Teach Yourself®

# The Ultimate Sales Book

## Master Account Management, Perfect Negotiation, Create Happy Customers

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# PART 1

## Your Successful Selling Masterclass

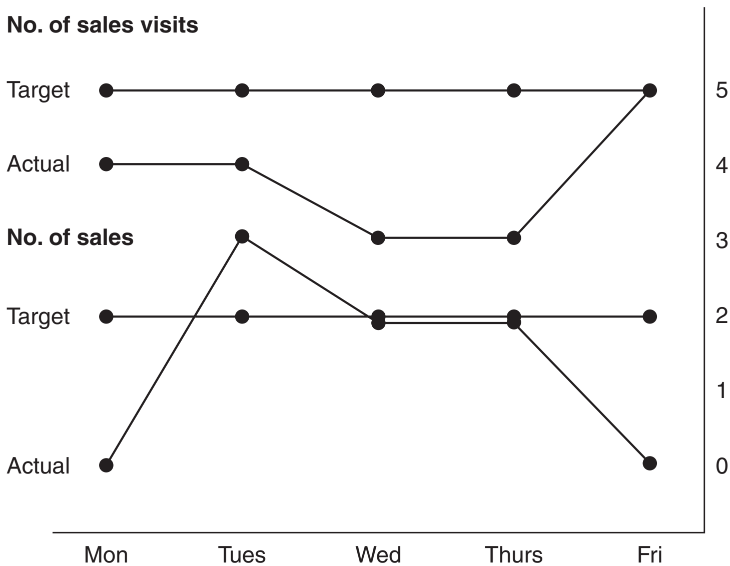
CHAPTER 1

# Jump-start your success formula

# Measure your results

Whatever your goal, start by measuring your targets and breaking them into daily segments and tasks. Remember that today is your day of preparation and your success later will depend mainly on your plan and your dedication to your plan. The following chart shows the most critical factors to measure, i.e. the number of sales visits (target and actual) and the number of sales (target and actual).

**Self-management wall chart and computer graph**




> ## Self-management systems
>
> In order to succeed, you'll also need to chart the following:
>
> - the number of telephone calls you make for appointments (target and actual)
> - the number of direct mail or email letters you send (target and actual)

# Summary

In this chapter we talked about the importance of targets. We started with the overall goal – for example, an annual income goal. We tied that to the number of products or services we need to sell, then broke that down further into weekly and daily sales targets.

We then looked at the *activity* needed to accomplish those goals. This means the number of prospects needed to gain one sale, and the number of phone calls or marketing campaigns needed to gain one prospect.

Just as 2 + 2 = 4, we saw that, without the right number of actions each day, be it phone calls, visits or marketing pieces – and probably all of these – we can't possibly reach our goal. How much better it is to know this in advance, because then we can change our strategy and systems, or even our targets.

As one of the world's top salespeople says, 'Don't let self-deception be your enemy!' We have to know how to break down targets and set our daily activity level in advance in order to become the top achiever we wish to be. Start now. Go for it, and enjoy!

**Remember**
Knowledge without action serves no one.

# Fact-check (answers at the back)

1. What does changing careers or improving results in your current sales position require?
   - a) Mental adjustment of your self-image ❑
   - b) Visualizing yourself working in a new role ❑
   - c) Visualizing feeling comfortable in the new role and succeeding in the new role ❑
   - d) All of the above ❑

2. What can setting goals successfully mean?
   - a) Calculating a monetary figure ❑
   - b) Targeting a possession to be acquired ❑
   - c) Aiming for a promotion ❑
   - d) All of the above ❑

3. After deciding on your goal, what should your first step be?
   - a) To tell your best friend and ask for support ❑
   - b) To convert your goal to the actual number of sales you need in order to achieve your target ❑
   - c) To discuss the practicality of your goal with your boss ❑
   - d) To celebrate ❑

4. After dividing their annual sales goal into weekly and daily sales targets, what do most unsuccessful salespeople avoid doing?
   - a) Writing it down ❑
   - b) Entering the data into their computer ❑
   - c) Calculating the work necessary to achieve that goal ❑
   - d) Telling anyone ❑

5. What is the single biggest failure of most salespeople?
   - a) Talking too much at the first meeting ❑
   - b) Self-deception ❑
   - c) Being rude to the customer ❑
   - d) Giving their boss false hope ❑

6. In order to know how many prospects to see each day, what must you know?
   - a) How many sales you want ❑
   - b) How many prospects you need to make one sale ❑
   - c) How many activities you need to do to generate one prospect ❑
   - d) All of the above ❑

**7.** Why do most unsuccessful salespeople and business owners avoid using goals and targets?

**a)** They firmly believe that doing their best is enough to make them succeed ❑
**b)** They have never used them before ❑
**c)** They are afraid to fail ❑
**d)** They think it is a waste of time ❑

**8.** A salesman named Sam calculates that he needs one sale per day. On average, one prospect out of three will buy his products, and he normally has to visit each prospect twice before he gets a 'yes' or a 'no'. How many total visits does Sam need to make each day to reach his goal of one sale per day?

**a)** Two ❑
**b)** Four ❑
**c)** Six ❑
**d)** Eight ❑

**9.** Why are your skills and success in selling so important?

**a)** Your livelihood depends on it ❑
**b)** The economies of the world rely on continued sales ❑
**c)** The livelihood of your company relies on it ❑
**d)** All of the above ❑

**10.** What is the most important thing about comparing your actual sales to your targets on a wall chart?

**a)** You will see at a glance where you stand ❑
**b)** You can catch up tomorrow if you fall behind today ❑
**c)** You will gain recognition from your manager and your peers ❑
**d)** You will keep your morale up ❑

CHAPTER 2

# Develop product and service expertise

# Plan your personal strategy

Creative options for developing product/service expertise

| Method | Yes/No | Who | How long | When |
|---|---|---|---|---|
| **1** Interview current customers | | | | |
| **2** Study product literature | | | | |
| **3** Study service literature | | | | |
| **4** Study operations manuals | | | | |
| **5** Take technicians on sales visits | | | | |
| **6** Accompany other sales professionals on sales visits | | | | |
| **7** Have discussions:<br>• with operations people<br>• with managers<br>• with product development people<br>• with distributors | | | | |
| **8** Observe the production line | | | | |
| **9** Utilize web-based training | | | | |
| **10** Take training courses | | | | |

# Summary

In this chapter we looked at the many ways we can develop the product and service expertise critical to reaching our sales goals. We touched on the importance of relating the benefits of the products and services to the customer. We learned that, just as in other professions, gaining the training we need is up to us if we want to be among the highest achievers and therefore the highest income earners.

We also saw interesting benefits of designing our own training. For example, if we decide to interview past or current clients, we not only learn what benefits they derive but may also gain testimonials, referrals and even new business from them.

In addition, we might choose to discuss product features with operations, technical and product development people, who can give us valuable contacts as well as knowledge.

Finally, with personal learning in mind we looked at how to plan our strategy, using a personal planning chart for easy implementation.

**Remember**

The day you stop learning is the day your professionalism dies and your income diminishes.

# Fact-check (answers at the back)

1. When gaining product and service expertise, how much should you learn?
   a) Twice as much as you might need ❏
   b) Ten times as much as you might need ❏
   c) 40 times as much as you might need ❏
   d) 100 times as much as you might need ❏

2. How should prospective customers normally view us?
   a) As the only link between the product or service and themselves ❏
   b) As experts in our field ❏
   c) As untrustworthy ❏
   d) As reliable ❏

3. Who should be responsible for the training you receive about the products and services you sell?
   a) The training department ❏
   b) Your boss ❏
   c) You ❏
   d) It depends on the company ❏

4. In which profession is investing in your own education and training considered normal?
   a) The legal profession ❏
   b) The accounting profession ❏
   c) The sales profession ❏
   d) All of the above ❏

5. What is a great way to get training?
   a) Interviewing current customers about the benefits they receive ❏
   b) Studying product and service literature and manuals ❏
   c) Taking training courses of all kinds ❏
   d) All of the above ❏

6. What is one of the most valuable yet least utilized options for training oneself?
   a) Interviewing current customers ❏
   b) Reading manuals ❏
   c) Web-based training ❏
   d) Staying late to study ❏

7. What are the extra benefits of visiting or talking to current customers?
   a) They are a source of testimonials ❏
   b) They often give referrals ❏
   c) They give you inspiration and enthusiasm ❏
   d) All of the above ❏

8. What is a good question to ask a current user when interviewing them?
   a) What do you not like about our product or service? ❏
   b) What made you choose our system over the competitors'? ❏
   c) Who were the competitors? ❏
   d) Would you make the same decision again? ❏

9. What is the best way to persuade your manager to invest in your training?

a) Send an email and ask ❏

b) Tell your manager about the features of the training ❏

c) Make sure your training fits in the budget ❏

d) Sell your idea, explaining the benefits the company will get from your enhanced skill ❏

10. Which of the following statements is true?

a) Be sure you are well trained before going out on your first sales call ❏

b) Sales managers can't teach you anything ❏

c) Customers can't teach you anything ❏

d) You can learn from every sales call ❏

CHAPTER 3

# Grasp the buying motives

During your ‘think’ before your presentation, you will have made notes, listed those who influence the decision and thought about everyone’s needs. You will have looked at the presentation from all sides, as if it were a three-dimensional picture. You’ll have thought about all angles in preparation for your next approach to them.

You might want to put it all on a computer graph or on paper, as in the following example.

| Our product benefits | A | B | C | D | etc. |
|---|---|---|---|---|---|
| Needs of Company X | | | | | |
| 1. | | | | | |
| 2. | | | | | |
| 3. | | | | | |
| Needs of Company Y | | | | | |
| 1. | | | | | |
| 2. | | | | | |
| 3. | | | | | |
| Emotional needs Customer A | | | | | |
| 1. | | | | | |
| 2. | | | | | |
| 3. | | | | | |
| Emotional needs Customer B | | | | | |
| 1. | | | | | |
| 2. | | | | | |
| 3. | | | | | |

# Summary

In this chapter we focused on ways to grasp the buying motives of our prospect. Our time is valuable, and we shouldn't waste it presenting features and benefits of our product or service that don't relate to that particular prospect.

Instead, we must spend our time productively, matching the needs of our prospective client to what we can offer. To discover these all-important needs, we simply need to guide conversations in that direction by asking the right questions. When we have discovered all the needs of our prospect, our job in selling becomes easy and enjoyable. We skilfully link those needs to the benefits we offer, in order to have a successful sale.

**Remember**

The person who asks the questions guides the direction. Make sure you steer in the direction of the buying motives.

# Fact-check (answers at the back)

1. What kind of questions lead to discovering the buying motives?
a) General questions ❑
b) Vague questions ❑
c) Open-ended questions ❑
d) Precise questions ❑

2. Which analogy best shows how to lead your discussion in the direction of your customer's needs and buying motives?
a) You are a sailor; as your boat goes slightly off course, you move your rudder to bring it back on course ❑
b) You are a boxer fighting to win ❑
c) You are a great conversationalist building rapport by talking ❑
d) You are a bullfighter dodging left, right and centre ❑

3. What's true about buying motives?
a) They are always logical and never emotional ❑
b) They are both logical and emotional ❑
c) They are not important ❑
d) They cause objections ❑

4. What do most ineffective salespeople only focus on?
a) Logical or corporate benefit ❑
b) Emotional benefit ❑
c) Serious benefit ❑
d) Elusive benefits ❑

5. What's likely to happen when you assume you know what the customer wants without asking?
a) Customers are happy ❑
b) Customers are angry ❑
c) Sales are lost ❑
d) You look good ❑

6. What is a common deadly assumption?
a) The boss always makes the final decision ❑
b) The Finance Director always makes the final decision ❑
c) The department head makes the final decision ❑
d) All of the above ❑

7. The average salesperson doesn't succeed because their question process fails them. Why?
a) Their needs analysis is inadequate ❑
b) Their motive analysis is missing ❑
c) They make assumptions instead of asking questions ❑
d) All of the above ❑

8. What should you do before making your final sales presentation?
a) Make notes about needs and benefits ❑
b) List those who influence the decision ❑
c) Look at the presentation from all sides, as with a three-dimensional picture ❑
d) All of the above ❑

9. What do you need to do in order to have nothing to fear in your presentation?
a) Relax and improvise ❑
b) Go armed with a list of buying motives and benefits you can offer that meet their needs ❑
c) Give a slick presentation ❑
d) Memorize everyone's name ❑

**10.** What will you feel after you have done a complete needs and benefits analysis?

- **a)** Great about yourself ❑
- **b)** As if you have stepped into the customer's shoes and seen the situation from their point of view ❑
- **c)** Exhausted, but feeling good that it was worth the effort ❑
- **d)** More committed to selling ❑

# CHAPTER 4

# Conquer objections: turn them to your advantage

# 3 The clari ication question

Three-part objection-clearing process chart

| 1 Prelude cushion | 2 Explanation | 3 Clarification question |
|---|---|---|
| (human/psychological factor) | (logical factor) | (human/psychological factor) |
| This opens the iron gate and breaks down the resistance. | This is the justification: benefits received in exchange for money paid out.<br>**a**<br>**b**<br>**c**<br>**d** | Does our customer understand and accept our explanation? |

Reference chart of possible objections

| | Prelude statement | Explanation statement | Clarification question |
|---|---|---|---|
| **1 Price** | | | |
| **2 Delivery time** | | | |
| **3 Lack of expertise** | | | |
| **4 Other likely objections**<br>a<br>b<br>c | | | |

# Summary

In this chapter we studied ways of overcoming the objections of our prospective customers, and even ways to turn objections to our advantage. We looked in depth at an effective three-part process for overcoming objections, be they on price, delivery time or any other factor.

We learned that if we don't cushion our response to an objection, it will fall on deaf ears. We learned that the explanation segment of our response must be one that matches our client's needs. We learned to end our three-part process for overcoming objections with a simple question: 'Does this satisfy your concern?' By doing so, we will assess whether the concern is gone, so that it won't linger like smoke, or whether we need to readdress the concern and bring it to a positive conclusion.

When you master the three-part process, nothing will hold you back! You'll go from strength to strength in your career. So start now and make this your speciality.

**Remember**

The prelude cushion is the key to having your explanation accepted and the objection overcome.

# Fact-check (answers at the back)

1. Learning to overcome objections is a useful tool to use with whom?
   a) Teenagers ❑
   b) Politicians ❑
   c) Customers ❑
   d) Everyone ❑

2. In selling, what will happen if we don't clear an objection?
   a) It will go unnoticed ❑
   b) No one cares ❑
   c) It lingers like smoke in the mind of our customers ❑
   d) It's good for business ❑

3. In handling objections, what must we do before we put the spotlight on the explanation?
   a) Break down the defences and fears of the customer ❑
   b) Change the subject ❑
   c) Make sure the customer understands the features of the product or service ❑
   d) Make sure the customer understands the benefits of the product or service ❑

4. In the three-part process of handling objections, what does the prelude segment do?
   a) It gives the customer a chance to feel understood ❑
   b) It allows the customer's concerns to be validated ❑
   c) It lets the customer build rapport with us ❑
   d) All of the above ❑

5. What does every customer – and every person we know – want?
   a) To be listened to ❑
   b) To have their concerns recognized ❑
   c) For us to value their concerns ❑
   d) All of the above ❑

6. What's the best way to handle price objection?
   a) Learn price justification ❑
   b) Remember to prelude our price justification ❑
   c) Put the three-part process into practice. ❑
   d) All of the above ❑

7. What is the explanation segment?
   a) The logical explanation ❑
   b) The emotional explanation ❑
   c) The contrary segment ❑
   d) All of the above ❑

8. What's the most important question for you to ask when ending the objection process?
   a) 'Shall we move on?' ❑
   b) 'Have I answered your concerns about that?' ❑
   c) 'When would you like to start?' ❑
   d) 'Did I explain that well?' ❑

**9.** What should we do when we can't satisfy every concern a customer has?

**a)** We should withdraw ❑

**b)** We can close anyway if the benefits outweigh the objections ❑

**c)** We should talk the customer out of his or her concern ❑

**d)** We should refer them to our competitor ❑

**10.** What is the purpose of preparing a chart with likely objections and responses?

**a)** For sales presentations ❑

**b)** For telephone calls to prospective customers ❑

**c)** For written communication ❑

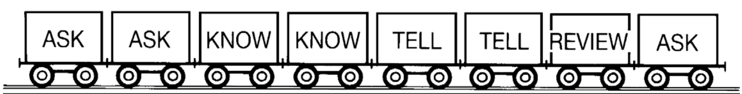
**d)** For all of the above ❑

# CHAPTER 5

# Master successful presentations and closings

# The presentation train

1 ASK – Find out the customer's corporate buying motive.
2 ASK – Find out the customer's personal buying motive.
3 KNOW – Show your product expertise.
4 KNOW – Understand the competition's strengths and weaknesses.
5 TELL – Make links between needs and benefits.
6 TELL – Overcome objections.
7 REVIEW – Refocus on needs and benefits.
8 ASK – Their decision needs your closing question.




Make a table like the one below to fill in the needs and benefits and the links between them for your own customers.

| | Customer A | Customer B | Customer C |
|---|---|---|---|
| Need | | | |
| Benefit | | | |
| Link | | | |

# Summary

In this chapter we discovered the eight parts of mastering successful sales presentations and closings. Each part is indispensable, and each part is linked to the part before and after it, rather like wagons in a freight train.

First, we saw the importance of fleshing out the corporate buying motive, and second the customer's personal buying motive. We discovered that the latter is often overlooked and leads to lost sales. Third, we looked at product expertise, and fourth at competitors' strengths and weaknesses. We saw that it's often easy to overcome our competitors' strengths if we ask thorough questions about corporate buying motives and personal buying motives. In this way, we can build up our product's strengths as they relate to our customer's needs.

In the fifth and sixth parts, we linked needs to benefits and overcame objections. That left the road clear for our seventh part – the review of needs and benefits – and finally, our eighth part – the successful close.

## Remember

Four out of five customers wait for us to ask for the order. Be sure to ask closing questions.

# Fact-check (answers at the back)

1. What's dangerous about making assumptions about buying motives?
   a) You will most likely get it wrong ❑
   b) Assumptions lead to why most people buy, but not why this customer wants to buy ❑
   c) You waste a lot of time and most likely lose the sale ❑
   d) All of the above ❑

2. Why do mediocre sales performers not take time to ask about buying motives?
   a) They assume that this customer is like all the others ❑
   b) They use the shotgun approach and want to get out of the appointment as soon as possible ❑
   c) They haven't taken the time to learn how to ask questions ❑
   d) All of the above ❑

3. Customers have corporate and personal motives for buying. Name some personal motives.
   a) Saving time ❑
   b) Career advancement ❑
   c) Reducing stress ❑
   d) All of the above ❑

4. How do we discover buying motive?
   a) By asking ❑
   b) By telling ❑
   c) Through interrogation ❑
   d) Through espionage ❑

5. In selling, which is most important?
   a) What we have to offer ❑
   b) How our offer meets the customer's needs ❑
   c) How our offer saves the customer money ❑
   d) How our offer helps the customer's career ❑

6. Objections linger like what, if not answered?
   a) Smoke ❑
   b) Serpents ❑
   c) Iron gates of resistance ❑
   d) All of the above ❑

7. Why is the review of the customer's needs and benefits one of the most rewarding parts of the sales process?
   a) It reveals the big picture ❑
   b) It puts everything into perspective for the customer ❑
   c) It sets the scene for the close ❑
   d) All of the above ❑

8. In the sales process, what should we focus our words on?
   a) What we can offer ❑
   b) What benefits the customer can get ❑
   c) The features ❑
   d) Price savings ❑

9. What is the most important aspect of closing a sale?
   a) Showing strong interest ❑
   b) Asking for their decision ❑
   c) Making promises ❑
   d Loving your job ❑

**10.** What characterizes expert salespeople?

**a)** They are easy to train ❑

**b)** They are good talkers ❑

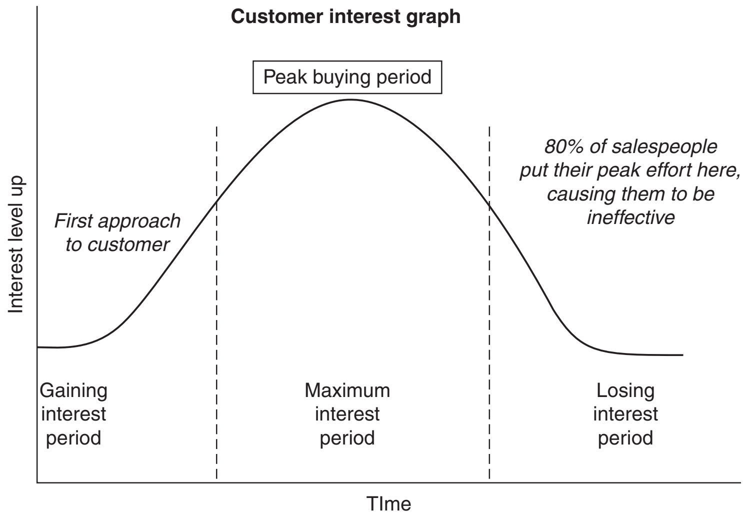
**c)** They are a rare commodity, like a needle in a haystack ❑

**d)** They are a dime a dozen ❑

CHAPTER 6

# Create action-provoking systems

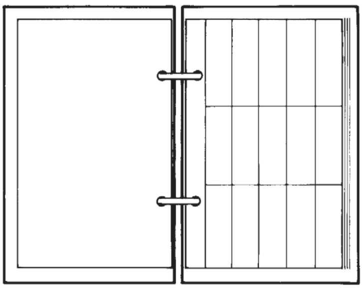
# Strike while the iron is hot



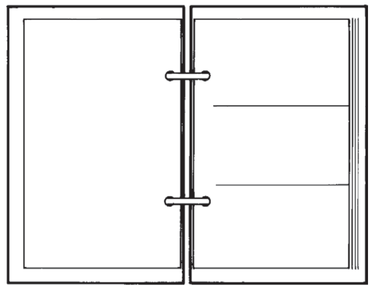
## What’s your experience?

| Action-provoking system | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| June | 1 | 2 | 3 | 4 | 5 | 6 | 7 | |
| 1. Smith & Co | X | | | | | | | |
| 2. J Bloggs | | | | | | | | |
| 3. Estman | | X | | | | | | |
| 4. Winters | | X | | | | | | |
| 5. Peak and Co | | | | | | | | |
| 6. Johnston | | | | | | | | |
| 7. Withers | | | | | | | | |
| 8. Goodall & Co. | | X | | | | | | |
| 9. Jones Bros | | | | | | | | |
| 10. Kent Air | | | | | | | | |
| 11. P.V. Anchor | X | | | | | | | |
| 12. Bassett | | X | | | | | | |

# Record systems for prospecting



Action-provoking
ring binder 1



Prospect information
ring binder 2

In file 1 we have 52 sheets or printouts, each representing one week of the year. On each sheet there is a week number, the date, and the days of the week across the top.

Down the side there is a place to list:

- new prospects
- follow-up prospects
- appointment confirmations.

Each sheet looks like the one shown here.

| Action-provoking file 1 | | | | |
|---|---|---|---|---|
| Week number .................. | | | Date ................................. | |
| **New prospects** | | | | |
| Mon | Tues | Wed | Thurs | Fri |
| **Follow-up prospects** | | | | |
| | | | | |
| **Appointment confirmations** | | | | |
| | | | | |

On Monday, we walk into the office knowing that *we must activate a certain number of new prospects*. This number depends on our yearly target, which we've broken down to a daily figure. Our prospects might come from a phone book or a Chamber of Commerce list, an industry list or a list of direct mail letters or emails already sent.

Now we are ready to follow each up by telephone. We go to our second file, which holds our prospect information.

Each sheet looks like this:

**Prospect information file 2**

Company name — Code number A 103
Person
Title
Address
Tel number
Contact date and discussion details

---

Company name — Code number A 104
Person
Title
Address
Tel number
Contact date and discussion details

---

Company name — Code number A 105
Person
Title
Address
Tel number
Contact date and discussion details

---

Three or more prospects can fit easily on one page. Because of the volume of prospects, we give each a code number, which is easier to fit on to one sheet in the action-provoking ring binder.

By Monday night our sheet will look like this:

| **Action-provoking file 1** | | | | |
|---|---|---|---|---|
| Week number .................. | | | Date ................................. | |
| **New prospects** | | | | |
| Mon A 105<br>~~A 106~~<br>~~A 107~~<br>~~A 108~~<br>A 109<br>~~A 110~~ | Tues A105<br>A109 | Wed | Thurs | Fri |
| **Follow-up prospects** | | | | |
| ~~A 63~~<br>~~A 22~~<br>~~A 37~~<br>A 88<br>~~A 94~~ | A 88 | | | |
| **Appointment confirmations** | | | | |
| A 80<br>~~A 26~~<br>~~A 34~~ | A 80 | | | |

You'll see that most prospects have been spoken to. These have diagonal lines through them. Prospects A105, 109, 88 and 80 have not been reached and therefore they are listed for action on Tuesday.

# Summary

In this chapter we saw the importance of having a self-created, action-provoking system. Created by you, just for you, it will be easy to use, and portable if necessary. Perhaps it will be computerized, perhaps not.

Your system's most significant feature is that it will cue you to *what you need to do* each and every day. If it records only *what has been done*, it is not an action-provoking system but merely a data collection system. It will not help you take the actions today needed to reach your target. It won't help you double your income or gain a promotion or start your own business. While it may be useful for data collection, it will be largely a waste of time with regard to reaching your targets.

An action-provoking system, however, will take you above and beyond the league of 80 per cent of salespeople – the ineffective ones who put their effort in too late. Your system will keep you on track, striking while the iron is hot and closing while the customer still has interest… *not* pushing water up hill with a rake, after their interest is lost!

**Remember**

Your action-provoking system puts you in control.

# Fact-check (answers at the back)

1. What percentage of salespeople put most of their effort into closing a sale after it's too late?
a) 40% ❑
b) 80% ❑
c) 20% ❑
d) 10% ❑

2. What's the most important period of the buying cycle?
a) Gaining interest period ❑
b) Maximum interest period ❑
c) Losing interest period ❑
d) All of the above ❑

3. What's the main reason so many salespeople put effort in too late and miss the sale?
a) They don't have action-provoking systems ❑
b) They do things when they have time ❑
c) They don't want to be seen as being too aggressive ❑
d) All of the above ❑

4. What are the benefits to you of having an action-provoking system?
a) It will help you use your time where it counts ❑
b) It will help you close the sales you have already started ❑
c) It will help you start the correct number of new prospects necessary to meet your targets ❑
d) All of the above ❑

5. What systems are least likely to help you reach your targets?
a) A diary system ❑
b) Ones that don't list every prospect ❑
c) Systems that record what has been done, rather than what needs to be done ❑
d) All of the above ❑

6. What must computerized systems do to work well and help you reach your goals?
a) Tell you everything you've done for a prospect, and what stage the sales is at ❑
b) Tell you what day you have to take the next action ❑
c) Show you, on any given day, a list of every prospect that needs action that day ❑
d) All of the above ❑

7. What's the biggest failure of sales systems?
a) Confusing action taken with actions to be taken ❑
b) Messy documents ❑
c) Hard-to-carry systems ❑
d) Too much data ❑

8 What specific information does a sales system need to help you reach your goals the fastest?
a) Data about history about the prospect ❑
b) A new list of prospects ❑
c) Advice codes for each prospect ❑
d) A list of prospects that need action every day ❑

9. When creating action-provoking systems, which questions are useful to ask yourself?

a) Where will I be when I use the system: in the car, at my desk, etc.? ❑

b) Who else will use it? ❑

c) Who will enter the next actions required and the dates by when they must be done? ❑

d) All of the above ❑

10. What will happen if you don't have an action-provoking system?

a) You won't have the support system you need ❑

b) Your energy will be fragmented ❑

c) You'll be disappointed you didn't get the results you hoped for ❑

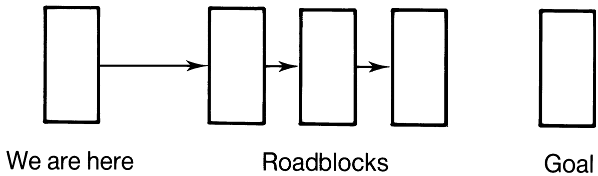
d) All of the above ❑

CHAPTER 7

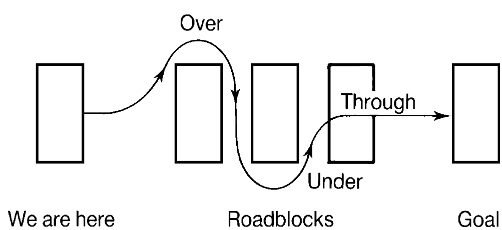
# Implement motivation and support systems

## Overcome roadblocks

Most people see a number of roadblocks between themselves and their goal. Roadblocks always exist.




The mentality shift that helps us overcome roadblocks is totally straightforward: keep the goal in sight and focus determinedly on ways around the roadblocks. It looks like this:



# Summary

In this chapter we studied the most important factors for implementing motivation and support systems.

We saw that being in sales is much like running our own business. Our remuneration, or some of it, is often linked to our results. No sales = no pay. Thus we need to be our own coach, our own cheerleader, our own goal setter and our own creator of a structure for working that brings us success.

We also analysed the steps of the sales process that require the most support, and looked at ways we can get that support. We learned how to stay positive when the going gets tough, how to release negativity and how to eliminate the doldrums and self-criticism. We looked at why we might dare to be different or to take the most challenging path. And, most of all, we looked at the over-under-through method of overcoming obstacles, which can be used not only in sales but also in all aspects of life.

**Remember**

When you come to a crossroads in life, take the most challenging path.

# Fact-check (answers at the back)

1. What's the key to getting support from people?
   a) Being willing to give them reciprocal support ❑
   b) Deciding what kind of support you want and asking for it specifically ❑
   c) Setting your goals and sharing your progress ❑
   d) All of the above ❑

2. What is the first step to staying positive?
   a) Noticing your thoughts ❑
   b) Eating a good breakfast ❑
   c) Working out every day ❑
   d) Meeting with your boss in the morning ❑

3. What is the best way to eliminate the doldrums?
   a) Taking time to acknowledge what you do right ❑
   b) Taking time to acknowledge your persistence ❑
   c) Acknowledging your determination ❑
   d) All of the above ❑

4. What's important about keeping your morale high with regard to increasing your sales?
   a) People will like you ❑
   b) It keeps you going ❑
   c) Your family will notice ❑
   d) You'll feel good about yourself ❑

5. What's the most important step in creating success patterns?
   a) Know what you want to do ❑
   b) Get permission from your boss ❑
   c) Have a positive attitude that you can do it ❑
   d) Write down your plan ❑

6. Why should you not wait until you reach your goal to acknowledge yourself, but instead acknowledge your progress along the way?
   a) To help you remember where you are going ❑
   b) To help you remember why you are going there ❑
   c) Because it's too long to wait until the end ❑
   d) To stay out of the doldrums and keep motivation high ❑

7. Why do most people find it easier to criticize themselves than to acknowledge themselves?
   a) Other people like it ❑
   b) They learned it in childhood ❑
   c) They've had years of practice ❑
   d) It feels right ❑

8. Why is it good to make a list of your skills and qualities and refer to it occasionally?
   a) It brings a smile to your face ❑
   b) You get good ideas from referring to it ❑
   c) It boosts your morale ❑
   d) It helps you defend your position when you need to ❑

**9.** What's a good way to get around roadblocks?

**a)** Think of them as nothing more than challenges that help us grow ❑

**b)** Go around them: over, under or through ❑

**c)** Stop and do something else ❑

**d)** Both a and b ❑

**10.** What's good about the following philosophy? 'When you come to a crossroads in life, take the most challenging path.'

**a)** Challenges make us grow ❑

**b)** It gives you more exercise ❑

**c)** If we turn away from the most challenging path, we stagnate ❑

**d)** Both a and c ❑

# 7 × 7

## 1 Seven keys to success

- Learn to love objections. The top 2 per cent of salespeople truly believe that objections are encouraging signs of interest.
- Master the 3-in-1 technique – interview past and current customers about the benefits they have derived. You'll gain product knowledge, testimonials and referrals.
- Strike while the iron is hot. The Customer Interest Cycle is shorter than you think! Avoid the 80 per cent loss rate by mastering the principles from Chapter 6.
- Create a dynamic follow-up system for reminding yourself when to fulfil promises and when to close for each prospect.
- Know your ratios. How many calls, visits or responses do you need to make one sale? This will tell you how much you need to do daily, weekly and monthly to reach your goal.
- Ask six times. The average sale requires six asks to achieve a closing. Develop numerous ways to ask: 'Does that feature meet your needs?' or 'Which feature will be most useful to you?' and then 'When would you like to start?'
- Set aggressive goals that make life worthwhile – what lifestyle do you want? How much holiday time? How much time with the family? How much income is needed to achieve that? How many sales is that? Now break that into the necessary daily amount of marketing, calls, visits and closings.

## 2 Seven ways to stay motivated

- Every evening, write down two of your successes from the day. Then record the strength you used to achieve that success.

- Try something new at each sales call that's important to closing a sale or building your courage. Then record it and acknowledge yourself.
- Develop a relationship with someone in your company who can provide technical knowledge when you need it. Then you'll always feel supported and never stranded.
- Develop superior skill at asking questions to determine the true buying motives of your prospect. Your skill will make you rise above others.
- Measure your results. Keep a chart of your daily targets versus results, and put it where you can see it each and every day. Update it daily.
- Get other people excited about your targets and results – perhaps a close friend, your spouse or another family member. Keep them informed.
- Create a list of quotes from satisfied users about how they benefit from your product and service. Quotes are great tools for selling and staying motivated.

## 3 Seven things to avoid

- Don't assume you know the buyer's motive. You don't. Every prospect is different, and 80 per cent of salespeople go wrong because they assume they know.
- Don't make assumptions about who makes the buying decision. Ask your prospect if he or she has the final authority for the purchase. If not, say, 'I need decision makers in the room so that I can answer their specific questions.'
- Don't be afraid to be different. If you get a good idea, use it. Don't be guided by those around you who are less successful, less creative or less courageous.
- Don't hang on to negativity. Release it and move on.
- Don't lose a sale by waiting too long to follow up. Agree on a follow-up date with your prospect in advance.
- Don't brush over objections. This will alienate your buyers. Instead, listen and answer according to the three-step process described in Chapter 4.

- Don't rest on your laurels when it comes to product/service knowledge. Become a pro by learning 40 times more than you think you'll need.

## 4 Seven ways to overcome objections

- First and foremost is your mental attitude. Remember that an objection can prove that a prospect has interest. Why would they waste their time verbalizing an objection if they had no interest?
- Stay positive. Know that while a prospect may object to one part of your product, it may still be their best option, and yes – you can still close the sale.
- Melt down resistance by listening well. Repeat the prospect's concern to prove that you've heard the objection before answering it.
- Explain the answer to the objection with specifics. Don't skirt around it or try to sweep it under the rug.
- Ask whether you have satisfied the concern. If not, there might still be a misunderstanding you can correct or a more thorough answer you can provide. If that fails, ask how important that concern is in comparison to everything else.
- Memorize price justifications, especially quotes about results from happy clients. Good evidence will let people see the benefit they'll derive from your higher price.
- Close despite objections: 'Mrs Jones, as you see, we can meet eight of your specific requirements and offer some that you didn't expect. Would you like to move ahead?'

## 5 Seven great quotes

- 'For myself, I am an optimist – it does not seem to be much use being anything else.' Winston Churchill (1874–1965), British prime minister, wartime leader, historian and writer
- 'Let him who would move the world first, move himself.' Socrates (470–399 BCE), Greek philosopher

- 'Whatever you are, be a good one.' Abraham Lincoln (1809–65), President of the United States, lawyer and American civil war leader preserving the US as one nation
- 'Diligence overcomes difficulties. Sloth makes them.' Benjamin Franklin (1706–90), American statesman, scientist and author
- 'The secret of getting ahead is getting started.' Agatha Christie (1890–1976), British author and playwright
- 'Nothing is impossible, the word itself says "I'm possible"!' Audrey Hepburn (1929–93), British Academy Award winning actress and humanitarian, born in Brussels, Belgium
- 'Successful people ask better questions, therefore they get better answers.' Anthony Robbins (1960–), American motivational speaker, writer and peak performance coach

## 6 Seven things to do today

- Contact a satisfied client for a referral.
- Think of one objection that normally crops up. Learn how to head it off skilfully, before it becomes an objection.
- Make sure you have an 'action-provoking system' that allows you to see what needs to be done today – closings, calls, promises kept, promotion material, etc. What improvements can you make to it?
- Study the 'peak buying period' in Chapter 6, and pick three prospects who need to be contacted today. Then either close or progress their movement toward closing.
- Put a note in your diary to check your goals versus your results daily, on the chart you made to stay motivated. Include your marketing goals, prospecting, phone calls, visits and closings.
- Take a walk after work and think of anything that might have gone wrong today. Now decide how to correct it. This will renew your confidence and allow you to hit the ground running tomorrow.
- Never let roadblocks stop you. Overcome them by going over, under or through them, as described in Chapter 7.

## 7 Seven questions to answer

- Do you ask for decisions often enough?
- What strength or strategy did you use to close your last two or three sales? Repeat it again today.
- Do you strike while the iron is hot by asking for decisions during the prospect's peak buying period?
- What can you do to improve your consistency? Remember that selling is like a manufacturing line. It's consistent. Consider your number of calls, your amount of follow-up and your amount of prospecting. What do you need to change to consistently meet your goals?
- Think of a current prospect. Do you know how your product or service will help them reach their corporate goals *and* their personal goals? If not, find out and tell them how your product will meet *both* needs.
- Which area of selling intimidates you the most? Is it objections, the presentation, prospecting or something else? Choose one area and conquer it.
- Be honest: are you reaching your target? If not, it won't improve magically by tomorrow. Something must change, so look first at the time you spend with your prospects versus deskwork and other activities. Increase your time with prospects and your results will improve dramatically.

# PART 2

## Your Successful Key Account Management Masterclass

CHAPTER 8

# Know your customer

The purpose of this type of information is to answer the question 'Where are we now?' Historical sales and market information will form the springboard for analysing growth opportunities for key accounts. The information can be laid out in a pro forma:

Customer markets and our business pro forma

| Year | Market category | Estimate of total purchases by customer (units and value) | Our sales to customer | % share of customer's total purchases | Customer's share % of our total sales |
|---|---|---|---|---|---|
| | | | | | |

This pro forma can be completed for:

- Different years (trends)
- Different markets
- Different products/brands sold to each market.

This knowledge will enable the key account manager to formulate profit improvement strategies for customers that empathize with the customer's profit requirements. The main areas on which such information can be collected are shown in the following table:

| | Ratio | How to calculate | What it means |
|---|---|---|---|
| 1 | Return on capital employed | Net profit before tax/capital employed% | It measures the profits produced in relation to the total capital invested in the business. Capital employed is shareholders' funds (share capital and reserves) plus loans. Comparisons can be made with other companies in the same industry. |
| 2 | Return on sales | Net profit before tax/sales% | This measures profit after all company costs have been deducted in relation to the total sales of the company. This is effectively the customer's profit margins. |
| 3 | Capital turnover | Sales/Capital employed | This measures the speed of sales turnover in relation to the capital employed in the business. High is good. |
| 4 | Stock turnover | Stock × 365/Sales revenue | This measures how the company's inventory (stock) is turning over, expressed in number of days. The lower the number of days the better. |
| 5 | Debtor turnover | Debtors × 365/ Sales revenue | This measures the customer's ability to collect payment from its customers and is expressed in number of days. Like stock turnover, debtor turnover should have a low number of days. |
| 6 | Creditor turnover | Creditors × 365/ Cost of goods sold | This shows how long it takes to pay the bills of suppliers and is expressed in days. The higher the number of days, the better. |

# Summary

The first requirement for any account manager is to know their customer. This involves spending much time and effort in data collection and assimilation to build up a full understanding of the facts, policies, markets, financial performance and buying processes relating to the customer.

While the key account manager does not need to be a financial expert, the information gathered must be accurate, regularly updated and collected in an easy to access form.

Customer policies must be adhered to for the avoidance of costly mistakes and it should be remembered that the customer holds the key account manager responsible for the actions of all supplier staff with whom they are in contact. Knowledge and understanding of the customer enables the formulation of profit improvement strategies for key planning and negotiation, which are facilitated by the development of the right quantity and quality of relationships at all relevant levels with the customer.

Recognition of the decision-making unit and its influences, whether subjective or objective, is vital; while all the information categories are important, the customer buying process is primary. If the key account manager moves on to another company, their successor should have all the core information readily to hand: knowledge is power.

# Fact-check (answers at the back)

1. The key account manager needs to collect information on their customer in how many different categories?
a) 1 ❑
b) 5 ❑
c) 10 ❑
d) 20 ❑

2. It is essential that the information gathered is:
a) accurate ❑
b) shared with the customer ❑
c) tailored to the specific industry ❑
d) easy to access ❑

3. The most important of the information categories is the:
a) customer facts ❑
b) customer financial performance ❑
c) customer buying processes ❑
d) customer policies ❑

4. In examining customer policies the key account manager must include consideration of:
a) access to customer sites and outlets ❑
b) acceptable promotional and marketing support ❑
c) entertaining and social events ❑
d) whether or not they agree with the customer policies ❑

5. A key account manager's behaviour must fit in with the customer's policies:
a) mostly ❑
b) sometimes ❑
c) always ❑
d) never ❑

6. Within the key account manager's team, to whom do the customer's policy guidelines apply?
a) it varies according to the situation ❑
b) delivery staff ❑
c) customer services ❑
d) sales force ❑

7. Unauthorized visits to customer premises are likely to:
a) make the customer feel valued ❑
b) harm the relationship ❑
c) be a good investment in understanding the customer ❑
d) be beneficial to both customer and key account manager ❑

8. A key account manager will need to build a relationship with the customer's:
a) buyer ❑
b) secretary ❑
c) finance department ❑
d) none of the above ❑

9. When looking at the financial summary of the customer's performance, the key account manager needs to consider:
a) trends over the past two or three years ❑
b) last year's figures and projections for this year ❑
c) estimates of sales for the next three years ❑
d) this year's sales only ❑

**10.** In the formulation of profit improvement strategies the key account manager needs to consider the customer's return on capital employed. Which of the following statements are true?

**a)** return on capital employed measures the profits produced in relation to the total capital invested in the business ❑

**b)** comparisons may be made with other companies in the same industry ❑

**c)** return on capital employed is the only relevant consideration in determining declining or improving fortunes in a customer ❑

**d)** return on capital employed is one of several factors to consider in understanding the customer's financial performance ❑

CHAPTER 9

# Analyse your growth opportunities

# Strengths/weaknesses/ opportunities/threats (SWOT)

- Identify key areas for SWOT Analysis
- Identify your strengths
- Recognize weaknesses
- Highlight likely opportunities

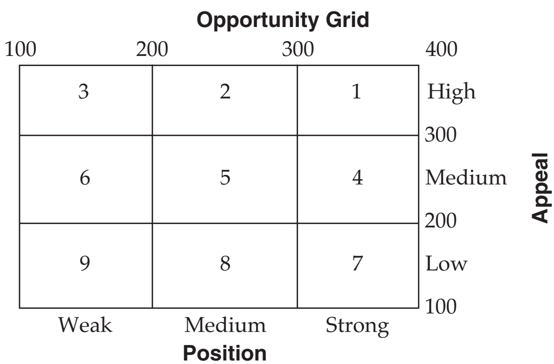
- Recognize real threats.

SWOT Analysis

| | Strengths | Weaknesses | Opportunities | Threats |
|---|---|---|---|---|
| Product range | | | | |
| Product quality | | | | |
| Branding | | | | |
| Pricing/Terms | | | | |
| Distribution/ Listings (% outlets stocked) | | | | |
| Service (delivery, sales) | | | | |
| Promotions | | | | |
| Merchandising | | | | |

# Account appeal/your position

- Create an opportunity grid
- Analyse customer appeal factors
- Analyse the strengths of your position
- Position accounts on opportunity grid.



The scoring boundaries used above (100–400) are taken from the example company used. The grid numbers (1–9) are explained at the end of this section.

Account appeal factors

| | |
|---|---|
| 1 *Market factors* | |
| Volume turnover | |
| Rate of growth | |
| Range stocked | |
| Access | Access to those parts of the key account needed to achieve your objectives. There will be two main areas:<br>1 Middle management<br>2 Branches |
| Support | Of our brands by account. |
| 2 *Financial factors* | |
| Demand for discount | |
| Distribution policy | This could be in the form of warehouse delivery to branches, direct distribution or third-party supply. The important thing is how effective the operation is, not which of these three is in operation. |
| Prompt payment | |
| Instant volume ability | Is the account able to take deliveries of large volumes at short notice and pay for them? |
| 3 *Environmental factors* | |
| Provision of information | How willing or able is the account to supply the kind of information you need for effective business planning? |
| Buyer relationship | Quality of interpersonal relationship with key account manager and those able to take decisions and implement policy on the key account side. |

Your position factors

| | |
|---|---|
| Brand strength in account | |
| Product range stocked | |
| Merchandising support | In the sphere of pack facings and point-of-sale material. |

| | |
|---|---|
| Market share | Your share of that particular key account business. |
| Competitor activity | In the sphere of promotional activity. |
| In-store furniture | The proportion supplied by you as opposed to other manufacturers. |
| Pull-through ability | This factor refers to the ability of the account to implement and pull through promotional business development plans. In all probability, two main areas will need investigation:<br>1 Middle management<br>2 The point of sale |
| Distribution/Delivery effectiveness | This is the measure of efficiency of the key account to have the correct brands in appropriate volumes always available at the point of sale. |
| Promotional/Pricing flexibility | Is the key account able to meet our needs in these respects? |
| Company awareness | The key account manager's awareness and understanding of the complete key account operation, its aspirations, successes, failures, strengths and weaknesses. |
| Complication factors | Disruption of business plans for whatever reason – management, inflexibility of varying systems etc. |
| Service relationship | Strength of your position with account. |

| Account appeal | | | | Our position/Strength | | | |
|---|---|---|---|---|---|---|---|
| 1 *Market factors* | Weight | Score | Total | | Weight | Score | Total |
| Volume turnover | 20 | 3 | 60 | Brand strength in account | 18 | 3 | 54 |
| Rate of growth | 12 | 2 | 24 | Product range stocked | 10 | 3 | 30 |
| Range stocked | 10 | 3 | 30 | Merchandising support | 6 | 2 | 12 |
| Access | 6 | 4 | 24 | Market share | 12 | 3 | 36 |
| Support | 6 | 2 | 12 | Competitor activity | 7 | 2 | 14 |
| 2 *Financial factors* | | | | In-store furniture | 4 | 2 | 8 |
| Demand for discount | 10 | 1 | 10 | Pull-through ability | 4 | 3 | 12 |
| Distribution policy | 10 | 2 | 20 | Distribution/Delivery effectiveness | 15 | 3 | 45 |
| Prompt payment | 4 | 4 | 16 | Promotional/ Pricing flexibility | 10 | 2 | 20 |
| Instant volume ability | 10 | 3 | 30 | Company awareness | 4 | 4 | 16 |
| 3 *Environmental factors* | | | | Complication factors | 4 | 4 | 16 |
| Provision of information | 4 | 3 | 12 | Service relationship | 6 | 2 | 12 |
| Buyer relationship | 8 | 2 | 16 | | | | |
| **TOTAL** | **100** | | **254** | | **100** | | **275** |

At the end of this important analytical process the key account manager can see all of the accounts placed in the nine grid boxes. Although there can be some exceptions, the usual way to use the opportunity grid is as follows:

| Account grid Location | Opportunities | Strategy |
|---|---|---|
| Boxes 1, 2 and 4 | Strong position/appeal | Defend/improve |
| Boxes 3, 5 and 7 | Selective opportunities | Build and develop |
| Boxes 6, 8 and 9 | Weak position/appeal | Milk/withdraw |

# Product market matrix

- Market size estimates
- Product sales by market
- Product/market trends
- Opportunity areas.

The product market matrix is an effective way to position and visualize the sales opportunities for major accounts. The matrix can be used in a variety of ways and the following example shows how it works.

The product market matrix

| £000 | Market 1 | Market 2 | Market 3 | Product trend | TOTAL |
|---|---|---|---|---|---|
| Product 1 | 100<br>60 | 2000<br>80 | 400<br>150 | Increasing 33% p.a. | 2500<br>290 |
| Product 2 | 500<br>30 | 1000<br>100 | 2000<br>100 | Decreasing 7% p.a. | 3500<br>230 |
| Product 3 | 1200<br>100 | 2400<br>200 | 1600<br>40 | Increasing 2% p.a. | 5200<br>340 |
| Market trend | Static | Growing 14% p.a. | Increasing 3% p.a. | | |
| TOTAL | 1800<br>190 | 5400<br>380 | 4000<br>290 | | 11200<br>860 |

P<br>A

P = Potential purchases, i.e. market size.<br>
A = Actual purchases from us.<br>
p.a. = per annum.

# Summary

The sales opportunities for each account must be considered carefully by the key account manager. The four analysis requirements to understand business growth opportunities are: competitive and SWOT analyses, account appeal and product market matrix.

The competitive analysis allows for the identification of competitors, examination of previous actions, consideration of strengths and weaknesses and forecast planning. In choosing the topic areas of analysis for SWOT, the key account manager must examine their own company to identify strengths, recognize weaknesses, highlight likely opportunities and understand real threats.

In consideration of account appeal and the key account manager's own position in relation to the customer's business, an opportunity grid is a useful tool. With this grid it is possible to reduce subjectivity in analysing customer appeal factors relative to the strength of the manager's own position. This visual map gives a strong indication of the opportunities available and therefore of the strategy to adopt for each account.

Finally, the product market matrix effectively positions the sales opportunities for major accounts, given consideration of market size estimates, product sales by market, product/market trends and areas of opportunity. At the very least, this will provide a basis for further investigation by the key account manager.

# Fact-check (answers at the back)

1. How many stages are involved in analysing business growth opportunities?
a) one ❑
b) two ❑
c) three ❑
d) four ❑

2. Complete the phrase. Product market...
a) format ❑
b) template ❑
c) matrix ❑
d) pattern ❑

3. Competitors need to be analysed in terms of:
a) strengths and weaknesses ❑
b) the size of their company ❑
c) financial position only ❑
d) the plans they publish ❑

4. SWOT is an acronym for strengths, weaknesses, opportunities and...
a) timescales ❑
b) threats ❑
c) teamwork ❑
d) trials ❑

5. How many topics should be considered in a SWOT analysis?
a) as few as possible ❑
b) five ❑
c) eight ❑
d) there is no limit ❑

6. With reference to an opportunity grid, which of the following statements apply?
a) the list of appeal and position factors is the same in every industry ❑
b) it places the company's major accounts on a visual map ❑
c) there is no standard list of appeal and position factors ❑
d) there is no potential for comparison between accounts ❑

7. In considering account appeal factors which of the following are applicable?
a) market factors ❑
b) financial factors
c) environmental factors ❑
d) it varies from time to time ❑

8. The word 'market' can have various meanings, including:
a) different countries ❑
b) sales regions ❑
c) industries ❑
d) none of the above ❑

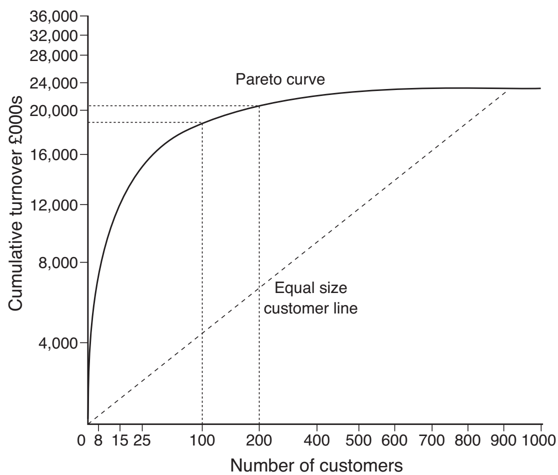
9. Product categories in the product market matrix can be
a) of little relevance to the scoring ❑
b) individual items ❑
c) product groups ❑
d) broad generic categories ❑

10. The product market matrix can be used by the key account manager
a) to identify growth opportunities ❑
b) as a stand-alone tool to look at sales opportunities ❑
c) to provide a basis for further investigation ❑
d) to show under performance ❑

CHAPTER 10

# Measure profits by account

# Comparing sales and profits



A typical profit and loss account by a customer would look like the table below:

| | Customer A | |
|---|---|---|
| | £000 | % |
| Standard price (excluding tax) | 70,000 | 100 |
| Manufacturing costs | 40,600 | 58 |
| **Maximum gross contribution** | **29,400** | **42** |
| Total discounts | 16,100 | 23 |
| **Actual gross contribution** | **13,300** | **19** |
| **Delivery costs**: | | |
| 200–999.9 drop size<br>1,000+ drop size | 1,050<br>1,050 | 1.5<br>1.5 |
| Total Distribution Costs | 2,100 | 3 |
| **Distributed Contribution Selling costs**:<br>Key account<br>Regional<br>Merchandising | 11,200<br>35<br>700<br>315 | 16<br>0.05<br>1<br>0.45 |
| Total selling costs | 1,050 | 1.5 |
| **Selling contribution** | 10,150 | 14.5 |
| Extended credit cost | 1,960 | 2.8 |
| Office administration | 210 | 0.3 |
| **Net contribution** | 7,980 | 11.4 |
| Allocated overheads | 4,270 | 6.1 |
| **Net profit** | 3,710 | 5.3 |

# Summary

Account profitability information is an important tool in key account management. In general, 80 per cent of a company's sales turnover will come from 20 per cent of customers; this is the Pareto statistical distribution. It is illuminating that 80 per cent of a company's profits will also come from 20 per cent of its customers, but crucially, these are not the same 20 per cent who produce the majority of the sales. This is because the major customers can demand and obtain better prices, discounts and service levels, all of which considerably reduce the supplier's profits. Therefore the key account manager should attempt to make less profitable customers more profitable and try to grow sales turnover with those whose profitability is higher.

Profit analysis has many benefits including the drawing up of a full profit and loss account which then enables comparisons to be made between major customers as well as profit improvement strategies.

Financial fluency and awareness are of great importance during the ongoing negotiation process with each major customer and the key account manager themselves may be appraised and measured on profit improvement performance as part of a performance management system.

# Fact-check (answers at the back)

1. The most important customers in terms of sales:
   a) may not be the most important in terms of profit ❑
   b) will definitely be the most important in terms of profit ❑
   c) are the only customers worth developing ❑
   d) can make significant demands of the supplier ❑

2. The Pareto statistical distribution shows that:
   a) in general, 20 per cent of a company's sales turnover will come from 80 per cent of customers ❑
   b) in general, 80 per cent of a company's sales turnover will come from 20 per cent of customers ❑
   c) in general 50 per cent of a company's sales turnover will come from 50 per cent of customers ❑
   d) per cent of sales turnover from per cent of customers varies from industry to industry ❑

3. Of a company's profits, around 80 per cent come from around 20 per cent of its customers. These are:
   a) the same 20 per cent of customers who produce most of the sales ❑
   b) generally not the same 20 per cent of customers who produce most of the sales ❑
   c) it varies from industry to industry ❑
   d) atypical results ❑

4. A supplier's profits can be considerably reduced by:
   a) small customers ❑
   b) promotional discounts ❑
   c) reduction in prices ❑
   d) service levels ❑

5. If top customers in terms of sales turnover are not also top customers in terms of profit, the key account manager should:
   a) no longer deal with these customers ❑
   b) try to make less profitable customers more profitable ❑
   c) accept the situation ❑
   d) try to grow sales turnover with customers whose profitability is higher ❑

6. Analysing the profitability of major customers is usually carried out by:
   a) the customer themselves ❑
   b) the key account manager ❑
   c) the financial department ❑
   d) the customer services department ❑

7. Costs attributable to customers include:
   a) key account management time ❑
   b) raw materials ❑
   c) promotional costs ❑
   d) transport costs ❑

8. Account profitability information:

a) needs to be reported to the key account manager on a regular basis ❑

b) can be reported just when convenient ❑

c) can be used as part of a performance management system ❑

d) has no value in performance management ❑

9. Profit analysis:

a) facilitates comparison between major customers ❑

b) enables profit improvement strategies ❑

c) shows the current position but has no bearing on future direction ❑

d) none of the above statements is applicable ❑

10. Profit improvement strategies may include:

a) increasing sales of more profitable products ❑

b) increasing sales volume ❑

c) ending promotions ❑

d) increasing customer credit period ❑

# CHAPTER 11

# Plan for success

# Summary

A company which prospers is one that makes things happen through good planning and the anticipation of market and competitive threats.

Planning for success requires a well thought out key account plan which provides direction, objectives, strategies, action plans, budget and the benchmarks by which success may be evaluated. The plan should be written down and circulated to all those within the company who have a part to play in its implementation. At periodic review meetings the key account manager will be appraised on the delivery of the plan, with any shortfall being identified and measures taken to fill any disparity between objectives and results.

Essentially the key account plan will answer three key questions:

- Where would we like to be?
- How will we get there?
- How will we know we are getting there?

If the plans are completed to a standard format, comparisons may be made between plans for different customers and also allow for the greatest resource allocation by senior management. A consistent link between objectives and performance monitoring is paramount, with the regular reporting of targets being very effective in the assessment of this. A sales plan checklist ensures that the correct course is maintained.

# Fact-check (answers at the back)

1. Planning for success aims to develop objectives, strategies and tactical plans to:
   a) give the key account manager a set of action priorities ❏
   b) prevent competitive threat ❏
   c) form the basis of successful evaluation ❏
   d) avoid the need for further negotiation ❏

2. It is good practice for each key account manager in a company to complete the account plan to a standard format. This:
   a) enables comparisons to be made between plans for different customers ❏
   b) does not enable comparisons between plans for different customers ❏
   c) allows the best plans to achieve the greatest resource allocation ❏
   d) has no influence on resource allocation ❏

3. Performance targets are effective if reported on a consistent basis. Which of the following statements are applicable?
   a) only quantitative targets are relevant ❏
   b) only qualitative targets are relevant ❏
   c) both qualitative and quantitative targets are relevant ❏
   d) sales figures alone are relevant to performance targets ❏

4. A key account plan builds on the analysis of growth opportunities and the measurement of profits by account. Which of the following statements is also true?
   a) the best plan is the first and most obvious outcome ❏
   b) a series of alternative strategies and actions will be generated ❏
   c) the final plan will be the best judgement taking internal and external factors into account ❏
   d) the plan should be circulated to all within the company who have a part to play in its implementation ❏

5. At periodic review meetings, the key account manager will be appraised on delivery of the plan according to criteria of:
   a) content and quality ❏
   b) timing ❏
   c) budget ❏
   d) simplicity ❏

6. Which three of the following questions are relevant to the key account plan?
   a) where are we now? ❏
   b) where would we like to be? ❏
   c) how will we get there? ❏
   d) how will we know we're getting there? ❏

7. In assessing customer strategy in the account plan format, which of the following should be taken into account?
a) customer appeal, whether high, medium or low ❑
b) any potential customer has appeal, irrespective of their position ❑
c) our position within the customer's business, whether strong, medium or weak ❑
d) our present position is irrelevant; where we aim to be is all that matters ❑

8. With regard to the merchandising checklist for a sales plan:
a) the displays of competitors are not relevant ❑
b) the displays of competitors are relevant ❑
c) consideration should be given to the compatibility of packaging with customers' needs ❑
d) it is not necessary to accommodate customers' needs in the design of packaging ❑

9. The pricing checklist of a sales plan should consider:
a) trying to get away with the highest price possible, even if it is unsustainable ❑
b) retail price ❑
c) discounts ❑
d) customer incentive scheme ❑

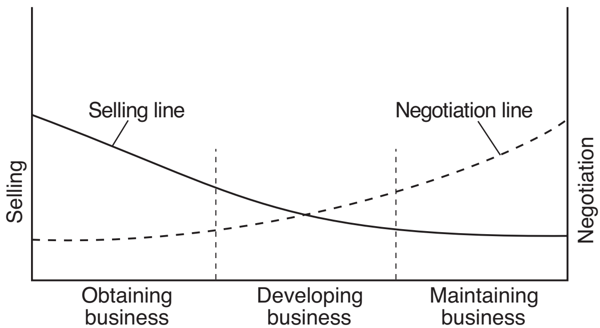
10. Companies which prosper:
a) make up a plan as they go along ❑
b) achieve results through good planning ❑
c) measure and evaluate success ❑
d) anticipate market and competitive threats ❑

CHAPTER 12

# Negotiate to win/win

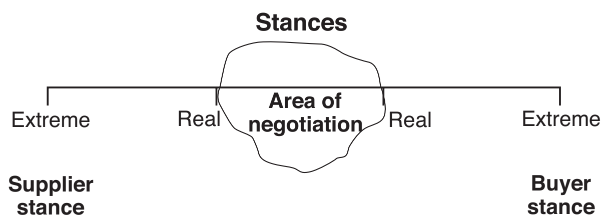
# Negotiation versus selling

**Selling versus negotiation**



# Assess stances that buyer will take

- What is the real strength of the buyer's need?
- How will the buyer state this in the extreme stance?
- What will be done to pull you towards this position?
- What will the buyer's real stance be?



# Summary

The ability to negotiate is a core skill for key account managers and can be developed through practice and training. The aim is to achieve a win/win situation in a challenging but friendly atmosphere.

Key account managers must still use their selling skills to develop relationships with their accounts and to put forward their case, yet negotiation is more prominent in maintaining business. All negotiation should be planned, following five steps: identifying areas for negotiation, undertaking a cost/benefit analysis, assessing the stances the buyer will take, relating to the key account manager's own objectives and planning their own stance.

Having planned the negotiation, the key account manager must consider the situation from the customer's viewpoint; successful negotiators are particularly strong in empathizing with their customer.

There is a significant list of negotiation variables and the skilful negotiator begins by obtaining the buyer's shopping list right at the start. Concessions can then be traded creatively, with the selling skill of persuasion being used to help secure the best deal possible, adhering to the do's and don'ts of negotiation principles.

Finally, summarize the points of agreement during the negotiations as well as the actions to be taken to resolve any matters not yet agreed.

# Fact-check (answers at the back)

1. Negotiation can occur:
a) only at the start of the relationship with the customer ❑
b) during any stage of the relationship ❑
c) where an annual contract needs to be agreed ❑
d) where individual transactions form part of the relationship ❑

2. Select the correct statements. Negotiation:
a) is not the same as selling ❑
b) is the same as selling ❑
c) is a give and take process ❑
d) has an outright winner and a clear loser ❑

3. Select the correct statements. Selling:
a) assumes that the need to supply is equal to the need to buy ❑
b) occurs when the need to supply outstrips the need to buy ❑
c) involves persuading the buyer that the supplier's products are needed ❑
d) is a skill not required in negotiation ❑

4. When planning to negotiate, how many stages are there to follow?
a) one ❑
b) five ❑
c) ten ❑
d) it varies from time to time ❑

5. When planning to negotiate:
a) the key account manager must look at the situation from the customer's viewpoint ❑
b) the key account manager needs only to consider their own viewpoint; the customer can look after themselves ❑
c) successful negotiators avoid empathizing with the customer so as not to be distracted from their aims ❑
d) successful negotiators are particularly strong at putting themselves in their customer's shoes. ❑

6. During the negotiations:
a) it is always possible to strike a deal ❑
b) there is a 'walk away' point ❑
c) there is a creative trading of concessions ❑
d) the atmosphere is unlikely to be pressured or hostile ❑

7. There is usually a significant list of negotiation variables, often called
a) the wish list ❑
b) the to-do list ❑
c) the dream list ❑
d) the shopping list ❑

8. A skilful negotiator:

a) makes their own requirements known first to dominate the negotiation ❑

b) lets the buyer talk first to learn the full shopping list ❑

c) seeks to diminish the buyer's confidence to be able to achieve their own goals ❑

d) ensures the buyer gets satisfaction also – you both need to 'win' ❑

9. Which of the following are good principles of negotiation?

a) showing emotion ❑

b) confessing limits to authority ❑

c) showing respect ❑

d) relaxing one's guard ❑

10. Which of the following statements are applicable to negotiation?

a) skills of negotiation can be developed through continuous practice and training ❑

b) there are significant costs and values to be obtained on both sides ❑

c) the aim is to achieve a good compromise ❑

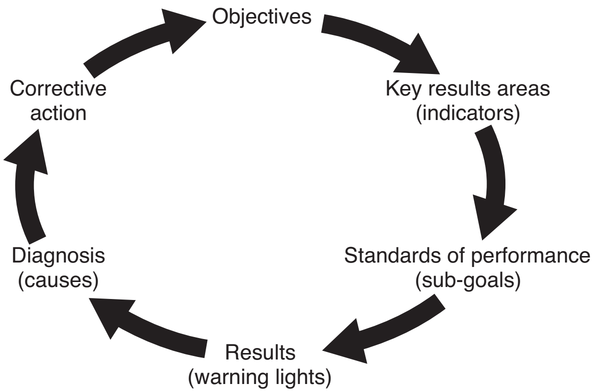
d) none of the above ❑

CHAPTER 13

# Control activity levels

The control cycle is shown below:

**Managing with information**



Annual account plan presentation

| | |
|---|---|
| **Stage 1** | **Review last year's trading performance**<br>● Volume/sterling turnover<br>● Expenditure budget<br>● Promotion programme<br>● Marketing support<br>● Range stocked, gains/losses<br>● Distribution levels by product |
| **Stage 2** | **New year's objective/strategy**<br>● Set turnover target/earnings target<br>● Promotion strategy<br>● Distribution/listings objectives<br>● Marketing plans, etc. |
| **Stage 3** | **Incentive discount scheme**<br>● Outline earnings achieved<br>● Present new proposition |
| **Stage 4** | **Account plans**<br>● Store opening/closing programme<br>● Promotions programme<br>● Stocking policy<br>● Pricing policy, etc. |

| | |
|---|---|
| **Stage 5** | **Justification of account plans**<br>Sales increases due to:<br>● Inflation<br>● Store maturity (sales increases due to new stores becoming fully operational)<br>● New store openings<br>● Brand maturity (sales increases due to new brands becoming fully accepted and distributed)<br>● Promotional support<br>● Market growth<br>● Market share growth<br>● New listings<br>● New products<br>● Shelf space/relays |
| | Sales decreases due to:<br>● Store closures<br>● Brand deletions |

Quarterly reviews

| | |
|---|---|
| **Stage 1** | **Review trading situation**<br>● Versus same period last year<br>● Versus incentive discount scheme (including targets to pull back any deficit)<br>● Versus objective set with account |
| **Stage 2** | **Review promotional programme**<br>● Result of promotions already run<br>● Reconfirm remainder of programme<br>● Discuss any changes re. Stage 1 results |
| **Stage 3** | **Review marketing support**<br>● Results of activity already run<br>● Reconfirm rest of year<br>● Present any changes to plans |
| **Stage 4** | **Accounts plans**<br>● Identify any changes to policy that will affect your plans |

# Summary

A good plan must be measured and managed for it to become a successful plan and the control of activity levels for each major customer is an essential task for the key account manager. The objectives are the absolute success measures and cover quantifiable goals such as sales, turnover and volume, profit and market share of the customer's business. The key results areas are the means by which the objectives are achieved and include all the activity levels necessary to service the account.

Judging the relationship between activity levels and success is an art, so previous experience is the best guide to establishing the required levels of activity.

Once the key results are established, standards of performance can be set for each type of activity with major customers; both quantitative, such as number of calls made and time spent per call and qualitative, such as the way responses are handled and the standard of the service given.

The key account manager needs to collect and analyse results so that performance can be measured against all set standards. Diagnosis to identify when results are not being met due to qualitative or quantitative shortfalls in standards allows corrective action to be applied.

# Fact-check (answers at the back)

1. In controlling activity levels, select which of the following statements apply:
   a) the key account manager needs to present plans and progress to customers ❑
   b) the key account manager does not need to present plans and progress to customers ❑
   c) success must be measured against plans through standards of performance ❑
   d) success does not need to be measured; this has no benefit ❑

2. Objectives are the absolute success measures and cover quantifiable goals such as:
   a) sales ❑
   b) turnover and volume ❑
   c) customer satisfaction ❑
   d) profit and market share of the customer's business ❑

3. Staff relevant to the activity levels servicing the account include:
   a) the key account manager only ❑
   b) the customer services team only ❑
   c) the senior management contacts with customer's equivalent levels of management ❑
   d) all staff who are involved in servicing the account ❑

4. When considering the relationship between activity levels and success:
   a) the relationship may be judged scientifically ❑
   b) it is a subjective judgement ❑
   c) there is no guide to the required levels of activity ❑
   d) previous experience is the best guide to establishing activity levels ❑

5. Standards of performance may be:
   a) quantitative only ❑
   b) qualitative only ❑
   c) either qualitative or quantitative ❑
   d) set and agreed with each member of the team in contact with the customer ❑

6. How many stages are there in the annual account plan presentation?
   a) one ❑
   b) three ❑
   c) five ❑
   d) ten ❑

7. The collection and analysis of results involves several challenges. Which of the following statements is true?
a) if the information is difficult or expensive to collect, the costs outweigh the benefits so it should not be done ❑
b) documentation only needs an initial set-up and will then be relevant for the duration of the relationship ❑
c) development and continual modification of documentation will ensure accuracy ❑
d) it is not necessary to tailor the system to individual companies ❑

8. Diagnosis aims to identify when results are not being met. This may be:
a) due to a fall in quantitative standards ❑
b) due to a fall in qualitative standards ❑
c) identified from personal meetings and discussion with staff ❑
d) unrelated to the above possibilities ❑

9. Corrective actions may entail:
a) improved activity management ❑
b) changing the objectives to make them easier to achieve ❑
c) revised training programmes ❑
d) new control and measurement systems ❑

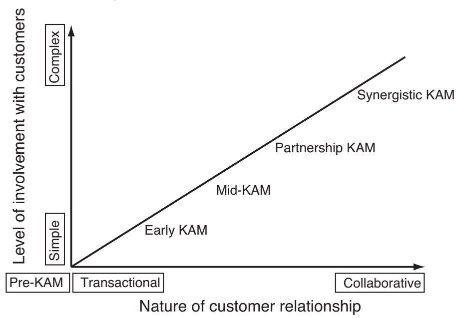
10. If a major customer is falling short of the profit objectives set for it, corrective action could involve:
a) increasing price levels ❑
b) reducing discounts ❑
c) redirecting effort to higher margin profit lines ❑
d) an easy solution, as the customer is likely to welcome negotiating new terms ❑

# CHAPTER 14

# Manage relationships

# Relational Model

**Key account Relational Model**

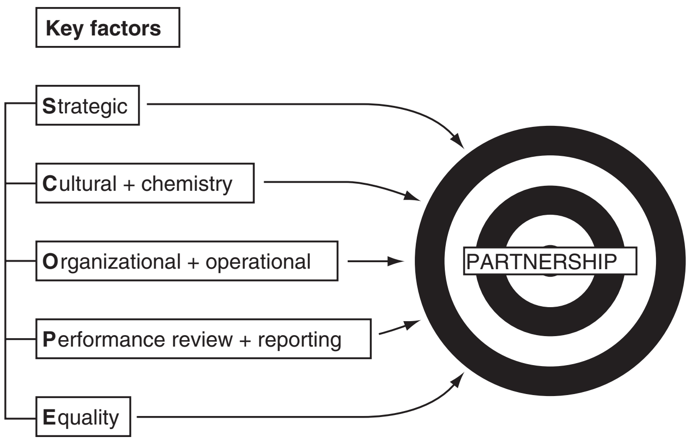



KAM = Key account management

Source: *Key Customers: how to manage them profitably*

Malcolm McDonald, Butterworth-Heinemann, 2000. Based on the work of Millman and Wilson.

**Successful partnerships**
**SCOPE model**




**Source:** *R.Pudney Ashridge International Partnership Study*

# Summary

The move from short-term sales achievement to collaboration, with long-term customer value and retention, means it is increasingly important in key account management to build relationships by linking supplier company staff more closely with major customer staff.

This trend is shown by the Relational Model. The different stages of the relationship have different characteristics, from seeking initial entry points (pre-KAM) to winning a small share of the customer's business (early-KAM), to becoming a preferred supplier (mid-KAM) through to partnership and beyond. As these stages progress the customer and the key account manager become increasingly aligned and interdependent; there are many competitive advantages from partnership.

Trends such as centralization of buying and global sourcing of supplies favour the development of relationships with suppliers and there is a SCOPE model of successful partnerships.

The qualities a key account manager needs to possess are determined by the type of relationship between supplier and customer. Excellent sales skills will be appropriate for early KAM and perhaps mid KAM, but the ability to manage complex customer relationships is also essential if the relationship is to become less transactional.

# Fact-check (answers at the back)

1. The description of how the key account relationship changes as it moves from transactions to collaboration is called the Relational:
a) Progress ❑
b) Model ❑
c) Development ❑
d) Change ❑

2. Which of the following statements apply to the developing relationship with customers in key account management?
a) the level of involvement moves from simple from complex ❑
b) the level of involvement is complex to begin with then becomes simple ❑
c) the nature of the relationship moves from transactional to collaborative ❑
d) the nature of the relationship moves from collaborative to transactional ❑

3. How many stages are there of key account management?
a) one ❑
b) five ❑
c) ten ❑
d) an infinite number ❑

4. Which of the following statements is applicable to Partnership KAM?
a) supply and share of customer's business may approach 100 per cent ❑
b) supplier and customer introduce new levels of confidentiality ❑
c) sensitive information is shared ❑
d) financial information is closely guarded ❑

5. Which of the following statements is applicable to Synergistic KAM?
a) it is always easy to end the synergism ❑
b) exit barriers on either side are high ❑
c) the two companies remain distinct ❑
d) there is a single entity, rather than two organizations ❑

6. Uncoupling KAM is the phrase used to describe a breaking down of the business relationship. Which of the following may be a cause of uncoupling?
a) changes in key personnel ❑
b) an improvement in product, process or people quality ❑
c) complacency ❑
d) financial problems ❑

7. A Value Managed Relationship is one which:

a) is entirely dependent on the value of the sales ❑
b) sees the key account manager having a low profile in the relationship ❑
c) is a collaborative partnership aimed at retaining major customers ❑
d) is one whereby the supplier charges the customer for every service delivered ❑

8. Which of the following are competitive advantages from partnerships?

a) higher margins/higher prices ❑
b) security of supply ❑
c) blocking competitors ❑
d) none of the above ❑

9. The Ashridge research developed an easy to remember model of successful partnership called:

a) RANGE ❑
b) REACH ❑
c) EXTENT ❑
d) SCOPE ❑

10. In a comparison between transactional and relationship key account management, which of the following statements is true?

a) transactional KAM focuses on sales ❑
b) relationship KAM has low service levels ❑
c) relationship KAM is adversarial ❑
d) transactional KAM is short time-scale ❑

# 7 × 7

## 1 Seven key ideas

- Work harder at knowing your customer. Understanding your customer, through better knowledge of them and their market, is vitally important when profits are being squeezed.
- Ensure your internal customer information management system is up to date. This will help you to assess your growth opportunities and help you in your negotiations with key customers.
- Promote value-added services to customers, to give you a competitive edge, and reduce the focus on price and cost.
- Develop better working and personal relationships with customers, to develop more empathy with them and to understand their key issues and possible solutions.
- Build up your internal team in terms of better relationships, communication and motivation – managing major customers is always a team effort.
- Continually update your assessments of customer and market segment profitability, as opportunities always exist for reducing costs or creating extra value. Sales growth at a loss is not a good strategy in the long term.
- Keep sight of the future. Tough times do not last forever, and you need to capitalize on new opportunities and market changes when they happen.

## 2 Seven best resources

- www.keyaccountmanagement.org This is a global resource to share knowledge and learning on key account management.
- www.strategicaccounts.org  SAMA is a non-profit association aimed at helping establish key account management as a separate profession and at developing a corporate strategy for growth.

- www.som.cranfield.ac.uk Cranfield Business School is a major specialist in key account management, and this site is a club for best practice sharing of ideas.
- *Key Account Management: The Definitive Guide* by Malcolm McDonald and Diana Woodburn (Butterworth Heinemann, 2011). This book offers state-of-the-art strategies in tools and processes.
- *Relationship Management for Competitive Advantage* by Adrian Payne, Martin Christopher, Moira Clark and Helen Peck (Butterworth Heinemann, 1998). This has some excellent writing from around the world.
- *From Key Account Selling to Key Account Management*, Tony Millman and Kevin Wilson, Tenth Annual Conference on Industrial Marketing and Purchasing (1994). This introduced the pioneering key account relational development model.
- *Major Account Sales Strategy* by Neil Rackham (McGraw Hill, 1989). The author of *SPIN Selling* wrote this book to focus on the creative sales aspects of key account management.

## 3 Seven things to avoid

- Focusing on internal matters instead of the customer.
- Becoming complacent in your processes and systems of customer management.
- Forgetting that profit is more important to the company than sales.
- Delaying personal development of your knowledge, skills and attitudes.
- Underestimating the importance of personal qualities – 'people buy people first'.
- Becoming too similar to competitors ('me too') instead of creating differences and a competitive edge.
- Losing focus on the real target opportunities for growth of sales and profits – 'fish where the fish are'.

## 4 Seven inspiring people

- Tom Peters, author of a pioneering series of 'Excellence' books on business. See www.tompeters.com.
- Neil Rackham, author of *Rethinking the Sales Force* (McGraw Hill, 1998).
- Theodore Levitt, for his pioneering work in the origins of marketing, including *Marketing Myopia* (Harvard Business Review Classics, 2008).
- James A. Belasco, author of *Teaching the Elephant to Dance* (Century Business, 1990), a leading book on change management in organizations.
- Dr Walter Doyle Staples, author of *Think like a Winner* (Heinemann Asia, 1991), on the value of positive thinking. See www.doctorstaples.com.
- Rosabeth Moss Kantar, author of various books on business entrepreneurship, including *The Change Masters* (Counterpoint, 1983).
- Charles Handy, author of many business books, including *The Empty Raincoat* (Random House Business, 1995) and *The Age of Unreason* (Random House Business, 2002).

## 5 Seven great quotes

- 'The customer finally decides the fate of an enterprise. This does not mean that other corporate matters are less important, only that they are not more important.' Anonymous
- 'A long journey of 1000 miles begins with a single step.' Chinese philosopher, Laozi (600 BC)
- 'The purpose of a business is to create and keep a customer.' Peter Drucker
- 'The pessimist sees difficulty in every opportunity. The optimist sees opportunity in every difficulty.' Winston Churchill

- 'Ability is what you're capable of doing. Motivation determines what you do. Attitude determines how well you do it.' Lou Holtz, ex-American football coach
- 'Develop the winning edge. Small differences in your performance can lead to large differences in your results.' Brian Tracy, management speaker
- 'The competitor to be feared is the one who goes on making his own business better all the time.' Henry Ford

## 6 Seven things to do today

- Ask yourself how you can be a better team member.
- Be honest in asking yourself what value have you added to your specific job today.
- Set an action plan to improve continuously your skills, knowledge and attitude.
- Try to improve your worst characteristic.
- See what you can do to contribute more to the team at meetings.
- Apply the 'so what' test to every decision you take, i.e. ask if you are making a real difference.
- Set yourself a programme to improve your time productivity, i.e. output value relative to work input.

## 7 Seven trends for tomorrow

- Technology will improve customer and market information, giving more challenges on how to use it.
- Sales forces will decline in number as the marketing and service model is re-engineered in response to market and cost changes.
- The expansion of the Internet channel and social networks will expand electronic commerce.
- Key account management will evolve towards global service/integrated relationships as partnerships become closer between supplier and customers.

- Products and services will be harder to differentiate as globalization produces a trend towards commodities without a competitive edge.
- Profitability will grow in importance over sales in key account management, as companies face increased pressure on margins.
- The need will be for much better qualified key account managers with the trend towards integrated and complex relationships between suppliers and customers.

# PART 3

## Your Negotiation Skills Masterclass

CHAPTER 15

# Creating the right environment

## Creating the right atmosphere

Experienced negotiators recognize that there are four possible outcomes to a negotiation:

I WIN ⟷ YOU LOSE

I LOSE ⟷ YOU WIN

I LOSE ⟷ YOU LOSE

OR … WE BOTH WIN!

# Summary

So, let's summarize our progress. You should think carefully about how to build a partnership with your opponent.

Look inside your heart and ask yourself:

- Am I really seeking a win/win outcome?
- When will be the best time to negotiate?
- Are we / is our opponent in a hurry?
- How can we use time to our mutual benefit?
- What advantages are there in going to the other party to negotiate or in asking them to come to us?

These questions may seem obvious, but the art of negotiating lies in applying them to your own situation.
Try to relate them to a current project or need. For example, you may be thinking of changing your car. Which of these points might be of greatest help to you?

| Atmosphere | Time | Place |
|---|---|---|
| | | |
| | | |
| | | |
| | | |

Negotiation is not a ‘dark art’ which should be avoided at all costs! It provides a useful skill that often enables a manager to achieve desirable outcomes with minimal disruption or expenditure.

Setting the scene is a vital part of this process – one which should not be minimized – and in the next chapter we will work on more preparations that should contribute to a successful outcome.

Now try our multiple-choice questions to see how you have progressed.

For each question, choose *one preferred answer* (tick the box), then go to the answers at the end of the book to score your choices.

If you chose second (or even third) best answers, then think about why these answers are not as good as our ‘top-rated’ one(s).

# Fact-check (answers at the back)

1. How do you feel when you read of a major negotiation that has achieved an outstanding result?

a) There must have been some 'fiddling' going on ❑
b) I'd like to have been around to see it because I bet it wasn't that easy! ❑
c) If they can do it, I'm sure I should find out more and give it a try ❑
d) I bet they don't have all the constraints that are put on managers here ❑

2. You have a supplier whose representative is very competitive; their product range is good but you only buy 'necessities' from them as the rep 'winds you up' by trying to make you buy things you don't think you need. Should you:

a) Continue to keep the rep at a distance and minimize the orders? ❑
b) Avoid the rep by ordering on line? ❑
c) Get the problem 'off your chest' and give the rep a piece of your mind? ❑
d) Politely, but firmly, explain to the rep that you might be prepared to place bigger orders but only on the condition that you will not be pressurized into purchasing items you do not need or want? ❑

3. Where will you have this conversation?

a) At a local hostelry at the rep's invitation ❑
b) In your busy office where there are witnesses to record the conversation ❑
c) In your quiet meeting room where you can both concentrate on making a 'new' start ❑
d) In a personal letter addressed to the supplier company ❑

4. You experienced bad traffic conditions on the way to work this morning and were an hour late. When you arrived, your assistant told you that your director had called to talk to you about a customer complaint and seemed very cross. Should you:

a) Call on the phone and try to resolve the problem – starting with an apology for being late? ❑
b) Go straight to the director's office and try to resolve the problem – starting with an apology for being late? ❑
c) Ignore the situation and wait for the director to call again? ❑
d) Delegate your assistant to deal with the problem? ❑

5. You are experiencing a very pressurized work period and are struggling to keep on top of things. You want to take on a new supplier but know little about them, as their base is at the other end of your country. Should you:

a) 'Bite the bullet' by prioritizing the time and task; and learn about the supplier by visiting them before placing the order? ❑

b) Ask for their Annual Report, placing the order if all seems in order and putting off the visit until things are quieter? ❑

c) Ask them for the name of a referee or satisfied customer to gain an independent report? ❑

d) Seek a third-hand report from your (independent) trade body? ❑

6. On your way into work today you noticed that one tyre on your car is almost flat. You had intended to book it into your regular service garage but forgot, and they are 'too busy' to collect it today. You called out an alternative 'emergency service' and the operative has removed the wheel (reporting that the tyre is dangerous) while he prices a replacement. You believe that the quoted price is twice the real cost. Should you:

a) Pay up and put it down to experience? ❑

b) Have a staff member block his vehicle in with the company van, to 'even up the playing field'? ❑

c) Telephone your motoring club to check the normal cost and, if it is lower, tell the operative that that is what you believe the cost should be? ❑

d) Stop taking risks with your own personal safety? ❑

7. You are naturally extrovert, preferring to deal openly with colleagues and team members. One of your team has just been elected by union members as a staff representative and you are worried about and how this development might affect relations in the team. Would you:

a) Warn the individual that you will not tolerate your team relations being 'contaminated' by extremist propaganda? ❑

b) Check how many team members are also members of the union and warn any that are not members not to join? ❑

c) Seek advice from your boss? ❑

d) Welcome your colleague's preparedness to represent their colleagues in meetings/debates and offer your 'counselling support' if it should become necessary? ❑

8. You are visiting a customer in his office and are surprised that all the visitors' chairs are low chairs while the customer has a high adjustable chair. You feel that you would be at a disadvantage sitting on one of the low visitors' chairs. Would you:

a) Politely refuse to sit down, claiming a bad back and only relenting if your host can provide a higher or high-backed chair? ❑

b) Reluctantly sit down on the low chair and hope that it will not put you at a disadvantage? ❑

c) Explain that this can only be a quick call as you are expected elsewhere, but you'd like to invite the customer to lunch down the road? ❑

d) Leave as soon as it seems polite/decent? ❑

9. Your boss asks you to attend a meeting in the office to agree a cost-saving plan – with a hint that redundancies may result. You are anxious to argue strongly against this but worry that your case will lose impact because of the constant interruptions that are common in the office. Would you:

a) Refuse to attend unless a quieter venue is found? ❑

b) Book the boardroom, which is quiet and confidential? ❑

c) Hide your doubts and determine to struggle on regardless? ❑

d) Start looking for alternative vacancies in case someone in your team needs them? ❑

10. At the cost-saving meeting your boss accuses you of closing your mind to ways of improving productivity, over-identifying with your team members by defending their interests. Would you:

a) Seek support and advice from the local union organizer to protect your own position? ❑

b) Present a case for recovery that involves a stronger marketing plan to improve revenue and margins, with milestones for monitoring progress (and with the aim of avoiding impetuous cuts)? ❑

c) Propose a 'no replacement' policy, supposing that individual staff members might decide to chase better opportunities with your competitors? ❑

d) Suggest an in-depth research project of methods used by competitors, which you could then emulate? ❑

CHAPTER 16

# Researching your objectives

# Summary

Researching and planning your objectives (and supporting facts) may not, on their own, produce a convincing argument. However, a negotiation plan – based on a reality that has been carefully and systematically compiled – should give the manager both confidence and a 'winning hand' (especially if your opponent is not as well prepared).

You will still need to prepare to introduce the facts as persuasively as possible, and, even then, you may need a fallback position – especially if your opponent decides to play 'hardball' or is rigidly attached to his/her position. There is a risk of a lose/lose outcome (perhaps no loan agreed, or the probability that your target property will be sold to someone else).

Now that you have worked through this chapter, why not try out your own plans for a car change or a house move or perhaps where you would prefer to spend your summer holidays? The following template could help you with your planning:

| Your objectives | Opponent's position |
| --- | --- |
| 1 ______________________ | ______________________ |
| 2 ______________________ | ______________________ |
| 3 ______________________ | ______________________ |
| 4 ______________________ | ______________________ |
| 5 ______________________ | ______________________ |

| Concessions you can give | **Concessions you seek** |
| --- | --- |
| 1 ______________________ | ______________________ |
| 2 ______________________ | ______________________ |
| 3 ______________________ | ______________________ |
| 4 ______________________ | ______________________ |
| 5 ______________________ | ______________________ |

Questions I need to ask

1 ______________________________________________________________

______________________________________________________________

2 ______________________________________________________________

______________________________________________________________

3 ______________________________________________________________

______________________________________________________________

4 ______________________________________________________________

______________________________________________________________

5 ______________________________________________________________

______________________________________________________________

# Fact-check (answers at the back)

1. How much importance would you give to the following factors (if you were following the example of high-performance negotiators)?
   a) Your own negotiating position on the current topic ❑
   b) Your opponent's position ❑
   c) The venue for the negotiation ❑
   d) All of the above are equally important ❑

2. If you can choose the time and place for negotiating a 'significant' case, would you choose:
   a) The preferred time/venue of your opponent? ❑
   b) A location by mutual agreement? ❑
   c) Your preferred time/venue (where you believe that you will be on your top form)? ❑
   d) Anywhere and any time – it shouldn't matter! ❑

3. If your opponent's role is to try to agree a wide range of topics/items with you at the meeting, how should you protect yourself from being tempted away from meeting your own needs?
   a) Be open-minded and prepared to discuss anything ❑
   b) Postpone the meeting until you have a definitive list from the other side ❑
   c) Prepare a definitive list of subjects and your own goals with supporting arguments ❑
   d) Don't do anything ❑

4. Your negotiating brief should concentrate on defining:
   a) Your least favourable positions – every other result would be a 'win' ❑
   b) Some desirable results – taking into account any known outcomes that are defined ❑
   c) Your most favourable position – every other result would be a 'lose' ❑
   d) All of the above ❑

5. Which constraints should be considered when preparing your brief?
   a) Predictions for financial/trade/world markets ❑
   b) Any likelihood of political pressure ❑
   c) Legal and/or social constraints ❑
   d) All of the above ❑

6. Outcomes of a negotiation are mostly affected by:
   a) How people feel at different times of the day ❑
   b) The amount of effort both parties put into their preparation ❑
   c) When the participants receive their 'pay' ❑
   d) Timing of the economic cycle ❑

**7.** The suggestion that you could have a (better) offer from your opponent's competitor could be viewed as:

**a)** An unacceptable insult ❑

**b)** A powerful tool that always get results ❑

**c)** A perfectly acceptable 'lever' ❑

**d)** A one-way tactic which gives the 'user' an edge over the opponent ❑

**8.** In negotiation, an agenda:

**a)** Helps to provide a template for the topics for discussion ❑

**b)** Provides a 'straitjacket' for what would otherwise be an interesting, free discussion ❑

**c)** Could reduce opportunities for discussing new or additional needs ❑

**d)** Should be prepared by the boss ❑

**9.** A concession is:

**a)** Something you give to make your opponent feel happier ❑

**b)** A demand you make to 'weaken' the other person's position ❑

**c)** A factor which you can exchange for a similar concession from your opponent ❑

**d)** A gift or 'sweetener' to ease agreement ❑

**10.** Building flexibility into your negotiation brief:

**a)** Helps ensure that the meeting will not result in a breakdown if either party 'digs in' ❑

**b)** Gives confidence to both parties ❑

**c)** Helps the parties explore alternative options leading to agreement around those that are acceptable to both ❑

**d)** Enables another 'deputy' to take over if one negotiator is unable to conduct the negotiation ❑

CHAPTER 17

# People and places

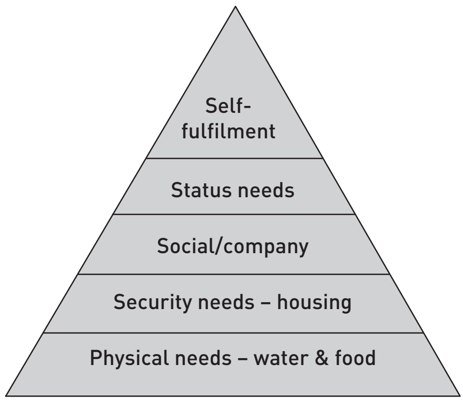
# Who am I?

Success in negotiation is affected by our ability to demonstrate the following skills and attributes. Rate yourself on this checklist by circling the figure which you feel represents your present skills:

| FACTOR | | LOW HIGH |
|---|---|---|
| I am the kind of person who: | | |
| 1 | presents myself as a person who likes people | 1 2 3 4 5 6 |
| 2 | is positive (Who wants to work with a negative person?) | 1 2 3 4 5 6 |
| 3 | is persistent ('No' can nearly always be turned into 'Maybe' and 'Maybe' into 'Yes') | 1 2 3 4 5 6 |
| 4 | is open-minded (There is always more than one way of achieving an objective) | 1 2 3 4 5 6 |
| 5 | has a good sense of timing and tact | 1 2 3 4 5 6 |
| 6 | has high aspirations for deals (skilled negotiators have high aspiration levels and tend to search for above-average agreements) | 1 2 3 4 5 6 |
| 7 | presents the case assertively (i.e. without waffle) | 1 2 3 4 5 6 |
| 8 | chooses the most persuasive words (use of vocabulary) | 1 2 3 4 5 6 |
| 9 | thinks clearly under stress | 1 2 3 4 5 6 |
| 10 | influences the emotional atmosphere of meetings | 1 2 3 4 5 6 |
| 11 | maintains self-control | 1 2 3 4 5 6 |
| 12 | is decisive | 1 2 3 4 5 6 |

## Who is my opponent?

The famous industrial psychologist Abraham Maslow (1908–70) identified a **hierarchy of needs** to explain why people are motivated to work in a modern industrialized environment:



# Summary

Developing our 'people skills' may need time and patience, but the payback will be really worth the effort and the progress steps suggested below may help you achieve better results:

- Try to develop a greater interest in other people – what they have to say, and their experiences.
- Build up your own self-confidence as you show you are a good listener.
- Learn how to reveal a little more of your own personality.
- Develop your questioning skills, especially those 'open' questions – the 'Whats', 'Wheres', Whens' and 'Hows', but not too many of the 'Whys' as they can seem confrontational.

You will find that, as people respond better to your conversations, they will talk more openly about their needs, making it much easier for you to show ways that these can be met.

Use the following sheet to help you plan your style and negotiation venue:

## PLAN YOUR STYLE AND NEGOTIATION VENUE

What do you know about your opponents?

Who will be involved?

Their preferred style:

Your preferred style:

Possible venues

Home: ____________ Away: ____________

Neutral ground: ____________

Who will need to be briefed?

1 ____________

2 ____________

3 ____________

4 ____________

# Fact-check (answers at the back)

1. Negotiation issues may be centred on the past or present but the results of the meeting will be most important to:
a) Present issues and activities ❑
b) Settlement of past difficulties ❑
c) Future relationships ❑
d) Past, present and future ❑

2. Talking persuasively by negotiators is best achieved by:
a) Becoming a good listener ❑
b) Improving your questioning skills ❑
c) Concentrating on being positive ❑
d) Exploiting an irresistible personality ❑

3. Having high aspirations in negotiation means:
a) Trying to achieve win/win deals that are better than just 'average' ❑
b) Being positive – even when there seems little to be positive about ❑
c) Thinking clearly under stress ❑
d) Being prepared to be 'pushy' ❑

4. An extrovert personality will be most effective in negotiating with an opponent who:
a) Uses an inductive communication style ❑
b) Enjoys stirring things up in a conversation ❑
c) Uses an extrovert style ❑
d) Is able to extend the ideas of others ❑

5. The application of a typical extrovert style in negotiating can result in:
a) A 'tit-for-tat' competition in successive meetings ❑
b) Opponents concentrating on all the negative aspects of a proposal ❑
c) Outstanding results – especially if power is on that person's side ❑
d) 'Bruised' feelings on the part of the opponent if feeling obliged ❑

6. Inductive-style negotiators benefit from:
a) Revelations of focused information which may contradict the claims of the extrovert/uncontrolled negotiator ❑
b) More thorough exploration of options ❑
c) A general shift away from the extreme extrovert style in business culture ❑
d) Shorter, but open, conversations with opponents ❑

7. The style of communication you choose to use in a negotiation should be determined by:
a) The personality you have developed over the years ❑
b) The outcomes you are trying to achieve ❑
c) The communication style of your opponent ❑
d) Your skills in asking/answering questions ❑

**8.** Self-knowledge

**a)** Makes it more difficult to influence the other person because you over-identify with their 'problem' ❑

**b)** Enables you to get your own way in a negotiation ❑

**c)** Guarantees that you know when to 'back off' ❑

**d)** Enables you to recognize when you are in the presence of a rather better opponent ❑

**9.** An analysis of the underlying needs of your opponent may reveal:

**a)** Weaknesses in their case ❑

**b)** Needs which you could satisfy with the current offer ❑

**c)** 'Pressure points' which may persuade them into a deal ❑

**d)** Opportunities to build the relationship over a longer time ❑

**10.** The venue of the meeting should always be:

**a)** Agreed as part of the planning for the negotiation ❑

**b)** On 'home' territory ❑

**c)** Alternate – home or away – to be fair ❑

**d)** Somewhere both parties are comfortable ❑

CHAPTER 18

# Breaking the ice

# Skills assessment

Results from the opening and the development of the early stages of a meeting will be affected by the following factors. Before working through this chapter, you might like to rate your current skills in each of these areas by circling the rating that you feel applies (and you might consider obtaining a comparison with the ratings of someone who knows you well):

| Factor | Rarely used | | | | Always used |
|---|---|---|---|---|---|
| Establishing rapport – verbal and non-verbal | 1 | 2 | 3 | 4 | 5 |
| Establishing common ground | 1 | 2 | 3 | 4 | 5 |
| Exploring mutual objectives for the meeting | 1 | 2 | 3 | 4 | 5 |
| Building a joint agenda | 1 | 2 | 3 | 4 | 5 |
| Getting comfortable | 1 | 2 | 3 | 4 | 5 |
| Clarity of speech | 1 | 2 | 3 | 4 | 5 |
| Assertive behaviour | 1 | 2 | 3 | 4 | 5 |
| Avoidance of bias and tunnel vision | 1 | 2 | 3 | 4 | 5 |
| Maintaining flexibility | 1 | 2 | 3 | 4 | 5 |
| Listening for overtones and signals | 1 | 2 | 3 | 4 | 5 |
| Questioning skills | 1 | 2 | 3 | 4 | 5 |
| Controlling and reading body language | 1 | 2 | 3 | 4 | 5 |

Your performance in each of these areas can be improved and will affect your results.

# Summary

This chapter has explored the foundations of communication between the two parties in some detail.

We tend to take communication skills for granted and recognize that we could improve them only when we come across an opponent who is significantly better at it than we are (or when there is a major misunderstanding with our nearest and dearest!). Why not revisit the self-assessment at the beginning of Chapter 17 to check whether you need to update those grades, adding crosses against the target numbers (above your previous scores).

# Fact-check (answers at the back)

1. Opening a meeting or discussion will be much more effective if there is already an agreement about:
   a) Its purpose ❑
   b) The agenda ❑
   c) Who should attend ❑
   d) The venue for the meeting ❑

2. Confirming the purpose of the meeting at the start will help:
   a) Make everyone feel welcome ❑
   b) Ensure that everyone is at the right meeting ❑
   c) Enable additional items to be added to the agenda ❑
   d) Ensure that everyone knows the range of contribution they should be making ❑

3. Establishing rapport means:
   a) Concentrating on speaking the same 'language' as your fellow attendees ❑
   b) Getting on the same 'wavelength' as your colleagues at the meeting ❑
   c) Reading other people's body language ❑
   d) Being able to look one other in the eye ❑

4. How you open the meeting can have a big impact on the level of trust you are able to build up and, consequently:
   a) How open your colleagues might be to accepting new ideas or refining/improving established ones ❑
   b) How long the meeting will take to reach its objectives ❑
   c) The acceptability of any new ideas proposed at the meeting ❑
   d) The level of agreement everyone is prepared to give ❑

5. Building common ground with your opponent involves:
   a) Ensuring that you are wearing clothes that will not offend the other person ❑
   b) Avoiding any extreme language or subject matter that might offend your guests ❑
   c) Concentrating discussion on the main agenda subject ❑
   d) Sitting close together so that everyone feels committed to the meeting's objectives ❑

6. Listening to your opponents in a negotiation is easier if you:
   a) Like them ❑
   b) Are committed to the subject they are talking about ❑
   c) Achieve a balanced talk/listen ratio ❑
   d) Are able to ignore the distractions around you ❑

**7.** The agenda is the main guide for discussion topics at a negotiation meeting, and the main negotiators should:

**a)** Avoid all other topics ❑

**b)** Listen carefully for any new information which could have a bearing on outcomes/relationships between the parties ❑

**c)** Be prepared to add in their own (additional) topics, especially if it seems likely they will be agreed upon ❑

**d)** Avoid any discussion without a complete written agenda being agreed at the start ❑

**8.** It is best if the negotiator takes the lead by dominating the discussion and doing most of the talking

**a)** Wrong – both parties need to have their say ❑

**b)** It is better to aim for a fair/natural balance (e.g. 55 to 45 per cent) ❑

**c)** Correct, as being dominated could mean 'losing' ❑

**d)** It is best to leave the conversation to take its own course ❑

**9.** Analysing non-verbal communication (or body language) is overrated

**a)** Wrong – it can indicate issues which need clarifying or tackling ❑

**b)** Correct – people should feel that they can behave naturally and not worry about being misread ❑

**c)** Sometimes – uninhibited behaviour can be more persuasive ❑

**d)** It requires expert training and disciplined observation ❑

**10.** Negotiators who use hand movements to emphasize speech in negotiation meetings:

**a)** Can distract the listener and mislead them ❑

**b)** Should always be encouraged to behave naturally ❑

**c)** Provide additional information which may signal issues for greater exploration ❑

**d)** Should be encouraged to sit on their hands ❑

CHAPTER 19

# The agenda

# Summary

We have seen in this chapter that proposals are vital to a negotiation, no matter how fundamental or extreme the issues under debate happen to be. There are many examples on record of negotiation teams becoming 'comfortable' in debating the issues, and conversation then seems to go round and round without any agreement or solution – except, maybe, an agreement for the location and timing of the next meeting!

If you find yourself to be a willing party to such a travesty, remember that senior management/leadership can always exercise its right to change the delegated negotiators. How might it feel and look to be one of the people who have been replaced so peremptorily?

So, proposals are what make the negotiation move forward, and they need to be carefully planned and thought through; not arrived at in desperation without any concern for how they might be implemented.

# Fact-check (answers at the back)

**1.** The only way a negotiation can progress is through the use of:

**a)** Signals ❑
**b)** Collaborative relationships ❑
**c)** Proposals ❑
**d)** Summaries ❑

**2.** When is the 'right' time to start making proposals?

**a)** Any time, discovered through a process of trial and error. ❑
**b)** When the issue, which needs resolution, is urgent ❑
**c)** When your 'opponent' starts proposing ❑
**d)** When you have a good idea of the needs of the other party ❑

**3.** The statement 'Supposing we were able to offer a discount of 5 per cent, if you committed to this purchase today' is a:

**a)** Dream ❑
**b)** Signal that your opponent is ready to make a move ❑
**c)** Proposal ❑
**d)** Trial proposal ❑

**4.** Conditional proposals are based on the principle of:

**a)** Something for something ❑
**b)** Collaborative bargaining ❑
**c)** Win/lose ❑
**d)** 'If…, then…' ❑

**5.** If your proposal is rejected by the other party, this means:

**a)** They want you to improve your offer in some way ❑
**b)** The negotiation has failed. ❑
**c)** You may have misunderstood their position and you need to clarify it ❑
**d)** The other party has a better proposal of their own ❑

**6.** A very low offer or proposal could result in:

**a)** Insulting your opponents, and their withdrawal ❑
**b)** Beating your own objectives, if it is accepted ❑
**c)** A breakdown in relationships between the parties ❑
**d)** A great reputation as a principled negotiator ❑

**7.** Revealing that the value of a proposal lies outside your authority to accept shows that:

**a)** Your opponent is talking to the wrong person ❑
**b)** You have no better arguments ❑
**c)** You have prepared a negotiation plan ❑
**d)** A real obstacle exists to any agreement at this level ❑

**8.** People who prefer to make the first proposal invariably:

**a)** Lose through revealing their hand too soon ❑
**b)** Should be given a quick counter-proposal ❑
**c)** Are surprised when it isn't accepted ❑
**d)** Win through leading the argument ❑

**9.** Debating what seem to be minor points (and in considerable depth):

**a)** Risks frustrating both parties and the withdrawal of one party (i.e. lose/lose) ❑

**b)** May reveal a lack of confidence (or knowledge) ❑

**c)** May hide a hope to win by causing the opponent to give in ❑

**d)** May lead to the opponent complaining to your boss ❑

**10.** How should you react if your discussion reveals that your original preparation was inadequate?

**a)** Call a natural recess/break to enable you to catch up ❑

**b)** Seek help from your boss ❑

**c)** Quickly change the subject ❑

**d)** Withdraw from discussion to avoid making an expensive or embarrassing mistake ❑

# CHAPTER 20

# Conclude the deal

# Summary

A 'win/win' result is usually the objective of every negotiator who is aiming for repeat business and the building of goodwill. It matters not whether the sums or issues are small or gargantuan – alliances are built by mutual trust and benefit for both parties, and can be reflected on with mutual pride and trust.

This may sound trite, but it is not difficult to find cases where one party's greed or 'sharp practice' has led to the breakdown of trust, loss of repeat business or even court action (to say nothing of all that appalling publicity). No one in their right mind would want that, but the consequences of getting it wrong are what makes this negotiation skill so important (and the negotiator highly responsible).

It has been said that the combination of an industry-leading strategy and excellent negotiators can bring world-beating results. Unfortunately, the opposite is also true!

# Fact-check (answers at the back)

1. When you hear the word 'so' you should:
   a) Ignore it – only your summary is important ❑
   b) Insist that what is said is put into writing before you agree ❑
   c) Listen carefully, as your opponent is about to summarize and you will need to reject it if you disagree with it ❑
   d) Be prepared to reject the proposal ❑

2. Resurrecting earlier issues towards the end of the meeting:
   a) Risks spoiling the whole agreement ❑
   b) May lead to a fuller agreement if the atmosphere is more constructive ❑
   c) Should be avoided for fear of causing the other party to walk out ❑
   d) Provides a way out of an impasse or stalemate ❑

3. When facing potential deadlock, a recess will:
   a) Be a waste of time ❑
   b) Enable both sides to relax ❑
   c) Create a solution for the final agreement ❑
   d) Provide an opportunity to do some creative thinking and maybe seek further information or advice ❑

4. In recognizing a degree of uncertainty/nervousness in your opponent's reluctance to reach agreement, the best option is to:
   a) Impose a time deadline ❑
   b) Threaten to put the matter to their senior management ❑
   c) Give specific reassurances on how any 'losses' will be mitigated (e.g. through guarantees) ❑
   d) Threaten to escalate the case to your senior management ❑

5. Forcing further concessions from the opposition after agreement has been reached (and on an issue that has been overlooked in discussion) would most likely:
   a) Enhance the final deal for one party at the expense of the other ❑
   b) Risk the whole agreement being cancelled ❑
   c) Cause the other party to 'lose face' ❑
   d) Achieve a great winning result ❑

6. A good measure of success in a negotiation is the number of concessions that could have been made but which remained unused.
   a) True ❑
   b) True if both parties become aware of the total picture ❑
   c) Totally untrue – it's the quality of the outcome that's important ❑
   d) Untrue – it's the level of goodwill that has been further enhanced by the agreement ❑

7. A satisfactory deal can sometimes be further improved by:
a) Meeting on neutral territory ❑
b) Exploring concessions that might not have been used by either side and that could be exchanged with mutual benefit ❑
c) Negotiating over a meal (the other side paying the bill) ❑
d) Having two different negotiators ❑

8. However good – and complete – the negotiation, the proof of its success lies in:
a) The tactics used in the meeting ❑
b) The way the deal sounds to the 'boss' ❑
c) Both parties' understanding of the agreement ❑
d) The written record ❑

9. Successful implementation of a negotiated agreement is nearly always dependent on:
a) Both parties' commitment to the deal ❑
b) The size of the deal ❑
c) The degree of trust that has been built up between the negotiators ❑
d) The scale of the risk of failure of implementation ❑

10. The 'best pairing' of negotiators occurs when:
a) Both are committed to a win/lose outcome ❑
b) Both are highly rated as effective negotiators and they recognize this in each other ❑
c) Their styles of interaction are very similar ❑
d) Their styles of interaction are fully compatible ❑

# CHAPTER 21

# Learning from your experiences

# 7 × 7

## 1 Seven tips for new negotiators

- Negotiation is now part of everyday life – judging the opportunities and applying the best methods is all important or the results may be disappointing at best and a waste of effort at worst.
- Initially, work within your comfort zones (which means place, time, people and topics), especially when building your confidence. Outcomes will be affected by past experiences – and the more positive these are, the more likely you will be able to repeat them and 'grow'.
- Identify your own weak areas of knowledge or facts – and give extra time and effort to these so that you have more positive information and persuasive arguments on hand to increase the chances of acceptance.
- Timing is crucial – the most productive atmosphere is when both parties are anxious to achieve change. This should be built upon and exploited. (Rolling a heavy 'scheme' downhill is easiest; pushing liquid uphill is well-nigh impossible. So, be prepared to drop everything else when an opportunity for change presents itself.)
- Make it easy on yourself by identifying and reducing any barriers. If you are invited to 'play away' (on your opponent's ground), build your strategy around winning tactics for that meeting. Don't give your opponent any excuses for rejecting your proposals or schemes by appearing to be 'stand-offish'.
- Listen carefully to what is said (and what is *not* said), to your opponent's needs and to their response to your proposals. Seek clarification rather than mount an attack, and be persuasive with incontrovertible evidence to support your full scheme.
- Be sensitive – use top 'people skills' in persuasion and avoid giving any impression of pressure, desperation… or weakness.

## 2 Seven best personal resources

- Gavin Kennedy, *Negotiate Anywhere: Doing Business Abroad* (Hutchinson, 1986)
- Dale Carnegie, *How to Win Friends and Influence People* (Vermillion, 2006) – a 'classic' and essential reading for all who seek to negotiate win/win deals.
- Terry Gillen, *Positive Influencing Skills* (Institute of Personnel & Development, 1995) – offers alternative approaches to command and control – especially 'pulling' rather than 'pushing'
- Thomas A. Harris, *I'm OK, You're OK* (Arrow, 2012) – a record-breaking US bestseller. Climb out of the cellar of your mind!
- John E. Tropman, *Making Meetings Work: Achieving High-quality Group Decisions*, 2nd edition (SAGE, 2003)
- Geoff Ribbens and Greg Whitear, *Body Language: How to Read People, Understand Office Politics and Uncover Deception* (Hodder Arnold)
- Peter Fleming, *Advanced Negotiation Skills In A Week* (John Murray Learning, 2016) – the 'follow-up' text to this one, giving a more advanced overview of the skills involved and demonstrating how new skills can be applied in the pursuit of outstanding results

## 3 Seven things to do

- Revisit some recent deals and consider what created the differences between those that you would consider were win/win, win/lose or lose/lose.
- How might the results have been made different? And how will you work differently as a result of this assessment?
- Work out the relative bargaining power you have with another party – taking care that, if you use power to get your own way, sooner or later they will do the same to you. How else will you negotiate?
- Develop your own method of backing your proposals with sound justification and arguments (e.g. using discreet notes in 'code' or 'shorthand'?).

- Practise your listening – rather than talking; your questioning skills should be as strong as your 'selling' skills. (Yes, non-sellers need to be able to sell ideas, too!)
- Try to develop your summarizing skills – regular summaries show that you have heard and understood what has been said. Skilled negotiators tend to emphasize the points that are helpful to their 'cause' while playing down other party's points which would not be so acceptable.
- *And an important 'don't'!*
  Don't show triumph! Especially when you think you have the better end of a deal. It could lead to your 'opponent' to become determined to gain revenge next time round.

## 4 Seven behaviours to avoid

- Before you start: 'Don't talk yourself out of a deal!', so advises Carol Frohlinger of www.negotiatingwomen.com. This is good advice! It is your opponent's job to convince you that your scale of objectives is unrealistic.
- When trying to be flexible – take care! Bill Coleman advises us: 'The worst thing you can say is "I want £x for this job," leaving no opening for negotiation by the other side. Better language is "I hope to earn between £X and £Y". That gives the other party more flexibility.' BUT: it may also be taken to have revealed your 'limits'. Wouldn't any buyer immediately 'attack' the bottom figure? And wouldn't any self-respecting salesperson 'attack' the top one?
- Dangerous words: 'The single most dangerous word which can be spoken in business is "no"! The second most dangerous word is "yes"!' says Lois Wyse. It is possible to negotiate without saying either! However, 'shadow-boxing' can be very frustrating. Don't overuse this strategy or the meeting may end in turmoil.
- Lies: a presumption that lies will underpin negotiation encourages the thought that it will all be based on the win/lose culture. This could be very unhelpful in the case of building a long-term trading relationship.

- Kidology: when things are going well, it is easy to assume that we might just be able to 'walk on water' and fix any negotiation! Success will come from a variety of factors – for example, the reputation of your product/service/company. Try to maintain a sense of balance – enjoy your success, but don't overlook the fact that your 'opponents' always have a choice.
- To musician Marvin Gaye is attributed the saying: 'Negotiation means getting the best of your opponent.' Does it? This is a 'win/lose' strategy and very likely to rebound next time around.
- 'The most important trip you may take in life is meeting people halfway' is a commonly heard phrase. Halfway sounds fair enough but this depends on either party's limits – have these been disclosed?

## 5 Seven preliminary issues – your coach's suggestions

- 'In my "world" negotiation just doesn't happen… If I tried, I fear I would be made to look stupid, naive or even in the wrong business.'
  *Coach:* 'Don't be negative… even if this were true, for most people any "wins" are likely to be a closely guarded secret. Otherwise, everyone would be encouraged to negotiate and make life harder for their opponents! So, build your case (be prepared with a fallback position in case of an outright rejection) and be as persuasive as you can – to achieve just a small concession. Once the "door" is opened, even better results could follow!'
- 'I wouldn't want people to think that I cannot afford the product or service…'
  *Coach:* 'Don't worry about what people might think. Negotiating is more common than you might think and terms are often set with some room for manoeuvre by vendors or purchasers. If you don't try, you'll never know if you could have achieved a better deal!'

- 'How do you know when your "opponent" is prepared to negotiate?'
  *Coach:* 'They'll probably send a "signal". For example, when discussing a price they may say "price depends on the quantity that you order". In other words: "We may discount the price if the quantity is sufficient." Ignoring such a signal can prove costly.'
- 'My contacts try to negotiate over everything. Am I doing something wrong or should I be working a different way?'
  *Coach:* 'Their senior management may have imposed tough expectations as the economy has toughened. Once this is explained and proved, both buyers and sellers can usually find ways of helping each other with new ideas/proposals. If there are no good reasons established for seeking flexibility in prices/quantities, any negotiator has the right to refuse.'
- 'Isn't success in negotiating dependent on the relative power between the parties – and the small/weak party is likely to "lose" by making all the concessions?'
  *Coach:* 'Not necessarily – "small" can mean exclusive and highly desirable as a partner; many businesses started out with this strategy and quickly gained support from other organizations with similar marketing strategies. This approach can lead to impressive growth in the marketplace!'
- 'Time is money in my setting. I don't have lots of spare time to sit down and negotiate – even if it became a priority.'
  *Coach:* 'This could mean that you are losing out on higher costs, lower profit margins and costly work practices which could be streamlined. Perhaps you should delegate negotiation tasks to colleagues – but do ensure that they are professionally trained first!'
- 'I tried to negotiate an initial deal recently but when it should have been implemented my "opponent" denied that we had set it up. What is the point?'
  *Coach:* 'Wasn't there an agreed record of the meeting? Relying on memory and the "good nature" of the parties can be a big mistake – even when the parties have an established track record.'

# 6 Seven planning issues – more support from your coach

- 'I have heard it said that "failing to plan could really mean planning to fail!" Aren't top negotiators born, not made?'
  *Coach:* 'The best negotiators are those who may appear to be negotiating off the cuff but you can be sure that, "off camera" they will have been: researching, making notes, checking track records, taking stock, assessing costs and/or market projections and preparing easily accessed notes for use in the meeting.'
- 'Why do some "authorities" recommend going to the other party's base for a meeting?'
  *Coach:* 'There are no "rules" about where negotiations should be located. Skilled negotiators may have private preferences but, clearly, revealing them could prejudice the psychological comfort factors applying – and possibly the outcome, too!'
- 'I am most comfortable negotiating at my "home base". Why should I risk feeling uncomfortable by negotiating "away"?'
  *Coach:* 'We can learn a lot about our "partners" or "opponents" when we see them in their own environments – and how they are viewed by their colleagues. This organization may become a significant "partner" for your organization – how well organized is it? How likely is it that their implementation of the deal you'll be making will be trouble-free, from what you have seen and heard?
- 'I always try to host meetings with other negotiators on "neutral territory". Is that a "better" idea?'
  *Coach:* 'It can be if it is genuinely "neutral" and that there are no obvious distractions!'
- 'I am told that I tend to talk too much. Is that a disadvantage in negotiations? And how could I change it?'
  *Coach:* 'If there are two people involved in the meeting, you should try not to talk for more than 50 per cent of the time! You could achieve that by trying to ask more questions and, when receiving questions, avoid *over*-answering.'

- ‘People sometimes use anger when negotiating about a complaint. Is that acceptable behaviour?’
  *Coach:* ‘It is very important to practise self-control when negotiating! Discuss what has gone wrong objectively and calmly, and ask your contact what they can do to put things right. Never use personal insults or bad behaviour.’
- ‘Why do some negotiators try to pretend they are something they are not?’
  *Coach:* ‘Some people may do this because they have low confidence or self-esteem. Let them see that reaching good deals is the best way of achieving a reputation as a trusted and effective negotiator.’

## 7 Seven powerful behaviours to practise in your next negotiation round

- Don’t start negotiating without preparing first (at least identifying the least and most desirable outcomes).
- If misunderstandings should occur, check whether you could be to blame. If so, apologize, take personal steps to correct the position and ensure that it is not repeated.
- Ask more questions – and listen carefully to the answers (seeking clarification when you are unsure what has been said/agreed). Do not close until your needs are satisfied.
- Ensure that you build up and maintain your personal trust and integrity – for example by not withdrawing an offer made (especially when it has been accepted unambiguously).
- Identify ‘sticking points’ carefully and encourage open discussion to find practical ways around them (or by balancing them with alternative concessions).
- Practise summarizing and confirming actions to finalize a deal (ensuring that there are no errors and omissions which could lead to yet more negotiating later).
- Don’t dwell on ‘might-have-beens’ when negotiations have not been conclusive (or a ‘cooling-off’ period has elapsed

without agreement). Set some new personal goals to continue this self-development process.

...And here's a bonus! Aspire to a higher-level understanding of the power of negotiating through this self-learning guide: Peter Fleming, *The Negotiation Coach* (John Murray Learning, 2015).

# PART 4

## Your Successful Customer Care Masterclass

# CHAPTER 22

# Customer care is more than just saying ‘Have a nice day’

# Summary

In this chapter, we have explored some of the many components of customer care. We've seen that it is not just about how the staff conduct themselves; it is also about how the organization conducts itself.

We have highlighted three key focus areas – visual appearance, attentiveness and helpfulness of staff, and quality of product or service. They work well as starting points for achieving excellent customer care.

What are your competitors doing in these three areas? If you've ever lost even one customer to a competitor, why was that? You need to know what your competitors are doing, how they're doing it and how you can do it even better. This is valuable *research*; every organization does it.

Competition is the best incentive there can be to keep you on your toes with customer care. It can give you ideas for quality initiatives that you wouldn't otherwise have thought of – you may not be in the same industry, but could their ideas 'map across' to you?

# Fact-check (answers at the back)

Note: all questions require a single answer.

**1.** Which statement is true?

**a)** The visual appearance of your business makes no difference to customer perceptions. ❑

**b)** Attention to detail is nit-picking, time wasting and unnecessary. ❑

**c)** Customers see your business with 'fresh eyes' and notice things you don't see. ❑

**d)** The cleanliness of your business premises is of little importance. ❑

**2.** Which statement is true?

**a)** It costs more to keep existing customers happy than it does to attract new customers. ❑

**b)** It costs more to generate new customers than it does to retain existing ones. ❑

**c)** Customers are naturally loyal and will always overlook your failings. ❑

**d)** Customer care and marketing are completely separate functions. ❑

**3.** Which statement is true?

**a)** Nobody will notice the occasional text error in your website. ❑

**b)** A website is just a marketing tool; it has nothing to do with customer care. ❑

**c)** As long as you have a website, you don't need to publish your phone number. ❑

**d)** Your website is your organization's shop window to the world. ❑

**4.** Which statement is true?

**a)** Personal appearance and hygiene are very important for customer-facing staff. ❑

**b)** If staff don't feel like being attentive to customers, they needn't be. ❑

**c)** 'Have a nice day' always works well, spoken in any tone of voice. ❑

**d)** As long as you have wished your customer a nice day, you have fulfilled all your customer care responsibilities. ❑

**5.** Which statement is true?

**a)** Customer care begins and ends with your customer-facing staff. ❑

**b)** Customer care is about how your staff and your organization conduct themselves. ❑

**c)** Customer care is a nice idea that will probably just happen anyway. ❑

**d)** Customers are an inconvenience and interruption to the working day. ❑

# CHAPTER 23

# How do you measure up?

# Summary

In this chapter, we have looked at ways in which you can define appropriate levels of customer service and incorporate them into standards that will apply throughout your organization. It is always useful to know what other organizations similar to yours are including in their standards, and conducting research on this topic can provide you with ideas and other sources of inspiration for writing your own.

The important point is that your standards must be visible to, and understood by, staff at all levels in your organization. For example, if you define a procedure for resolving customer complaints within a specified period of time and one of your employees misses this deadline because he or she didn't know it existed, then communication of the standard has been ineffective and needs to be addressed. Your organization's culture must be to 'walk the walk' rather than just 'talk the talk', and going public on this in a mission statement indicates to the world that you really are serious about it.

And one final point – if you are in the business of selling products, then you and your staff need to be fully conversant with the Sale of Goods Act and all the legalities it contains, particularly related to warranties. This is one standard that is not optional!

# Fact-check (answers at the back)

Note: all questions require a single answer.

1. Your company's annual accounts represent:
a) Day-to-day trading figures ❑
b) Future market trends ❑
c) Past financial performance ❑
d) Planned versus actual expenditure. ❑

2. Customer care is:
a) A 'nice to have' option ❑
b) A performance measurement ❑
c) Only applicable to customer-facing staff ❑
d) Not relevant to your organization. ❑

3. Which statement is true?
a) Only manufacturing businesses need to have standards in place. ❑
b) Everyone has common sense so there is no need to define service standards in writing. ❑
c) Customer care is as tangible as money. ❑
d) Service standards remind all levels of staff of their customer care obligations. ❑

4. It is recommended that service standards be defined in terms of:
a) Timeliness, accuracy, profit margins ❑
b) Timeliness, accuracy, appropriateness ❑
c) Timeliness, dress code, appropriateness ❑
d) Reputation, accuracy, appropriateness. ❑

5. Which statement is true?
a) Telephones *must* be answered within three rings at all times. ❑
b) 'Next day delivery' needs to be clarified to avoid misunderstandings. ❑
c) As long as the phone gets answered eventually, the customer has been served. ❑
d) Problem resolution can take a long time and the customer should be patient. ❑

6. The acceptable percentage for accuracy is:
a) 100 per cent ❑
b) 98 per cent ❑
c) 95 per cent ❑
d) 93 per cent. ❑

7. Which statement is true?
a) If people have an unusual name, they should expect it to get spelled wrongly. ❑
b) A delivery date is just an estimate, not a promise. ❑
c) If a product is similar to its description, that is good enough. ❑
d) Goods must match exactly what was ordered by the customer. ❑

8. Which statement is true?

a) Appropriateness relates to your tone of voice when dealing with a customer. ❑

b) Appropriateness relates to how well you meet your customers' expectations. ❑

c) As long as the customer has received a response of some kind, appropriateness has been achieved. ❑

d) By the nature of their role, customer-facing staff are automatically 'appropriate'. ❑

9. Which statement is true?

a) Service standards need to be defined precisely and concisely. ❑

b) Implementation and measurement need not be considered at this stage. ❑

c) Input from past customers has no value. ❑

d) There is nothing to be learned from competitors. ❑

10. Which statement is true?

a) As long as standards have been written, that is good enough. ❑

b) Senior management are too far removed from customers to bother with maintaining standards. ❑

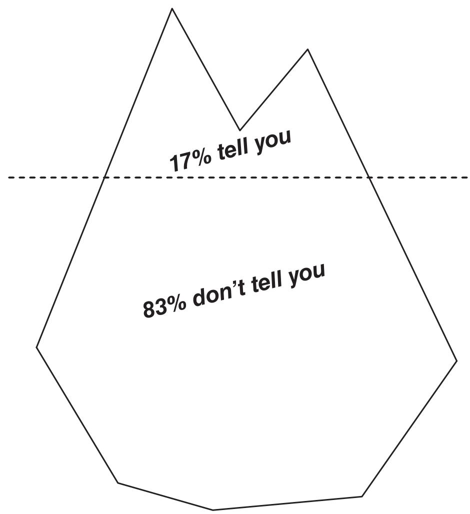
c) Visibility of service standards to all levels of staff in an organization is essential. ❑

d) A mission statement is not the appropriate place for customer service standards to be made public. ❑

# CHAPTER 24

## How do your customers think you measure up?

You particularly need to know if your customers are dissatisfied for any reason. The following iceberg model illustrates the importance of this.




*The iceberg of dissatisfied customers*

# Summary

In this chapter, we have explored the importance of getting feedback from your customers as to how they believe you are performing. If you make assumptions about what your customers think about you and what their needs are, there will always be at least a 50 per cent chance that your assumptions are incorrect. Your customers are your life blood – you need to know how to keep them satisfied in order to retain their loyalty.

The following are key points to bear in mind when formulating a customer satisfaction survey:

- Determine exactly what you want to find out and include only those questions that will give you that result.
- You need to know what is important to your customers and how they feel you are performing in those areas.
- Avoid making your survey form too long – it becomes tedious and won't get completed.
- If you are posting forms out to your customers, you *must* include a pre-paid envelope for their return.

- Offering an incentive such as a prize draw or complimentary voucher will encourage your customers to complete a survey.
- If you have asked for suggestions, then you need to acknowledge them; otherwise, there will be an expectation that all suggestions will be implemented.
- When you've analysed results, find a way to publish them. This will make everyone who participated in the survey feel valued, as well as being a good public relations exercise for you.

Before reading any further, this is a good point at which to put together a draft version of a satisfaction survey. In addition to your own ideas, you could also ask for others' input and suggestions, ensuring that it retains a conciseness in its final form.

# Fact-check (answers at the back)

Note: all questions require a single answer.

1. Which statement is true?
   a) Your competitors define your service standards. ❑
   b) Your service standards will always be the same as your customers' standards. ❑
   c) Your customers define the standards you need to meet. ❑
   d) As long as nobody is complaining, your standards are good enough. ❑

2. Which statement is true?
   a) 17 per cent of dissatisfied customers don't complain. ❑
   b) 83 per cent of dissatisfied customers complain loudly. ❑
   c) The customers who don't complain each tell five others about your poor service. ❑
   d) You can only resolve problems that your customers tell you about. ❑

3. Which statement is true?
   a) You need to know what your customers expect from you. ❑
   b) You probably know how well you are meeting their expectations. ❑
   c) Your customers' future needs will be the same as they are now. ❑
   d) Your customers must be happy if you don't hear anything negative from them. ❑

4. Which statement is true?
   a) Feedback from customers is of little importance to your business. ❑
   b) Feedback from customers contributes to planning the future of your business. ❑
   c) Customers don't need to know whether their feedback will be taken seriously. ❑
   d) As long as you smile at your customers, they will feel valued. ❑

5. Which statement is true?
   a) It is important to know how far your customers travel to do business with you. ❑
   b) People don't like being asked for their opinions. ❑
   c) You need to know what is important to your customers about your product or service. ❑
   d) There is no need to acknowledge suggestions put forward by your customers. ❑

6. Which statement is true?

a) As long as your prices are competitive, nothing else matters to your customers. ❑

b) If you think a particular aspect of your product/service should be important to your customers, then it will be. ❑

c) People need no incentives to encourage them to fill out lengthy satisfaction surveys. ❑

d) Responding positively to customer feedback can contribute to an organization's business success. ❑

7. Which statement is true?

a) Mixing different methods of scoring on a satisfaction survey is not good practice. ❑

b) People should expect to pay postage costs to return a completed survey form. ❑

c) The point of asking customers to give feedback is purely for your organization to look as if it cares. ❑

d) No customer would ever expect their suggestions to be implemented. ❑

8. Which statement is true?

a) Customers are just an inconvenience. ❑

b) Your customers are your life blood. ❑

c) Your customers shouldn't expect so much of you. ❑

d) Your customers are always wrong. ❑

9. Which statement is true?

a) If you make assumptions, they will always be correct. ❑

b) Product improvements based on assumptions may not represent the best investment of your time and money. ❑

c) There is a 70 per cent chance of an assumption being correct. ❑

d) The possible margin for error in an assumption is 20 per cent. ❑

10. Which statement is true?

a) Customers are not interested in seeing the results of a survey in which they have participated. ❑

b) Customers have no expectations related to service. ❑

c) It is okay to take customer loyalty for granted. ❑

d) People are more likely to complete a survey form if there is a chance of winning a prize as a result. ❑

CHAPTER 25

# Deliver more than your customers expect

# Summary

In this chapter, we have explored the concept of achieving customer excellence by consistently exceeding the customer's expectations. The main benefits to be gained by doing this are:

- customer loyalty
- your customers become 'raving fans' and tell others about you, and your sales increase accordingly
- you build a reputation for yourself of being an organization that excels.

To illustrate this 'above and beyond' approach, examples included in this chapter spanned a variety of businesses, from a stationery supplier to a casino, with the main case study being Waterstones bookshops.

Also reiterated in this chapter is the close relationship between customer care, marketing and public relations functions. The more effective you become at customer care, and particularly customer excellence, the more your customers will fulfil your marketing and public relations activities for you!

And, perhaps the best part – achieving customer excellence needs only a good idea; for example, the stationery supplier who decided to send out medicated throat sweets during an influenza epidemic. Someone in that organization came up with a good idea that would cost only a minimal amount, it was taken seriously, implemented and raving fans were created overnight!

In your organization, who is responsible for coming up with ideas for customer care initiatives? The answer is – everyone. Do you have a suggestion scheme in place? If not, think seriously about creating one. *Anyone* in your business might be sitting on the best idea that you've never had. Encourage them to put it forward, and be prepared to reward them for doing so.

# Fact-check (answers at the back)

Note: all questions require a single answer.

1. In order to achieve customer excellence:
a) Over-promise and under-deliver ❑
b) Meet customer expectations and nothing more ❑
c) Under-promise and under-deliver ❑
d) Consistently exceed customer expectations. ❑

2. Which statement is true?
a) Achieving customer excellence is expensive. ❑
b) Just one good idea can generate customer excellence. ❑
c) Customer excellence is a one-off activity. ❑
d) Customer excellence is impossible to achieve. ❑

3. Which statement is true?
a) Small, thoughtful actions can make a big impression. ❑
b) A customer will notice only major initiatives. ❑
c) There is little point in sending birthday cards to customers. ❑
d) Customer feedback should not be used for generating new ideas. ❑

4. Waterstones bookshops were founded by:
a) Tom Waterstone ❑
b) Jim Waterstone ❑
c) Tim Waterstone ❑
d) WH Smith. ❑

5. Which statement is true?
a) Books for sale should be displayed only on shelves. ❑
b) A table display attracts visual attention. ❑
c) People should always stand up to browse books. ❑
d) Seating customers is a waste of space. ❑

6. Which statement is true?
a) As long as staff know how to work a cash register, they are knowledgeable enough. ❑
b) Customers shouldn't expect staff to have product knowledge. ❑
c) A little knowledge is a dangerous thing; better to have none at all. ❑
d) It is important for staff to be knowledgeable about the products and services offered by their organization. ❑

7. Which statement is true?
a) Loyalty cards and vouchers are valued by customers. ❑
b) Customers do not need to feel valued. ❑
c) There is no such thing as a customer who is a 'raving fan'. ❑
d) Marketing and public relations have nothing to do with customer care. ❑

8. Which statement is true?

a) Events are for staff only, not customers. ❑

b) Hosting events for the benefit of customers builds loyalty and a good reputation. ❑

c) Events are a costly overhead, and therefore are not feasible. ❑

d) An event will be supported only if a top celebrity attends. ❑

9. Which statement is true?

a) Customers don't notice whether products are displayed well or not. ❑

b) As long as your business premises are cleared once a week, they are clean enough. ❑

c) Your website is also your shop window and needs to be visually appealing. ❑

d) There is no need to provide water coolers or vending machines for use by customers. ❑

10. Which statement is true?

a) The 'customer experience' has nothing to do with you; it's all in their mind. ❑

b) Customers will always buy the cheapest product or service available. ❑

c) Your reception area is a great place to dump very old magazines. ❑

d) Customer care initiatives being used in other industries may well work in your business too. ❑

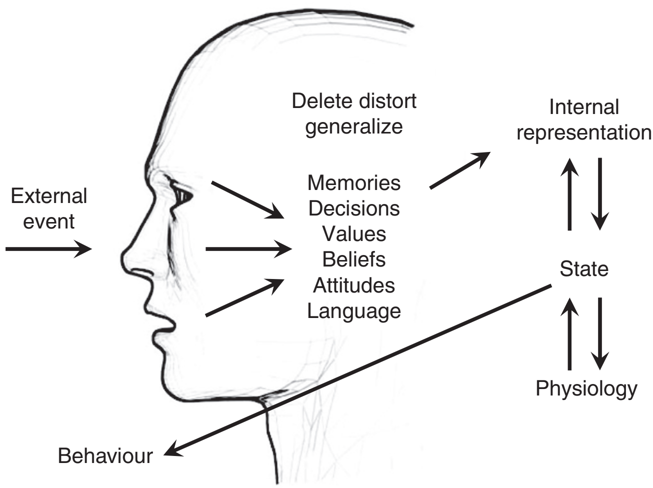
CHAPTER 26

# Excellence in communication

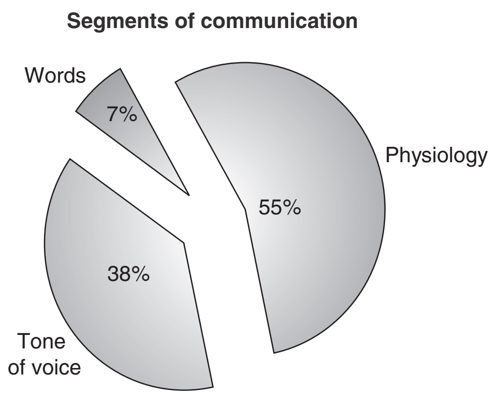
# What makes everyone different and unique?

The following diagram illustrates how we take in information (external events), pass it through our own individual set of 'filters', make sense of it, react to it emotionally and physically and, finally, behave in a way that feels appropriate to us.

Let's explore this in more detail.



The following diagram is a pie chart showing the three elements of communication – physiology (body language), tone of voice and words – and their relative proportions. Much research has been conducted on these figures, principally by Professor Emeritus of Psychology, Albert Mehrabian.



# Summary

In this chapter, we have explored the concept of everyone being different and unique, determined by our unique sets of internal 'filters', which in turn influence how we make sense of things and react to them. Perhaps you have watched a film with a friend; you thought it was brilliant and he or she thought it was rubbish. Neither of you is right or wrong – you are both evaluating the film using your own sets of filters, which are different.

We all create our own private 'model of the world' that enables us to make sense of what is going on around us and drives our behaviour. Past experiences play a huge part in the creation of our model and can mean that someone else's behaviour seems inappropriate to us, whereas it feels 'right' to them.

Rapport is the key to effective communication and enables us to build a bridge across into someone else's model of the world. By using the principles of matching and mirroring body language, tone of voice and words, we can replicate natural rapport building in a fraction of the 'normal' time.

Remember that it is impossible to not communicate. This means that everything covered in this chapter can be put into practice any time, anywhere, with anybody. Communication is the most essential skill you have in your 'toolbox' – use it well and it will reward you amply.

# Fact-check (answers at the back)

Note: all questions require a single answer.

1. Which statement is true?
a) The conscious mind can process a minimum of 15 things at a time. ❑
b) The unconscious mind makes two million neural connections a second. ❑
c) The conscious mind is the 95 per cent of the brain that we use most. ❑
d) Your 'power house' is your conscious mind. ❑

2. Filters . . .
a) Are identical for everyone ❑
b) Remain exactly the same throughout life ❑
c) Can cause the conscious mind to become overloaded ❑
d) Make sense of incoming information. ❑

3. Which statement is true?
a) The fastest way to change how you feel is to eat chocolate. ❑
b) Body language has nothing to do with feelings. ❑
c) Changing your physiology instantly changes your state of mind. ❑
d) Thoughts and emotions are completely disconnected. ❑

4. In your mind, you carry your unique:
a) Model of the world ❑
b) Telephone directory ❑
c) Map of the London underground ❑
d) European road atlas. ❑

5. Which statement is true?
a) Matching and mirroring are not natural processes. ❑
b) 'Rapport' comes from an old Italian verb. ❑
c) When deliberately matching someone else, movements should be exaggerated. ❑
d) Rapport enables a bridge to be built across to someone else's model of the world. ❑

6. The three elements of communication are:
a) Physiology, tone of voice, words ❑
b) Eye contact, handshake, written word ❑
c) Dress code, smiling, gestures ❑
d) Telephone, face to face, email. ❑

7. Which statement is true?
a) Physiology is 58 per cent of communication. ❑
b) Words make up the smallest element of communication. ❑
c) Tone of voice is worth 70 per cent over the telephone. ❑
d) Spacing and leading is a rapport-building technique. ❑

**8.** Which statement is true?

**a)** Mimicking an accent builds rapport rapidly. ❑

**b)** Breathing is mismatched when people laugh together. ❑

**c)** Pacing and leading can help to calm down an angry customer. ❑

**d)** Matching somebody's blink rate serves no purpose. ❑

**9.** Which statement is true?

**a)** To 'speak somebody's language', match their key words. ❑

**b)** Until you speak, you are not communicating. ❑

**c)** If someone is quietly spoken, it's good to speak louder. ❑

**d)** It is impossible to build rapport over the telephone. ❑

**10.** Which statement is true?

**a)** 'I get the picture' indicates the hearing channel of communication. ❑

**b)** VHF stands for virtual, hearing, feeling. ❑

**c)** 'Feeling' people use words such as 'Tell me more'. ❑

**d)** To establish rapport in writing, use a balanced selection of VHF words. ❑

# CHAPTER 27

# Attitude is everything

# Summary

Some people are naturally cheerful and helpful, with a genuine desire to be of service to others. If you are able to recruit people like this into your customer service function, then you will have a force to be reckoned with!

Others need to have these attributes nurtured. They need to feel valued, and they need to be openly recognized for doing a good job. They need to know that their voice will be heard if they have a point to make. They need to feel fully involved in the day-to-day running of their organization and to know that their job role makes a worthwhile contribution.

The quality of the communication within your organization will have a powerful effect on the morale and motivation of staff at all levels. When staff feel they are being ‘kept in the dark’, they start to shut down. They will find it hard to ‘go the extra mile’ for an unappreciative employer and a negative attitude will soon be conveyed to your customers.

However, just as customer excellence can be achieved with a good idea, so can employee excellence. It really takes very little effort to put in place the kind of initiatives that can generate consistently positive attitudes from your staff. You don't have to rip up the carpet and replace it with artificial turf; all you have to do is communicate with your staff. Ask them what they think, how they feel and what ideas they have to improve the business.

And then listen . . .

# Fact-check (answers at the back)

Note: all questions require a single answer.

1. An ideal career is when:
a) Your day-to-day work is a chore ❑
b) Your vocation is your vacation ❑
c) Somebody else has chosen your career for you ❑
d) Your work is just something that pays the bills. ❑

2. Which statement is true?
a) Natural peak performers are self-motivated. ❑
b) Peak performer means 'mountaineer'. ❑
c) Peak performers hate their jobs. ❑
d) There is an age limit to being a peak performer. ❑

3. Which statement is true?
a) It's acceptable to be indifferent to a complaining customer. ❑
b) Only directors are representative of their organization. ❑
c) Sales staff should not be expected to be representative of their organization. ❑
d) Every individual within an organization is representative of that organization. ❑

4. Which statement is true?
a) The only way to find out how your staff are performing is to install hidden cameras and microphones. ❑
b) If your staff insist that they're doing a fantastic job, then clearly there is no room for improvement. ❑
c) Using a mystery shopper is an effective way of stepping into your customers' shoes. ❑
d) There is no need to have a checklist prepared before making a mystery shopper call. ❑

5. Which statement is true?
a) Recorded mystery shopper calls can be used in staff training sessions. ❑
b) Staff shouldn't be expected to be polite in the mornings if that is not their preferred time of day. ❑
c) As long as there is music playing, it's acceptable to leave a caller on hold for any length of time. ❑
d) A 'difficult' customer deserves a hostile response. ❑

6. Which statement is true?
a) A positive attitude will not be apparent in a candidate at a recruitment interview. ❑
b) Motivation starts at the recruitment stage. ❑
c) A self-motivated person will never 'go the extra mile' without being asked. ❑
d) An optimistic attitude is unrealistic and irritating. ❑

7. Which statement is true?
a) Salary is the top motivator in the workplace. ❑
b) Nobody needs to be acknowledged for doing a good job. ❑
c) Criticizing in public is a good idea. ❑
d) Verbal, genuine praise contributes to motivation. ❑

8. Which statement is true?
a) The John Lewis Partnership was founded in 1864. ❑
b) Only the directors are 'partners'. ❑
c) It is considered to be an autocratic business. ❑
d) 50 per cent of the partners took part in the 2011 survey. ❑

9. Which statement is true?
a) Information is power; therefore communication should be severely restricted. ❑
b) People appreciate being 'kept in the dark' as ignorance is bliss. ❑
c) Good communication at all levels in an organization helps staff to feel valued. ❑
d) Communication has nothing to do with staff motivation. ❑

10. Which statement is true?
a) Innocent Drinks sells 100,000 smoothies a week. ❑
b) Fruit Towers has artificial turf instead of carpets in the office areas. ❑
c) It's easy to feel miserable in a 'happy-go-lucky' work environment. ❑
d) Innocent's delivery vans are covered in cotton wool to look like sheep. ❑

CHAPTER 28

# Plan to excel

# Summary

In this final chapter, we have explored those things that need to happen to move your organization forward to becoming a recognized market leader in customer care. Training is a key element of this, and for *everyone* in an organization, not just those who deal directly with external customers. It is also important that a training programme addresses the 'What's in it for me?' question in order to gain the support of staff.

Once a training programme has kickstarted the customer excellence mentality, it is important to keep that momentum going with incentives and awards. A suggestion box might sound very basic, yet it is a practical way of encouraging people to put forward their ideas, with the assurance that they will be taken seriously and reviewed in a confidential environment. And a suggestion box doesn't need to be a physical box; it can be a virtual box with a dedicated email address.

We have also looked at the concept of internal customers and the benefits to the entire organization of improving cross-functional communication and understanding.

Leadership from the top and leadership by example are the real drivers for creating and sustaining customer excellence. However, the following two ‘rules’ also work very well:

The golden rule of customer care is to treat others as you would like to be treated.

The platinum rule of customer care is to treat others as they would like to be treated, and then some.

# Fact-check (answers at the back)

Note: all questions require a single answer.

1. Which statement is true?
a) Customer care is purely the responsibility of customer-facing staff. ❑
b) Leadership in customer care comes from the top. ❑
c) Customer care is driven by your competitors. ❑
d) Directors do not need training in customer care. ❑

2. Which statement is true?
a) All customers are external to your organization. ❑
b) Internal customers are other companies in your industry. ❑
c) Internal customers are other departments in your organization. ❑
d) Only external customers matter. ❑

3. Which statement is true?
a) Directors need to be seen to 'walk the walk'. ❑
b) Directors should be made to walk the plank. ❑
c) Directors need to remain remote from their staff. ❑
d) Only the sales force need to know about a major new order. ❑

4. Which statement is true?
a) New starters should attend reduction training. ❑
b) An induction course should not include any references to customer care. ❑
c) Induction training is only necessary in large organizations. ❑
d) Induction training is for new staff. ❑

5. Which statement is true?
a) Customer care training needs to be recurring rather than a 'one-off'. ❑
b) Customer expectations always remain the same. ❑
c) If someone has been employed by the organization for five years, then there is nothing new they can learn about customer care. ❑
d) Directors are exempt from customer care training. ❑

6. Which statement is true?
a) 'Cross-functional' means that different functions get cross with each other. ❑
b) Cross-functional training helps different departments understand each other. ❑
c) There can never be too many attendees on a training course. ❑
d) Delegates on a training course should all be from the same department. ❑

7. Which statement is true?

a) People don't need to know the reason they are attending a workshop. ❑

b) Everyone is comfortable to speak up in front of a large group of people. ❑

c) When attending a workshop, you must bring along a hammer and nails. ❑

d) Everyone's favourite radio station is WIIFM. ❑

8. Which statement is true?

a) A branded customer service programme can be rolled out throughout the organization. ❑

b) A good customer service programme is weird and meaningless. ❑

c) Incentives for delivering customer excellence are pointless. ❑

d) It is unlikely that any good ideas will come from staff on a workshop. ❑

9. Which statement is true?

a) Customers do not hold any expectations of service levels at all. ❑

b) Always tell a customer what you can't do for them. ❑

c) Always follow through and do what you say you will do. ❑

d) Never take ownership of a problem that isn't directly your fault. ❑

10. Which statement is true?

a) You should mystery shop only your own organization, not others. ❑

b) A suggestion scheme can help to maintain the momentum of training. ❑

c) Teabags have always been round in shape. ❑

d) Internet customers never shop outside of your working hours. ❑

# Surviving in tough times

## 1 Reward customer loyalty

When people are trying to be thrifty with their money, they love to receive vouchers and special offers. These could be in the form of, for example, money-off vouchers, buy one get one free vouchers or loyalty cards. Think about offers you could make to your customers that will save them money. If they have bought from you through your website, could you email them a unique code that will give them a personal discount off their next order? What about a free extended warranty or insurance? For inspiration, check out what other organizations in your industry are offering their customers and then explore what you could do that would be even better.

## 2 Run a testimonial-gathering exercise

Contact past and present customers and offer them the chance to win a prize for completing the phrase 'I love dealing with [your company] because . . .'. There could be different categories, for example the most original testimonial, the wittiest, the most appealing and so on. Award prizes for each category and publish a selection of the testimonials on your website. This activity will also make a good press release.

## 3 Put mirrors in front of your telephone staff

Invest in free-standing mirrors, but not with a magnifying lens, and position them so that your customer support staff can see their own reflections when they are talking to customers on the telephone. This will encourage them to smile, which will make them sound friendlier on the phone. There are also several other benefits of smiling – see Chapter 22 to remind yourself of what they are.

## 4 Put on an event

Invite your customers to an event, such as a treasure hunt on a Sunday afternoon. This could be on foot or it could take the form of a car rally in which clues have to be solved. Tell them that they are welcome to bring along family and friends, and that there will be prizes for the winners. This type of event has a wide appeal, is relatively inexpensive to run and provides an opportunity to build good relationships with your customers in a relaxed atmosphere.

## 5 Give your customers an unexpected gift

This is one of the key routes to achieving customer excellence and need not be a costly option – see the example of the stationery supplier in Chapter 25. The gift could accompany their next purchase or be sent to them as a thank you for referring a new customer to you.

## 6 Send birthday cards to your customers

Many organizations send out Christmas cards to their customers but very few send out birthday cards. These are unexpected and far more personal, and they demonstrate that you care. Recipients will be pleasantly surprised and feel that yours is a genuinely caring, 'thoughtful' organization. The cost is minimal, but the value is huge.

## 7 Conduct a customer satisfaction survey

It is essential that you are in touch with your customers' views about your organization and that you willingly and positively respond to any complaints or suggestions that they make. Also, people like to be asked for their opinions – it makes them feel valued and keeps you uppermost in their minds. See Chapter 24 for ideas on what to include in a survey. There are online survey tools that you could utilize to conduct a survey by email.

## 8 Spring clean your business

Step into your customer's shoes and 'visit' your business, as if for the first time. Does it feel bright, warm and inviting? Does it feel like an organization you would enjoy doing business with? If not, why not? Experiment with making small changes – moving furniture around, updating displays or including an 'offer of the week' on your website. What would appeal to your customers and how can you supply it?

## 9 Go public with your customer care standards

People buy people first and if you are able to build a reputation as a customer-friendly organization, then customers will stay loyal to you. Chapter 23 focused on creating customer care standards while Chapter 28 presented the idea of creating and rolling out a branded customer service programme. Going public on these initiatives will enhance your reputation significantly. Think of John Lewis's slogan, 'Never knowingly undersold', or Marks & Spencer's policy for exchanging unwanted goods.

## 10 Give awards to your outstanding staff

Recognize those members of your staff who, on their own initiative, 'go the extra mile' for customers. Some organizations nominate an employee of the month. Others give personal awards such as a dinner for two at a local, good-quality restaurant or a gift voucher that would be really appreciated by that particular individual. Whatever you choose to do, publicize it through your internal communications channels, e.g. your newsletter or intranet. Ideally, also include testimonials from customers relevant to the award winners.

# Further reading


## Advanced skills

*Negotiating the Better Deal*; Peter Fleming, International Thomson Press, 1997

## Commercial/Sales

*Bargaining for Results*; John Winkler, Heinemann, 1989

*Getting to Yes*; Roger Fisher et al, Arrow, 1997

*Managing Retail Sales*; Peter Fleming, Management Books 2000 Ltd, 1997

*Negotiate to Close: How to make more successful deals*; Gary Karrass, Fontana, 1987

*Retail Selling*; Peter Fleming, Management Books 2000 Ltd, 2007

## Industrial relations

*Effective Negotiation*; Alan Fowler, Chartered Institute of Personnel Development, 1986

## Personal skills

*Assertiveness at Work: a practical guide to handling awkward situations*; Ken and Kate Back, McGraw Hill, 1999

*People Skills In A Week*; Christine Harvey, John Murray Learning, 2016

## General

*Managing Negotiation: how to get a better deal*; Kennedy et al, Random House Business Books, 1987

*The Skills of Negotiation*; Bill Scott, Gower Publishing, 1981

# Answers

**Part 1: Your Successful Selling Masterclass**

**Chapter 1** : 1d; 2d; 3b; 4c; 5b; 6d; 7a; 8c; 9d; 10b.

**Chapter 2**: 1c; 2a; 3c; 4d; 5d; 6a; 7d; 8b; 9d; 10d.

**Chapter 3**: 1d; 2a; 3b; 4a; 5c; 6d; 7d; 8d; 9b; 10b.

**Chapter 4**: 1d; 2c; 3a; 4d; 5d; 6d; 7a; 8b; 9b; 10d.

**Chapter 5**: 1d; 2a; 3d; 4a; 5b; 6d; 7d; 8b; 9b; 10c.

**Chapter 6**: 1b; 2b; 3d; 4d; 5d; 6d; 7a; 8d; 9d; 10d.

**Chapter 7**: 1d; 2a; 3d; 4b; 5c; 6d; 7c; 8c; 9d; 10d.

**Part 2: Your Successful Key Account Management Masterclass**

**Chapter 8**: 1b; 2a,c,d; 3c; 4a,b,c; 5c; 6b,c,d; 7b; 8a,b,c; 9a; 10a,b,d.

**Chapter 9**: 1d; 2c; 3a; 4b; 5d; 6b,c; 7a,b,c; 8a,b,c; 9b,c,d; 10a,c,d.

**Chapter 10**: 1a,d; 2b; 3b; 4b,c,d; 5b,d; 6c; 7a,c,d; 8a,c; 9a,b; 10a,b.

**Chapter 11**: 1a,b,c; 2a,c; 3c; 4b,c,d; 5a,b,c; 6b,c,d; 7a,c; 8b,c; 9b,c,d; 10,b,c,d.

**Chapter 12**: 1b,c,d; 2a,c; 3b,c; 4b; 5a,d; 6b,c; 7d; 8b,d; 9b,c; 10a,b,c.

**Chapter 13**: 1a,c; 2a,b,d; 3d; 4b,d; 5c,d; 6c; 7c; 8;a,b,c; 9a,c,d; 10a,b,c.

**Chapter 14**: 1b; 2a,c; 3b; 4a,c; 5b,d; 6a,c,d; 7c; 8a,b,c; 9d; 10a,d.

## Part 3: Your Negotiation Skills Masterclass

**Chapter 15**:

1. a) 0 b) 1 c) 2 d) 0
2. a) 1 b) 0 c) 0 d) 2
3. a) 1 b) 0 c) 2 d) 0
4. a) 1 b) 2 c) 0 d) 0
5. a) 2 b) 0 c) 0 d) 1
6. a) 0 b) 0 c) 2 d) 1
7. a) 0 b) 0 c) 1 d) 2
8. a) 2 b) 0 c) 1 d) 0
9. a) 1 b) 2 c) 0 d) 0
10. a) 0 b) 2 c) 1 d) 1

**Chapter 16**:

1. a) 1 b) 1 c) 1 d) 2
2. a) 0 b) 1 c) 2 d) 1
3. a) 0 b) 2 c) 1 d) 0
4. a) 1 b) 1 c) 1 d) 2
5. a) 1 b) 1 c) 1 d) 2
6. a) 1 b) 2 c) 0 d) 0
7. a) 0 b) 1 c) 2 d) 0
8. a) 2 b) 0 c) 1 d) 0
9. a) 0 b) 0 c) 2 d) 0
10. a) 1 b) 0 c) 2 d) 1

**Chapter 17**:

1. a) 1 b) 1 c) 2 d) 3
2. a) 0 b) 0 c) 2 d) 1
3. a) 2 b) 0 c) 0 d) 0
4. a) 2 b) 0 c) 0 d) 1
5. a) 1 b) 2 c) 3 d) 1
6. a) 3 b) 1 c) 0 d) 0
7. a) 0 b) 2 c) 3 d) 0
8. a) 0 b) 0 c) 0 d) 2
9. a) 0 b) 2 c) 1 d) 3
10. a) 1 b) 0 c) 1 d) 2

**Chapter 18**:

1. a) 2 b) 2 c) 0 d) 0
2. a) 0 b) 1 c) 0 d) 2
3. a) 1 b) 2 c) 0 d) 1
4. a) 2 b) 0 c) 1 d) 1
5. a) 0 b) 1 c) 2 d) 0
6. a) 1 b) 1 c) 2 d) 0
7. a) 0 b) 2 c) 1 d) 0
8. a) 1 b) 2 c) 0 d) 0
9. a) 2 b) 0 c) 1 d) 0
10. a) 1 b) 0 c) 2 d) 1

**Chapter 19**:

1. a) 0 b) 0 c) 2 d) 1
2. a) 0 b) 0 c) 1 d) 2
3. a) 0 b) 1 c) 1 d) 2
4. a) 2 b) 2 c) 0 d) 2
5. a) 1 b) 0 c) 2 d) 1
6. a) 2 b) 1 c) 1 d) 0
7. a) 2 b) 0 c) 0 d) 1
8. a) 0 b) 1 c) 2 d) 0
9. a) 1 b) 2 c) 0 d) 0
10. a) 1 b) 0 c) 0 d) 2

**Chapter 20**:

1. a) 0 b) 0 c) 2 d) 1
2. a) 1 b) 2 c) 0 d) 0
3. a) 0 b) 0 c) 1 d) 2
4. a) 1 b) 0 c) 2 d) 0
5. a) 1 b) 2 c) 1 d) 0
6. a) 2 b) 3 c) 1 d) 1
7. a) 0 b) 2 c) 0 d) 1
8. a) 0 b) 0 c) 1 d) 2
9. a) 2 b) 0 c) 1 d) 0
10. a) 0 b) 2 c) 0 d) 1

Total score out of a possible 126:

Part 4: Your Successful Customer Care Masterclass

**Chapter 22:** 1c; 2b; 3d; 4a; 5b.

**Chapter 23:** 1c; 2b; 3d; 4b; 5b; 6a; 7d; 8b; 9a; 10c.

**Chapter 24:** 1c; 2d; 3a; 4b; 5c; 6d; 7a; 8b; 9b; 10d.

**Chapter 25:** 1d; 2b; 3a; 4c; 5b; 6d; 7a; 8b; 9c; 10d.

**Chapter 26:** 1b; 2d; 3c; 4a; 5d; 6a; 7b; 8c; 9a; 10d.

**Chapter 27:** 1b; 2a; 3d; 4c; 5a; 6b; 7d; 8a; 9c; 10b.

**Chapter 28:** 1b; 2c; 3a; 4d; 5a; 6b; 7d; 8a; 9c; 10b.