KARR ASSOCIATES INC.

# Velocity Mindset:
## *NEGOTIATING THE TITAN WAY!*

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# Titan Negotiations

**"Men see tactics whereby I conquer, but what none see is the STRATEGY from which victory is evolved." -- Napoleon Bonaparte**

## How do Titans negotiate the deal?

When you hear the word "negotiation," you probably think about the tactics used to negotiate an agreement. However, before you can select the appropriate tactics, you must address the issue of strategy. Your negotiation strategy must align itself with your overall sales strategy.

I believe negotiations really start the moment you first meet the prospect. At that point, you start positioning yourself for the final negotiated agreement. Just like closing, the act of negotiating is not a one-statement event, not a matter of saying certain words or phrases. Your success depends much more on the emotional environment you establish early on in the relationship than on the tactics you use during the negotiation phase.

## WIN/WIN NEGOTIATIONS

Most salespeople have heard the popular advice about always striving for a "win/win" negotiation. What does that really mean, and what are the alternatives? In any negotiation process, there are four possible outcomes.

1. **I Win/You Win** -- This is utopia, the best possible result. Both you and your customer feel you have gotten something valuable out of the deal. This is the outcome that leads to new business from prospects, additional business from existing customers, and referrals for new business from both prospects and current customers.

2. **I Win/You Lose** -- Here the salesperson manages to get the "best" short-term deal, but shortchanges the customer in the process—or (just as bad) allows the customer to feel that he or she has been short changed. This is the classic bad-outcome negotiation, the scenario that has given rise to many unflattering stereotypes about shifty, fast-talking salespeople. It comes about when salespeople sneak in sur charges they think they can get away with, or charge identical customers different prices for the same product or service. When you "win" in such areas, you really lose! Don't be penny wise and pound foolish. Don't destroy the feeling of trust you have worked so hard to build up with your prospect or customer. Don't lose future business because you forget to make sure the other person comes out feeling that he or she also won in the deal.

3 **I Lose/You Win**—Far too many salespeople get trapped in this situation. The customer says something like, "Give me a 10%discount, and I promise I'll give you my next three orders." The salesperson gives the discount and waits for the business – and it never materializes. In some cases, the salesperson pressures for the promised business – and the relationship simply evaporates. The moral: Don't offer a discount unless it is warranted by the deal at hand. Never make a sacrifice on the promise of future business. There are no guarantees in this life. The deal is only valid if both sides win --- and that means you win, too -- today!

4 **I Lose/You Lose**---An option arising from not one, but two incompetent negotiators, and one that requires little discussion. If you and your prospect or customer spend time, effort, and energy to reach a point in the agreement where there are no winners, then both of you should probably be looking for new jobs!

**There you have it: four possible outcomes to a negotiation. Only one of them – the first -- is acceptable to Titans.**

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To achieve this outcome, you will need to incorporate four elements in your negotiation process: trust, understanding, offer/acceptance, and agreement. Before we examine specific negotiating tactics, let's look in detail at each of these four elements now.

## TRUST

The whole process begins with trust. Where there is no trust whatsoever between the parties, or existing trust is seriously breached, there is unlikely to be a successful outcome to any negotiation.

If you ask the right questions, you will gain significant trust very early on in the relationship. It's important to understand, though, that you can lose that trust very easily if you start using tactics during the negotiation phase that don't support the work you've done thus far. After working to develop a relationship that's based on getting this person where he or she wants to go, you can't suddenly send the message that you're out for yourself -- and you don't much care what happens to the person with whom you've been working all this time.

That having been said, it's important to remember that developing a trusting relationship with the prospect or customer doesn't mean you have to give away the store! You're going to try to attain specific goals, and you're going to want to be sure that the person you're negotiating with has (or has access to the person who has) the money, the authority, and the need to deliver on your objectives.

## UNDERSTANDING

One key to building and maintaining trust in a negotiation is a mutual understanding of each party' expectations, needs, fears and desires. When you have a clear understanding of where your prospect or customer is trying to go, and your negotiating partner understands what's important to you, you will be able to build the foundation on which you can construct a mutually acceptable agreement.

Deadlocks and impasses in negotiation often result when there is no clear understanding of what's at stake, or the consequences involved in an agreement is not reached.

Understanding will also help you pinpoint the tactics that are accept-able in a given situation -- and identify tactics that can undercut your negotiation efforts. After all, tactics that work in one negotiation may not work at all in another setting!

Trust and understanding form the basis of the next two prerequisites for win/win negotiation; if you don't have the first two, you won't get to the second two.

## OFFER - ACCEPTANCE

This is the point in the negotiation where things get serious. The offer is on the table, and, at least in broad outline, it makes sense to both parties. Yet this isn't the end of the process. All the real horse-trading is still to come.

You've successfully presented your value proposition. The prospect or customer is interested and agrees to the offer in principle. That means your contact has accepted the deal -maybe. Unless the deal is signed or otherwise formalized, he has only"accepted" the deal in the abstract.
(See below.)

## AGREEMENT

In some situations, of course, you shake hands, and both parties understand all the terms. But that's not the way it always goes. Quite often, there's a good deal of work ahead of you, even after you've "closed the deal" in principle.

There's an old saying: "It don't mean nothin' until you sign on the bottom line." Nothing arises out of a successful verbal close until the agreement is formalized to the satisfaction of both parties. A great many details may remain to be ironed out after you hear the word "yes" from the prospect or customer.

Think about it this way: When you walk into a busy delicatessen or bak-ery, and you take a number from the machine at the front of the counter, have you actually made any commit-ment to buy anything? No! You intend to buy something, and nine times out of ten you will buy some-thing, but that's not the same as being obligated to buy some-thing. You are only obligated once you give your order to the person behind the deli counter, and he or she fills the order. Then it's time to pay!Similarly, once the prospect or cus-tomer gives you that initial "yes," he is stating his intention to buy. The customer's intention turns into an obligation only when the terms of the agreement are worked out and accepted by all parties. That's where the real negotiation skills come into play.