

## 12.5: Review and Practice

### ✓ Power Wrap-Up

Now that you have read this chapter, you should be able to understand how closing and negotiation work in the selling process.

- You **learn** the role of the close in the selling process.
- You **understand** how the close is an opportunity to build a relationship.
- You **recognize** that closing is a natural part of the selling process.
- You can **list** the different types of closes.
- You **understand** how to negotiate so that all parties win.
- You **realize** that a job offer can be negotiated.

### ? TEST YOUR POWER KNOWLEDGE (AnswerS ARE BELOW)

1. Explain the statement “The close, or getting the order, starts at the beginning of the selling process, long before you even come in contact with the prospect.”
2. What is a trial close?
3. Describe three times during a sales call that are good times to close.
4. Assume you are selling a video game. Give an example of an alternative-choice close.
5. Describe the role that trust plays in negotiating.
6. What are the three elements that are always present in a negotiation?
7. Why do salespeople think they need to lower the price to have a successful negotiation?
8. Describe what a concession is in a negotiation.
9. Name the three steps in the negotiation process.
10. What is a prenegotiation goal?
11. Is the following statement true or false? You can get more as a result of a negotiation in which you are emotionally involved.
12. How do you know if you received a good job offer?
13. What is the difference between compensation and salary? Why is it important to know this when negotiating a job offer?

### ? POWER (ROLE) PLAY

Now it's time to put what you've learned into practice. The following are two roles that are involved in the same selling situation—one role is the customer, and the other is the salesperson. This will give you the opportunity to think about this selling situation from the point of view of both the customer and the salesperson.

Read each role carefully along with the discussion questions and be prepared to play either of the roles in class using the concepts covered in this chapter. You may be asked to discuss the roles and do a role-play in groups or individually.

Sweet Success

*Role: Purchasing manager at ProFood, the food service supplier for campus cafeterias and restaurants*

You are responsible for purchasing the products to be offered in college cafeterias and restaurants. You try to include new products that reflect the eating trends of the students. One of the trends is for more natural and organic food choices. The challenge is that, in order to offer new menu options, some of the existing options need to be eliminated. Any new products must be able to generate more revenue than existing items at a lower cost. You are especially interested in increasing sales at the snack bars with impulse items like individually wrapped cookies and cakes. The Organic Delight Desserts option is exactly what you are looking for, but the price is too high, and you're not sure you want all the flavors that come packed together in one case. The price from the sales rep is \$20 per case. There are four flavors packed in a case—chocolate, strawberry, lemon, and mocha. At this rate, you might only put this in your top ten schools. If you can get a better price with the option to order individual flavors by the case, you might consider putting the line in all three hundred colleges and universities.

- Are you interested in negotiating to get what you want from the sales rep, or will you just take a pass and wait for another product?

- If you want to negotiate, what are your prenegotiation goals?
- What will you ask for during the negotiation? Is this different from your prenegotiation goals? Why or why not?

*Role: Territory manager, Organic Delight Desserts*

You are selling a new line of 100 percent organic desserts. These cookies and mini cakes are individually wrapped and are an excellent impulse item, or ideal for cafeterias. Since this is a new product line, it would be ideal to get placement with ProFood because it could lead to distribution at hundreds of schools. You just need to sell the purchasing manager on the line. You have sampled the products, and she likes the taste and thinks the packaging is perfect for her schools. Now you are down to negotiating on price and packaging. You have quoted \$20 a case for a case that includes all four flavors—chocolate, strawberry, lemon, and mocha. You might have some flexibility to have a custom cases made up in each flavor so she can order only the flavors she wants. However, it will cost additional handling to do that.

- Are you going to make this a “take it or leave it” proposal?
- If you are going to negotiate, what are your prenegotiation goals?
- How will you find common ground to make this a win-win-win situation?
- What will you ask for during the negotiation? Is this different from your prenegotiation goals? Why or why not?

## ? ACTIVITIES

1. Visit the campus career center and ask about salary information that is available for positions that you are interested in pursuing. Compare this information to similar information you have gathered from Web sites mentioned in this section that include salary information. What information is consistent? What information is different? Ask a career counselor to help you understand the differences.
2. Talk to a campus career center counselor, advisor, or other professor or professional (and use this information in this section) and create a list of elements that might be included in a job offer. Identify those elements that are most important to you. What are your prenegotiation goals as it relates to this list?

## ? TEST YOUR POWER KNOWLEDGE Answers

1. If you do your prospecting and qualifying correctly, you can significantly improve the number of times you are able to close a sale.
2. A trial close is when you ask your prospect their opinion. A close is when you ask for a decision.
3. When the prospect is demonstrating positive body language, when the prospect asks questions, and after you handle an objection.
4. “Would you like to preorder Guitar Hero Van Halen or take Guitar Hero Metallica with you now?”
5. Negotiating is based on trust. If your prospect doesn’t trust you, chances are she will be unwilling to compromise and find common ground during the negotiation.
6. Information, power, and time.
7. Forty percent of prospects ask for a lower price. Salespeople should work to get below the surface and understand the prospect’s true needs. Prospects are looking for value, not necessarily price. Salespeople should demonstrate the value of their product or service and negotiate on other elements rather than price. Reducing the price decreases profit, commission, and value of the product or service in the mind of the prospect.
8. A concession is something on which you are willing to compromise such as price, service, terms, options, or other elements of the deal. It’s best to get a concession when you give a concession.
9. Prenegotiation, negotiation, and postnegotiation.
10. Goals that you identify before the beginning of a negotiation that establish the minimum that you are willing to accept to make the deal happen.
11. False.
12. Do research before beginning your job search by visiting Web sites that include salary information.
13. Salary is only one portion of total compensation, payment for services provided to an employer. There are several elements of compensation, including salary, vacation, insurance, hours, travel, relocation, and others that can be used to increase the total value of your job offer.

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