

3 Unwanted Realities

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Three unwanted realities affect every one of your negotiations. They were created unintentionally through two avenues: your market conditions and your customer's buying/decision making habits.

While participating in hundreds of sales meetings, I've listened to every likely explanation about why deals were or were not negotiated at the right price.

Unsuccessful negotiators almost always lay the responsibility on the buyer: they were "stupid" or "cheap" – "he told me he was making the decision but it was really his boss" – "she's getting three proposals and I was first" – "the competition is giving it away" – "the competition lied to the customer" and so on.

Although those statements might have been true, there's an equal probability that the rep was out-negotiated, out-sold, out-maneuvered or out-hustled.

You'll become a superior negotiator (and incur much less stress) when you accept responsibility for every result. Then, instead of evaluating unsuccessful negotiations with your ego by blaming it on the customer or the competitor, you'll plan a strategy to obtain better outcomes in the future.

Reality # 1

Someone will always have a lower price.

The number one reason companies don't earn a profit or charge the right price is that they calculate expenses and profit inaccurately. The sad truth is that many of

your competitors aren't making money. Thanks to this reality, your company needs a sales force. This is why your job pays well. So stop complaining about your competitor's prices and be grateful for the opportunity.

Reality # 2

There will always be price objections.

Most price objections have nothing to do with your price. Legitimate price resistance, misunderstandings, conditions, stalls and tactics will always exist no matter how much value you provide.

Ironically, research proves that like you, your lowest priced competitor's biggest objection is price. You should only be surprised when you don't hear a price objection.

Put simply, if you aren't prepared to correctly identify and diffuse legitimate price objections, misunderstandings conditions, stalls and tactics, you have no one but yourself to blame for an unsuccessful result.

Reality # 3

You'll always lose business to lower prices.

Statistically, about 15% of your potential customers place a higher value on price than they do on quality, ROI or integrity. The good news is that 85% of your potential customers will pay more for value.

The key error is in "qualifying" your prospective customers too early in the

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process to determine if they're price buyers or value buyers. It's difficult or impossible to accomplish this "qualification" early since both groups use the same price objection language due to ignorance, leverage, habit or impulse.

The result is that too many sales reps give up early, rationalizing that this has saved them time. Worse, they believe the first group larger than it really is.

Here's the most significant element concerning all three unwanted realities. You have to differentiate at the sales level, especially through research, preparation and investigation, or price will probably be the deciding factor.

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David Yoho provides systems and customized education that helps organizations outthink, outsell, outmaneuver and outnegotiate their competition without sacrificing profit or integrity.

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