



Planning & Preparation

Planning & Preparation

Some negotiations can take a matter of minutes and others can take months or even years to come to a satisfactory conclusion. But no matter how long they may take you must put in a lot of planning and preparation up front to ensure that you are fully ready for this interaction. Because if you're not, some of the buyers out there will take the shirt off your back and yes, they'll sell it back to you as well!

Unfortunately a high percentage of sales people go into a negotiation under cooked. What I mean by this is that they have no clear goals and they have little anticipation of exactly what they have got to play with, what they are going to do and what the customer may ask them.

So no matter whether you're selling tankards or oil tankers let's look at some of the key criteria that you need to plan and prepare for.

First up, you need to set some clear goals and objectives for the negotiation.

Ask yourself, exactly what do you want to get out of this interaction? How will you know if you've been successful? What quantitative criteria can you set yourself? For example, levels and numbers for pricing, delivery terms, resourcing and so on.

You need to know exactly what you're playing with here and what the target is, you need to be crystal clear with these as well. Vague objectives tend to result in vague results.

And here's a word of warnin. Do not aim too low! Instead, aim high. It's going to be rare that your customer will ask you to increase your price or fulfil the order over a longer period of time so bare this in mind.

After you have set your objectives for the negotiation, you need to think about what you have got to trade and offer during the interaction, the items that you must have and those that you can concede.

Use the term L.I.M to get this done.

The L stands for LIKE. What is your ideal outcome? What would you like to ideally achieve in this negotiation? Write down all of the elements of the deal that would be your perfect outcome.

The I stands for INTEND. Based on your knowledge to date this is your realistic assessment of the situation and what will most likely happen.

And the M stands for MUST. What is the bare minimum that you must you get within this deal or else you will walk away. Sometimes you've just got to say no and walk away from a deal.

Next, list down all of the possible negotiable areas that you could both discuss. Price and payment terms are obvious, but what about the specification? Delivery times? Resources? Installation? Training? Contract length? Make sure you consider all of these so you are fully prepared for your interactions.

After you have made that list make a note of those items that are really important to you.

Planning & Preparation

Then step into your customers shoes and ask yourself “Which of these will be really important to them?”

This is important because remember that negotiation is all about getting what YOU want by giving your customer what THEY want, so you need to know what items can be tradable What can you concede on? And what can you offer in return for getting what you want?

Here are some examples;

So your customer wants a lower price; can you give them the lower price and in return have them pay you immediately if cash flow is important to you?

So your customer wants the installation to happen within 2 weeks instead of 4 weeks; can you work to this and in return, you provide the onsite training over 2 days instead of 4 days to larger groups? Hence, the customer gets what they want, which is a quicker installation and you save 2 days of costs and resourcing.

In summary; you need to ensure that you’ve done your research on the customer and that you are prepared for what they may ask you. By setting your objectives and by carefully considering all of the various elements of the deal, you can act quickly and efficiently during the interaction.

Remember, many deals can be won and lost in the planning and preparation stage, so just make sure you think it through.