
Top five sales negotiation mistakes



By [Peter Hiddema](#)

Stop talking, start listening. Can tweaking your approach help clinch the deal?

Picture the scene: it's late in your fiscal year and you're in the final stages of negotiating a big sale. If you land this one, you will exceed your annual sales target by 25 percent and your bonus will double. No doubt about it - you want this one.

Then comes the bad news. To do the deal, the client wants a major concession that will erode the profitability of the transaction and set a bad precedent. You thought you handled this objection earlier and put it aside, but you were wrong. What now?

Here are five common negotiation mistakes salespeople make (not listed in order of importance), and what to do about them:

1. Selling a product instead of meeting needs.

This is one of the most common mistakes we see. Every industry has a set of products and/or services to sell. But what too many salespeople

overlook is that these products or services are created to address a need or want. If you want to sell the product, make sure you know what need it fills. You may have the most intriguing product on the planet, but if it doesn't meet the prospect's need, good luck. Focus first on their needs, and build a bridge from there. And if you discover that you can't fill the need, move on. Trying to force a mismatch is a sure way to waste everyone's time.

2. Acting on untested assumptions about buying behaviour.

Assumptions are a key topic of conversation between us and our clients. Everyone makes assumptions all the time about the reasons behind other people's behaviour. Making an assumption isn't the problem – not testing the assumption is. Your sales strategy is guided by what you believe motivates your prospect. If you've misjudged the prospect's "drivers" because you didn't test your belief about why they did or did not respond to something you said or did in the sales process, the odds are high that you won't make the sale. The solution is simple (but not necessarily easy): be a little more curious, a little more humble, and ask instead of assuming.

3. Too few questions and not enough listening.

This mistake feeds directly from the previous one, but there's more to this problem than untested assumptions. Many salespeople are extroverts and love to talk. But when you're talking, you're not learning. It's hard to sell if you don't know why someone's buying, so ask. Ask short, open-ended questions like, "Can you say more about that?" or "What's the concern?" or "Can you help me understand more about..." Then be quiet and listen. Get curious, ask clarifying questions. Focus on understanding and summarise what you think they said. By the time you're done, you'll know so much about them you'll have enough information for five years' worth of business.

4. Addressing the prospect's position instead of their underlying interests.

This mistake is at the core of almost any negotiation or sales error. First, some definitions. A "position" is what someone says they want. It is their stated request or demand. An "interest" is the underlying motivator or reason behind the stated request or demand. For example, a prospect may ask for a 15 percent discount (their position). As the

salesperson, we naturally assume they're asking because they think our product or service is too expensive. But if we asked, we might discover they actually think it is fairly priced. The reason they asked for the discount is because they have a limited budget this quarter but they'd prefer to buy it all now instead of later. Once you identify the real reason for the request, many solutions emerge. One option is to sell it all to them now at the full price, but spread the billing over two quarters. Had you not gotten below the position, your response might have been to start by offering a five percent discount and hope to meet them halfway at ten percent. This would have cost you and still not have addressed their real need. This mistake can cost businesses millions of dollars and countless hours of wasted time and energy.

5. Negotiating against yourself with unilateral concessions.

Many clients seem to forget a simple premise: business (and life) is a two-way street. In sustainable relationships, reciprocity must exist. To get, you have to give. Often – because of our eagerness to land the deal – we offer incentives and concessions, without being asked. Then, if the prospect still isn't biting, we keep offering more in the hope that at some point we'll go far enough to secure the sale. If I'm a buyer and you're selling to me like this, why would I ever stop you? Don't get me wrong, I'm not saying never to make concessions, but there's a time and place and you should be getting something for it. If you make a concession, ask for something in exchange. For example, ask for a tentative commitment (in sales lingo: a trial close). "If I am able to make this concession, would that be sufficient to close the deal?" or "If I can give you this concession, will you sign a two-year contract instead of one-year?". At the end of the day, if your prospect isn't interested in making it a win/win, maybe you shouldn't be doing business with them.



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