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Selling Is Negotiating

As senior executives look for ways to increase the effectiveness of sales in an increasingly volatile, commoditized world, they have a unique opportunity to help their business development and sales support teams negotiate effectively with customers. We recommend a strategic, win-win approach that recognizes selling as inseparable from negotiating.

The basic goals of selling and negotiating are identical: Understand what the customer or other party wants to accomplish, fix, or avoid, gain commitments from all stakeholders that move the parties to agreement, and then close the sale or negotiation. In a win-win scenario, the solution is designed jointly by all parties so that everyone is involved in satisfying the greatest number of interests of all sides in the negotiation.

For those executives who want to augment the negotiating skills of their teams, we also recommend a system for “managing” negotiations. Negotiation approaches that emphasize tactics designed to exploit advantages and extract concessions most often result in damaged business and personal relationships.

Given the competitive environment in which most companies operate, we prefer an approach to negotiating that starts with a clear strategy and plan designed to build agreements that benefit all stakeholders to the greatest degree possible.

Major tasks for most business development teams include communicating new and existing products and services to prospects and customers, facilitating communications between customers and sales support staffs, and building trust between the stakeholder groups. It is always a shame when well-intentioned marketing and sales efforts are sabotaged, and relationships damaged, by inadequate or harmful negotiating skills that are employed at the agreement stage of the sales process instead of throughout the sales interactions.

Well managed negotiations move to higher ground: Joint venture problem solving that satisfies the greatest number of interests of the parties, builds confidence, trust and loyalty, and expands the current and future opportunities for all stakeholders. The alternative is business as usual, where the game is zero-sum and where dissatisfied parties continually switch allegiances, leaving everyone less than satisfied with the process and with the outcome.

We use a five step process for building effective negotiation strategies. First, the current situation, including overall strategy, immediate challenges, and team skill levels are

assessed. Next, company-specific solutions are designed, incorporating the proven tenets of win-win negotiating. Solutions are then deployed to the business development and support teams via online and classroom environments as appropriate. Since managers play such an important role in an initiative's ultimate success, a plan for managing and coaching business development and support teams should be provided to managers who will be accountable for the results produced by their negotiating teams. Finally, a system for reviewing and reporting results is implemented. Senior management will then receive timely information they can use to refine strategy and objectives.

Negotiating can be much more than traditional haggling, positioning for advantage and winning at all costs. For those senior executives willing to equip their business development teams for managing negotiations, a win-win approach to negotiating provides an opportunity to better understand stakeholders, build or enhance long-term relationships, and deliver the total value their companies bring to the table. The goal of a successful negotiating system for the progressive enterprise is to move from negotiation opponent to joint venture partner, where all stakeholders benefit and grow together.

Because selling is inseparable from negotiating, a successful negotiation process should include more than negotiating skills. It should also include tools and relationship-building skills that help business development and support personnel develop customer account strategies, organize sales call and negotiating plans, and delivery skills that allow them to clearly articulate the organization's value.

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