

Tips to *Build Value* in the Sales Negotiation

Building value in the sales negotiation is a huge untapped opportunity for sellers who want to win sales at favorable pricing and terms, while at the same time satisfying buyers and increasing relationship strength.

STEP 1: UNCOVER THE BUYER'S OBJECTIVES AND REQUIREMENTS SO YOU KNOW WHAT YOU'RE TRYING TO SOLVE.

- ❑ **Ask directly.** "What do you hope to achieve as a result of our conversations? Why?" This approach may or may not work depending on the approach the other party takes: partner or positional. It also assumes they've already given thought to their objectives and are able to state them.
- ❑ **Ask questions designed to elicit information.** For example, "What are the underlying reasons for this request for proposal?" "Why didn't you renew your contract with your previous supplier?" "What was it about our firm that caused you to contact us in the first place?"
- ❑ **Ask why.** When a buyer makes a demand, ask yourself: why did they demand it? What are they trying to accomplish? The answer is: an objective. You can say, "We can certainly discuss that, and it could be possible, but first let me ask you: why is it important to... [whatever it is they want]?" This is the first step to discovering possibilities that meet their objectives, which may or may not include their initial demand.
- ❑ **Share your objectives.** You don't have to share everything; this isn't an all-or-nothing proposition. Give the other party information that brings you closer to your objectives, such as, "We look forward to partnering with you on this because, while we've done work in this area many times, it's part of our strategy to become a market leader your industry." Research shows that negotiators who share their objective improve their outcomes of profits by 10%.¹
- ❑ **Encourage reciprocity.** By sharing information incrementally, you can entice reticent buyers to share with you and build trust. For example, "Given the expansion plans I shared with you earlier, I'm curious, what are you seeing in those markets?"
- ❑ **Reverse roles.** Put yourself in the buyer's shoes. Look at the situation from the buyer's perspective. What might the situation look like from their side of the table?

STEP 2: EXPLORE THE POSSIBILITIES, OR OPTIONS, FOR HOW TO SOLVE THE ISSUE.

- ❑ **Plan to win.** If you know what you want beforehand, you can come up with possibilities to achieve it. Plan for what the buyer might want so you can do the same from their perspective.
- ❑ **Brainstorm on your own, then with the buyer.** Brainstorm possibilities yourself, or with your internal team, first. This is part of your preparation; you need to come to the table prepared with ideas. Then you should brainstorm with the buyer's team. Let possibilities unfold. If the buyer comes up with possibilities that work for you, great! Let them own the idea.
- ❑ **Use a checklist.** What you tend to offer for possible solutions can be similar from one sales negotiation to the next. Create or use a checklist of common possibilities you use, then scan it to see which might be applicable to this specific negotiation. The same goes for trades. Beforehand, create a list of possible, "If I give you this, will you give me that?" trades and have it ready for your reference.
- ❑ **Present multiple equivalent simultaneous offers (MESO).** This is an established, yet little-used tactic where you present multiple options to the buyer, each of which you value similarly. You may value the options equally, but you give the buyer a chance to pick the one they like the best. Buyers approve of this approach—73% give it a thumbs up. Top Performers report it's their most effective negotiation tactic, yet fewer than 1 in 5 sellers do it.²
- ❑ **Lead the negotiation.** Consider that it's up to you to engage buyers' creativity by facilitating a collaborative discussion. If you don't, it's possible nobody will, and you'll find yourself arguing over price and positions without coming up with ways to solve issues. The goal here is to explore options creatively to satisfy the shared and differing objectives of each party.

Possibilities are the tool you use to expand the pie and build value; those possibilities that satisfy objectives and meet requirements will have a better chance of being accepted.

¹ Leigh Thompson, *The Truth About Negotiations*, 2nd ed. (FT Press, 2013).

² *Top Performance in Sales Negotiation Benchmark Report*, RAIN Group Center for Sales Research.