



GUIDING PEOPLE. PROPELLING BUSINESS.

whitewater group

ACCELERATING BUSINESS PERFORMANCE BY EMPOWERING PEOPLE



## VALUE BASED NEGOTIATION – *WHEN WIN-WIN DOESN'T WORK*

The two most common complaints sales managers have about the negotiation skills of their sales people is that they give ground too readily and often get nothing in return.

There are only two ways to narrow the gap between the lower price a customer wants to pay and the higher price your company needs to charge:

- **Convince the customer the price is worth the difference (selling).**
- **Exchange concessions until both parties reach a tolerable compromise on price (bargaining).**

Poor negotiators start by making concessions while good negotiators use a strong value proposition to argue that the difference in price is more than made up for by the value of their offering.

**Selling** is the process of convincing the customer that your products, services and company offer a better value than the competition. **Negotiation** is using that value to protect profit. Selling cannot be separated from negotiating. Most negotiating courses mistakenly teach negotiation skills without a clear link to selling. **Good selling is integral to good negotiating.**

Value Based Negotiation (VBN) is not a laundry list of negotiation tips and techniques nor is it based on negotiation theory about resolving labor disputes. It is a proven negotiation methodology that helps salespeople and companies protect their bottom lines against tough negotiators.

### PROPOSITION

VBN is a sales negotiation workshop and coaching process that transfers proven negotiation competencies into sales organizations. Our vehicle for transferring these skills is the VBN workshop.

- **Upon completion of VBN your salespeople will:**
- **Make smaller and fewer concessions.**
- **Make concessions only in return for offsetting concessions from customers.**
- **Prioritize concessions based on the least cost to your company and the most value to the customer.**
- **Tie corporate strategy to in-the-field pricing decisions.**
- **Protect crucial company interests while maintaining relationships.**
- **Effectively differentiate and communicate the value that your company brings to the customer in comparison to the competition.**
- **Respond to customer requests for add-ons, with the phrase, “....we can do that, but not at that price.”**

## OUTCOMES BY MODULE

### The Value Based Negotiation Process

Establishes the underlying structure of the VBN process. Participants learn the difference between strategy and tactics and how to use proven negotiation tactics to achieve specific measurable corporate outcomes. The VBN workshop design follows the phases of a typical negotiation: *Opening Positions*, *Trading Concessions* and *Best and Final Offers*.

### Opening Positions

The price you put on the table at the start will determine where you end up. It's always better to get the other side to put a number on the table first. In this section participants learn to evaluate their opening positions and techniques for identifying the other side's position. They then learn to defend those positions and challenge the other side, a crucial first step. **A negotiator's ability is not determined by whether the final price is better than the company's bottom line. It is measured by how close the final agreement is to the negotiator's opening position.**

### Trading Concessions

The reason negotiators give up so much at the end of a negotiation is not because they give in to last minute requests for concessions from customers. It is because at the beginning of the negotiation they give away price, terms or conditions without getting anything in return. Smart concession strategy includes identifying the things you have to trade in a negotiation and making concessions that have more value for the customer than cost to your company. **Prioritizing concessions is one of the most important factors contributing to profitable outcomes.** In this section participants learn to trade concessions based on a clear prioritized list of least to most cost for the company.

### Best and Final Offers

Eighty percent of all concessions are made in the last twenty percent of the negotiating process. The ability for negotiators to evaluate how far they can push the other side before they walk is crucial to getting a profitable deal. In this final section participants learn to evaluate the other sides' walk away options and use techniques to keep them in the game without making unnecessary concessions. They also learn to respond to requests for Best and Final offers and to challenge the other sides' Best And Final offers.

## WHY CHOOSE VBN OVER OTHER NEGOTIATION COURSES?

→ **Value Based Negotiation** is a course designed *specifically* for sales people. While some of the skills are applicable to negotiating cross-functionally or with supervisors or subordinates the course is specifically designed to be used in selling situations. The course and methodology will improve pricing and margin for a company's products or services.

→ We know how buyers think, what their next moves and strategies are. We build this knowledge into our program. Since we work exclusively with sales organizations, we WILL NOT and DO NOT teach our strategy to purchasing agents or buyers.