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Be the Negotiator You FEAR: Bold and Prepared

Lose your cool in a negotiation and you may lose the account. The leasing company sale rep (we'll call him Mike) was in the middle of a contract negotiation with his multi-million dollar client and he blew it. Revisions to the company's lease agreement along with millions of dollars in future business and commissions were on the table.

During an extremely important phase in the negotiation conversation, Mike's anger and frustration began to build. On the other end of the phone, my client, an international manufacturer, and I heard:

- Vocal volume climbed to a near shout.
- Pitch rose an octave.
- Pacing raced.
- Mike flipped off his listening skills switch.
- Client interruptions came in mid-sentence.
- Answers to our questions were defensive.

The only mistake Mike avoided was using profanity with his client. We knew we had him on the ropes. We could have capitalized on his mistakes had two other higher-ranking managers not been on the call. After that negotiation meltdown performance, Mike was never a part of any negotiation with us again. He was removed from the account management responsibility.

Within 12 months, the manufacturer selected another leasing company for its technology finance needs, anticipated to be more than $3 million in the first year for the new lessor.

Is your sales team making the same mistakes Mike did? To ensure success, veteran negotiators as well as rookies need to refresh their negotiation skills.

5 Steps to Negotiation Success When YOU Want to be HEARD

Successful negotiators are prepared negotiators. Most of us are not born as great negotiators. We learn at an early age how to get what we want. By age two, a toddler knows how mommy and daddy tick and what it takes to get a cookie.

As we grow, the stakes get bigger. We need to refine our old motto "I want what I want." What we are really saying is "I want to be HEARD. Listen to me. Respect my opinions."

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Five steps for a successful negotiation are contained in the acronym H.E.A.R.D. These are essential steps to be a more successful negotiator in sales, as well as in life.

Step 1 – Homework (H.E.A.R.D.)

Be the fly on the wall.
Social network toolbox.
Take a walk.
Needs, wants and the "Gotta Have Its."

Before every negotiation, you should learn as much as possible about your customer. Homework occurs before the initial prospect appointment. Jump to the proposal stage before doing the homework and you are guaranteed to leave money on the table.

Savvy negotiators check out their prospect's website, the CEO's bio, the company's marketing philosophy, recent press releases, industry magazines, company blogs, podcasts, webinars and other research.

Social networking tools like Facebook, LinkedIn and Twitter as well as your customer's industry blogs will uncover information gold before negotiations begin. Learn where the organization is going and how management plans to reach its goals. If a change in management occurs, find out from what companies the new management was selected.

During this phase, you determine your company's bottom line or your walk-away point. Share it with your manager or a colleague. Have them hold you accountable.

In 1978 singer Kenny Rogers advised us to "know when to hold them, know when to fold them and know when to walk away." This is fabulous negotiations counsel!

Homework aids in understanding your customer's challenges and opportunities. Then you determine how your product or service helps them achieve their plan.

Step 2 - Engage and Explore (H.E.A.R.D.)

It's time to meet with the customer and tell them all of the features and benefits of your product. Rush on to tell them why your product or service is better than the sliced bread they're eating. In addition, it could be better than a hot fudge sundae on a sizzling summer day. Don't forget that you offer "best in class service," whatever that means for your company.

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As you pause to gasp for a second breath, you confide in your customer that this offer is only good until the end of the month and you can deliver by Friday. Right? WRONG!

I suggest you stifle your brilliance. This is not the time to chatter away showing total recall of your glossy sales brochure lingo.

This is your time to Listen Carefully! Your customer can tell if your brain is on holiday or if you CARE-FULLY as you LISTEN. That is how you show your customer that you value them. Show them. Don't tell them.

Time is precious.
You are THE problem solver not commodity seller.
Strong questions.

Use open-ended questions. Remember those? Questions that CANNOT be answered with a "Yes" or "No."

The 5-Ws: WHO, WHAT, WHEN, WHERE, WHY

Powerhouse word: HOW?

Next, verify the accuracy of your listening skills. Confirm that what you heard is what they meant. The technique is called "The Parrot." You parrot back to the customer your interpretation of what you thought they said. Clarify the misunderstood portions of messages.

Successful salespeople know the power of listening not talking. Follow the 80-20 sales axiom: At every negotiation step, listen 80% of the time and talk 20% and you will close more and be more successful. I believe that. Your success depends on it.

Step 3 – Assess What You Know and Don't Know (H.E.A.R.D.)

The assessment step, Step 3, is where you figure out what you know and what more you must know in order to close the sale. Always leave the door open to gather the final "keys" to your customer's heart.

Here are sample questions for your first or second appointment. You must know the answers before you present a prospect proposal.

What is your current supplier doing that you want them to stop?

If you could receive anything you from your current supplier, what would that be?

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When does the service agreement with the current supplier expire?

What would it be worth to your prospect if you could solve their problems and supply all their wants and needs?

Upfront Verbal Contract. This sounds like "If we provide a solution that meets the needs you shared with us and delivers the following solutions, you and I can agree to only deal with us and not play us against a competitor."

Who else in addition to your contact will need to be consulted regarding the decision to do business with you and your company?

Wait for the customer to respond. Keep ears open and mouth closed. Salespeople usually want to help the prospect answer the questions to keep things moving forward quickly and demonstrate how smart they are.

As leadership expert, speaker and author, John C. Maxwell said, "People don't care how much you know until they know how much you care."

Step 4 – Rehearsal and Recommendation (H.E.A.R.D.)

It is finally time to present your proposal. Lay your deal on the table. You should be pleased that you took so long to get acquainted, build trust and understand needs and wants.

Presentation Success Steps:

1. Rehearse: Proper preparation includes role-play. Practice for the sales appointment with a buddy, your boss or another sales rep. Make it your Carnegie Hall debut, not a "casual conversation" to the printer across town.

   Vince Lombardi said, "Practice does not make perfect. Only perfect practice makes perfect."

2. Recommend: During your proposal presentation, introduce the concept of calculating the prospect's return on investment (ROI). Discuss the return that the company will achieve when it does business with you.

3. Review: Look at notes from previous customer meetings. Your solutions should solve the problems your prospect faces with their current equipment supplier.

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4. Remove Time Constraints: Allow adequate time to present your solution as well as handle customer questions and objections.

5. Respect: Your prospect's time is precious; respect it. Never interrupt the presentation for a personal phone call or to check your messages. Turn off your phone. Allow time to properly close the deal.

6. Remember: Never take objections and questions personally. This is business. If you do not know the answer to a question, concern or service issue, promise to promptly find the answer. Respond quickly to objections to avoid prospect fear and doubt from developing.

   Joan Gallos PhD., Author and Scholar of Leadership and Management (http://theleadershipprofessor.com) said, "NO is the first step towards YES!"

7. Relationship: People buy from people not brochures. Develop a trusting relationship with your prospect. Trust requires mutual respect. You should know the easy compromises that you are empowered to make on the spot. Be aware that in the heat of the moment, even seasoned negotiators give away too much and later regret their quick decisions.

If you are the sales professional I think you are, you have a fabulous foundation. You developed a strong customer relationship and you are a problem solver. You would never talk customers into things they don't need, want or can't afford.

Step 5 – Documentation (H.E.A.R.D.)

If you love paperwork, contracts and six-point type in legal documents, consider attending law school. However, if you are to be successful in sales or company ownership, you will face contracts, sales order forms, maintenance agreements, internal and external accounting payment records, business emails and correspondence. And remember this...paperwork precedes every sales commission check.

6 Tips: Manage Documentation Details

1. Dates: When you sign a contract, always date the document. One printer I know never dated lease agreements or any form requiring her signature, which made it difficult to figure out in what year the equipment was delivered or when the lease began.

2. Titles: Always include your title as an officer of the company. Do not sign the sales order, lease contract or any document as an individual. The company is the entity entering into the agreement.

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3. Verify Names: Check to see that all names, addresses, titles, serial numbers and dates are accurate before the customer sees the contracts. Be a detail champion and gain respect from the customer.

4. Accuracy Saves Money: If a deal goes bad in the future and the buddy-buddy rapport sours, accurate documentation will make problem resolution less time consuming and relationship damaging.

5. On the Mark: Does the contract accurately convey the essence of the agreement? This includes:

   What the customer thought they heard during face-to-face meetings.

   The methods you used to confirm that your customer had correct expectations of your company's promises.

   Refer to your sales meeting notes to refresh your memory and your customer's before drafting contracts.

   Prior to contract preparation, confirm that you and your customer are in agreement on all terms.

6. Be There or Be Square: If at all possible, personally review the contract with your prospect face-to-face. Never assume that they know what the proposal or agreement says. Seldom is everything clear or 100% as was discussed. If you are not in the same room with the client, you will miss their body language. Body language is 60% of how we convey our message. The words we say and how we say them represent 40% of the two-way communication challenge.

7. Counter Signed Contracts: Always send your customer copies of the counter-signed agreements after all involved parties execute them. Customers usually keep their signed copy and seldom have copies with signatures of all the players. Usually, contract language states that the agreement is not final until signed by all involved participants.

When you manage this part of the sales process, you demonstrate you're a Major Leaguer and worthy to be in the Customer Hall of Fame as a Most Valuable Player.

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Mary A. Redmond, The FearLess Negotiator, works with business professionals who want to become stronger negotiators. After attending one of her workshops or coaching sessions, clients feel more confident in stressful business situation whether they need to close bigger and more complex sales, secure the perfect new job, ask for that well-deserved raise or improve communication with their colleagues, bosses or families.

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