

SALES PLAYBOOK

FOCUSING ON
BEST
PRACTICES



PLAY № 5

CREATING WIN-WIN SITUATIONS

BALANCE ON SALES ACTIVITIES HOW TO NAVIGATE THE GIVES/GETS FOR A WIN-WIN BY JOHN BARROWS

When it comes to negotiation, the goal isn't winning the business.

What you want is a win-win.

True negotiations are all about coming to a mutual agreement on something where both parties feel like they got something out of the deal.

Contrary to popular belief, you don't "win" a negotiation by making the other person lose. Both parties need to give and get along the way. The more equal those gives and gets are, the healthier the relationship is and can become.

So let's look at some smart ways you can negotiate a win-win.

WHY A WIN-WIN IS SO HARD TO ACHIEVE

The problem in sales is that we tend to be "givers."

We give and give and give and expect one very large thing in the end as our "get" (i.e., signed contract). What's more, we think we've earned it because we did everything they asked for.

However, if we give throughout the process without getting much in return, we condition the client to treat us like a doormat. They end up having little respect for us towards the end, which is why they either keep asking for things (discounts) or they just flat out disappear on us and don't even give us the courtesy of a callback.

We need to find a way to create and condition equality from the start of the relationship.

CREATING EQUALITY IN NEGOTIATIONS

To create equality, most negotiations focus on a quid pro quo approach to getting things in return for what you're giving away. This is necessary sometimes, but it tends to lead to a more contentious relationship.

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The good news is, there's something else you can leverage that's even more powerful, and that's a human condition called the **RULE OF RECIPROCITY**. This rule effectively states that we (as humans) are all bound—even driven—to repay debts.

It works because we don't like owing anyone anything.

If we give someone something, they actually feel obligated to give something in return. The sooner we ask for something in return, the easier it is for us to get—largely because that feeling of indebtedness is still fresh.

By understanding all the gives and gets along the way and matching them up, we can know exactly what to ask for, and when, in order to move the deal through the pipeline to closure—or get out before it's too late.

OUTLINING YOUR GIVES AND GETS

What does it mean when you give something and don't get much in return?

If you keep giving, people keep asking for things. Whether it be free trials, discounts, add-ons, or other requests. If you continue to give the client what they are asking for, there is no respect in the relationship. The more equal you can keep the relationship, generally, the healthier it is.

On the flip side, if we get everything we want and don't give much in return, the customer may not be asking for anything. This disengagement can also be a cause for concern, because it could mean your customer is looking at other vendors.

Use this template for a response to a prospect request:

I am happy to do that. In order to get you exactly what you want, we are going to need _____.

EXAMPLE

"I can give you the proposal, but can I get 10–15 on your calendars to make sure we get you exactly what you need?"

Another great method is to build a scorecard. This provides an easy way to map out the gives and gets.

Brainstorm what your client has asked of you during the sales process, whether that's discounts, proposals, trials, etc. Prioritize them from 1–20, depending on the level of difficulty it would be to provide those items. Then link those requests to specific items that you want out of the process—and prioritize that list as well.

Keep track as you go through the sales process.

As you give something to your customer, add that into your scorecard. When they provide you something on your priority list, put that on the scorecard, as well.

Your goal is to keep the relationship balanced and equal.

There are a couple of methods you can use when implementing the scorecard:

The most important thing to get in the sales process is a defined next step. Don't wait to get it. Ask for it.

Next, send a summary email after every conversation, outlining what you both gained from the conversation. When you send it, ask the customer if they can take a look at it and let you know if it looks accurate or if you missed anything.

When the customer says they'll make a final decision on Friday, schedule a call for Friday. Always maintain the forward momentum.

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DON'T JUMP TO DISCOUNTING

Often, sales reps jump to discounting to speed up negotiations. Discounting has such a negative impact in so many ways, it's worth putting it into perspective:

- + The average S&P 1000 company would suffer a 12.8 percent drop in profitability by giving a mere 1 percent discount, assuming no increase in volume.
- + Salespeople make a bigger deal about price than buyers do: Salespeople (8.3), Buyer (6.9).
- + Whoever feels the most pressure will make the most concessions.
- + Discounts kill credibility and create a negative perception of you and your solution.
- + Discounts set the stage for future discounts.

So, what's the best way to combat discounting you ask?

Well, there are some negotiation and objection handling techniques that can help, but the best way I've ever come across is quite simple. Just have a **BIG FAT PIPELINE**.

The more legitimate, healthy deals we have in our pipeline, the less desperate we are to close deals, and the more confident we are in dealing with people who are trying to squeeze us.

BE CONSCIOUSLY CUSTOMER-FOCUSED

We can also work more along the lines of the client's buying cycle than our selling cycle. Too often we try to force a client into our buying cycle, which typically is driven by the end of the month or quarter. We all know sales should be about the client and not about us, so we need to do what we can to get them to buy when they're ready to buy, not when we're ready to sell.

This is why prospecting on a regular basis (every week) is so critical.

Spend 30 minutes a day prospecting in some way, shape, or form. It can be cold calls, direct emails, searching through LinkedIn, asking for referrals, whatever. Just do it.

If you're sick of feeling cheap and using discounts to close all your deals, prospect every day to have a consistently full pipeline and see what happens to your confidence and abilities to deal with discounting.

ACHIEVING A WIN-WIN IN SALES NEGOTIATIONS

Here's a quick reference of the things that will help you managing the gives/gets of negotiation.



RULE OF RECIPROCITY

People have a natural inclination to repay debts



CONDITIONING

Nothing comes for free. Make sure to give and get.

KNOW WHAT TO ASK FOR...



And know when to ask for it.

FOLLOW GOOD PROTOCOL FOR PRE-AND POST- CONVERSATION

Confirm firm commitment(s) prior to all scheduled meetings to ensure all decision makers will be present. Follow-up with a call summary to all attendees afterwards



TIME MANAGEMENT

Know what accounts to focus on first.

OBJECTIVE HEALTH MEASUREMENT

Be aware of the health of your accounts so you know which ones need nurturing and which are ready to close.



COMMON LANGUAGE

Make sure to relate the conversation to the person with whom you are working.

KNOW WHEN TO WALK AWAY



Know when a deal is dead and when to walk away.

STORY TIME

Know what stories to share and when it's appropriate to share them.