

# Negotiation Skills for Salespeople

Negotiating the terms of sales agreements and leases has become an integral part of the sales process. Negotiating has become a basic sales 'survival' skill for commercial real estate people.

Sales training commonly concentrates on the traditional sales approach that emphasises pushing for a close. Most effective salespeople, however, recognise that closing a sale is only the first step in a good customer relationship - that the prospect of additional sales or leasing is more important than a 'one-stop shopper'.

*Negotiating professionally is the basis for establishing and maintaining a good client relationship.*

Negotiation does not mean accommodating a customer's every wish or meeting the client halfway in every case. These approaches only foster the impression that the client can get something for nothing in future transactions.

Instead, negotiating is a means of involving the customer in an active partnership to solve his or her unique problems by using the property product or service being sold. When the client is convinced that the sales representative is as interested in his or her problem as the client, a profitable and professional relationship results.

## Definitions and characteristics

A commercial sales or leasing representative spends a considerable amount of time building a customer's trust and gaining his or her good will. He or she has done the analysis, sold the benefits of the property product or service, explained the price structure, arranged contract or documentation, and the finance sourcing which allows the deal to proceed. All of these are negotiations.

Negotiations come in several types. In general, negotiation is the process by which people reach agreement and satisfy their desires when another controls what is desired. Negotiations occur when someone has something that another person wants and both parties are willing to bargain for it.

Negotiating is an excellent method of resolving potential conflicts because the value placed on the issue being negotiated often varies from individual to individual or company to company.

There are basically two negotiating outcomes:

- one in which both parties win
- one in which one party wins while the other loses.

In win-win negotiations, both parties achieves some, but often not all, of what they want. These outcomes can lead to profitable, long-term relationships.

**Win-win outcomes** are possible because people and organisations are different. Because the parties' needs are different, the needs of the participants often are not in conflict. If both parties try to solve the problem rather than one defeat the other, both sides can benefit. This can be the core of your professional approach to negotiations.

**Win-lose outcomes**, on the other hand, should be limited - if used at all - to 'one shot' situations where the sales person doesn't have to worry about future sales. More aggressive, go-for-the-throat closes are often this type of negotiation.

*The key to win-win negotiations is trust.*

In long standing relationships, trust and goodwill are often present before the negotiations begin. In first-time sessions, salespeople should remember to be honest and straightforward and to keep their word. Trust has to build before a sale or lease can occur.

Good negotiations have many of the traits characteristic of good salespeople. They are often quite:

- honest
- sensitive
- charming
- optimistic
- persuasive
- tolerant
- persistent
- organised
- patient

They also are willing to take risks, are good listeners, and possess high aspirations and good business sense. Good business sense includes the ability to identify 'bottom line' issues quickly. On the other hand, those sales representatives that have a preference to be 'liked' or have a 'fear of failure' can largely undermine good negotiations and outcomes for themselves. A logical balance is required here.

## **Sales Negotiation Pitfalls**

Six stumbling blocks for sales and leasing representatives are:

- **Not knowing what's negotiable.**  
Sales representatives must determine, through the sales process, what the issues are and identify the most important issues and those issues that can be modified.
- **Not knowing the true value of what the salesperson is offering and what the customer is offering.**  
Sales representatives need to know what is of real value to the customer. Things such as convenience, recognition, security, service, and 'saving face' may be as valuable to the customer as the price.
- **Not recognising the sales representative's strengths in negotiation.**  
Salespeople can achieve a better balance of power by keeping in mind a customer's limitations, interests, and the value of negotiating issues. Having this information allows the sales representative to take calculated risks.
- **Reacting too quickly in competition.**  
A salesperson shouldn't begin making concessions until the prospect is sold on the product's capabilities and benefits.
- **Conceding too easily on little things.**  
Salespeople shouldn't automatically concede what appear to be minor issues. If it's important to the customer, the issue should be treated as such.
- **Not defining parameters and strategies.**  
Representatives should plan trading items and negotiating strategies in advance and stick to them. Minimum and maximum offers should be determined as well as all concessions. Also, salespeople should decide what negotiating tactics they'll use.

For further information, visit our website: [www.commercialrealestatetraining.net](http://www.commercialrealestatetraining.net).