
Overview

This unit is about effective sales negotiation. It includes planning and preparing for negotiations, assessing the position of both your own organisation and that of your customer, covering possible solutions and desired outcomes. It also includes handling the negotiation and arriving at agreements which are mutually acceptable.

Who this unit is for

This unit is recommended for those involved in significant sales negotiations, but who are not necessarily sales specialists. For example, such individuals might be 'general' managers within larger organisations, or managers and/or proprietors within small to medium sized organisations.

Related specialist units

Those seeking specialist standards offering greater depth regarding this area are referred to the following related MSSSB units:

Sales units

1. Manage and facilitate case negotiations
2. Demonstrate compliance with legal, regulatory and ethical requirements

Details of these units can be accessed via <www.msssb.org>

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Performance criteria

- You must be able to:*
- P1 identify what is important to the customer ahead of negotiations, prioritising their principal needs
 - P2 gain agreement in principle to do business before negotiating
 - P3 assess the bargaining power of the customer, and evaluate their overall negotiating position
 - P4 assess your organisation's relative strengths and weaknesses
 - P5 identify your objectives from the negotiations, and develop a negotiating strategy that builds upon your identified strengths and the customer's needs, and which addresses relative weaknesses
 - P6 identify the key variables for negotiation, including potential concessions and trade-offs, costing the associated parameters that might be negotiated, to identify the minimum prices and terms that might be offered
 - P7 identify and assess potential problems that might arise during negotiations, and develop solutions towards overcoming these
 - P8 ensure that all colleagues to be involved are briefed fully prior to the negotiations
 - P9 determine the customer's full requirements through careful questioning, checking for understanding and summarising to confirm
 - P10 determine, where possible, the customer's budget expectations relevant to the negotiations
 - P11 negotiate a 'win-win' situation, balancing the needs of your organisation with those of the customer
 - P12 maintain full and accurate records of the outcomes of the negotiations
 - P13 fulfil all relevant legal, regulatory and ethical requirements

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Knowledge and understanding

You need to know and understand:

General knowledge and understanding

- K1 the importance of effective planning for negotiations and how to do this
- K2 the components to consider in developing effective negotiation strategies and how to do this, including the information requirements regarding customers, and the sources of such information
- K3 factors to consider when assessing the negotiating power and position of customers
- K4 the importance of listening effectively, and of confirming understanding, and techniques for achieving this
- K5 questioning techniques and how to use these effectively
- K6 the difference between features and benefits, and how to use these effectively in negotiating
- K7 the typical range of behaviours displayed by customers, including body language, and how to respond to these constructively during negotiations
- K8 typical queries and objections that can arise during negotiations and how to manage these effectively
- K9 the concept of 'win-win' situations and how to create these in negotiations
- K10 key variables and trade-offs that might be considered during negotiations

You need to know and understand:

Industry/sector specific knowledge and understanding

- K11 legal, regulatory and ethical requirements impacting upon negotiating in your sector

You need to know and understand:

Context specific knowledge and understanding

- K12 your organisation's sales plans and objectives
- K13 your organisation's products/services, and their features and benefits
- K14 your organisation's structure and lines of decision-making
- K15 your organisation's target market, key customers and their requirements from your products/services
- K16 competitor sales activities, and key features of their products/services
- K17 your level of responsibility within the negotiation and the limits of your authority

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Additional Information

Behaviours

1. You present information clearly, concisely, accurately
2. You identify clearly the value and benefits of a proposed course of action
3. You keep promises and honour commitments
4. You are firm, but fair
5. You work to develop an atmosphere of professionalism and mutual trust

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Developed by CFA Business Skills @ Work

Version number 1

Date approved November 2007

Indicative review date November 2009

Validity Current

Status Original

Originating organisation MSSSB

Original URN S17

Relevant occupations Agriculture, Horticulture and Animal Care; Business, Administration and Law; Information and Communication Technology; Arts, Media and Publishing; Health, Public Services and Care; Medicine and Dentistry; Nursing and Subjects and Vocations Allie; Health and Social Care; Public Services; Child Development and Well Being; Agriculture; Horticulture and forestry; Animal care and veterinary science; Environmental conservation; Professional Occupations; Managers and Senior Officials; Information and Communication Technology; Research Professionals; Librarians and Related Professionals; Engineering Professionals; Science Professionals; Database Administration; Software Development; Systems Support; Local Area Archives; Microfilm and Microfiche Technician; Associate Professionals and Technical Occupations; Corporate Managers and Senior Officials; Microsoft Certified Professional; Application Support; Business Analyst; Managers and Proprietors in Hospitality ; ICT for practitioners; ICT for users; Science and mathematics; Science; Mathematics and statistics; Engineering and manufacturing technologies; Engineering; Manufacturing technologies; Transportation operations and maintenance; Construction, planning and the built environment; Architecture; Building and construction; Urban, rural and regional planning; Retail and commercial enterprise; Retailing and wholesaling; Warehouse and distribution; Service enterprises; Hospitality and catering; Leisure, travel and tourism; Sport, leisure and recreation; Travel and tourism; Performing Arts; Crafts, creative arts and design; Media and communication; Publishing and information services; History, philosophy and theology; History; Archaeology and archaeological sciences; Philosophy; Theology and religious studies;

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Social sciences; Geography; Sociology and social policy; Politics; Economics; Anthropology; Language, literature and culture; Languages, literature and culture of the; Other languages, literature and culture; Linguistics; Education and training; Teaching and lecturing; Direct learning support; Preparation for life and work; Foundations for learning and life; Preparation for work; Accounting and finance; Administration; Business management; Marketing and sales; Law and legal services; Production Managers; Functional Managers; Quality and Customer Care Managers; Financial Institution and Office Manager; Managers in Distribution, Storage and Re; Protective Service Officers; Health and Social Services Officers; Managers in Farming, Horticulture, Forest; Managers and Proprietors In Other Services; Health Professionals; Teaching Professionals; Legal Professionals; Business and Statistical Professionals; Architects, Town Planners and Surveyors; Public Service Professionals; Science and Engineering Technicians; Draught persons and Building Inspectors; IT Service Delivery Occupations; Health Associate Professionals; Therapists; Social Welfare Associate Professionals; Protective Service Occupations; Artistic and Literary Occupations; Design Associate Professionals; Media Associate Professionals; Sports and Fitness Occupations; Administration and Secretarial Occupations; Government and Related Organisations; Finance; Records; Communications; General; Secretarial and Related Occupations; Skilled Trades Occupations; Skilled Agricultural Trades; Metal Forming, Welding and Related Trade; Metal Machining, Fitting and Instrument ; Vehicle Trades; Electrical Trades; Construction Trades; Building Trades; Textile and Garment Trades; Printing Trades; Food Preparation Trades; Skilled Trades NEC; Personal Service Occupations; Healthcare and Related Personal Services; Childcare and Related Personal Services; Animal Care Services; Leisure and Travel Service Occupations; Hairdressers and Related Occupations; Housekeeping Occupations; Personal Services Occupations NEC; Sales and Customer Services Occupations; Sales Assistants and Retail Cashiers; Sales Related Occupations; Customer Service Occupations; Process, Plant and Machine Operatives; Process Operatives; Plant and Machine Operatives; Assemblers and Routine Operatives; Construction Operatives; Transport Drivers and Operatives; Mobile Machine Drivers and Operatives; Elementary Occupations; Elementary Agricultural Occupations; Elementary Construction Occupations; Elementary Process Plant Occupations; Elementary Goods Storage Occupations; Elementary Administration Occupations; Elementary Personal Services Occupations; Elementary Cleaning Occupations; Elementary Security Occupations; Elementary Sales Occupations; Transport Associate Professionals; Legal Associate Professionals; Business and Finance Associate Professionals; Sales and Related Associate Professional; Conservation Associate Professionals; Public Service and Other Associate Professionals

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Suite

Marketing and Sales Standards for non-specialists

Key words

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