



Negotiation Strategy Template

Learn how to plan and prepare for your next negotiation

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

It's an area that we spend a lot of time on within our [Sales Negotiation Training](#) programmes.

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.

There is no doubt in my mind [Why Sales Negotiation Skills Are So Important](#).

Generally, the more time that is spent in planning and preparing for the negotiation, the more beneficial will be the outcome will be. There are [5 Stages Of The Negotiation Process](#) but we're going to focus on just one, planning.

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

1. What are my objectives?
2. What information will influence the 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?



What Are Your Negotiation Objectives?

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

You need to begin with the end in mind so all your actions and strategy can be built around that.

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. 5.What options or alternatives might be acceptable to them?



What Information You Need For The Negotiation

It has often been said that information is power. In any negotiation, there will be **5 types of information** that will influence the 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?

What Concessions Do You Have To Play With?

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?



What Negotiation Strategy Should You Take?

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?

What Tasks & Roles Are You Responsible For?

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.

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?



What To Do 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 they are involved in the planning process and that you have their full support
3. Have a pre-negotiation meeting with the client, if possible, to find out information on:
 - The people on their side with whom you will be negotiating
 - Their organisation: issues happening in their business that will influence the outcome
 - Their decision-making process: who is involved, how they will decide and what timescales they are working to?
 - Current supplier, or suppliers with whom they currently do business
 - Competition: others who may have been invited to quote for the business
 - Problems that they are looking to solve because of the negotiation
 - 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?
 - Financial issues such as budgets, discounts, and payment terms
 - Make a list of information you will need to find out during the negotiation

- Practise the negotiation with colleagues

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.

Negotiating & Discounting – Be Okay With “No”

Just before penning this guide, we heard from one of our negotiation skills trainers. She was running some **Sales Training** and one person in the group raised an interesting issue about one of their clients.

They had been negotiating for a large contract, where they had been dealing with people at different levels; technical, financial, production, customer support etc.

The contract was virtually assured; however, another stakeholder had got involved at the last minute and was demanding a 15% discount.

Here was the dilemma that the salesperson posed.

If we give the discount, then a large chunk of profit disappears for no good reason. If we say no, this might have a negative influence in future dealings with this company.

Their sales manager had their input too with, “I don't want to upset the buyer”

This is a dilemma regularly faced by salespeople.

Here's our take on this. Remember, we didn't know all the facts so was going in blind, but our overall message is the same.

We would be inclined to say no.

This is an unreasonable demand since the decision to purchase had already been made before this “last minute dot com stakeholder” appeared!

Also, if you agree this time, it will be expected next time, and the percentage will probably be higher.

Here are some **random key points** which we feel can help you in your negotiations like this:

1. **Learn how to say no.** The buyer has a responsibility to negotiate the best deal possible, but our responsibility is to work on behalf of the people who employ us to defend our revenue and profits
2. **Look for alternatives to discounts.** There may be other concessions we can discuss; extended warranties, subsidised training, more favourable payment terms, added service etc. which may make the deal more acceptable without adding significant costs
3. **Don't be too generous.** Negotiation is a process of bargaining by which agreement is reached between 2 or more parties. That means we must trade, rather than give away concessions. Work out the cost implications of concessions before you agree them.
4. **Look serious when you negotiate.** That 15% was on a £3 million contract. This represented a loss of £450,000 in revenue. When you are faced with such an unreasonable demand you should respond appropriately. This is not a good situation.
5. **Avoid automatically putting yourself on the side of the customer.** How many salespeople in this situation have we said to the customer "Don't worry, leave it with me and I'll see what I can do" and then gone back to their manager and said "If we don't agree we may lose the business"
6. **This is bad selling and bad negotiating.** It is creating all sorts of problems for the future



“Heck of a way to start the negotiation.”

Improving Your Negotiation Skills

In any negotiation, you need to set yourself **LIMITS**. These are **(L)** things you'd **LIKE** to achieve. Things you **(I)** **INTEND** to achieve and **(M)** levels you **MUST** not go beyond. Then **ITS** a deal!

Think of a time coming up where you need to negotiate. If you do not negotiate during your selling think of a personal circumstance like buying or selling a car or a house. Prepare for the negotiation by answering the following:

What are the things you'd LIKE to achieve in the negotiation?

What are the things you (!) INTEND to achieve?

What are the levels you **MUST** not go beyond?