

# ARTICLES

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## NEGOTIATING FOR SUCCESS

by [Bob Gibson](#)

Every sales manager has worked with salespeople who are bright, diligent, and do a pretty good job of presenting information about their products and services. But when it comes time to negotiate the terms and close the deal, they lose the sale. Or, if they do make it, leave most of the profits on the table.

Negotiating is the essential sales tool. And here's why. "Sales ability determines gross receipts while negotiating ability determines profits." Negotiating is also a process that takes practice. Let me share a formula that guarantees more sales and greater profits for you and your sales force. It's built on the acronym SUCCESS.

### SET THE STAGE.

Negotiation has traditionally been viewed as a confrontational win/lose affair that promotes high stress, low trust relationships. Not a good beginning. From the start, frame the relationship instead, as two people working together on a problem, not battling it out in a win/lose, right/wrong relationship. This approach will change the high stress and animosity found at most negotiations to a more relaxed atmosphere of trust and cooperation. Consider moving your chair, so you're on the same side of the table or sit at the side of the desk, sharing a corner. Other suggestions for setting the stage are mirroring the other person's physiology and matching the rate of their speech.

Uncover the Issues. This is the most important step in negotiation. When done correctly, it clears away miscommunications, cements relationships, and opens up the creative side of the negotiation. Find out what's most important and why. In this stage, uncover all the information. There's what they tell you and there's the rest. Also, uncover the real information. There's what they tell you, and there's the truth. The direct approach is usually the best. You might ask, "What's important to you here? What do you want out of this?" This is the perfect time to get all the issues – yours and theirs – on the table

### CONFINE THE ISSUES.

Ask, "Is there anything else you consider to be important?" When you have the main issues written down, ask "Is there anything else that should be on this list?" When they are finished, draw a box around them, to make a point that these are the issues that we're concerned with. Why confine the issues? To avoid surprises later on. To eliminate the "Oh, yeahs!" See if this sounds familiar. You're negotiating an important issue and have invested quite a bit of time. You feel it's gone well. Right at the end, when you think it's a done deal, they say, "Oh, yeah," and they've got some completely new issue to add. Confining the issues up front prevents this from happening.

### CONFIRM INTENT & AUTHORITY.

You've uncovered and confined the issues. It's time to confirm. To confirm intent, ask, "If we can come to agreement on these issues, can we do business? If these are solved, do we have a deal?" And secondly, confirm authority. In other words, the one who signs the check. From someone who's done it right and done it wrong, take it from me: nothing is more frustrating than finding you've been negotiating with the wrong person for two weeks. A sentence that takes care of this without offending someone, without questioning their authority, might be: "In addition to you, who else will be involved in the decision-making process?" I find this is much more subtle than, "Tell me who's really the head honcho around here so I don't waste any more time with you."

### EVALUATE THE ISSUES.

There are three kinds of issues, made easy to remember by the triple-Bs. Breadcrumb issues are minor ones

you can easily sweep away. Bacon, as in "Bringing home the bacon," are the meat and potatoes of the negotiation and are usually based around money, terms, rates, etc. The last B stands for Blocking Issues. If there are blocking issues, any deal killers, you need to know those up front

**A SIDE NOTE.** *Notice we still haven't begun the negotiation. A common mistake I see with novice negotiators is negotiating too early. We've set the stage, we've uncovered the issues, we've confined the issues, we've conformed intent and authority and we've evaluated the issues.*

Now we're ready to negotiate. We're ready to:

### **SOLVE THE PROBLEM.**

This is the part of the process most people think of as negotiation. This is where all the tactics and strategies, concessions, give and take, and agreements take place. Each one is a learning experience. Each new opportunity to negotiate, including the time you take afterward to objectively critique your performance, will help improve your skills.

### **SATISFACTION CHECK.**

After a solution has been reached, close the negotiations with a satisfaction check, Ask, "How do you feel about this? Is this something you can live with?" You're not asking for complete agreement. That would be an open invitation for trouble since any effective negotiation involves compromise on both sides.

To make the formula work, don't skip any steps. This sounds so trite and obvious, but it's incredible how often this is violated. Any step you skip is going to cost you in the long run. If you don't uncover the issues, you're not even in the ballpark. If you don't confine the issues and then confirm that if those issues are taken care of, you have a deal, then you're going to have an "oh, yeah". If you don't find out who has the real authority, you're going to reach what you think is the end and hear these words, "Well, this looks good to me. Of course, the board has to pass on all this." Share this SUCCESS formula with your sales force and trust the process. It's designed to cut trouble off at the pass, validating all the hard work with bottom-line results.

*Bob Gibson is a negotiation strategist and the president of San Francisco-based [Negotiation Resources](#). He may be reached at 415-331-8808.*