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NEGOTIATING

5 ways to win

1. Anticipate
2. Stand pat
3. Reassure
4. Throw in extras
5. Even exchange

5 ways to close on value rather than caving on price

■ Creating a mindset where value is the key component

Every negotiation comes down to two questions – what are you willing to sacrifice in order to win the sale, and when are you willing to sacrifice it?

In most cases, the concession you'll be asked to make is based on price.

Here are five ways to maintain the upper-hand in negotiations when price is on the line:

1. Anticipate objections

The more you know about a company and its buying process, the better position you're in to handle objections before they arise.

Is there a competitor that offers a lower price? If so, the presentation should focus on the added value customers receive from doing business with you.

Are there several key decisionmakers? Then concentrate on how your product can benefit each of them.

2. Hold the line

The top 20% of salespeople never give in to concessions right away, research shows.

Caving immediately on price sends two messages:

1. The price was purposely inflated to begin with, and
2. If you gave in that quickly, you could probably shave even more off the price.

Consider one of these solutions:

- *"I can appreciate you're looking for the best deal possible, but we offer the lowest price possible for the value we provide,"* or
- *"You'll find our pricing is standard for this type of product. What you will get with us that you can't get from our competitors is ..."*

3. Reassure by repetition

If an initial price objection is handled effectively, prospects will relent approximately 40% of the time.

But in complex selling situations where the negotiating takes several

weeks or more, it's wise to remind the prospect how far you've come and what a minor point this is in comparison to the big picture:

- *"We've come so far over the past three months. I'd hate to see this deal fall apart because we can't settle on price,"* or
- *"We realized from day one how important your business would be, so I worked aggressively with my team to offer you the best price we possibly could."*

In the latter stages, it's important to bring the conversation front and center, asking the prospect, *"If you received significant ROI from our product, would it then be something that was worth the investment?"*

This way you're taking the focus off of price and putting it on value.

4. Throw in some extras

Price negotiations can be sidetracked by offering small concessions as part of the package.

Perhaps you include installation or training. Perhaps free shipping. What's important is that you acknowledge the prospect's pain and make a good faith effort to resolve the issue.

But know what extras you can offer beforehand and provide the ones that help the prospect the most.

5. Make an even exchange

Let's be honest. There are times when all else fails and a discount is the only way the deal can get done.

When that situation arises, follow these two rules:

1. Never lower a price without getting something in return, whether it's an extended contract or an agreement to buy additional services, and
2. Get a firm agreement beforehand that the discount is the only thing you need to close the deal.

Source: *"Five Steps to Negotiating Like An Expert,"* by Colleen Francis, www.eyesonsales.com/articles.php?a=418