

SALES NEGOTIATION TRAINING PITFALLS

WHAT MOST SALES TEAMS GET WRONG, AND HOW TO FIX IT

The Problem with Sales Negotiation Training

In complex sales, such as enterprise B2B, sooner or later most sales leaders will turn to negotiation training for their sales teams - often when margins are under pressure, or when requests from the field for discounting increase.

A training company will be selected, and salespeople will attend a 1- or 2-day negotiation training program with some role-playing, perhaps some online training follow-up modules.

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They will learn about BATNA, how to walk away, win-win deals and some case studies, and they will leave the class upbeat and optimistic.

And then, when they return to the real world, the win rate stays the same and the discounting continues.

Sales managers will still hear the same refrain - *"Boss, the client says we're still the most expensive."*

And by the time your sales reps approach their sales managers to approve a discount, the negotiation with the client has *already happened!!*

Why Negotiation Training (by itself) Rarely Works

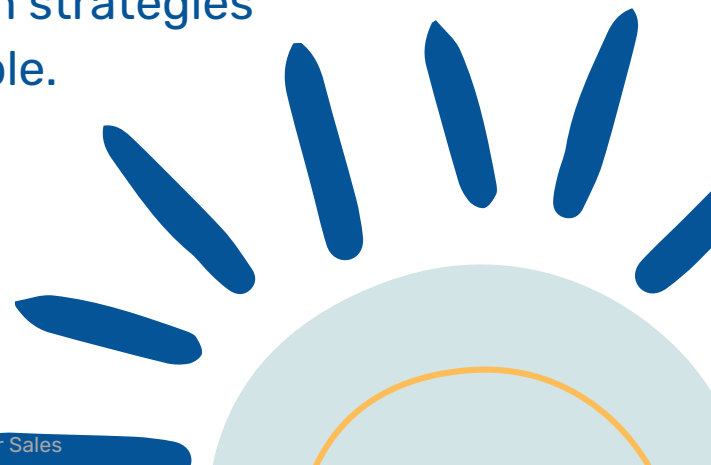
When sales leaders deploy negotiation skills training, they often misdiagnose the underlying problems.

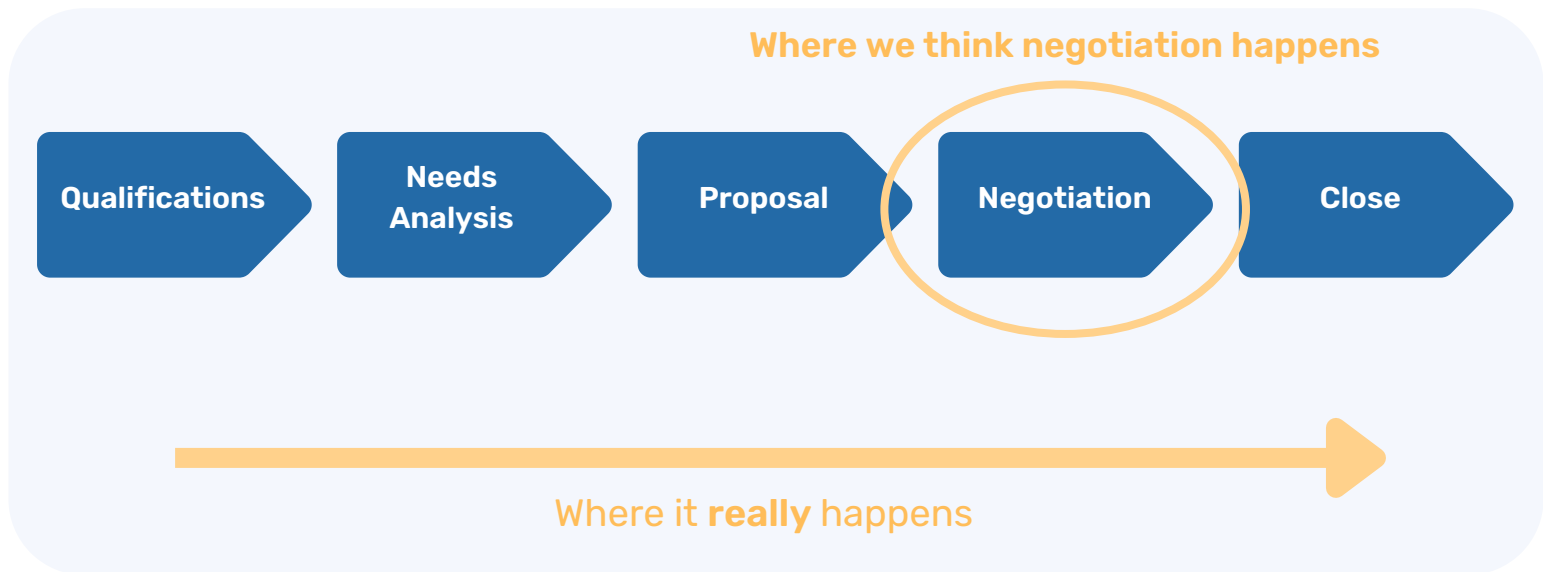
The VP of Sales and the VP of Sales Enablement will usually say that the team needs more effective negotiation skills (and more often than not, that is quite true). But when we audit sales teams early in a client engagement, we typically find these other problems:

- In CRMs (Salesforce, Hubspot, etc.), **there is a *sales process*, but there is no *negotiation process*.**
- Sales professionals (AEs, Enterprise Account Managers) are **commissioned on *revenue* rather than *margin***, leading to an incentive to discount to close deals.
- There is **no training on monetizing client value** as part of the sales process. In the latter half of the sales cycle, client conversations tend to be focused on price, not value.
- Sales professionals lack the confidence to go higher into their accounts (especially C-Suite and procurement) early in the sales cycle. Most salespeople don't realize that getting a better understanding of the sponsor's priorities and engaging procurement earlier makes it easier to negotiate quicker win-win outcomes.

Bottom line - without addressing these gaps, there is little point in deploying negotiation training.

Even worse, without addressing the process gaps above, learning some new sales negotiation strategies won't get you to the negotiating table. You'll be losing on both margin and win rates.





The Concept of “*Leverage-based sales*”

Have you ever wondered why your best salespeople tend to need much less “formal” negotiation to close deals when they get to the negotiating table? Consciously or not, they recognize that negotiation is happening throughout the sales cycle - they’re negotiating access to financial data, to key decision makers and their fears and priorities. And they are talking client value, not your product or service.

In complex sales, deals are often won and lost on the front end of the sales cycle.

The “Swagger” methodology that we teach enterprise sales teams and their leaders is informed by our experience as professional negotiators. Selling is about them, not you. It is based on some simple concepts:

- A mindset shift away from “pitching” and “closing” and towards “understanding pain points and solving big client problems”
- The monetization (valuation) of these pain points as client value, and positioning your price relative to that larger frame
- Getting comfortable with earlier, bigger proposals to flush out objections, and handling objections by pre-empting them rather than “waiting to be punched”
- The skills of effective C-Suite engagement (gaining credibility quickly, punching with brevity, capturing value, and knowing how to educate vs sell), and lastly,
- More traditional “formal” negotiation techniques to close deals.

With this mindset and these skills, you rarely need a lot of negotiation at the end of a deal.

Negotiation Preparation

Of course, there is always some need to negotiate. Procurement teams are incentivized to drive costs out in what we call the “Endgame” of a purchasing decision.

Knowing this, it’s amazing how many sales organizations have a clearly defined sales process, with carefully designed gates and stages (MEDDPICC or similar). Yet when you ask a salesperson or manager what the negotiation preparation process for a big deal looks like, they respond with slow blinks.

As a result, many salespeople turns up to the client meeting with the goal not of negotiating, but of merely trying to limit the damage.

Negotiating is not about slow surrender. Or “discount until they say yes”. We regularly see massive and unnecessary discounting in the last 10% of a typical complex sale because the team has failed to prepare properly.

Good deal preparation is not complicated, but should include, at a minimum:

- A split out of the main deal variables (for example, price, term, payment terms, IP rights, warranties),
- An optimistic but credible goal for each, informed by an analysis of leverage,
- A clear limit position that has been approved by the business in advance,
- A list of what we call “trading chips” so that concessions can be traded rather than *conceded*, and (for big deals) a pre-call plan for each meeting. **Here’s why!**

The time to prepare this negotiation plan is well in advance of the formal negotiation.

CRM Integration

Quality training is important, and there is much to be said for In-person instructor led sales negotiation skills training delivered by negotiation experts.

But even more important is what happens after the training ends.

Related: Why most sales training is a waste of money

Without CRM-integrated tools, sales leaders have almost no visibility to the effectiveness of the training, and will lack the data needed to learn from good and bad deal outcomes and drive accountability and discipline in the field.

A good CRM should be your “single source of truth”. That means it should contain every critical record needed to run the business, coach the people and learn from the wins and losses. It will allow VPs to click through and drill down to see negotiation planning, pre-call plans for big meetings, and front-line coaching activities to hold the team accountable.

Sales and Negotiation Training Supported by Integrated CRM Tools

Want sales and negotiation training that's guaranteed to pay for itself within three months? You're in the right place...

- Brilliantly simple and effective skills to move beyond price, navigate higher in your client organizations and sell on value
- Available in-person or remote, anywhere in the world, and licensable for internal delivery

- Supported by SWIFT™ – a native Salesforce app that integrates pre-call planning, negotiation preparation and coaching to transform your Salesforce into a coaching and productivity engine.



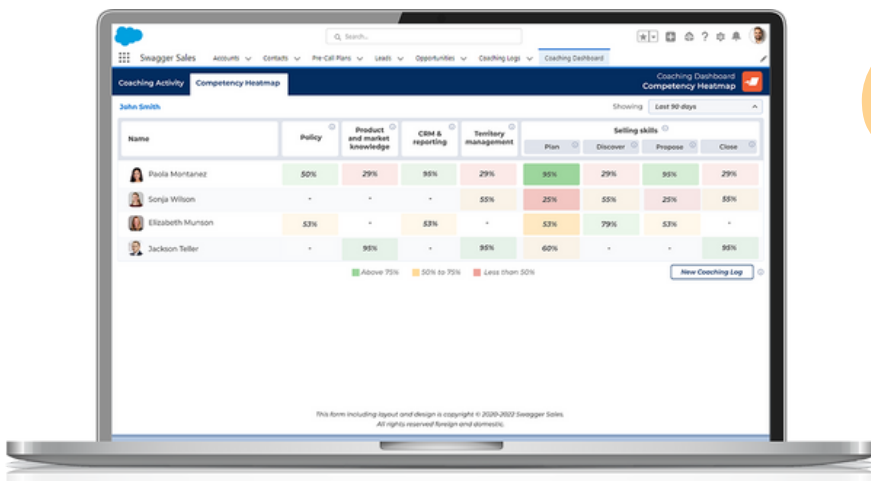
Absolutely essential. It gave our team a common language and process and delivered a massive (well over 100x) return on investment within months.

PHIL RACKLIFFE
President and CEO, Image Guided Therapies
GE Healthcare



Swagger Sales ignites breakthrough performance for enterprise sales teams. **SWIFT™**, our native Salesforce app delivers turn-key pre-call planning, negotiation, account planning and front-line manager coaching workflows to your team. Our customers include Fortune 100 companies SAP, Salesforce, Abbott Laboratories and GE, along with a range of mid-market companies.

Schedule a demonstration of **SWIFT™**, where we will show you how our Salesforce app can drive discipline, accountability and performance across your entire sales team.



A simple, real-time view of the strengths, weaknesses and problem areas across your sales team.

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