

# Negotiation Skills Template

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*A Perspective 101 Series*



# Negotiation Skills Template



**In any kind of negotiation the planning stage is probably the most important.**

Too often in sales negotiations we go in badly prepared and end up giving too many concessions that reduce the overall profitability of the final deal and give the customer unrealistic expectations for what they can achieve in future negotiations.

Generally, the more time that is spent in planning and preparing for the negotiation, the more beneficial will be the final outcome.

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There are 5 key issues to consider when preparing for a negotiation:

1. What are my objectives?
2. What information will influence the final outcome of the negotiation?
3. What concessions have I got to trade with. What is the cost and value of each concession??
4. What is the most appropriate strategy for this negotiation? What is my plan of action?
5. What tasks will you and other members of your team be responsible for in the negotiation?

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Objectives Before entering into the negotiation, you need to have a clear idea of your objectives and those of the other side.

Ask yourself the following questions:

1. What exactly do I wish to achieve from this negotiation?
2. In this negotiation: a. What is my best outcome? b. What other outcomes may be acceptable? c. What is my worst acceptable outcome?
3. What options or alternatives would be acceptable to me?
4. What are the other sides' objectives?
5. What options or alternatives might be acceptable to them?

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**Information** It has often been said that information is power.

In any negotiation, there will be 5 types of information that will influence the final outcome.

- 1. What information do I have that the other side has also?**
- 2. What information do I have that the other side does not have?**
- 3. What information do I need to find out before negotiating with the other side?**
- 4. What information does the other side need before it can negotiate with me?**
- 5. What information am I prepared to reveal to the other side?**

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## Concessions

When preparing for negotiations, ask yourself the following questions:

1. **What concessions are available to me other than price?**
2. **What is the cost of each possible concession?**
3. **How much value does the other side place on each concession?**
4. **What is non-negotiable in this negotiation?**
5. **What is the limit of my authority?**

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## Strategy

Ask yourself the following questions:

1. **How am I going to achieve my objectives in this negotiation? What is my plan of action?**
2. **What is the strategy of the other side likely to be? How do I expect them to behave?**
3. **What tactics should I use within the negotiation?**
4. **What tactics are the other side likely to use?**

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## Tasks

If you go into negotiation with a colleague or colleagues, you need to decide during the preparation phase:

1. **What role will each team member take in the negotiation?**
2. **How can we work together in the most effective way?**

**Some teams of negotiators appoint team leaders, note takers, observers and specialists, each with their own clearly defined authority and roles to perform.**

Having a clear understanding of roles within the negotiation will make the team approach much more effective.



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## Before the negotiation

1. **Do your research.** Look at their website and any information you have on the other side and the outcomes of previous negotiations

2. **Speak with your manager.**

Make sure he, or she is involved in the planning process and that you have their full support

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## 3. Have a pre-negotiation meeting with the client, if possible, to find out information on:

- a. The people on their side with whom you will be negotiating.
- b. Their organization; issues happening in their business that will influence the final outcome .
- c. Their decision making process; who is involved, how they will decide and what timescales they are working to?
- d. Current supplier, or suppliers with whom they currently do business.
- e. Competition; others who may have been invited to quote for the business.
- f. Problems that they are looking to solve as a result of the negotiation.
- g. Their needs. What are they looking for from the company that is successful in the negotiation? What are their main needs; price, service, product features?
- h. Financial issues such as budgets, discounts and payment terms.

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4. Make a list of information you will need to find out during the negotiation.
5. Practice the negotiation with colleagues.



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The more preparation you do the better the outcome will be.

My most important tips to any negotiators are:

- 1. Try to be confident.** Look and feel as confident as possible. Remember, they have as much to gain as you from reaching agreement
- 2. Take your time.** Most salespeople negotiate too quickly and give concessions too easily. Slow down
- 3. Calculate the cost of concessions.** Don't agree a concession until you understand the cost of agreeing to it
- 4. Adopt a low key approach.** Try not to look too eager.
- 5. Keep things in perspective.** Work hard at improving your negotiation skills.

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This is a series of Training for your  
Management, Sales & Office TEAM

## Good Selling !



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