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Variable response

Add them up and then respond

Question:

From a sales perspective, is there a difference between how you respond to objections and variables in a negotiation?

Answer:

Most definitely. First, let's establish the difference between the two. Variables are items or key points the other party wants to address during the negotiation. Objections, on the other hand, are the negative points or barriers the other party perceives about your offering that you must overcome to reach agreement.

When trying to advance the sale, objections must be addressed shortly after the issues are presented. A delayed response risks the other party perceiving you as non-responsive or purposely disregarding their issues. That can backfire if the other party feels they are being manipulated. They will become defensive and cease all interest in finding a mutually agreeable solution. Instead, they will focus on what's in their best interest at your expense.

A variable on the other hand, does not require an immediate response. In fact, it is often in your best interest to capture the entire shopping list of variables first before responding. This provides you with a complete understanding of the party's issues. With this information in hand, you can assess the list and manage the trade-offs that work to your advantage.

On the flip side, unsuspecting or inexperienced sales professionals fall prey to seasoned buyers who work each variable individually to secure some type of concession to their advantage. They know the more they demand, the greater their chances of improving their "take" from the bargaining table.

From a sales perspective, it's best to gather the buyer's entire list of variables first. Be mindful, this skill can be challenging for even the most experienced negotiators. New variables often evolve during a negotiation — ones that neither side had considered prior to the discussion. It requires a high level of rapport and the skill for asking questions without coming across as an interrogator.

It's wise to keep track of variables that surface throughout the negotiation. This is especially true for inexperienced negotiators. Listening, asking questions and strategically processing the meaning behind a communication leaves little room for the brain to remember what appears to be non-critical communications. However, these points can be played as the trump card at a strategic juncture in the negotiation.

It's easiest to gather the list of variables when a commitment to mutual agreement is acknowledged early in the discussion. The trust shared allows information to flow between the two parties, which results in a win/win outcome.

To the contrary, in a win/lose scenario, the other party will lure you into disclosing all objectives, risks and variables without reciprocation. An experienced procurement specialist can achieve this with unsuspecting sales people by either asking subtle questions or being demonstrative. When this happens, you feel vulnerable and exposed because you have disclosed your position and have given up any opportunity of gaining strategic advantage. As a result, confidence is undermined, resulting in ill-timed or poorly worded responses.

Preparation is the key to avoid being a victim. Know up-front the information you want to solicit from the other party. Write out the questions you want to ask prior to the meeting, and bring these with you. This will help you stay focused and on track, especially if you are dealing with someone

who deliberately goes off on a tangent to consume time and distract you.

Know your opening position and be prepared to justify why it's valid prior to coming to the bargaining table. Equally important is the need to define your walk-away position. This eliminates the temptation to give away the store. Unfortunately, most companies do not operate this way. They send their salespeople into the negotiation without clarity about what the walk-away position is and why. That's not to say the "package" or mix of product/service offerings might not look different, but the bottom line price is not negotiable past the walk-away point.

When this is unclear, sales people find themselves having to respond to each touch point with the customer, rather than having a big picture strategy to work toward. The result is they surrender their initiative. They make significantly more concessions.

Salespeople need to be given both the information and authority to manage the negotiation with the account. Otherwise, they become a "talking head" for the company rather than a strategic partner to the customer.

If you are reluctant to grant them this responsibility, then provide training so they are equipped with the knowledge and strategy to be successful. Then let them do their job. Be there to assist them when they ask. Otherwise, win or lose, give them the reins.

The more confidence they gain over time, the greater their competence and overall ability to control and influence an account. The net result, you gain a strong, proficient and self-sufficient sales team.



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