

ARTICLES

HOW TO PRODUCE GOOD NEGOTIATORS IN YOUR SALES FORCE

by [Bob Gibson](#)

As someone who spends a great deal of my time observing, studying, and teaching professional salespeople how to negotiate higher profits, I can pass on without reservation certain truisms:

- Most salespeople want to do a better job of negotiating - they want to make a significant contribution to the bottom line of their organization.
- Very few do.
- Most sales managers would love to have their sales team negotiate well. They understand the difference between selling and negotiating, and that sales skills produce gross revenues, but that negotiating skills produce profit.
- Very few understand how to bring this about.

After several years of observing a great many sales forces negotiate very poorly, and a significantly small number negotiate well, some simple, but profound components have emerged as to what must take place for a sales force to negotiate well in today's market.

If salespeople are to negotiate more effectively, four areas must be addressed. The areas are simple - easy to understand, and yet difficult to execute. Any breakdown in the 4 or failure to incorporate any one of the four will result in poor performance as negotiators - and decreased profit.

1. HIRE THE RIGHT PEOPLE!

As simple as it sounds, most salespeople are hired for the wrong reasons - that is, if you want good negotiators. Most companies hire to bring people on board that can "sell." On the surface this looks and sounds good, but it leads to companies hiring what I call "pleasers."

The pleaser's main attribute is the ability to build relationships. It's their greatest strength and their greatest weakness. This style lends itself to situations in which a person will do whatever it takes to satisfy customer needs or extend good will. The pleaser is especially adept at preserving harmony and avoiding disruption in business situations.

The drawback, however, is that they can allow themselves to be abused. It's hard for classic pleasers to exert themselves in head-to-head negotiating situations, and as a result, they are often guilty of leaving company profits "on the table."

Every sales force has a number of Joe Pleasers. Joe has been with the company for several years, and has a solid client base. His customers love him, because he's great at solving problems and cultivating relationships. His repeat business is good, but when his accounts are analyzed, the profit margin is below where it should be. In closing situations, Joe gives up more than he needs to. The problem is compounded by the fact that he is often doing business with decision makers that are very competitive. Joe (and his manager) don't understand the Golden Rule of Sales Negotiation: Sales ability determines your gross receipts, but negotiating ability determines your profit.

So, that's a good place to start: Hire the right people! An old sales manager told me once: "If you hire the wrong person - nothing you can do will save them. If you hire the right one - nothing you do can mess them up."

2. TRAIN SALESPEOPLE WELL - BE SURE THEY UNDERSTAND WHAT TO DO - AND HOW TO DO IT.

Once again, as obvious as this sounds - it's pretty amazing how many sales forces are poorly trained -or not trained at all. Many sales forces (and sales managers) confuse product training with sales training. Their salespeople can demonstrate the product, and know a great deal about the product. But that same salesperson is not close to professional at prospecting, or at time & territory management, or at securing appointments, or at asking for referrals, is not good, in fact is incredibly poor at closing, and is beyond poor at negotiating, which produces the margins for the company!

Train your people. They should know what to do - and how to do it. One reason this is difficult is that many companies promote from within. This has many advantages, not the least of which is the loyalty it promotes and that the manager "knows the business." On the downside, a sales manager is a product of the system they came from. It's the only knowledge pool he/she can draw from. If they came from a sales force that was poorly educated, it would be a miracle if they could ascertain and perform the training required to bring that sales force to the professional level required to thrive in today's highly competitive market. Don't be afraid to bring in outside resources to help in this area. The best sales forces in the world constantly bring in "New blood" to assure they don't become stale and stagnant.

3. REINFORCE THE TRAINING!

It doesn't matter how good the training is, how quality the seed that is planted, it has to be watered, and fertilized, and be exposed to sunlight. As any good golfer can tell you, it doesn't matter how good the instructor, one lesson is not enough. Sales is no different. After the training has taken place, for it to become internalized, to become part of the salesperson's bag of tools, it has to be reviewed again and again and again. That's especially true of negotiation. I tell salespeople in our seminars, "The study of negotiation is more akin to the study of golf or karate than any other discipline. You don't learn negotiation by reading about it. You become a good negotiator by negotiating - by doing it. Repetition is the mother of skill.

As part of our programs at Mentor Resources, we take the sales manager thru a session designed specifically to educate them on how to water and fertilize the ideas and concepts and techniques we teach the sales force to assure that they "sink in" - so that a year later - 18 months later - they are still at work, and the companies getting great return on their investment.

4. REWARD WHAT YOU WANT DONE. BE SURE YOUR COMPENSATION PACKAGE REWARDS WHAT YOU WANT TO HAPPEN!

It's embarrassing how often I see this basic principle violated. I recently worked with an international company with several hundred salespeople. We designed a custom program, produced it on video/CDRom, trained very good facilitators to deliver the roll-out and follow-up.

The negotiating training went very well - but results were below expectations, because of a very simple fact: the compensation plan didn't reward the changes we were trying to implement. We were changing the culture, asking the sales force to alter the fundamental approach to their business - going for profit instead of just being grateful to get the business. And what happened for those who took up the challenge, who led the charge, who went head-to-head in confrontational situations and emerged victorious? Nothing? The sales force was on a salary.

When you ask people to make changes, to do difficult things outside their comfort zone, reward them for doing it. Salespeople are smart. They can sense a flaw in a compensation package before it hits the mail room. Be sure yours reinforces what you want to accomplish.

So, it's really that simple. Not easy - but simple. If you want your sales force to be good negotiators, to not just boost gross revenues, but profits - follow these four axioms:

- 1. Hire the right people.**
- 2. Teach them what to do - and how to do it.**
- 3. Reinforce the training. One-shot training doesn't work.**
- 4. Reward what you want done.**

Incorporate these concepts into your company and watch the profits rise.

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