

Sales Training: Responding to “I Need Your Best and Final”

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A common in phrase I use when teaching workshops is that “always and never” seldom apply to sales. Many decisions sellers make are situational, meaning there are few absolutes. One my few “always” is to negotiate as the vendor of choice (Column A).

Years ago I was teaching a workshop in Seattle that started on a Sunday. It happened to be the final round of the Masters tournament and many people seemed less than happy to be in the class. On Monday the mood of the room brightened with the exception of a student named Bill who appeared profoundly unhappy. At the break I approached him and asked what was wrong. He said there was a \$960K decision that was going to be made on Friday and he was being asked to lower his price. It turns out Bill’s manager was coaching the session so I suggested we sit down at lunch to agree on a course of action.

At lunch, I asked Bill if he was “Column A” (the favored vendor). He said he had started the opportunity and a major competitor was brought in later, so he felt he was the vendor of choice. He went on further to say a person inside the company indicated they had budgeted \$850K for the project and asked him to match it. The decision would be made Friday by the CIO.

My suggestion was to leave his bid at \$960K and request a meeting with the CIO for both he and his manager. While good to think you’re Column A, buyer actions speak volumes. My thought was it would be unusual for the CIO to allow Bill to bring his manager in late Friday afternoon only to say that they had chosen another vendor.

For the rest of the workshop, Bill was able to exhale. Having him and his manager agree on an approach made the situation far less stressful. The workshop ended Wednesday and I asked that he let me know what ultimately happened.

Bill called Monday to say they got the order for \$960K. A week prior, they were ready and willing to discount the price by \$110K. After we hung up I reached the conclusion that if he was Column B any discounted price was going to be used to drive down the price of the vendor of choice. There are very few sales of non-commodity offerings where sellers can discount their way into becoming Column A.

When asked for better pricing, many sellers discount. If they think they’re losing, some will give rock bottom prices. Oddly enough, they usually don’t get the business and run the risk of having that number used against them in future transactions where the roles of Column A and B are reversed.

If a buyer asks for better pricing, my suggestion is to ask: *Am I the vendor of choice and is price the only obstacle to making a decision?* If the answer is no it takes some courage, but my suggested response: *“It sounds as though you have more work to do in reaching a decision. If you reach the point where you want to do business with me, let’s see if we can reach agreement.”*

If you are Column A, the buyer will contact you. If you aren’t, you avoided putting a discounted price on the street that could haunt you later.