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Negotiation Skills Training

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INTERNATIONAL NEGOTIATION ACADEMY

Negotiation: The Genesis of Management

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The art of selling

Selling represents a profound and straightforward example of pure negotiation.

Similar to **negotiation**, there are, in selling, usually two parties; each with his own specific needs. The buyer needs a product or a service that the seller possesses. Negotiation involves an attempt by both parties to overcome differences in opinions on a fair price, quality, delivery time, guarantees and the like. The objectives of both are to create some sort of **mutual value** (a good purchase for the buyer and good compensation for the seller).

Just as negotiation tactics are often classified as 'distributive' and/or 'integrative', sales tactics are often classified as either more

customer-centred (consultative selling) or a more heavily pressured '**hard sell**'.

All techniques borrow from experience and mix it with guesswork on the psychology of what motivates people to buy something offered to them. Mastery in the techniques of selling can often lead to very high incomes, while failure in it may very well lead to the opposite.

Good selling involves asking **questions** to elicit the client's needs and desires and finding the appropriate product or service that meets

these needs. Also, the client needs to be willing to pay for it. If a good presentation is done, the client may already feels drawn to the product or service and the salesperson

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simply needs to lead the prospect to act on these desires and needs. A good salesperson is much more **knowledgeable** about his **product or service** than the client is ever likely to be and can thus offer valuable information and insight to the decision-making process.

In addition, an **ethical salesperson** will always make sure the client receives more value from the product or service than he has paid for.

A well-known writer and speaker on sales negotiation, Tom Hopkins (1982), has outlined a number of key factors in sales effectiveness:

1. Believe in your product!

In order to have true integrity in sales you must be able to say to the buyer that the decision he is making is truly good for him, and that in future he will **thank you** for the decision you helped him make.

Belief and **enthusiasm** go hand in hand. It is one of the main keys to a successful selling

career. Enthusiasm could be the key that will get you through hard times and rejections. A salesperson may experience many rejections. If he can cope with it and accept the possibility that rejections could be stepping stones in a **learning curve**, it could help him to get through to the next sale.

2. 'Tie-down' questions

These types of questions are used to get to **'yes' responses** and eliminate 'no' responses. Instead of asking the opinion of the buyer, you put across an idea and then prompt for a positive response. Example: "Investing in value makes sense, not so?"

1. Alternate questions

These are used to lessen the prospect's chances of saying 'no' by giving him **two choices**. Example: instead of asking "Shall we meet at nine?" or "Can we meet at your office?" you can ask; "Can I see you at nine or at three, my office or yours?"

2. The Porcupine questions

This technique is called 'Porcupine' because the author visualises a live porcupine being thrown at the salesperson, and says the best thing to do is to throw it right back. By this he means that the best response to the majority of tricky questions is to **ask one in return**. When the client has answered the question, he has closed the sale for you. Example: the question "When can you make the delivery?" can best be answered by the question "When would you like to take delivery?" If he answers "Tuesday", you then respond with "Let me make a note of that", thereby closing the sale.

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3. Frame yourself an expert advisor, not a salesperson

If you can move from being on the opposing side of the client to someone he views as an **ally**, you will find that you will start to gain his trust and once he likes and trusts you, you will become a long-term partner - and this is where you want to be. You will find people calling you to ask you to look after their houses for the weekend, or baby-sit their kids.

4. Likeability, credibility, trust, empathy

Oddly enough the best way to become trusted and liked is by establishing credibility. The best way to accomplish this is by being **honest**, thoughtful, **empathic** (putting yourself in the other person's shoes), and admitting your mistakes when they occur. It seems that when people realise that you are not perfect they become more comfortable and secure around you.

5. Fears (mistakes, prejudices, debt, losing face, the unknown, bad experience, a word)

There is a very good chance that the people you contact are likely to be prejudiced by their own fears, mistakes they may have made, debt they have incurred in the past, their friends or family telling them "I told you to rather invest in something else". You need to understand and take note of these fears because in order for you to **help these clients** make buying decisions, you need to put them at ease. There are a few words that can help bring these prejudices to the fore of their minds, and it is important that you don't use these words, because just one of these at any stage could lose you the business.

Bad words:

Instead of 'cost/price', try using 'total investment'; instead of 'deposit', try 'initial investment'; instead of 'contract', try 'paperwork' or 'forms'; instead of 'buy' or 'sell' try 'own' or 'help you acquire'; instead of 'deal' try using 'opportunity' and instead of 'sign', try 'okay', 'approve' or 'authorise'.

6. Closing

A simply way to begin closing the sale (of course this is only after you have shown all the

benefits and features of the product, and your entire presentation is complete), is by asking: "How do you feel about all of this?" (You are asking for unresolved objections). He then asks you something like: "Do you make them in another size?", or "Can I get it in black?" or "Do you give product training?" (This is where the Porcupine comes in), to which you reply, "Would you like it in black?" or "Would you like another size?" or "Are you interested in training?" When the prospect replies in the positive you answer: "I'll make a note of that". You have started **closing the deal**.

It is tough asking for a signature when you know that nobody wants to sign anything, ever. So when the time comes for him to sign, take out the forms and ask something simple like, "What's your **surname** again, Lewis?", or, "Are you guys trading under the same name as the one on this card?" When the client tells you to go ahead and complete the form, he is already

giving you his authorisation. As soon as the form is completed, simply ask him for his OK, or his authorisation, never his signature. He might look up at you and say, "You mean my signature." Just look at him, smile, and say "That will be just fine".

7. Reduction to the ridiculous

A great way of handling a price objection is to use the 'Reduction to the ridiculous' technique. This is a really simple technique: Take the time period for which your product or service will be used, divide the price by the number of years it will be used, then by twelve (number of months) and lastly by thirty (number of days). **Cost per day** feels a lot more affordable than total product cost. Ten cents a day is far more justifiable than R3600 - even though the ten cents is over a ten year period.

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Mark Smock (2004), a well-known writer on the topic of buying and selling, believes that one of the most significant business information exchanges is between a company's frontline sales representatives and existing or potential customers. He claims that information processed between these parties will have a significant affect on many other employees within both companies as **purchase commitments** are made.

Maximizing the effectiveness of verbal **business communication** between sales personnel and customers hinges on two fundamental communication process components; **talking and listening**. It makes sense that no matter how well you articulate a message to a customer, if it is not effectively absorbed by your target audience the probability of sales success is greatly reduced.

8. Why don't salespeople listen well?

It is known that humans think faster than they listen. While a sales prospect is talking at an average rate of 125 words a minute, the average salesperson is thinking at a much more rapid rate. The **act of listening**, the differential between the salesperson's thinking rate and the client's speaking rate, means the salesperson's brain can and does work with hundreds of other words, in addition to the ones being heard. The salesperson is often thinking about what they should or will say at the expense of focusing on what the prospect is actually telling them.

The challenge at hand for all sales personnel is to learn **how not** to construct their ideas and responses during the most critical stages of their selling process. This is not easy to do given the clients are also subjecting themselves to the same listening distractions. Small wonder so many sales calls 'fall apart' after the salesperson **missed a key point** made by the client and consequently lost or never got the order.

Many business professionals, especially those who make their living by selling, depend greatly on their communication skills to enhance their overall job performance and maximize their income. Few salespeople have yet to even scratch the surface of developing their

optimum listening skill potential. Many sales professionals have never had the opportunity to learn how to listen most effectively.

9. Can a salesperson learn to listen better?

A comprehensive study completed at the University of Minnesota examined the listening ability of several thousand students and hundreds of business professionals. One of the primary conclusions of this study was that the average person **remembered only about half** of what was actually said immediately after listening to someone – no matter how intensely they attempted to absorb all the information communicated.

Our basic inability to listen effectively requires us to utilise continuous educational reinforcement to truly master listening skills, not only in a business environment but on a personal level as well. This means that a salesperson, in order to be most effective in any selling situation, must make a systematic effort to consciously **concentrate more** on what is being said to him, rather than what he will say in response.

Prioritising listening over talking in a sales situation is easier said than done. It takes **training** and ongoing integration into any selling technique process.

10. Listening skill development should be a part of all Sales training!

Any negotiation training, should improve listening skills development. **Training** and practice in a controlled setting can not only build self awareness of listening deficiencies, but it can reinforce required skills to influence other (which is what sales and negotiation is all about. As Vince Lombardi once said, "It's not practice that makes perfect, its PERFECT practice that makes perfect!

Manie Spoelstra

Sources: 1982; Tom Hopkins, *How to Master the Art of Selling*, Champion Press; 2004; Mark Smock, *Do not make these top 10 selling mistakes*, wepronews.com