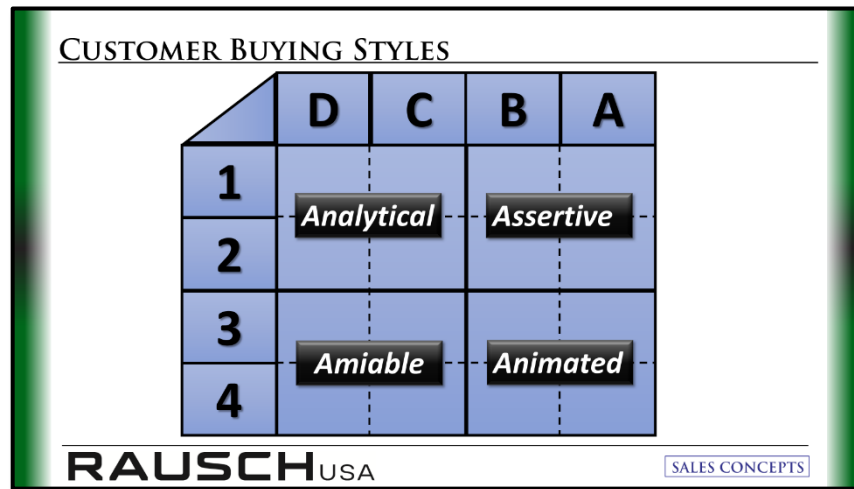
*Successful people  
are found everywhere in business.*

# HOW CUSTOMERS BUY – BUYING STYLES

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## Customer Buying Styles

### THE FOUR STYLES



### Adjectives that describe Assertives:

Positive Adjectives

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Negative Adjectives

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### Adjectives that describe Animateds:

Positive Adjectives

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Negative Adjectives

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Notes:

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# HOW CUSTOMERS BUY – BUYING STYLES

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## Customer Buying Styles

### Adjectives that describe Analyticals:

Positive Adjectives

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Negative Adjectives

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### Adjectives that describe Amiables:

Positive Adjectives

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Negative Adjectives

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# HOW CUSTOMERS BUY – BUYING STYLES

## Customer Buying Styles

### Sub-Styles

You are a combination of two styles

You have a major style and a minor style, or sub-style

CUSTOMER BUYING STYLES				
	D	C	B	A
1	D1 Analytical	C1 Assertive	B1 Analytical	A1 Assertive
2	Amiable D2	Animated C2	Amiable B2	Animated A2
3	D3 Analytical	C3 Assertive	B3 Analytical	A3 Assertive
4	Amiable D4	Animated C4	Amiable B4	Animated A4

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#### Analyticals

If you are a D-1 your major style is analytical and your sub style is analytical.

If you are a D-2 your major style is analytical and your sub style is amiable.

If you are a C-1 your major style is analytical and your sub style is assertive.

If you are a C-2 your major style is analytical and your sub style is animated.

#### Assertives

If you are a B-1 your major style is assertive and your sub style is analytical.

If you are a B-2 your major style is assertive and your sub style is amiable.

If you are an A-1 your major style is assertive and your sub style is assertive.

If you are an A-2 your major style is assertive and your sub style is animated.

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# HOW CUSTOMERS BUY – BUYING STYLES

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## **Amiables**

If you are a D-3 your major style is amiable and your sub style is analytical.

If you are a D-4 your major style is amiable and your sub style is amiable.

If you are a C-3 your major style is amiable and your sub style is assertive.

If you are a C-4 your major style is amiable and your sub style is animated.

## **Animateds**

If you are a B-3 your major style is animated and your sub style is analytical.

If you are a B-4 your major style is animated and your sub style is amiable.

If you are an A-3 your major style is animated and your sub style is assertive.

If you are an A-4 your major style is animated and your sub style is animated.

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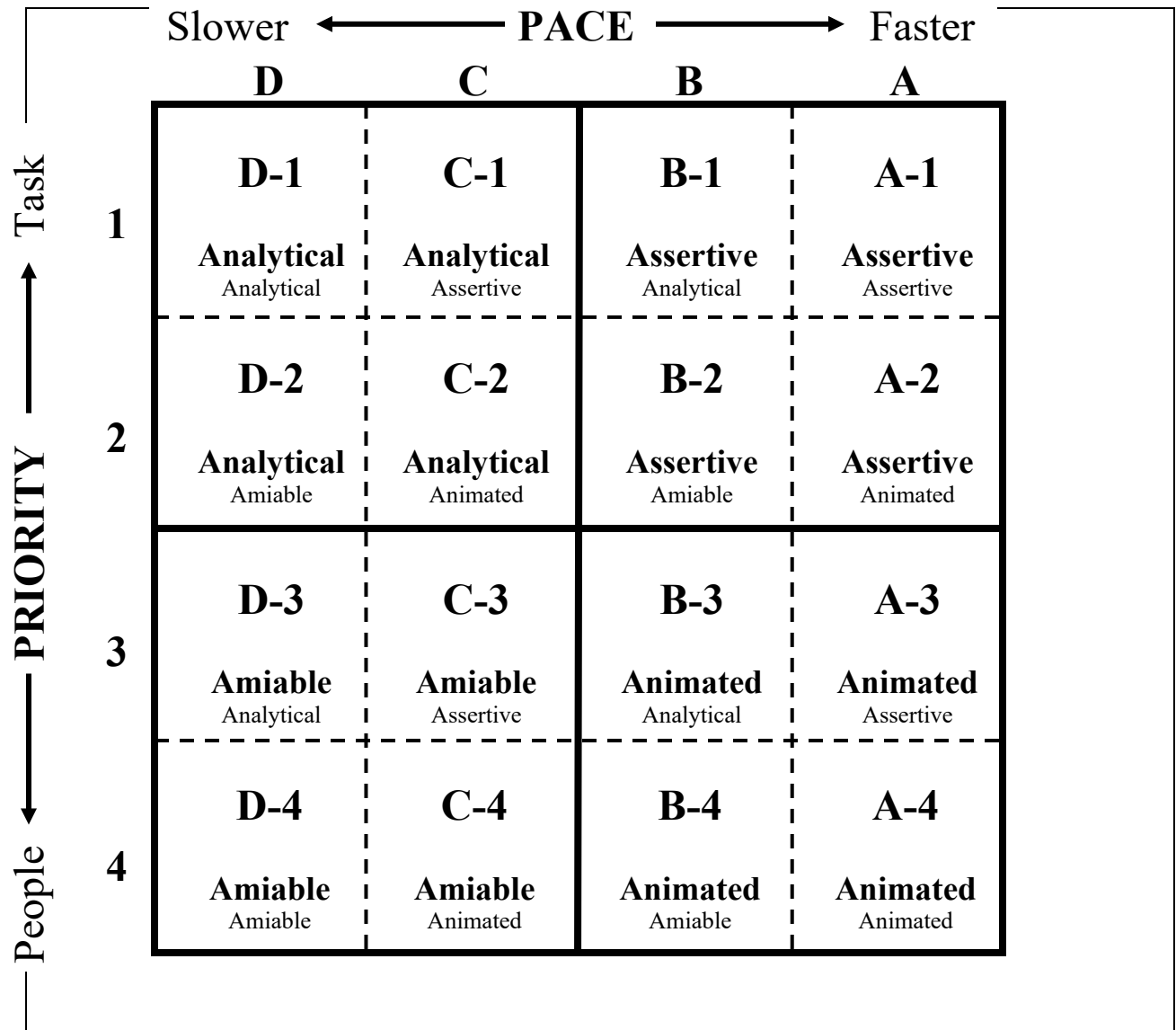
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# HOW CUSTOMERS BUY – BUYING STYLES

## BEHAVIOR STYLE MINI QUADRANTS



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Within the four major style quadrants there are sixteen specific mini-quadrants. They may be summarized as follows.

## THE ASSERTIVE QUADRANTS (A-1, A-2, B-1, B-2)

### **Assertive-Assertive (A-1)**

People with this style are strongly assertive and controlling. They are goal oriented and think in an immediate time frame. They want to achieve... now! Assertive-assertives make decisions quickly and must be allowed to do so. Others often view them as insensitive since they devote maximum effort to accomplishment and minimum effort understanding the feelings of others.

### **Animated-Assertive (A-2)**

This style combines strong assertiveness with a mild charismatic style. People with this style take command of a situation. They are comfortable directing others, and influence others by their personal forcefulness. The animated-assertive is often perceived by others as too aggressive and ambitious, even too authoritarian. Recognition and praise will move this person to achieve.

### **Analytical-Assertive (B-1)**

This is a moderately assertive and strongly controlled style. Others view people having this style as exhibiting accuracy and dependability in performance. The analytical-assertive is seldom seen as too overbearing. People who have this style appreciate a challenging situation that depends upon their technical skills. While analytical-assertives tend to avoid emotional involvement, they can work well with others because they inspire confidence through example. This style tends to want to control situations, does not delegate authority or responsibility easily, and tends to analyze efforts rather than feelings.

### **Amiable-Assertive (B-2)**

Also known as an adaptable-assertive, people with this style are both moderately assertive and mildly responsive. Their behavior is a balance of ambition and relationship orientation. They need to achieve, but they need to be liked. This sometimes causes others to see them as indecisive. The amiable-assertives may not make a maximum effort to press their point unless they are sure of their position with others. People with this style will capitalize on their ability to influence the thinking and behaviors of others.



## THE ANIMATED QUADRANTS (A-3, A-4, B-3, B-4)

### **Assertive-Animated (A-3)**

This style combines strong assertiveness with added responsiveness. People with this style are accomplished at influencing others by sheer personal force and charisma. They are comfortable directing others, and their socially active behavior is often effective. They need recognition and reward to stimulate them to achieve. Others may view them as too aggressive and ambitious, often not professional, needing to win no matter what the cost.

### **Animated-Animated (A-4)**

Perhaps the most creative of all the styles. This style combines strong assertiveness with intense responsiveness. People with this style are extroverted and intensely ambitious. Their energy level is extraordinary. They display a confident demeanor. They rely heavily upon their intuition to guide their actions rather than cold, hard facts. Less assertive people may view the animated-animated as too ambitious, too egotistical, and too impulsive. Their enchantment with “great things to come in the future” tends to hamper their effectiveness in dealing with present necessities. Their lack of focus on details is often offset by their eccentric creativity and view of the big picture.

### **Analytical-Animated (B-3)**

Also known as the adaptable-animated, this style combines moderate assertiveness with moderate responsiveness. People with this style are concerned with others and are adept at maintaining harmony among individuals of a group. This concern with others includes the willingness to listen to their ideas and viewpoints. People with this style receive the trust and confidence of others to do their bidding. People tend to view them at times as too willing to change direction to avoid conflicts. At times, in situations where tasks need to be accomplished, some people will see them as relying too much on their persuasive skills and too little on fact and logic.

### **Amiable-Animated (B-4)**

This style combines moderate assertiveness with intense responsiveness. This style is closely akin to the animated-amiable style with slightly stronger assertive behavior.

## THE AMIABLE QUADRANTS (C-3, C-4, D-3, D-4)

### **Assertive-Amiable (C-3)**

This style combines mild assertiveness with moderate responsiveness. People with this style evoke confidence and trust from others through friendly persuasion rather than force. They can, when the need arises, be direct and confrontational to maintain the support needed by others in an endeavor. Others tend to view the assertive-amiable as supportive and helpful. The assertive-amiable does not always see it necessary to take a strong stand.

### **Animated-Amiable (C-4)**

This style combines mild assertiveness with intense responsiveness. People with this style are people oriented and effective in promoting relationships. Others view the animated-amiable as forthright but moderately so. Their candor is tempered by their people skills. They seek approval, but may be lacking in detailed planning and fact-gathering skills. This being so, others may see them at times as inaccurate and superficial in their work while admiring their concern with relationships.

### **Analytical-Amiable (D-3)**

This style combines limited assertiveness with moderate responsiveness. People with this style are friendly and they like people. However, they work best by themselves on clearly defined tasks. The analytical-amiable is a good listener, and functions effectively in a group by listening and asking questions for clarification. People view the analytical-amiable as being uncomfortable with giving directions to others or correcting others. Highly assertive people often do not remember the names of analytical-amiables.

### **Amiable-Amiable (D-4)**

Perhaps the most loyal of all the styles. This style combines limited assertiveness with intense responsiveness. People with this style have a strong social drive, and they depend on others more than fact or necessity when making decisions. Others often view them as very friendly and accepting. They are successful team players. Highly assertive people see them as “easy marks,” lacking in strength of will and vacillating when difficult decisions need to be made.

## THE ANALYTICAL QUADRANTS (C-1, C-2, D-1, D-2)

### **Assertive-Analytical (C-1)**

This style combines strong control of emotions with mild assertiveness. This style is closely akin to the analytical-Assertive style, different primarily with respect to a lesser degree of assertiveness and a lesser tolerance for risks than the B-1.

### **Animated-Analytical (C-2)**

This style combines mild assertiveness with mild responsiveness. People who have this style have the tendency to depend upon themselves to get the job done rather than on others. However, they do seek personal relationships that can be built on a solid foundation. They tend to avoid conflict with others. They are diplomatic, but use facts and logic to back them up in their diplomacy. Animated-analyticals need approval from others — they desire approval based upon their competency in “doing an exceptional job.” In this respect, they are more achievement oriented than acceptance oriented, though they need both. They will take a firm stand at times, but often will depend upon themselves to complete a job when others fail to follow through with their part. They will exercise authority over others when they must, but they find it difficult to sustain this over a long period of time if the others involved are incompetent or lazy.

### **Analytical-Analytical (D-1)**

This task-oriented style combines limited assertiveness with strong control of emotions. People with this style are in the lowest quartile of assertiveness and the lowest quartile of responsiveness. They do not like to assert themselves or to give vent to their emotions or opinions. They are task oriented and prefer using their skills alone or in small groups. People with this style rely upon facts, logic, and process. They intend to explore all avenues of a situation before deciding. Perfection usually trumps urgency. They are skilled thinkers, planners, and organizers. When in leadership roles they lead by example and competence, not personal force. More assertive people often view the analytical-analytical as unenthusiastic, too slow, and deliberate, unable to decide and act on it. Of all the styles, this one is most likely to hold a grudge.

### **Amiable-Analytical (D-2)**

This style combines limited assertiveness with mild responsiveness. This style is closely akin to the analytical-amiable style, different primarily with respect to a greater degree of emotional control and professionalism than the D-3.

# HOW CUSTOMERS BUY – BUYING STYLES

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## How They React Under Stress or Pressure

### **Assertive < > Dictate**

When Assertives are confronted with individuals who do not conform to their wishes, their tension increases and they revert to their back-up style. They want to control the situation and will use their position of power. If they do not have a high position, they will insert their physical or vocal presence. They minimize emotional display and tend to dominate with facts. They cut off conversations and issue edicts. They will tolerate but not respect “*yes people*” because they believe they have mastered them. They directly confront those who oppose them until they win. Assertives will not accept being subordinate to anyone since that is admitting defeat. Their approach is “I win, you lose.” They become selfish in their actions and approach. Under tension they become very dictatorial and non-emotional.

### **Animated < > Attack**

Like Assertives, Animateds are very competitive. When their tension reaches the level where they cannot cope, they attack. They express feelings very openly in an emotional and hostile way. They can whip others along with emotional display. They will attack verbally and personally with emotions and opinions. For those who are supportive, they are friendly, pleasant, and even gracious. They are competitive. They like risk and challenge; they have difficulty sustaining long-term goals. They become impatient with those who drag their feet on decisions, cannot see the big picture or are knee deep in facts and details. They want to lead the parade. They attack personally and will use the word “you” strongly and sometimes offensively. Once they have verbalized their frustration, they will tend to apologize or “mend the fence,” since they are very aware of relationships. Under tension they become extremely self-centered, loquacious, and vociferous. Although they can get angry quickly, they don’t stay angry for long and tend to be the most forgiving of all the styles.

### **Amiable < > Acquiesce**

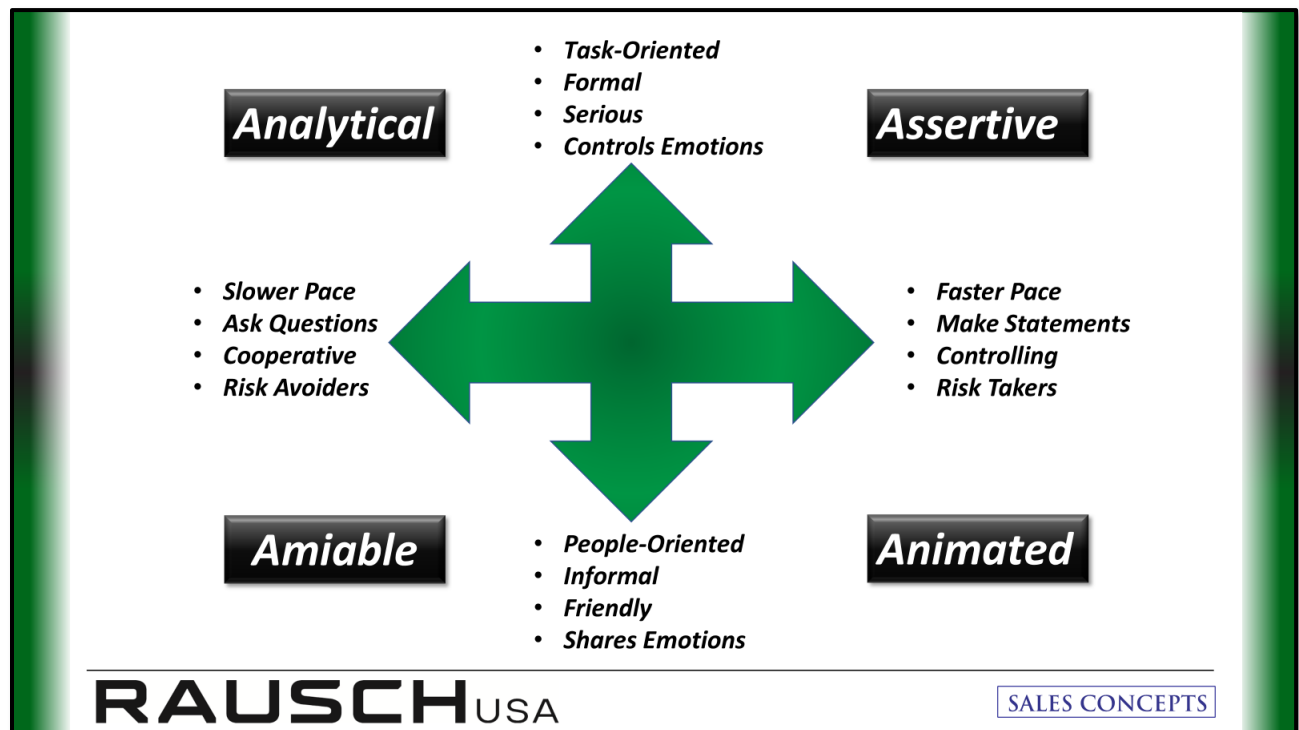
When Amiables are confronted by tension of others, they acquiesce. Amiables want to be accepted, approved, and even loved by others. They do not like conflict; therefore, when an assertive or animated revert to their back-up behavior, the amiable will acquiesce. S/he will “*go along with the situation*”. This does not mean they agree, approve, or accept it. They will not strongly voice their disapproval. They will not buy in, and may resist in other non-confrontational ways. They will make a shallow agreement to keep the peace since they want to meet their need of acceptance. They are afraid others will withhold their affection or approval. They seek the support of others. Their self-confidence can appear hinged on this. When tension confronts them, they seek reassurance from others... preferably another amiable. Under tension, they feel intense pressure and have difficulty expressing themselves.

### **Analytical < > Avoid**

Analyticals are individuals who dislike anyone attacking or strongly questioning their system, method, or process of doing things. They pride themselves on accuracy, logic, order, and perfection. They feel safe in their system. They can be confronted personally since that has less affect due to their relationship orientation; but their system, logic and method are sacred. They avoid fighting, but won’t easily give in either. Their solution is to avoid tension and conflict. They want to be independent of others and not to be under obligation or influenced while involved. They rarely express feelings and put their confidence in facts, rational and critical thinking. They can be indecisive and overly concerned with details.

## Customer Buying Styles

### *Summary*



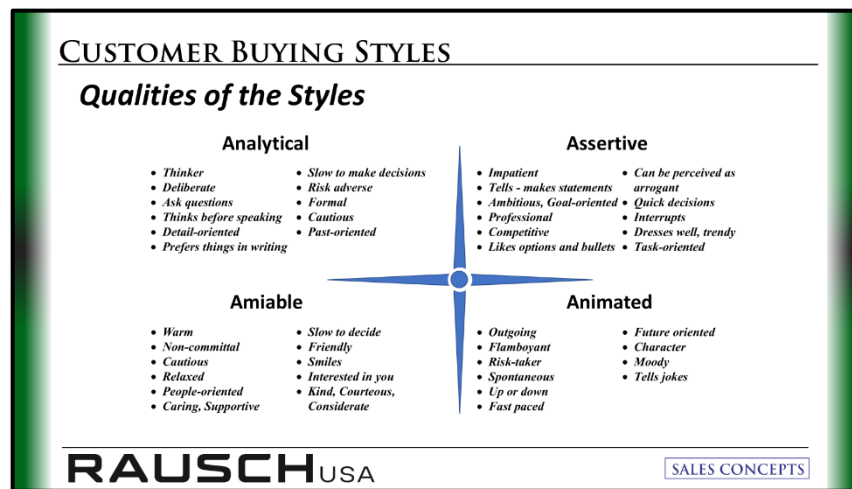
Analyticals are detail oriented, task oriented, quiet, take longer to decide, ask, and show little emotion.

Assertives are tough, task-oriented, go-getters, always on the go, finger-pointers, make statements, and show little emotion.

Amiables are sociable, nice, warm, supportive of others' ideas, easy to be around, ask, and share emotions.

Animateds move fast, tell jokes and stories, big picture oriented, make statements, and share their emotions.

## Customer Buying Styles



### *Key points to remember:*

- This is what you let the outside world see of you. Most of us are, whether we know it or not, already using a categorization of this kind. A lot of this really is just common sense! However, research had revealed that your success interacting with others is greatly enhanced when you use it deliberately and not by accident.
- A and B people tell. They act on decisions quickly.
- C and D people ask. They act on decisions over a longer period.
- 1 and 2 people share little emotion. They are task oriented.
- 3 and 4 people share facial expression, gestures, and emotion. They are people oriented.
- There is no right style. No one style is better or worse than any other. People all four quadrants are successful and people from all four quadrants struggle.

*If you put your communication cycle on autopilot and treat everyone the same way, eventually you are going to crash.*

### Notes:

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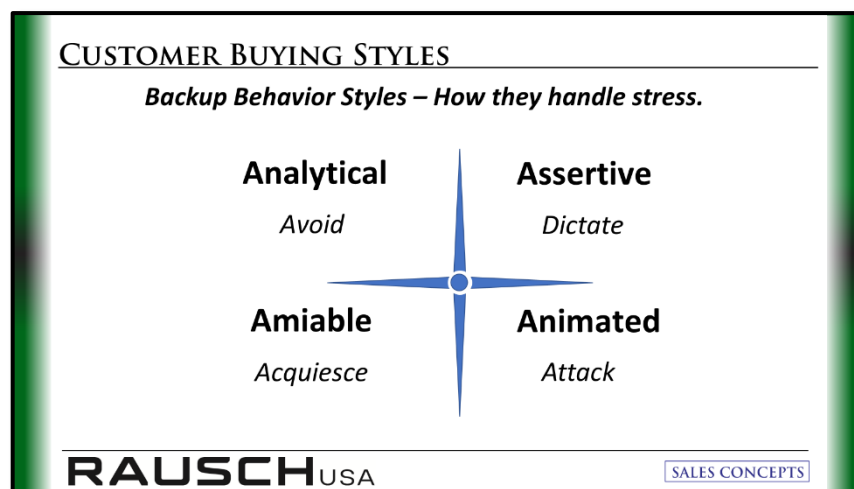
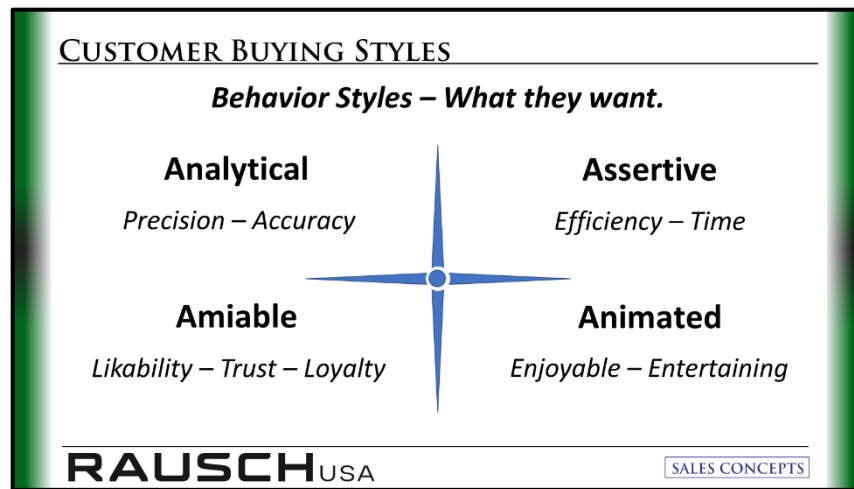
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# HOW CUSTOMERS BUY – BUYING STYLES

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## Recognizing Customer Buying Styles



*Recognizing a person's style can be accomplished quickly over the phone, by e-mail, on the Internet or in person.*

*The same procedure is used.*

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## Recognizing Customer Buying Styles

George


J. K.


Lara


Kevin


# Recognizing Customer Buying Styles

### **First, look at priorities.**

Does this person show many facial expressions, express emotion, and sound friendly? If yes, this person is people (social) oriented most of the time. S/he is a 3 or 4.

Does this person show little facial expression or emotion and sound guarded? If yes, the person is task-oriented most of the time. S/he is a 1 or 2.

### **Next, look at pace.**

Does this person ask questions and make decisions slowly most of the time? If you think the person asks questions and makes decisions slowly, most of the time, he is a C or D.

Does this person make statements and make decisions fast? If you think the person moves fast and tells most of the time, she is an A or a B.

### **Now, combine the two dimensions.**

If you think a person emotes and asks questions most of the time, she would be an amiable.

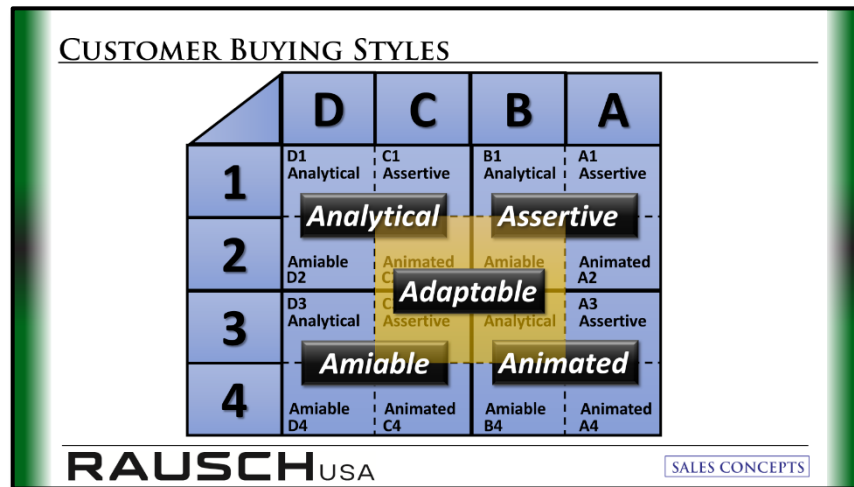
If you think a person is task-oriented and makes statements most of the time, he is an assertive.

If you think a person emotes and makes statements most of the time, she is an animated.

If you think a person is task-oriented and asks questions most of the time, he is an analytical.

The closer one gets to the center of the grid, the more one exhibits traits of all the styles. This is the 5th style and consists of the four middle squares. These people are adaptable. These people are near the center of the grid. They may exhibit traits of each style. Adaptables can be what they want to be whenever they want. Some people think this is an excellent place to be. The negative is that no one knows where they stand. They can come off as manipulative.

## Recognizing Customer Buying Styles



*Key points to remember:*

- An analytical is task oriented and asks questions.
- An assertive is task oriented and makes statements.
- An amiable is people oriented and asks questions.
- An animated is people oriented and makes statements.
- It is not what is said, but how it is said.

Does the person speak quickly or slowly?

Does the person ask questions?

Does the person give concise or long-winded answers?

Does the person show a lot of facial expression or a little?

*This is Easy. This is not Rocket Science.  
Just Think.*

*Do they move **quickly** or **slowly**?*

*Are they **task**-oriented or **people**-oriented?*

# NEGOTIATING WITH THE STYLES

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## Negotiating with the Styles



*Use different strategies for each style.*

*If you use the same strategy with all your customers,  
you are going to crash.*

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## Negotiating with the Styles

What should you do for an assertive?

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What should you do for an animated?

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## Negotiating with the Styles

What should you do for an amiable?

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What should do for an analytical?

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# NEGOTIATING WITH THE STYLES

## Negotiating with the Styles

**CUSTOMER BUYING STYLES**  
**Negotiating with an Assertive**



- Don't waste their time
- It's Okay, and even preferred if you just say "No."
- They like things to move quickly.
- Be specific about what you want and what you will or won't do.
- Use facts and logic.
- Focus on results, the end goal, or what the reward for them is.
- Avoid small talk or personal guarantees.
- Be firm but not aggressive.
- Logical arguments focused on results work best.
- Disagree with facts, not opinions. Have proof, but don't corner them.
- Ask "What and When" questions.

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**CUSTOMER BUYING STYLES**  
**Negotiating with an Animated**



- Build rapport through small talk and anecdotes.
- Let them talk about themselves.
- They will buy on emotion, more than the other styles.
- Solicit their opinions.
- They are impulsive. Close when you sense buying signals or agreement.
- Tell short, fast-moving experience stories. Preferable about others' successes.
- Focus on the future and positive results.
- In a friendly way, work to get them to commit.
- Ask them how they feel about things.
- Ask "Who and How" questions.

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**CUSTOMER BUYING STYLES**  
**Negotiating with an Amiable**



- Don't underestimate them. They are stronger than they appear.
- Work collaboratively to establish common ground.
- They may not say no directly or right away. They won't call you anymore.
- Personal assurances and specific guarantees work well when they trust you. Don't ever let them down.
- Do everything possible to mitigate risks.
- Show how you will support their people.
- Too many options will slow them down or stall the negotiation.
- Do not push them. Be empathetic. Allow time for them to get comfortable.
- Ask "Who" and "How" questions.

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**CUSTOMER BUYING STYLES**  
**Negotiating with an Analytical**



- Do not exaggerate or overstate anything, ever.
- Base your arguments on facts and logic.
- Personal appeals will cause them to lose respect for you.
- They don't care about opinions.
- Provide well-documented proof from sources they see as trustworthy.
- Minimize risks. Be prepared to show how you will handle unexpected situations.
- They are naturally critical and cynical. Your argument must be completely sound, solid, and air-tight.
- Be prepared to discuss details and invest time to find a solution.
- Ask "How" and "Why" questions. They have reasons for everything they do.

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**CUSTOMER BUYING STYLES**  
**Behavioral Points to Remember**



- A doorway to communication – uniqueness extends far beyond the Buying Styles model.
- Used to create win-win relationships.
- There is no good, bad, right or wrong behavioral style.
- Your behavioral design is a combination of the two dimensions of priority and pace.
- Every person can adapt.
- Treat people the way they want to be treated.

**RAUSCH**USA SALES CONCEPTS

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## Selling and Negotiating with the Styles

### ***Key points to remember:***

- Sell to people the way they like.
- This is about strategy—plan accordingly.
- Using this method sets you apart from your competition.
- There are no right or wrong ways; however, there are some better ways.

### Notes

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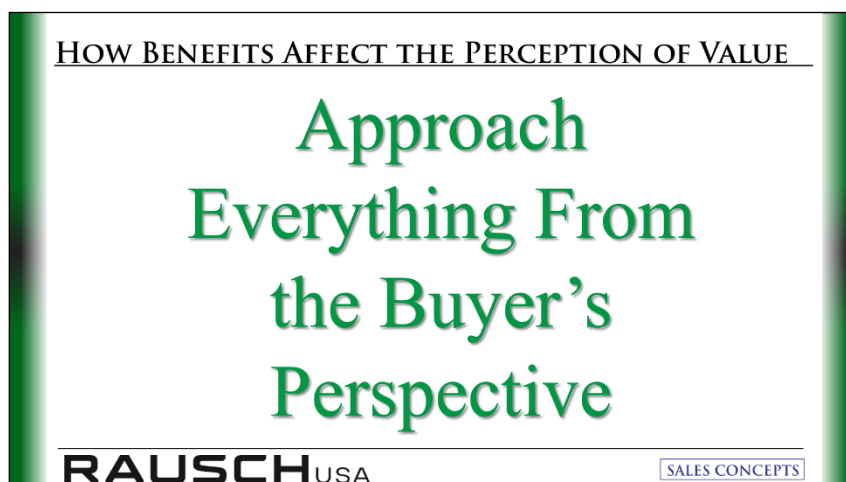


# UNDERSTANDING HOW BENEFITS AFFECT THE PERCEPTION OF VALUE



*“What’s in it for the customer? Why should they care?”*

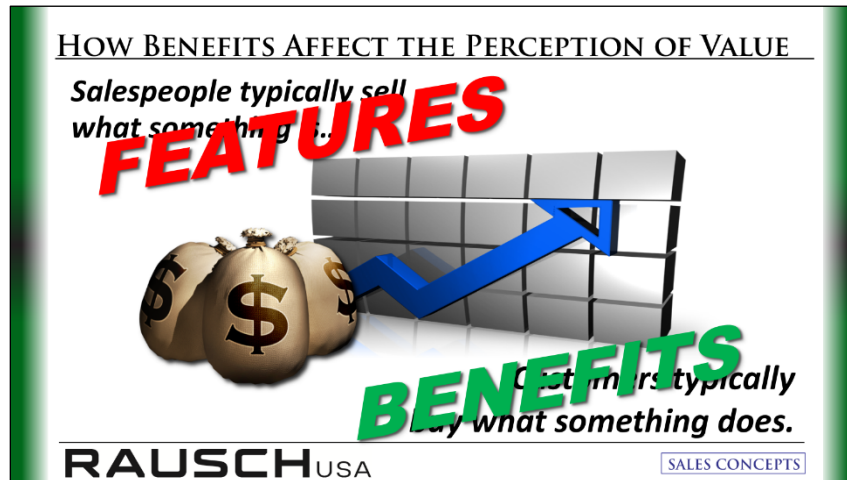
The one thing you must always do to be successful in selling is.



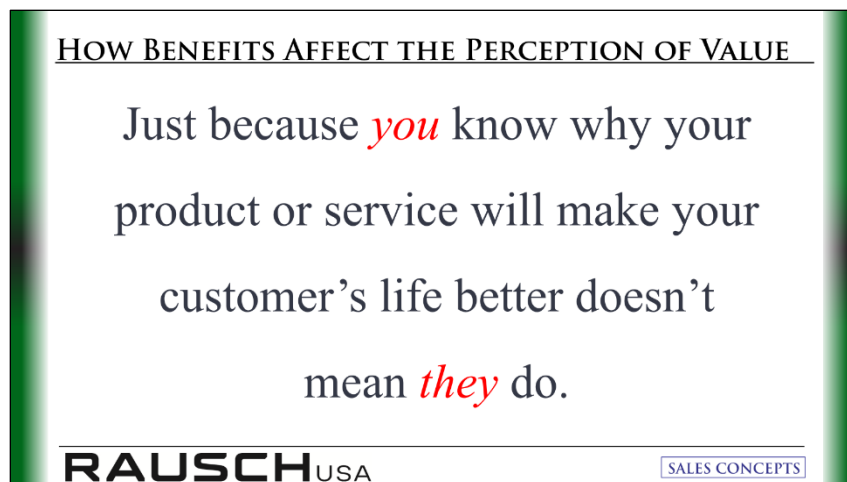
Salespeople typically sell what something is; customers typically buy what something does. This creates an inherent disconnect between salespeople and customers. Salespeople typically know and talk about the features and advantages of their products and services and seldom speak of what they do for their customers.



Customers buy for their reasons, not ours. This makes it difficult for us to sell to them the way they want to be sold, or more importantly, to help them buy the way they want to buy. Helping customers buy the way they want to buy is critical for any meaningful success in selling and is a recurring theme throughout all our workshops.



Your customers did not go to customer school, and they may not know what they don't know. It's your job to help them understand, but you can't do it until you know what they don't know. You learn by asking questions and having open and engaging conversations.



*Customers buy benefits, but what is a benefit?*

**HOW BENEFITS AFFECT THE PERCEPTION OF VALUE**

**ben·e·fit**  
/'benəfit/

1. An advantage or profit gained from something.
2. A favorable or beneficial circumstance, condition, or result.
3. A form of compensation, such as paid vacation time, subsidized health insurance, or a pension, provided to employees in addition to wages or salary as part of an employment arrangement.
4. To be helpful or useful.

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A benefit is what something does. A feature is what something has or is.  
Customers buy for what things do, not what they are.

**HOW BENEFITS AFFECT THE PERCEPTION OF VALUE**

**fea·ture**  
/'fēCHər/

*Noun*

1. A distinctive attribute or aspect of something.
2. A newspaper or magazine article or a broadcast program devoted to the treatment of a particular topic, typically at length.

*Verb*

1. Have as a prominent attribute or aspect, highlight

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A benefit is the solution.

**HOW BENEFITS AFFECT THE PERCEPTION OF VALUE**

**Feature:**  
A distinctive attribute or aspect about a product or service.

**Advantage:**  
Performance difference relative to others based on the feature.

**Benefit:**  
What the feature does to help the customer or fulfill the customer's need.

**Value:**  
What the customer perceives it is worth and is willing to pay for it.

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## HOW BENEFITS AFFECT THE PERCEPTION OF VALUE

### Why Are Features and Benefits Often Confused?

- Because we do not approach the sales from the buyer's perspective.
- Just because *you* know why your product will make your ideal customer's life better doesn't mean *they* do.

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## HOW BENEFITS AFFECT THE PERCEPTION OF VALUE

### What Features are important to you when buying a car?




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Not all customers buy the same benefits. Think about all the different cars on the road. Every single vehicle on the road was purchased by a customer for a specific set of reasons. Your products and services are no different. Some auto buyers are concerned about safety, while for others, performance might top the list. Still, others might be interested in economy, and others are interested in status and the statement the car makes about them when they drive it. The point is that we are all different.

Remember that when you are working with customers and make sure you fully understand what they want.

HOW BENEFITS AFFECT THE PERCEPTION OF VALUE



**Feature:**  
Remote Start

**Advantage:**  
You do not have to be in the car to start it.

**Benefit:**  
You will stay warm on cold days or cool on hot days... Increased comfort.

**Value:**  
Whatever that increased comfort is worth to the owner or driver.

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HOW BENEFITS AFFECT THE PERCEPTION OF VALUE

People Buy *what*  
*they perceive as*  
Benefits!

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As simple as this seems, most salespeople do not sell benefits. We only have the perspective to see things our way, not the way of the customer. It takes desire and practice to see things from the customer's point of view.

HOW BENEFITS AFFECT THE PERCEPTION OF VALUE

**Why don't most salespeople sell benefits?**

- We are selfish and don't think about things from the customer's perspective.
- It's not natural for us to see things from the customer's point of view.
- We assume customers can make the mental leap.
- We haven't actively listened to what the customer truly wants and don't fully understand their objectives and motivations.
- We don't truly understand the benefits ourselves.
- We don't know how.

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## Four Main Types of Benefits

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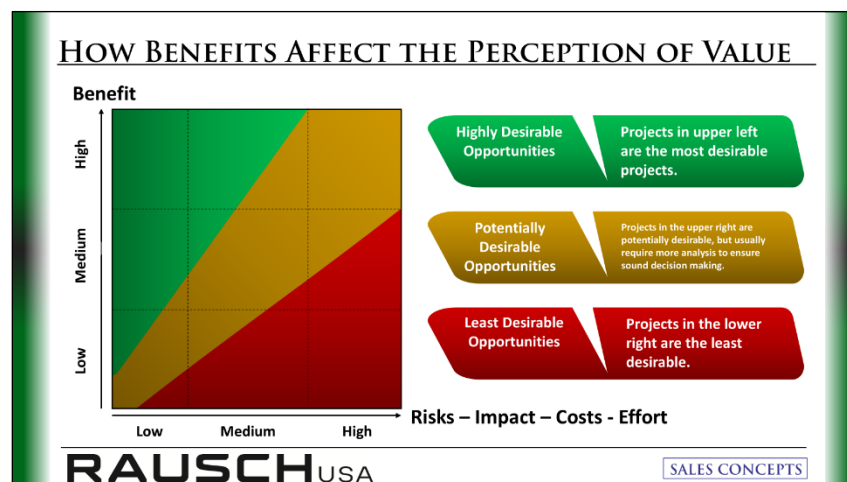
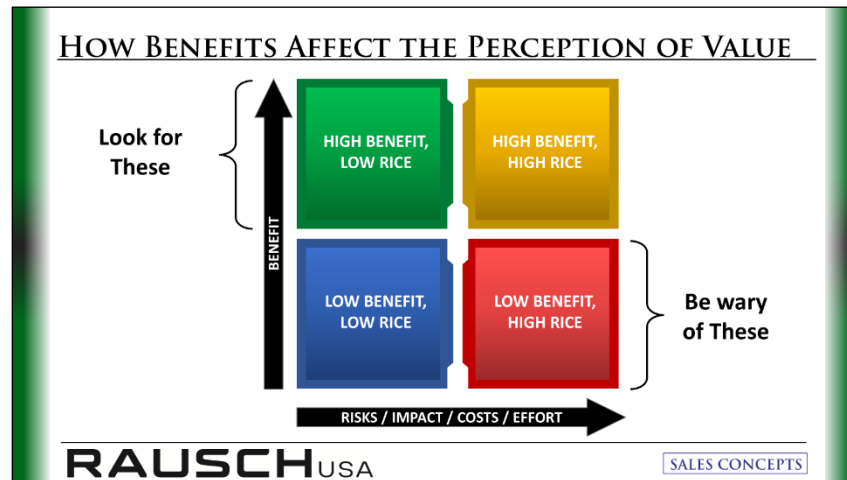
## Examples of Benefits

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# HOW BENEFITS AFFECT THE PERCEPTION OF VALUE

Salespeople frequently find themselves in a situation where they present a benefit(s) to a customer, and the customer understands the benefit, but they still do not buy. Why? Often the customer does not see the benefit as worth the effort to change or they are uncertain about the anticipated results. Customers must have a full understanding of what's in it for them and how they stand to win. The more effort it takes on their part to buy from you or make a change, the more resistance you will face in compelling them to do it. This effort matrix demonstrates this point.



*People Buy What They Perceive As  
Worthwhile Benefits!*



# HOW BENEFITS AFFECT THE PERCEPTION OF VALUE

Have you ever felt you presented the perfect solution for a client, and they still would not buy? Frustrating, isn't it? Many of us overlook the level of commitment, effort, or perceived risk on the part of our customers that our solutions require. We often assume that once our customers understand the benefits, they will buy, but this is not always true.

We must address four things in our customer's minds before we can fully understand their perspectives. They are risks, impact, cost, and effort. Any benefit for the customer must outweigh the perceived risks our customer has about our solution. We call this FUD. FUD is an acronym for fear, uncertainty, and doubt. Customers don't always tell us about their FUD. We need to create an environment where they feel comfortable sharing it with us, or we may lose the business wondering why.

Another thing to consider about our customer's perspective is our solution's impact on the customer or their organization. The higher the impact, the bigger the benefit needs to be to offset the potential risks.

Generally speaking, we all understand how perceived costs impact our ability to win business from a customer. We realize there must be some form of a financial return on investment before we can make a business case to move forward with a purchasing decision.

We also must consider how much effort the customer will put into making changes. Staples got it right with the easy button. Customers will shy away from complicated processes and procedures to buy from you. We must help them understand what they get as a benefit, and it must be worth the effort, or they won't buy.

**HOW BENEFITS AFFECT THE PERCEPTION OF VALUE**

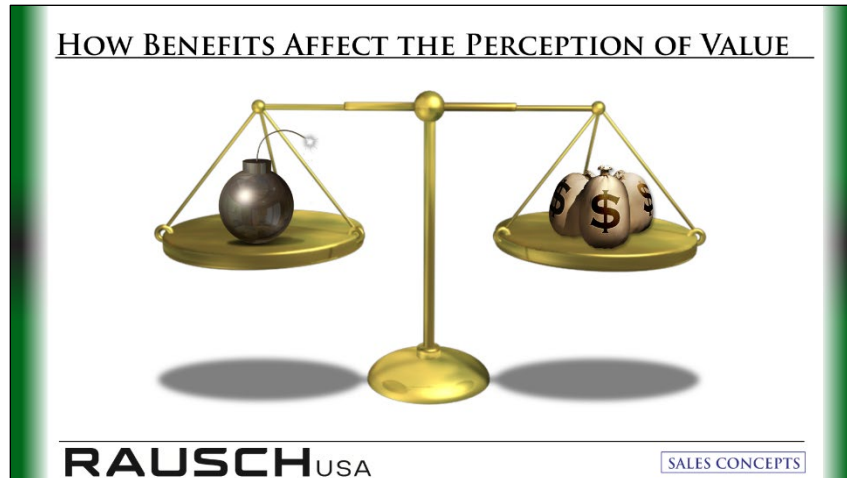
**Four things to remember. Think about rice!**

<b>Risk</b>	What does the customer perceive as risks? What is their FUD?
<b>Impact</b>	The greater or broader the impact, the more significant the possible risks.
<b>Cost</b>	The higher the cost, the higher the potential return or reward needs to be to justify the expenditure.
<b>Effort</b>	Staples got it right with the easy button! Make things as easy as possible. Customers resist complicated processes.

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One way to remember this is with the acronym RICE. The next time you are in the discovery phase with a customer, think about rice and ask questions about risks, impact, cost, and effort. The best way to understand the customer's perspective is to ask questions early in the process to determine what they perceive as the possible risks, impact, cost, and effort on their part and address them.



We must mitigate risk and demonstrate reward.

HOW BENEFITS AFFECT THE PERCEPTION OF VALUE

**How to sell using benefits**

- Step 1 – List all the features of a product or service you sell.
- Step 2 – For each feature, list all the possible benefits the feature provides.
- Step 3 – Write questions you can ask your prospect or customer to determine if they care about that benefit.
- Step 4 – Develop follow-up questions to determine how much it matters to the customer and would they be likely to change what they are currently doing to acquire the benefit.

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All too often, salespeople assume prospects make the mental leap between what we are offering and what they have in the way of needs. Simply put, the greater the match between need and solution, the more satisfying result for all parties. This exercise guides you through the process to arrive at a system for matching what we offer to what they need.

1. What are the fundamental needs of every customer?
2. What are the needs that are unique to our industry?
3. What are the unique needs for this specific prospect?
4. How are these needs currently being met? By whom?
5. Where is the opportunity to make a difference?
6. Who are the best prospects for the unique benefits we provide?  
Why? What impact will our solution have on them?
7. What advantages do we have over our competitors?
8. What advantages do they have over us?
9. Attach a critical importance grade to each? Prioritize each need  
and determine how well you meet the essential requirements.
10. How do we leverage our advantage?
11. How do we compensate for our disadvantage?
12. Develop a chart for the best prospects for each of our advantages.
13. Develop a chart for answering each of our disadvantages.

# HOW BENEFITS AFFECT THE PERCEPTION OF VALUE

Feature: \_\_\_\_\_

Possible Benefit: \_\_\_\_\_

Questions to ask:

1. \_\_\_\_\_

2. \_\_\_\_\_

3. \_\_\_\_\_

4. \_\_\_\_\_

5. \_\_\_\_\_

Buy-in Questions:

1. \_\_\_\_\_

2. \_\_\_\_\_

3. \_\_\_\_\_

4. \_\_\_\_\_

5. \_\_\_\_\_

## *Key points to remember:*

- Question and address your customer's needs.
- What your people design into a product or service is only one-half of the story. The other half is what the customer gets out of it. The benefit.
- You cannot define the benefit for prospects and customers. You must ask questions to determine the benefit to them. They tell you what the benefit is. Customers look for solutions. They each have personal benefits.
- Relate the benefit to value.
- What is the benefit of what you sell? The benefit is different for every customer.



Benefits answer the *so what* question.  
If prospects and customers are thinking or saying,  
*“So what?”*  
they perceive no benefit to what you are selling.

# NEGOTIATING TACTICS

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What is a tactic?

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A tactic is any skillful action used to gain an end. Tactics usually occur in the middle of a negotiation during the bargaining phase of the process but not always. There are two types of tactics. Overt and covert.

What is coming at you? What will the other party try? Part of being prepared is trying to answer these questions before the negotiation. You need to identify tactics the other party is using so that you may counter them during the negotiation.

How are tactics and strategies different?

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# NEGOTIATING TACTICS

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## NEGOTIATING TACTICS

### There Are Two Types of Tactics



- **Covert**

Subtle, sly, tensionless method used to gain an end.



- **Overt**

Easily recognized aggressive tension-oriented method used to gain an end.

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## NEGOTIATING TACTICS

### Overt Tactics

*Easily Identified*



*Harsh  
Bold  
Aggressive  
Tension-oriented  
Loud*

- The Big Pot
- The Bogey
- The Crunch
- The Squish
- Anchoring – Highball or Lowball
- The Grand Auction
- Renege
- The Ultimatum – Take it or leave it
- Good guy – bad guy

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SALES CONCEPTS

## NEGOTIATING TACTICS

## NEGOTIATING TACTICS

### Overt Tactics

*Easily Identified*



*Harsh  
Bold  
Aggressive  
Tension-oriented  
Loud*

### Why do overt tactics work?

- They can be intimidating
- They catch people off guard
- They establish a false sense of reality
- They put the other party of the defensive
- They work better when the other party has limited options (BATNA)

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SALES CONCEPTS

## Notes

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# NEGOTIATING TACTICS

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## OVERT NEGOTIATING TACTICS

### The Big Pot

*They try to  
overwhelm you with  
everything at once.*

*Some of it may be  
unreasonable to put  
you on the defensive.*



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## OVERT NEGOTIATING TACTICS

### The Big Pot

*Purposes of the big pot*



- Reduces aspirations
- Gives trading room
- Proves worth as bargainer
- Lower price more acceptable

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SALES CONCEPTS

# NEGOTIATING TACTICS

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## OVERT NEGOTIATING TACTICS



### The Big Pot

*Counters to the big pot*



- Slow down
- Ask them to prioritize their wants
- Limit your authority
- Big pot them back
- Say "You're Kidding?"
- Apologize and say NO
- Start over
- Silence

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## OVERT NEGOTIATING TACTICS



### The Bogey



*They give you a target to hit for whatever seeming plausible reason.*

*"I only have 60,000 dollars in my budget."*

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SALES CONCEPTS

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OVERT NEGOTIATING TACTICS



## The Bogey

*Purposes of the bogey*



- May be a distraction or bluff
- Makes something unimportant seem important
- Compels you to give up something important for their sacrifice
- Lowers your aspiration level

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SALES CONCEPTS

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OVERT NEGOTIATING TACTICS



## The Bogey

*Counters to the bogey*



- Ask "Why?"
- Budgets are flexible
- Change specs
- Get others involved
- Be prepared
- Have alternatives
- Ask a lot of questions about it.

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**OVERT NEGOTIATING TACTICS**

The Crunch



*“You’ve got to do better than that.”*

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**OVERT NEGOTIATING TACTICS**

The Crunch

*Purposes of the crunch*



- May be a distraction or bluff
- Makes something unimportant seem important
- Puts you on the defensive
- Compels you to justify your position.
- Lowers your aspiration level

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SALES CONCEPTS

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# NEGOTIATING TACTICS

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**OVERT NEGOTIATING TACTICS**

**The Crunch**

*Counters to the crunch*



- Ask “Why?”
- Compare apples to apples
- Slow down, don’t rush
- Change the shape of the deal
- Defend your price.
- Politely say “No”

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SALES CONCEPTS

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**OVERT NEGOTIATING TACTICS**

**The Squish**



*“I’m really  
disappointed with that.  
I was hoping you  
could do better.”*

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SALES CONCEPTS

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**OVERT NEGOTIATING TACTICS**

**The Squish**

*Purposes of the squish*



- May be a distraction or bluff
- Makes something unimportant seem important
- Puts you on the defensive
- Compels you to justify your position.
- Lowers your aspiration level

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SALES CONCEPTS

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**OVERT NEGOTIATING TACTICS**

**The Squish**

*Counters to the squish*



- Ask why
- Don't get mad or upset
- Apologize
- Change the deal
- Start over
- Squish them back
- Don't be so smart
- "You've got to be kidding?"

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SALES CONCEPTS

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# NEGOTIATING TACTICS

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**OVERT NEGOTIATING TACTICS**

Anchoring



*"I'll buy it for 79 cents a pound."*

*Market price is 96 cents per lb.*

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SALES CONCEPTS

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**OVERT NEGOTIATING TACTICS**

Anchoring

*Purposes of extreme offers*



- Establishes boundaries
- Puts you on the defensive
- Makes you lose your composure
- Makes you question your position
- Sets an extreme beginning
- Lowers your aspiration level

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SALES CONCEPTS

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## OVERT NEGOTIATING TACTICS



### Anchoring

*Counters to extreme offers*



- Ask them how they figured it.
- Don't get mad or upset
- Refuse their offer and tell them to rethink their position.
- Offer something different
- Change the deal
- Start over
- Give them an extreme response
- Don't be so smart\*, except be smart
- "You've got to be kidding?"

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SALES CONCEPTS

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## OVERT NEGOTIATING TACTICS



### The Grand Auction



*"Here is a quote  
from your  
competitor. Can  
you beat it?"*

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SALES CONCEPTS

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**OVERT NEGOTIATING TACTICS**

**The Grand Auction**

*Purposes and benefits*



- Lowers aspiration level
- Creates a credible target
- Instills fear
- Escalates risks of losing the deal

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SALES CONCEPTS

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**OVERT NEGOTIATING TACTICS**

**The Grand Auction**

*How to counter*



- Study your weaknesses and be prepared with answers
- Don't hurry to make concessions
- Sell your strengths and benefits
- Limit your authority
- Have alternatives
- Confusion for the sellers means that buyers sometimes get confused too
- Request a different meeting date time or place
- Slow the process down

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SALES CONCEPTS

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# NEGOTIATING TACTICS

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**OVERT NEGOTIATING TACTICS**

Renege



*“Uh . . . No!  
I take that back.”*

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SALES CONCEPTS

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**OVERT NEGOTIATING TACTICS**

Renege

*Purposes and benefits*



- Lowers aspiration level
- Exploits intense emotions
- Instills fear of loss
- Escalates risks of losing the deal
- Forces extreme reactions

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SALES CONCEPTS

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# NEGOTIATING TACTICS

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**OVERT NEGOTIATING TACTICS**

**Renege**  
*How to counter*



- Think about what actions you will have to perform
- Just say "No."
- Slow Down
- Change the commitment
- Ask "Why?"
- Walk away

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**OVERT NEGOTIATING TACTICS**

**The Ultimatum**



*"Take it or leave it."*

*"That's my final offer."*

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# NEGOTIATING TACTICS

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**OVERT NEGOTIATING TACTICS**

**The Ultimatum**

*Purposes and benefits*



- Lowers aspiration level
- Speeds things up
- Ends the negotiation
- Establishes a hard boundary
- Goes for an immediate result
- Escalates risks of losing the deal

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SALES CONCEPTS

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**OVERT NEGOTIATING TACTICS**

**The Ultimatum**

*How to counter*



- Ask why
- Change The Deal
- Stand Firm
- Ignore It And Continue
- Go To Higher Management
- Do Something Yourself
- Help them back off from their position
- Walk away

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SALES CONCEPTS

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# NEGOTIATING TACTICS

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**OVERT NEGOTIATING TACTICS**

Good guy / Bad guy



*“Look, I want to help you, but we have to do something.”*

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SALES CONCEPTS

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**OVERT NEGOTIATING TACTICS**

Good guy / Bad guy

*Purposes and benefits*



- Tell them their demands are unreasonable
- Who or what can you use as your bad guy?
- Don't Interrupt the bad guy
- Have the good guy negotiate for you
- Don't be intimidated
- Look for and ask about the real position of bad guy
- Watch out for the *good guy*!

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SALES CONCEPTS

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# NEGOTIATING TACTICS

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**OVERT NEGOTIATING TACTICS**

Good guy / Bad guy

*How to counter*



- Ask why
- Change The Deal
- Stand Firm
- Ignore It And Continue
- Go To Higher Management
- Do Something Yourself
- Help them back off from their position
- Walk away

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SALES CONCEPTS

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General thoughts about overt tactics:

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# NEGOTIATING TACTICS

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## NEGOTIATING TACTICS

### Covert Tactics

*Hard to recognize. Subtle.*



*Stealthy  
Relaxed  
Tensionless  
Calming  
Long Term Oriented*

- Reciprocity - The Freebie
- Contrast
- What If?
- Lack of Authority
- The Deadline
- The Nibble
- The Promise
- The Afterthought

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SALES CONCEPTS

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## NEGOTIATING TACTICS

### Covert Tactics

*Hard to recognize. Subtle.*



*Stealthy  
Relaxed  
Tensionless  
Calming  
Long Term Oriented*

### Why do covert tactics work?

- They are hard to recognize
- They appear to be sincere
- They are tensionless
- Mindless Compliance

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SALES CONCEPTS

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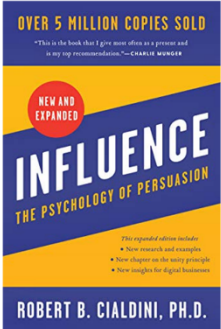

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# NEGOTIATING TACTICS

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**NEGOTIATING TACTICS**

**Covert Tactics**  
*Hard to recognize. Subtle.*



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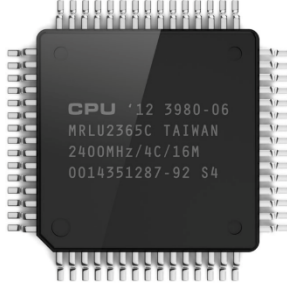
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**NEGOTIATING TACTICS**

**Mindless Compliance**



Our brain is programed to respond to certain events in certain ways.

Covert tactics work because they take advantage of this.

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SALES CONCEPTS

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## COVERT NEGOTIATING TACTICS

### Reciprocity - The Freebie



*Something small given  
for free with the hopes  
of receiving something  
large in the future.*

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SALES CONCEPTS

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## COVERT NEGOTIATING TACTICS

### Reciprocity - The Freebie

#### *Purposes and benefits*



- Creates an indebted attitude
- Establishes a sense of obligation
- Creates a sense of trust

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## COVERT NEGOTIATING TACTICS

### Reciprocity - The Freebie

*How to counter*



- Recognize it's a negotiating tool.
- Don't accept or rely on gifts, samples, dinners, etc.
- Once you realize it's a negotiating tool, you become immune to it.

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## COVERT NEGOTIATING TACTICS

### Contrast



*Comparison of a high-priced item with a lower priced item to make the lower priced item more appealing.*

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## COVERT NEGOTIATING TACTICS

### Contrast

#### *Purposes and benefits*



- Makes something seem trivial when it may not be.
- Creates the illusion of scarcity.
- Makes something seem less expensive.
- Creates the desire to make an impulse decision.
- Preys upon the unprepared.
- Makes you feel like you are getting a great deal.

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SALES CONCEPTS

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## COVERT NEGOTIATING TACTICS

### Contrast

#### *How to counter*



- Be Prepared. Know what you want.
- Know your BATNA
- Have a plan!
- Know what you are willing to concede before hand.
- Set an acceptable range
- Preparation is key.

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## COVERT NEGOTIATING TACTICS

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What if?



*Simply ask "What if?" to  
isolate significance of needs  
and wants.*

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## COVERT NEGOTIATING TACTICS

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What if?

*Purposes and benefits*



- Opens the door to alternatives
- Change the thinking of the other party
- Encourages the other party to share information
- Helps isolate what is truly important to the other party
- Can lead to meaningful conversations with positive results
- Quickly becomes stale if overused

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## COVERT NEGOTIATING TACTICS

What if?

*How to counter*



- “What if?” ‘em back!
- Ask a different question
- Ask them why they are proposing that?
- Follow up with “What if we did X would you consider Y?”

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## COVERT NEGOTIATING TACTICS

Lack of Authority



*“I don’t have the authority  
to agree to that.”*

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## COVERT NEGOTIATING TACTICS

### Lack of Authority

*Purposes and benefits*



- Similar to good guy – bad guy
- Avoids commitment
- Postpones negotiation allows for deeper thought
- Protects against hasty mistakes
- Allows multiple people to review proposals or positions
- Allows time to re-evaluate their BATNA

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## COVERT NEGOTIATING TACTICS

### Lack of Authority

*How to counter*



- May or may not be real
- Watch pronouns used
- Prepare a business case that establishes value and urgency
- Ask questions only the person with authority can answer
- Limit your authority
- Have your management meet with their management

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**COVERT NEGOTIATING TACTICS**

The Deadline



*"We have to make a decision by the end of the week."*

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**COVERT NEGOTIATING TACTICS**

The Deadline

*Purposes and benefits*



- Establishes a sense of urgency
- Speeds up a negotiation
- Creates an environment of haste where unprepared negotiators may make mistakes.
- Determine the seriousness of the other party
- Limits the other party's ability to consider alternatives

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## COVERT NEGOTIATING TACTICS

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### The Deadline

*How to counter*



- May or may not be real
- Ask about it?
- What happens if it is not met?
- Who set it? Why?
- What alternatives are they considering?
- Ask for more time

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## COVERT NEGOTIATING TACTICS

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### The Nibble



*They ask for just a little  
something extra that seems  
insignificant but may or  
may not be.*

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## COVERT NEGOTIATING TACTICS

### The Nibble

*Purposes and benefits*



- Avoid paying for extras
- Sneaky way of winning a better deal
- Makes the other party feel cheap if not awarded

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## COVERT NEGOTIATING TACTICS

### The Nibble

*How to counter*



- Don't Have The Authority
- Have Published Prices
- Resist "I wish I could, but . . ."
- Nibble back - Ask for something yourself
- "What? You're kidding right?"
- Include In Proposal

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## COVERT NEGOTIATING TACTICS

### The Promise



*They promise a significant  
amount of business later if  
you just give them a good  
deal now.*

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## COVERT NEGOTIATING TACTICS

### The Promise

#### *Purposes and benefits*



- Makes the negotiation seem much more meaningful than it actually may be.
- Creates leverage.
- Can be intimidating if real.
- Creates a sense of urgency.

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## COVERT NEGOTIATING TACTICS

### The Promise

*How to counter*



- Ask about it.
- Why not buy all now?
- Write it in a contract
- Don't Have The Authority
- Have Published Prices
- Resist "I wish I could, but . . ."
- Postpone the reward. "Buy 9 at the regular price and your 10<sup>th</sup> one is discounted."

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SALES CONCEPTS

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## Final Thoughts

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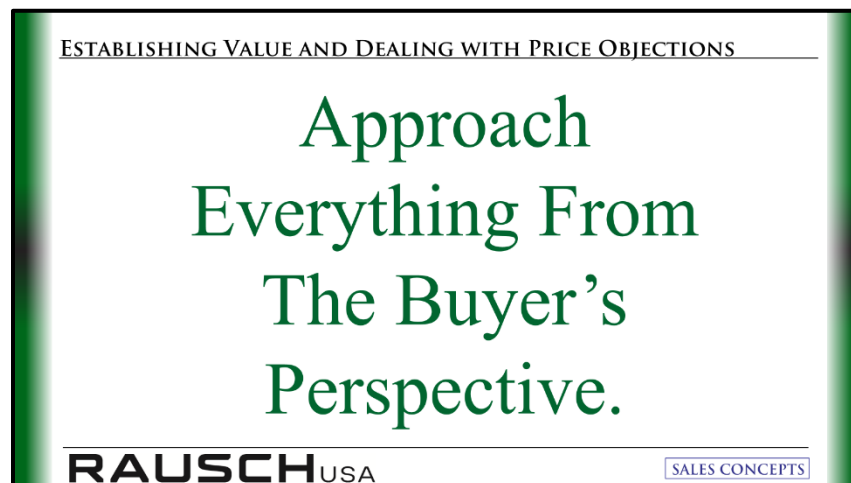
# ESTABLISHING VALUE

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Customers value different aspects of companies, products, and services. No single item universally establishes value in the minds of customers and prospects. In this session, we looked at the four types of value and how they affect customers' perceptions. We assess sources of value and build questions to determine what customers value and how to quantify it. Salespeople can use this information to maintain margins, create urgency, and differentiate themselves in the minds of their prospects and customers.



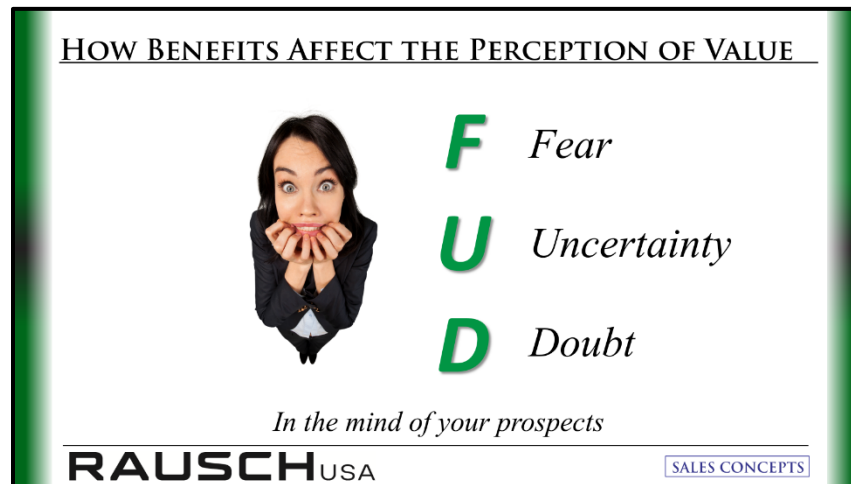
When salespeople try to pitch their products and services, we come across as "*salesy*" or noncaring. We begin to look and sound alike in the minds of customers and prospects. The challenge we face is to look at the sale from the buyer's perspective and not our own, but this is not natural or easy to do. We must slow down and ask questions.



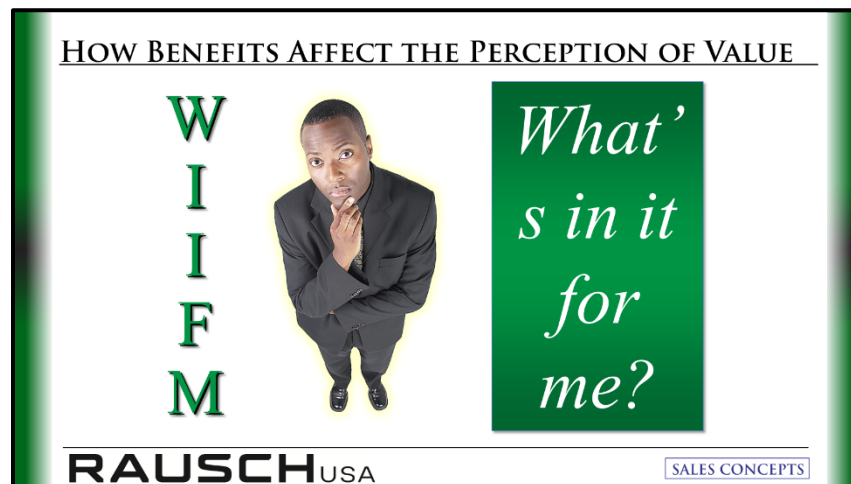
# ESTABLISHING VALUE

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Nothing keeps a customer from moving forward in the sales process more than uncertainty. It kills more business than anything. We must ask the right questions to uncover the true doubts and worries prospects have. It is impossible to sell value without a full understanding of what your prospects and customers perceive as risk, and in the mind of your customers there is no difference between real risk and perceived risk. To them it's all the same.



The question everyone has whether you are working to sell them to give you a five-minute phone call or a 5-million-dollar solution. The question is “*What’s in it for me?*” You must answer this question soon in the process or you may lose them forever.



Notes:

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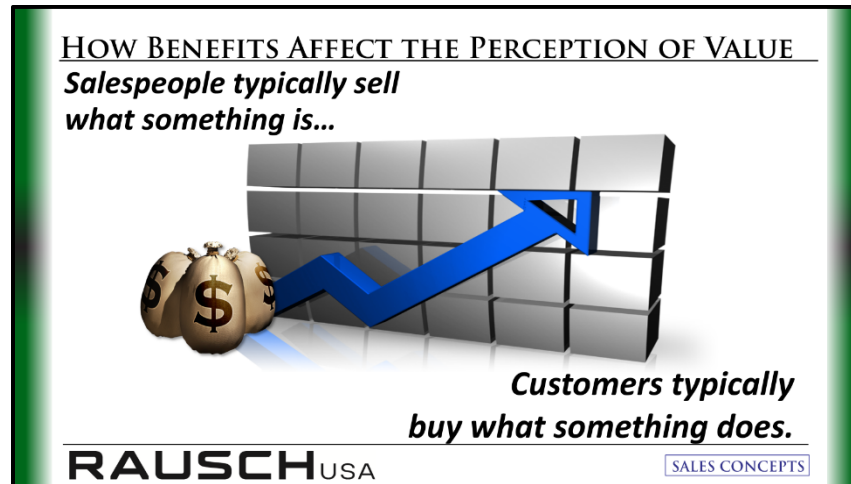
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# ESTABLISHING VALUE

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*A disconnect in selling arises in the focus of the buyer versus the focus of the seller.*



When a person buys this what are they buying?



Many people would say a drill. Wise people would say a hole! Superstars would say it is what the hole does.

Notes:

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*What is your prospect truly after?*



Maybe that is drill is for someone who want to drill holes quickly so they can finish their project with a lot of time left in the day so they can focus on the hole in which they are truly interested!



*Here are some key points to remember concerning selling value. First, you must know what it is.*

HOW BENEFITS AFFECT THE PERCEPTION OF VALUE

**Key Points To Remember**

- Question and address your customer's needs, wants, and risks.
- The longest list doesn't always win.
- Products and Services are not that different. You and your company are.
- Sell benefits. Your competition is selling theirs.

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When it comes to customer benefits, more is not necessarily better.

HOW BENEFITS AFFECT THE PERCEPTION OF VALUE

**Key Points To Remember**

- Question and address your customer's needs, wants, and risks.
- The longest list doesn't always win.
- Products and Services are not that different. You and your company are.
- Sell benefits. Your competition is selling theirs.

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Notes:

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# ESTABLISHING VALUE

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## What is value?

ESTABLISHING VALUE AND DEALING WITH PRICE OBJECTIONS

# Value

Is what makes  
it worth the  
price.



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The top of an iceberg is what the prospect sees of you and your company. The things that are easy to see or find out, with or without you, are at the top of the iceberg.

Notes:

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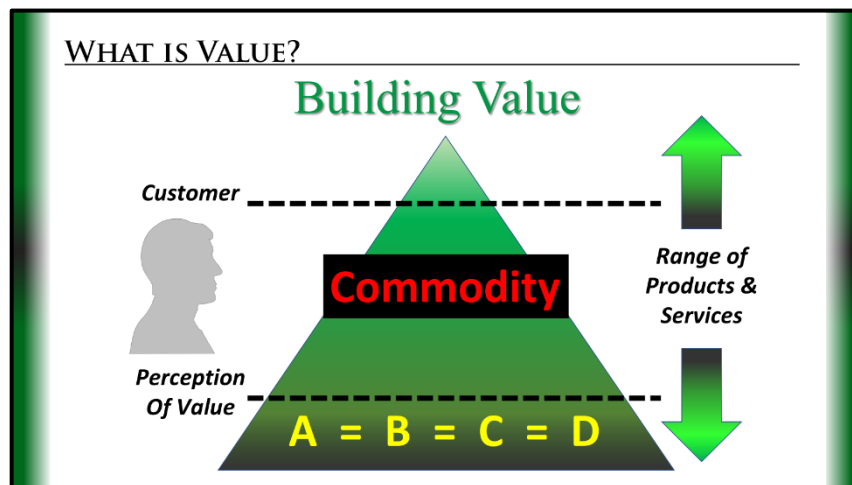
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# ESTABLISHING VALUE

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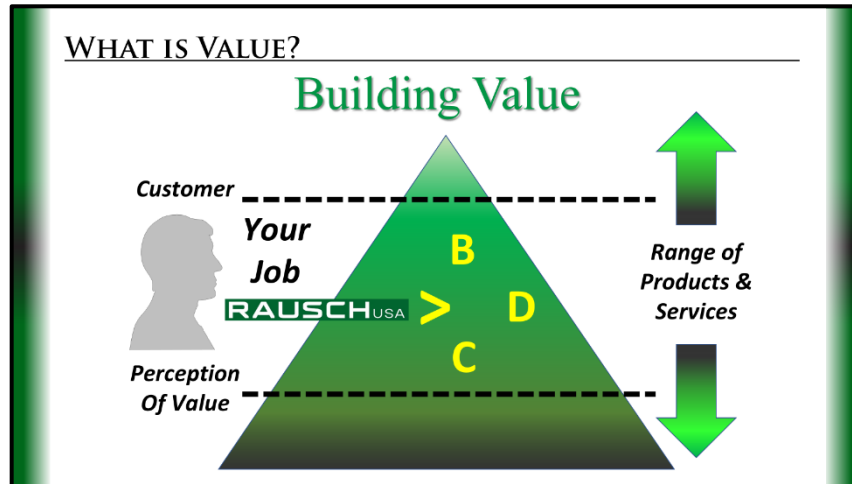
What is under the water line is not intuitively obvious. You must make sure the customer understands what is under the water. Your job is to show prospects and customers what is not so obvious. If you are higher-priced, explain why you are worth it. They must see value from their point of view. Customers' perceptions of value can vary in a wide range of products and services. An implementation plan is vital.



If product  $A=B=C=D$  in every respect—function, quality, feeds/speeds terms delivery, service then you have a commodity and the only differentiator is price. There are other companies that do what you do. Your job for the most part is to work in this arena where several products can perform the same function. Your job is to understand the customer's needs and to build a solution so that the customer perceives A to be better than B, C, and D.

Perceived value is reality in the mind of the customer.

If no one has the product you have, you have a great advantage; but only if the customer perceives it as valuable. You have a significant sole-source advantage—not a product—but you.



Uncover specific needs by asking questions. Do not treat assumptions as real. Ask questions. The more specific you can be, the better off you are. Start making the match with what you have that the prospect or customer needs. The greatest enemy of excellence is good. If you are happy with good, you will never achieve excellence. Uncover essential specific needs.

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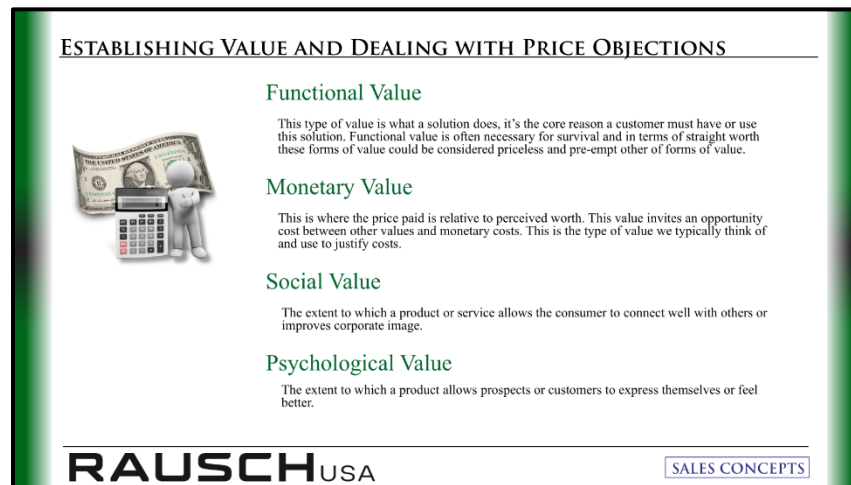
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# ESTABLISHING VALUE

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There are four primary sources of value we can rely on when working with customers. They are as follows.



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# ESTABLISHING VALUE

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**Functional Value**      **This type of value is what a solution does, it's the core reason a customer must have or use this solution. Functional value is often necessary for survival and in terms of straight worth, these forms of value could be considered priceless and pre-empt other forms of value.**

Equipment, Property, and Operations Essential to Provide Core Business  
Replacing Damaged Facilities or Equipment  
Salaries of Key Personnel  
Meeting Regulations                      Compliance with Laws

**Monetary Value**      **This is where the price paid is relative to perceived worth. This value invites an opportunity cost between other values and monetary costs. This is the type of value we typically think of and use to justify costs.**

Saves Money	Saves Time
Makes Money	Reduce Costs
Reduces Effort	Streamlines Processes
Reduces Risks	Integrates
Increases Productivity	Organizes
Improves Quality	Reduces Mistakes or Failure
Improves Cash Flow	Return on Investment
Saves Energy Usage	Increases Variety
Simplifies	Automates
Reduces Personnel	

**Social Value**      **The extent to which a product or service allows the consumer to connect well with others or improves the corporate image.**

Creates Goodwill	Rewards Customers
Affiliation	Improves Public Relations
Informs	

**Psychological Value**      **The extent to which a product allows prospects or customers to express themselves or feel better.**

Credentials	Increase Overall Comfort Level
Reduces Anxiety	Design Aesthetics
Therapeutic Value	Nostalgia
Promotes Hope	Provides Motivation
Positive Morale	Promotes Wellness

*This list is by no means exhaustive. There are quite possibly other items your customers and prospects may value. Be creative. Don't limit yourself to what this list contains.*

# ESTABLISHING VALUE

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Value Source

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Value Proposition

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Target (*Name, Title*)

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Value Questions

*List questions to discover if this is something your prospect or customer values.*

1.

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2.

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3.

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Quantification Questions *List questions to financially quantify any values discovered.*

1.

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2.

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3.

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# Asking Insightful Questions

*Engage and Generate Interest*



# DIFFERENTIATING YOURSELF WITH QUESTIONS

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Something to think about: “What separates successful people from mediocre ones?”

What do you believe are the top three traits of a highly successful salesperson?

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

How about “*Curiosity?*”

We believe curiosity is essential for excelling in any job and doing it better because when you are curious, you ask questions, learn from others, and look for innovative ways to do your job better and help others. If you show more interest in what you are doing, you indicate that you care and want to learn and progress.

Quote:

*“Our world is drowning in a sea of self-centeredness. You can make yourself unique right away by leaving this ocean of selfishness and choosing to be curious about other people.”*

– John Bytheway

Curiosity is a quality that can be strengthened, but why become more curious?

- You become more likable
- You have stronger relationships
- Improves the quality of your life
- Improve your health
- You become happier
- Personal Growth
- It helps you learn almost anything
- Gain a better understanding of yourself and other people

*Questions open minds.*

*Statements close minds.*



# DIFFERENTIATING YOURSELF WITH QUESTIONS

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## How to become more curious:

- Call new people. Do something different.
- Ask different questions.
- Be willing to ask seemingly dumb questions.
- Listen without judgment.
- Resist the temptation to interrupt.
- Be present. Don't worry about the future or the past. Just be in the moment.
- Do things you don't know how to do. Push you out of your comfort zone.
- Put other people before yourself. Ask yourself: what do they want and why?
- Consume information from sources with which you disagree.
- Read widely.
- Be willing to be wrong. Be eager to learn and grow.
- Be willing to admit you don't know.
- Quit trying to be an expert . . . even though you may be!

## Three questions all customers ask which you must answer:



- Can I trust you?
- Can you help me?
- Do you care for me?

# DIFFERENTIATING YOURSELF WITH QUESTIONS

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Why ask questions?

- Gain Information
- Uncover concerns, objections, and perceived risks
- Confirm understanding
- Validate assumptions
- Avoid Mistakes
- Establish Credibility
- Establish Value
- Create Interest
- Move the process forward



Why don't we ask questions?



- Assumptions
- Too busy. Not enough time.
- Not listening
- Lack of understanding
- Not wanting to look foolish
- Afraid of the answer
- Lack of interest
- Lack of caring
- Lack of preparation

*Guard against assumptions! If you don't  
know exactly what your customer  
means... ASK!*

# DIFFERENTIATING YOURSELF WITH QUESTIONS

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## QUESTIONING FUNNEL



# DIFFERENTIATING YOURSELF WITH QUESTIONS

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## Examples

### Surface Questions

- ✓ What is your timeline for making a decision?
- ✓ When do you want to get underway?
- ✓ What is your total budget?
- ✓ How may I assist you today?
- ✓ What does your business do, and what is your role there?
- ✓ Who is my competition?

#### Results

- Everyone asks them.
- Not detail-oriented.
- Don't lead to many follow-up questions.
- Don't get the customer to open up.
- Are often be answered with one word or sentence.
- Don't cause your customers to think very hard.

### Follow Up Questions

- ✓ So, what you're saying is...
- ✓ Can you tell me more about that?
- ✓ Let me see if I understand...
- ✓ Is there anything else you want to add...
- ✓ Can you say that again? I want to make sure I get it right.
- ✓ How does that impact...

#### Results

- Go deeper by asking follow-up questions.
- Coming up with a great list of questions is only the first step. It's the follow-up questions that will really tell you who you're dealing with.
- For example, "if you find out they like dogs, take it a bit deeper by asking them what they like most about their dog or what kind of dog is their favorite and why?"
- In answering, they are revealing a little more about themselves and their preferences.

### Notes:

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# DIFFERENTIATING YOURSELF WITH QUESTIONS

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## Insightful Questions

- ✓ Aside from all that, what else is there keeping you from...?
- ✓ How can I make the process easier for you?
- ✓ To best be of help with all the resources we have. May I ask what is driving this directive?
- ✓ What can we do to help you please your customer's customers?
- ✓ What could we do to help you set your company apart from your competition?
- ✓ Have you experienced a service issue or issues in the past you could share with me so I can take extra steps to ensure those types of details are addressed before we begin?
- ✓ How are you going to measure the success of this endeavor?

## Results

- Deeper Questions: Why... How... Tell me... Describe...
- Should... Would... Could... What if?
- Ask about their Knowledge, Feelings, Opinions, or Thoughts
- Ask for explanations. Could you please explain...
- Create conversation because they lend themselves to follow-up questions.
- Come in many forms.
- May not be easily answered.
- Cause your customers to think.
- Allow them time to formulate and answer. Silence is good!

## Closing Questions

- ✓ What do you think?
- ✓ What concerns do you have at this point?
- ✓ Shall I send you a contract/quote?
- ✓ Are you ready to move forward?
- ✓ Are you ready for me to send you the contract now?
- ✓ Do we meet your expectations? Let's get your order in now.
- ✓ Would you like to schedule a demo or evaluation?
- ✓ Since you seem to like what you see, shall we move forward?
- ✓ Are there any decisions that need to be made today?
- ✓ Is there anything else besides that keeping you from moving forward?

## Results

- Closing Questions – Questions that call for action or reveal intent.
- Short words – Short Questions. Then Quiet!

Use short words like, Do..., Is..., Would you...? May I...?, Can we...?

# DIFFERENTIATING YOURSELF WITH QUESTIONS

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Build questions to help you identify value and solidify your position in the mind of the customer.

Here are some opening questions you might want to ask:

- Why did you agree to meet with us today?
- What do you like about your current situation?
- What would you change?
- What does it cost you to be down?
- How would it benefit you to get this product to market sooner?

General types of questions to focus on throughout the call:

- Situation Questions: What are you doing now? How long have you been doing it?
- Problem Questions: What challenges are you facing? Is your current setup adequate?
- Implication Questions: What effect has this had on your production/sales/profits?
- Payoff Questions: How do you see our proposed solution benefiting you?
- Change probability.

Most representatives only ask questions in the first two categories; adding the latter three not only produces more order, it positions one as a resource to the prospect.

List other questions here that you might ask:

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_
5. \_\_\_\_\_
6. \_\_\_\_\_
7. \_\_\_\_\_
8. \_\_\_\_\_
9. \_\_\_\_\_
10. \_\_\_\_\_
11. \_\_\_\_\_
12. \_\_\_\_\_

# OVERCOMING ASSUMPTIONS

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Overreliance on assumptions is the enemy of successful negotiations. The toughest challenge when it comes to assumptions is recognizing them. Asking insightful questions separates you from your competition. If you do not ask questions, you miss key information. This causes you to rely on assumptions and lose business. The worst part about relying on assumptions is to stand up to defend them and resist getting facts. People are guilty of believing assumptions for one reason and one reason only—they didn't ask questions.

Why do people fail to ask questions?

- They were not listening.
- They didn't want to hear the answer.
- They do not want to be rejected.
- They do not want to appear stupid.
- The questions are hard to formulate.
- They do not want to appear pushy.
- They do not like confrontation.
- They want to be liked.
- They are a teller, not an asker.
- The questions may be personal.
- The questions may be embarrassing.

To avoid relying on assumptions:

- Ask open-ended questions.
- Work at listening.
- Apologize and explain the reason why you need the information.
- Have a strategy
- Think about the questions you need to ask in advance.
- Have your questions build on one another.

## TEST

This test designed to determine how accurately and carefully you analyze data. Read the instructions very carefully.

1. Read the paragraph below. Assume all the information is true and accurate. You may refer to the story at any time.
2. Read the six statements about the story. Answer them in order. Do not go back to fill in or change answers.
3. After you have read each statement, determine whether the statement is:
  - a. T—meaning based on information presented in the story the statement is true.
  - b. F—meaning based on the information presented in the story the statement is false.
  - c. ?—meaning the statement may be true or false, but based on the information presented in the story you cannot be certain.

**Charlie Smith entered the hospital on Monday in serious condition. Early Tuesday of that week open-heart surgery was performed. Dr. Jones said the operation was a success. On Thursday of that week, Charlie Smith died. No doctor had seen Charlie during the twenty-four hours before his death. The hospital denied all responsibility. The head surgical nurse said that open-heart surgery was not necessary. Dr. Jones left town and established a new practice in another state.**

- |     |     |     |  |
|-----|-----|-----|--|
| (T) | (F) | (?) | Three days after Charlie Smith entered the hospital he died.   |
| (T) | (F) | (?) | Charlie Smith's heart condition required medical attention.  |
| (T) | (F) | (?) | Dr. Jones should have visited Charlie sometime in the 24 hours before he died.                           |
| (T) | (F) | (?) | The hospital staff could have maintained better supervision over Charlie's critical condition.           |
| (T) | (F) | (?) | The criticism by the hospital staff of Dr. Jones' behavior contributed to his departure for a new state. |
| (T) | (F) | (?) | The head surgical nurse attended Charlie's operation.  |



# OVERCOMING ASSUMPTIONS

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## WHAT IS AN ASSUMPTION?



- Anything that's accepted as truth without evidence or proof.
- Something accepted as true or as certain to happen, without proof

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## ASSUMPTIONS

### How to recognize our assumptions

Watch what you say:



- I think...
- I believe...
- I suppose...
- I'd imagine...
- I would say...

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# OVERCOMING ASSUMPTIONS

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## CHALLENGING ASSUMPTIONS

*We get into trouble when we treat  
our assumptions as a set of truths  
rather than a set of beliefs.*

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## ASSUMPTIONS

### How to challenge our assumptions

- Acknowledge they happen.
- Get informed and be observant.
- Be thorough
- Identify them. Ask ourselves what we think we know and how.
- Respond, don't react.
- Ask questions of others to confirm what we think we know.
- Listen with an open mind.
- Be emotionally intelligent. Thoughts and feelings are different things.
- Reflect on what we think and why.
- Question everything.

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## ACTIVE LISTENING



*“No one ever listened themselves out of a sale!”*



The [Dunning-Kruger Effect](#) postulates that those people who are least competent at a task often incorrectly rate themselves as high-performers because they are too ignorant to know otherwise. They don't know what they don't know. Most drivers think they are better than most drivers. I've even heard it said that 90% of the drivers think they are better than 90% of the drivers. Most of us believe we are better listeners than we are as well. We are not.

This bias was first described by social psychologists David Dunning and Justin Kruger in 1999.

*Listening is more than you think!*



- Don't just listen for words.
- Body language
- Tone
- Context
- Feeling – Emotions
- Perspective
- Objectives
- Meaning

# ACTIVE LISTENING

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*No one ever listened themselves out of a sale!*

How does it make you feel when someone listens to you, really listens to you? Do you provide that kind of feeling for your prospects and customers, or anyone in your life for that matter? Actively listening to them shows how important they are to you. Listening is a skill that can only improve with practice. Next time you will know when someone says, “Where were we?”

Quote:

*“Speech is a joint game between the talker and the listener against the forces of confusion. Unless both sides make the effort, interpersonal communication is quite hopeless.”*

*Norbert Weiner*

*Effective listening occurs when there is a high degree of correspondence between the sender’s original message and the listener’s re-creation of that message.*

*Castleberry & Shephard*

Notes:

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## What is Listening?

Listen	Hear
<ul style="list-style-type: none"><li>• to pay attention to sound</li><li>• to pay attention; heed; obey (often followed by to)</li><li>• to hear something with thoughtful attention : give consideration</li><li>• to be alert to catch an expected sound</li><li>• to wait attentively for a sound (usually followed by for)</li></ul>	<ul style="list-style-type: none"><li>• to perceive sound with the ear</li><li>• to sense audio energy with the ear</li><li>• to receive information by the ear</li></ul>

- Acquiring information from others in an empathic and nonjudgmental way to
- understand their meaning.
- Questioning and restating to ensure understanding.
- Acknowledging the speaker inviting communication to continue.
- Providing limited encouraging input and giving appropriate feedback.

Listen	Hear
<ul style="list-style-type: none"><li>• Active</li><li>• Voluntary</li></ul>	<ul style="list-style-type: none"><li>• Passive</li><li>• Involuntary</li></ul>

*“Assuming one can listen because they can hear is like assuming one can read because they can see.”*

## Why should we listen? What's in it for us?

- Learn
- Show you care
- Build rapport
- Be a team player
- Be valued and trusted
- Respond appropriately
- Stay out of trouble
- Solve problems
- Make good decisions
- Make money
- Enhance relationships
- Inspire confidence
- Make accurate evaluations
- Provide maximum value

Notes:

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## Listening impacts:



- Relationships
- Self Awareness
- Professional Development
- Interpersonal Power
- Your Value to Others

## Notes:

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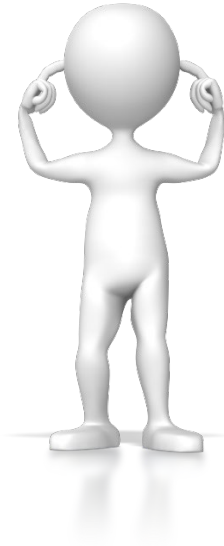
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We know we should, but why don't we listen?



- It takes too much work
- No interest
- Not caring
- Not seeing the value
- Close-minded
- Judgmental – Emotional
- Lack of skill

*Average listening efficiency is about  
26%*

According to the work of Dr. Ralph Nichols and the International Listening Association

The [International Listening Association](#) is an organization developed to promote the study, development, and teaching of listening. The association is “dedicated to learning more about the impact that listening has on all human activity.” The ILA was founded in 1979 in Minneapolis, Minnesota, USA

# ACTIVE LISTENING

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Listen carefully for specific directions and mark the following diagram accurately.


## *Ways to improve our listening ability:*

- Realize it takes work.
- Work to avoid distractions.
- Listen to understand.
- Remain quiet. Don't chirp.
- Don't interrupt.
- Avoid judgment. Keep an open mind.
- Picture what is being said.
- Ask questions to check for understanding.
- Wait for a pause before clarifying.
- Work to feel what the speaker feels.
- Listen for what isn't said.
- Pay attention to their body language and eye contact.
- Listen for context. How does it fit together? What is the meaning?
- Be curious.
- We must want to listen.



## *Four Key Points to Remember to Improve Your Listening:*

1. Concentrate on what the other person is saying, not what you will say.
2. Develop a Method for Listening.
3. Focus on what the speaker truly means.
4. Ask Questions to Validate Assumptions.

Notes:

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## *Listening ideas and resources:*

- [Amazon search for books on listening.](#)

[\*The Lost Art of Listening\*](#) – Michael Nichols, Ph. D.

[\*Just Listen\*](#) – Mark Goulston

[\*Everyone Communicates, Few Connect\*](#) – John Maxwell

- [International Listening Association.](#)
- [Search and read articles on listening.](#)
- [Search for listening exercises on YouTube.](#)
- Get an accountability partner.
- Ask for help.

*No one ever listened themselves  
out of a sale!*

WHAT IS A CONCESSION?



## Concessions

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WHAT IS A CONCESSION?



- The act of conceding or yielding, as a right, a privilege.
- The thing or point yielded. Something conceded by a government or controlling authority.

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# CONCESSIONS

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Is negotiating like playing a game? In a way, but in a serious manner. Long-term business partnerships are especially serious. Know that in the negotiating game, you must always be striving for a collaborative win-win solution. Rules for negotiating and playing poker are similar.

### SIMILARITIES TO THE GAME OF POKER




- Never play with strangers.
- Don't play if you cannot afford to lose.
- Never hurt someone so badly that they will not play again.
- Don't play with someone who cannot keep commitments.
- Bluffing is FAIR.

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Key points to remember:

- Concessions are *give and take* of negotiating.
- The best concessions cost little but provide significant value.
- Gather as much information as possible before the negotiation.
- Never disagree in front of a buyer.
- Understand the proper level of preparation but remain flexible.
- Use the Situation Analysis plan.

### INTANGIBLE CONCESSIONS



- Listen attentively.
- Give good explanations.
- Reassure.
- Share knowledge.

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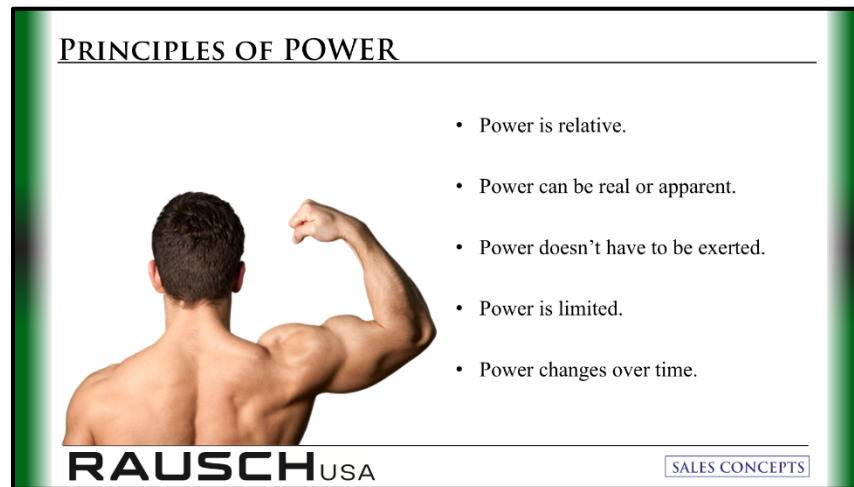
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If other people perceive you to have power, you do. Don't give away your power too easily. Salespeople feel that buyers can reward them, or punish them, by giving their business to the competition. Likewise, buyers worry that the vendor may not be able to supply what they need when they need it. Neither of these scenarios may be true. Search for your sources of power. If you know what they are you can prepare better for the negotiation.



## **Power is Relative**

A buyer with the authority to decide which product to buy would seem to have the same power as all vendors. But power is relative to how much a vendor wants the order. One vendor may be hungry for work, and another may be swamped. In these cases, the buyer's power to get the vendor to lower the price will differ vastly depending on which salesperson is being asked to lower the price.

## **Power Can Be Real or Apparent**

If the other party perceives you to have power, then you do! Sellers often give buyers the power in a negotiation. The buyer's power is then apparent power and is as useful in a negotiation as if it were real.

## **Power Does Not Have to Be Exerted**

If you can establish power in the other party's eyes, then chances are you do not have to use it. They probably will not ask for a deep discount. The give and take in a negotiation usually occur when both parties are perceived as having nearly equal power.

## **Power is Limited**

In a negotiation, no one has the ultimate power. Everyone has some power, even if only to have the power to say no!

## **Power Changes Over Time**


Power is fluid, not static. Throughout any negotiation, power will change hands. These changes affect the requirements for buying and selling products and services; therefore, power changes in negotiations over time.



Determine and leverage your sources of power.

SOURCES OF POWER

The POWER of . . . Legitimacy.



- Written Word
- Title - Position

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SOURCES OF POWER

The POWER of . . . Commitment.



- Yours
- Others

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## SOURCES OF POWER

The POWER of . . . Knowledge.



- Expertise
- Information

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## SOURCES OF POWER

The POWER of . . . Investment.



- Time
- People
- Money

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## SOURCES OF POWER

### The POWER of . . . the Situation



- Large Company
- Government
- Sole Source

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## SOURCES OF POWER

### The POWER of . . . Reverence



- Consistent Values
- Attitude
- Motivation

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## SOURCES OF POWER

### The POWER of . . . Charisma



- Compelling
- Attitude
- Enthusiasm
- Confidence

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## SOURCES OF POWER

### The POWER of . . . Preparation



- Strengths
- Weaknesses
- Opportunities
- Threats

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## SOURCES OF POWER

### The POWER of . . . Time



- Culture
- Deadline
- Investment of time
- Pareto principle

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## SOURCES OF POWER

### The POWER of . . . Alternatives



- Options
- BATNA
- Resources
- Desperation

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## SOURCES OF POWER

What type of power do you have?

Charismatic Power	They Like You
Reverent Power	They Trust You
Knowledge Power	They Believe You

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## SOURCES OF POWER

Points to remember about power



- Power is relative.
- Power can be real or apparent.
- Power does not have to be exerted.
- Power is limited.
- Power is temporary.

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## THE SITUATION ANALYSIS

## SITUATION ANALYSIS

What should you know before entering a negotiation?



A 3D rendering of a clipboard with a white sheet of paper. On the paper is a checklist with seven items, each preceded by a checkbox. The first six checkboxes are marked with a black 'X', and the seventh is empty. A silver and black pen lies diagonally across the clipboard, with its tip pointing towards the seventh checkbox.

1. Your goal. How do you define success?
2. Have a plan.
3. What are your advantages?
4. What are your disadvantages.
5. What resistance do you expect?
6. What can you give up?
7. What is the other party's perception of you?
8. What does the other party want?
9. Background information.
10. What are your limits? What is your BATNA?
11. What alternatives are possible?

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## What do you need to know before a negotiation?

[illegible]

## Review and Summary – 20 Questions

1. When does the process of negotiating typically start?

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2. What is the difference between selling ability and negotiating ability?

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3. What is value? How does it impact the negotiating process?

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4. What do we tend to say or do that weakens our negotiating position?

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5. How do the concepts of behavioral styles impact negotiating?

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6. How does the concept of negotiating as a process resonate with you?

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7. What is a negotiating tactic, and how are they used?

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8. What are the two types of negotiating tactics?

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9. What tactics do your customers tend to use more than others?

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10. What is the question funnel?

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# REVIEW AND SUMMARY

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11. What are the four types of questions in the question funnel?

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12. What are some of the questions you like to use to establish your negotiating position?

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13. What are assumptions? How are they dangerous?

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14. What can we do to guard against relying on assumptions?

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15. What assumptions have you caught yourself making when negotiating with customers and prospects?

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16. What concessions do your prospects and customers typically ask you to make? How do you plan to respond?

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17. How does power impact a negotiation?

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18. What is the difference between real power and perceived power in a negotiation?

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19. Who typically has the power in a negotiation? The buyer or the seller?

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20. What do you intend to do differently now that you have attended this program?

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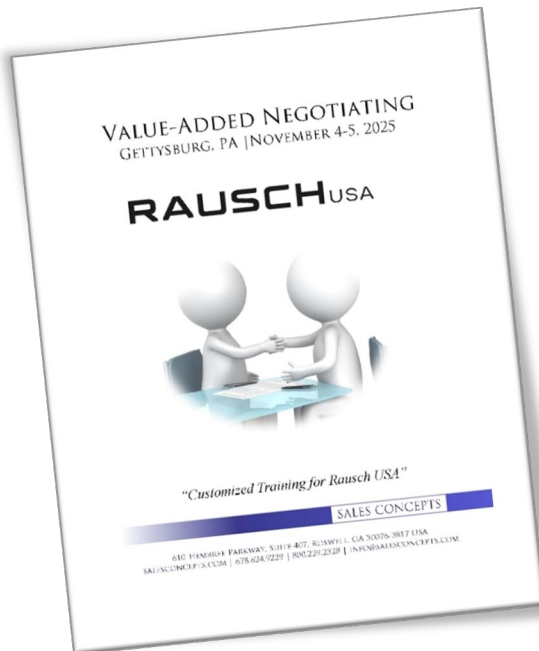
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<https://www.salesconcepts.com/rauschusa-resources>

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