

sales

listen more and talk less...

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Rules of negotiation

High I.Q.

Ten Rules of Negotiation:

- 1 Don't, unless you need to. Always evaluate your needs honestly and never negotiate as it always requires compromise – at a cost.
- 2 Never negotiate with yourself. We often 'round down' our offer, to below the psychological offer, so make sure that you are clear with yourself about your bottom line before beginning the negotiation process. Decide in advance what matters to you and what doesn't; realise where you will compromise and where you will stick to your guns. Don't forget that they will be thinking 'I'm not going to accept the first offer, whatever they may say.'
- 3 Likewise, never accept their first offer. There is almost always a different (better) offer behind this one. Be aware, however, that you can annoy the other party by doing this; they will think they should have asked for more resulting in a perception of a lose/win conclusion (they lose, you win).
- 4 Try to avoid making the first offer (if you can help it!) It leaks your bottom line straight away. It might be a good offer but they will probably be taking rule 3 into account. It puts all of the 'value' pressure on you every time.
- 5 Listen more and talk less. Good negotiators lead by listening, not talking. Let them ramble and this provides you with the opportunity to pick off the leaked messages. Whilst you are listening you can't leak your own position!
- 6 No free gifts. No one values a free gift for long – a free gift today becomes a starting point tomorrow.
- 7 Don't be the repentant rookie. Don't forget the differences between cost, price and value, and work with these. Aim for the super win-win (falling a bit short won't hurt).
- 8 Watch out for the 'salami' effect (i.e. itemising every element of the deal and pricing it). Start with a complete value-orientated price. Only salami when, and as far as you are requested to. Never 'band' your expectations – it leaks your bottom line. Try not to 'salami' the other party – behaviour breeds behaviour.
- 9 Never make a quick deal. Say 'maybe' and check your understanding of their offer; it may be that the other party think that they have seen an advantage (or mistake) you have missed, so buy yourself time to check your proposition thoroughly.
- 10 Never disclose your bottom line. Not before you start, not during the discussions and never after a successful win-win conclusion.



Alan McCarthy

Alan McCarthy is a Business Associate of the strategic management consultancy, Catalyst, which specialises in improving and developing individual, team and organisational performance.

"THE RESOLUTION OF CONFLICT BY MUTUAL COMPROMISE":

The 10 Rules of Negotiation by Alan McCarthy Associate Consultant, Catalyst

In today's increasingly competitive sales environment, an absence of negotiation - or negotiation skills - is perhaps the single largest contributor to the lack of success many sales people experience. The changing nature of the buyer/supplier relationship in this increasingly challenging marketplace has begun to necessitate the need for sales teams to become ultra sophisticated negotiators.

Of course good negotiation isn't about you winning and someone else losing. A

satisfactory outcome leaves both sides feeling that they haven't compromised too much, given way when they didn't want to, felt threatened or unnecessarily pressurised, or made sacrifices that they didn't want to. It is about reaching a win-win situation. People now expect to negotiate and see the process as a positive builder of relationships rather than a potential threat. It has become recognised that 'principled negotiation' can achieve a solution that is acceptable to all parties involved. And of course, this then

encourages repeat business in the future.

The 'Ten 10 Rules of Negotiation', identify the techniques available to control and direct events to your own advantage, and to achieve better quality of business, with fewer expensive concessions. But of course good negotiation skills are not just an asset in the traditional sales person/customer situation, in all areas of life, with colleagues, employers, even your own family, being able to negotiate well will allow you to get what you want without damaging your relationships.