

How to Easily Negotiate a Deal

Negotiating a deal can be one of the more difficult tasks while being a sales person. It's all about negotiating at the right time and understanding everyone's point of view.

We compiled some tips you should follow in order to have a successful negotiating process:

1. Why are we negotiating?

Look at why you're negotiating from both the sales person's point-of-view and the customer's point-of-view. Think about it from the customer's point-of-view. Why are they negotiating? After all they could simply say, "Hmm I don't like your deal as presented or I don't even care what you're presenting. Here's the deal we want. It's perfect for us, so take it or leave it." Why is it that they're willing to hang in there and negotiate with you when walking away would be a perfectly viable option? Does this mean you have a better position of strength that you originally thought? Do they need you more? Does negotiating make it easier for them to buy it from you?

By the time you're negotiating, you have probably already delivered a proposal, which includes all of the fact-finding you would typically do in advance. You figured out what they need, what to sell them, how to package it, how to describe it, what to charge them, when to deliver it and of course you have your own terms and conditions.

2. The Concept of Ideal v.s. Walk-Away Points

Understand how your ideal and walk-away points fit into this. You understand your ideal customer. Beyond a certain point, the customer will walk away. What's their ideal, and what's their walk-away point? You want to present something closer to their ideal because it will simplify the negotiating process, but at the same time, you don't want go there if the only reason you're negotiating at all is to make some money on this deal.

In other words, maybe their ideal deal doesn't work for you, from an economic point of view, or it takes up too much of your time and it ruins your business flow in some way. You need to not only anticipate what their ideal walk-away points are but what yours are and if you're able to do that correctly, you'll have a short, painless win-win style of

negotiating. Otherwise it will result in a situation where you will be leaving money on the table or where the client is unhappy.

3. The Notion of Comprehensive Offerings

Very often the best way to deliver a package which looks valuable and in fact is valuable is by putting together several different offerings in terms of products and services. Taking one price, one product and trying to sell it to you, would make your offer a commodity. But if you were to get a couple of products and other services, (maybe three, four, or five services) and put them all together, you can offer a great deal.

My personal favorite strategy is to incorporate something for free into that package. If I could insert just one thing of value for free, it brings the average of all the other pieces down and creates more value and makes it more difficult to turn down or compare. If I were to give you a free mango, you can no longer just compare my apples to my competitors' apples.

4. Don't Negotiate Against Yourself

Don't do it. How do customers get you to do this? They say, "Please lower the price" and you proceed. You can lower it a bit more, but when will it stop? To save yourself the trouble, why not ask them for a reaction before you ever counter offer.

When they ask you to lower the price, say, "How about if I lower it by \$1? Will that work? If not, then how off are you? Without that reaction, you won't know by how much you need to lower it.

Only lower a deal if you really want to acquire this deal or to get a feel for how far off you really are from the ideal amount. Are you so far away from the target amount that it's not even worth negotiating or are you so close that you could easily negotiate this? Decide on the best course of action and don't negotiate against yourself. That is a strategy that only leads to price discounting and erosion of margins.

So keep those four things in mind and you'll negotiate more artfully. Understand why you're negotiating, understand your ideal and walk-away points, and understand the notion and strategy of comprehensive offerings and finally as a firm reminder: Don't negotiate against yourself.