# Negotiation And The Sales Engineer

## Getting To The "Yes"

A while back, I attended a Global Sales Kickoff event hosted by one of my clients. During a free morning in my schedule, I noticed an optional *Negotiation* workshop on the calendar of events. With permission, I decided to attend – and was extremely disappointed! My disappointment wasn't with the workshop, the materials, or the instructor (all of which were first class) – it was with who attended. There were 49 salespeople and one lonely Sales Engineer.

This wasn't a class on Closing Techniques, Handling Objections, Licensing, or Contracts – it was a class run by Human Resources on **Negotiation**. During my next session, I asked the SEs why they skipped the class. "*Negotiation is a sales rep skill – we don't need to focus on it as we have all this product knowledge to learn*," they replied.

Negotiation is an essential skill for every Sales Engineer. You negotiate every day – with your manager, with your colleagues, with your family, with your customers, and especially with the salespeople. Unfortunately, many SEs complain about being victims and having no control over their schedules, work, and career. Much of that comes down to not asking the right questions and avoiding (or giving in to) difficult conversations. So here is a quick guide to negotiation for the Sales Engineer – aimed primarily at improving your autonomy and sense of professionalism when dealing with salespeople.

## Some General Thoughts

Most SEs pride themselves on their analytical skills, root cause analysis, and translating business problems into technological solutions with fantastic outcomes – yet they never utilize these skills during negotiation. So …

1. It's Always a Win-Win Until It Isn't. The basic rule of negotiation, especially at work, is that everyone involved feels like they gained something out of the process. For example, you get an extra 3 days to respond to an RFP; the customer thinks they will get innovative solutions that no one else can provide. You offer to work a trade show; in return, your colleague lets you take an extra day off around the holidays, and they'll cover for you. Of course, there are times when there is a fixed share of the pie, when someone wins, and someone loses (there is only 1,000 in commission to be paid – who gets it?). At that point, you need to stand up for your rights and what you believe in – without seeming too greedy.

2. Listen Actively and Acknowledge. Many issues that crop up in a negotiation are derived from misunderstanding the other person's needs and position. My wife, a teacher/psychologist, often tells me about the difference between listening to understand (desired behavior) and listening to respond (undesired and argumentative behavior). It can be as simple as ensuring that when the other person is speaking, you are processing their words to summarize them instead of "*what am I going to say when this idiot stops talking at me?*". It can be very disarming to say something like, "**OK. Just to make sure I understand things, it seems like your position is …… , does that seem correct?**" Sometimes people, especially our more technical customers, or those that are complaining, want to be heard and understood! This also works well with your company's more analytic individuals like engineering and development.

3. Concisely Express Your Position. Be prepared for someone to ask you the "just to make sure I understand your position.." question – so have an answer ready. Can you briefly summarize your position and what you'd like to happen? Try to express it positively, rather than a series of "I don'ts".

4. Know Your BATNA. Many negotiation courses use the BATNA acronym, Best Alternative To Negotiated Agreement. A BATNA describes what you will do if you cannot agree. Having a good BATNA gives you power during negotiations. As an SE, in many cases, you don't actually have a realistic BATNA (which is often "walk away from the deal"). Note this is different from your "Bottom Line," – which is the worst possible deal that you will accept. An example of a Bottom Line might be negotiating how many data sources to load into your product. Ideally, you'd like one and hope to settle on two, but three is the highest you will accept.

5. See the Big Picture. Before discussing/arguing about individual line items – get an explanation of the big picture first. A classic example is when negotiating the success criteria and project plan for a trial or Proof of Concept – often, the big "deal breaker" is left to the end. A personal example occurred last year when I negotiated a pricing schedule and some terms/conditions with a large software company. Their purchasing team insisted that we start at section 1(a) and go through the contract item by item until we reached the end. The promise was that they'd approve the deal that day if we agreed. That's a recipe for disaster as the demands get bigger the longer the session proceeds, and as the seller, you just want to get the deal done. I was advised to request a list of their major changes and walk through the contract in total before agreeing to everything. Judging by their objections to this process, it was the last thing they wanted to do, but eventually, we prevailed and came to a fair agreement for both parties.

6. The Unfair Situation. If you think a situation is set up against you – say so – honestly and unemotionally. Even if it is something as blatant as looking into the sun or getting a squeaky chair. A typical example is the "*good cop, bad cop*" scenario – when one person acts aggressively towards you, and then their partner apologizes for their behavior and acts warmly towards you. Instead of accepting that situation, say, "look, it's obvious you two need to get aligned on your position. How about I step out for a few minutes and let you do that instead of the good cop/bad cop routine?"

## Dealing With Salespeople

Some of these ideas may seem a little manipulative but remember that every salesperson in the world has supreme confidence that they can "sell you" on their idea or way of doing things. Sometimes that confidence can work to your advantage.

7. **Don't Attack The Person.** Separate the people from the problem. Starting a conversation with *"you never give me enough access to the client so that I can conduct proper discovery"* may be accurate. Still, it will not help you gain better access because it will immediately put the rep on the defensive. You're better off starting with, "*you know, the last couple of meetings we've had with clients, both of us have been surprised by something they said during those meetings, and I'm thinking maybe we could do a better job of uncovering things like that beforehand .."*

8. **Put The Problem Before The Answer.** Following on from that last example, starting with "*I'd like to suggest that you always schedule a 30-minute discovery call for me before I do a custom demo"* isn't going to help as you are immediately jumping to a solution (even if you're probably right). Instead, you need to raise a little pain and then walk the salesperson into the future, just as you do the customer. After talking about being surprised, you can mention how that slowed down the deals and how the rep had to push their forecast out by a month for one of them. Then ask, "what do you think?"

9. **It's "A" or "B" – You Decide.** We've all been in that situation where we have 20 hours of work to do in a day – all for the same salesperson. In that case, rather than complaining about how much work you have to do – give the rep the option of prioritizing. For example, *"I have tasks A, B, and C to complete today – all for your accounts. I can only get two of them done, and it's not feasible to hand a task off to another SE – so you choose; what's the priority?"* As long as you don't accept *"do all three, I don't care what it takes"* as a response, you have achieved something positive.

10. **Use An Analogy.** Sometimes data and logic don't work with salespeople, so you must resort to a more emotional analogy. My favorite was with a rep who continually demanded a complete "out-of-the-box" demo of our entire product suite in 45 minutes. This was impractical and drove my SE team crazy, but being SEs they always managed to get something done, and it usually worked out due to heroic efforts. Nevertheless, I sat down with the rep and her manager, knowing a standard logical approach wouldn't work.

    John: *"Erin – let's talk about this 45-minute demo – there has to be a better way of handling this and still achieving your meeting goals."*

    Erin: "I'm happy with it, and we don't need to change."

    John: *"Well, I think we do, as it's causing a lot of inefficiency in my team and taking time away from other reps, which is why Bill (the manager) is here."*

    Erin: "But I'm hitting my number!"

John: *"So Erin, look at it this way – you like to play Golf. It takes about 3 ½ hours to play a round of 18 holes. Suppose I told you that you only had 45 minutes to play a complete round. Could you do it?"*

Erin: "Probably not."

John: "*OK, suppose that you were allowed to skip some holes, and you were playing against an opponent, and you had to win – what would you do?*"

Erin: "I'd pick 4-5 holes that made me look good and my opponent bad."

John: *"Exactly! And you could only do that if you knew something about your opponent."*

Erin: **"Stop that! I see what you're doing with this story …."**

The result was no more standard 45-minute demos with zero discovery beforehand. A thing of beauty!

## Summary

We negotiate daily, and most Sales engineers aren't very good at it, so we then complain about the outcome. However, it's a skill that can and should be learned, and I'd say it is a worthwhile personal and professional investment. Look at "Getting To Yes" by Fisher and Ury, which is available in 36 languages. Investigate what your HR/Training department has to offer (Harvard Manage Mentor has some good stuff), and of course, we offer our SE-specific training too!

"Negotiation is not a policy. It's a technique. It's something you use when it's to your advantage, and something that you don't use when it's not to your advantage."

**John Bolton, Diplomat & Politician**

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