

# Best Practices White Paper



Insights to help move  
the performance needle

**Assess Needs**

**Grow Revenue**

**Satisfy Customers**

**Create Leaders**

**Manage People**

**Optimize Projects**

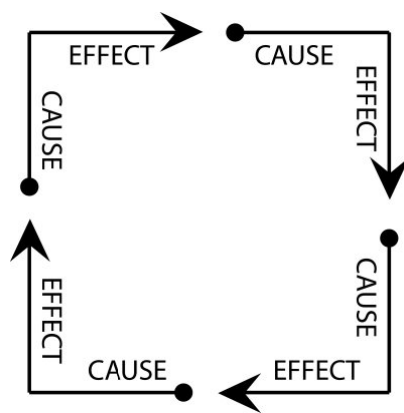
**Measure Results**



The Exact Expertise to  
Ignite and Sustain Performance™

## Changing the Conversation from the Price of Your Products to the Value of Your Solutions:

### Diagnosing the Root Cause of Your Negotiating Problems



**O**ur proprietary diagnostic process is a deep but highly efficient dive into all parts of a company that touch or are touched by negotiation.

We use the information gathered to diagnose the root causes and prescribe solutions tailored to your specific business in your current market environment.

### Diagnosing the Root Causes of Negotiation Failure

In the negotiation field, acute, surface-level pain is often expressed as “our margins are down” or “our salespeople are giving in on price too quickly;” yet these are merely symptoms of a problem that don’t contain enough information to stage an intervention. There are many root causes of negotiation problems creating these symptoms and driving this pain – some selling-related, some cross-functional – such as:

- Selling the wrong thing to the wrong person at the wrong level
- Inconsistent execution of their sales process
- A nonexistent or highly variable sales process
- Fundamental issues with the company’s value proposition or lack thereof
- A messy, complicated, silo-driven, internal negotiation-approval process
- Complicated deal-approval portals
- A disconnect between sales and contracts managers
- The perception that negotiation is separate from selling
- External factors such as emerging competitors buying market share

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## The Exact Expertise to Ignite and Sustain Performance™

Our proven process has three phases. The first two phases provide a clear sense of the current state of your market environment, negotiation methods, and talents. The final phase provides a clear business case and plan for action.



**Phase #1: External Benchmarking:** We measure the state of external factors impacting your negotiations and benchmark your firm against others to determine gaps between your current state and world class.

**Phase #2: Internal Benchmarking:** Next, we focus in on the sales team, determining the importance and effectiveness of your current sales and negotiation activities and the coaching skills of your front-line managers.

**Phase #3: Game Plan:** Finally, future state and success metrics are developed to inform a highly customized proposal for problem resolution.

Diagnosing your company's current state, desired state and success metrics is not complicated if done correctly.

Taking this step **before** prescribing a solution is the key difference between attending a tactical training event and embedding a business process deeply into the DNA of your company. Often compromised by insufficient or a complete lack of needs analysis, this critical step quantifies needs and begins building the cross-functional support needed for implementation later.

At every step, we operate with maximum efficiency and effectiveness. We interact with your team to surgically extract the data needed, requiring minimal investment of company resources and no disruption to company operations.

Because our process requires the involvement of key thought-leader management in cross-functional areas such as legal, marketing, product management, contracts, finance, legal, operations, and, of course sales, the results take into account your entire negotiation ecosystem – both within your company and in your target markets and industries.

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**Phase# 1: External Benchmarking:**

Measure and Benchmark the Current Negotiation Environment and Strategy Tactics

In the first phase, we:

1. Measure the current state of external factors impacting your negotiations - both customers and competitors
2. Understand how well your cross-functional leaders believe your firm is reacting from a sales and negotiation strategy and tactics perspective given the external market

The target audience for this analysis is cross-functional management for any internal stakeholder group (e.g., sales, finance, legal, marketing, procurement, product managers) that is directly or indirectly involved in your negotiation process. For most companies, this is between 5–20 people.

The comparative data originates from a research project undertaken in concert with the Strategic Account Management Association (SAMA). Our study benchmarks the state of the art for integrated sales and negotiation strategy and tactics for global corporations given changes happening in the external market. The results represent the findings from nearly 400 sales leaders globally; the study is updated approximately every 18 months to keep it relevant.

Three key areas across 19 indices in the external benchmarking include:

1. **External factors impacting negotiation – focuses on areas related to customers and competitors to get a sense of changes in the following areas:**

Diagnostic Area	The Market	Your Company
A. Professional buyer emergence		
B. Degree of price pressure		
C. Commoditization pressure		
D. Competitive behaviors		
E. Concession pressure		
F. Complexity and length of deals		

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2. Reaction to market changes from a sales and negotiation strategy perspective – measures your strategic plan to address these external factors and includes the following areas:

Diagnostic Area	The Market	Your Company
A. Alignment on overall sales strategy		
B. Alignment on key/national/global account strategy		
C. Central vs. decentralized negotiation decision making		
D. Degree of internal negotiation		
E. Degree of cross-functional alignment on internal negotiation		
F. Complexity and length of deals		

3. Reaction to market changes from a sales and negotiation tactics perspective – measures your tactical plan to address these external factors and includes the following areas:

Diagnostic Area	The Market	Your Company
A. Alignment on sales process		
B. Alignment on key-account process		
C. Alignment on negotiation process		
D. Quality of negotiation planning		
E. Connectivity between sales and negotiation		
F. Effectiveness of trading		
G. Overall rating of negotiation effectiveness		

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## Phase 2: Internal Benchmarking

### Sales and Negotiation Effectiveness of the Sales Team

Next, we survey your field sales team to determine the importance and effectiveness of their current negotiation skills. This includes understanding answering key questions such as:

- What are your strengths and weaknesses when negotiating value in a competitive environment?
- What are the most and least important variables being negotiated - products, prices, services and legal terms and conditions, etc.?
- What is the upstream effectiveness of your selling process and coaching?

Four key areas of interest and eighteen key indicators emerged from the research:

#### 1. External market factors and overall perspective:

Diagnostic Area	The Market	Your Company
A. The importance of negotiation in their position		
B. Confidence in their negotiating abilities		
C. Professional buyer emergence and pressure		
D. Most difficult verbal tactics from buyers		
E. Level of difficulty of the internal negotiation		
F. Average deal size, length of sales and negotiation processes and close rate		

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**2. Ability to trade and fend off concession pressure:**

Diagnostic Area	The Market	Your Company
A. Most to least important terms and conditions they negotiate		
B. Most to least important prices, products and services they negotiate		
C. Most to least difficult terms and conditions they negotiate		
D. Most to least difficult prices, products and services they negotiate		

**3. Ability to negotiate value against competitor and customer pressure:**

Diagnostic Area	The Market	Your Company
A. How often they are the incumbent in negotiations		
B. Competitive behaviors in negotiation		
C. Degree to which buyers evaluate the value of solutions vs. price of products		

**4. Effectiveness of selling process and coaching:**

Diagnostic Area	The Market	Your Company
A. Percent of time sales process is used		
B. Effectiveness of sales process		
C. Amount of and effectiveness of coaching against sales process		
D. Requests for more or less coaching		
E. Sales process tie to performance metrics		

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### Phase 3: Game Plan

#### Determine future state and establish success metrics

Together, the first two steps provide a sense of your company's current state. The final step identifies the future state and success metrics for a potential negotiation initiative. This includes telephone interviews with key, cross-functional thought leaders involved in negotiations as well as those who must be onboard for a proper rollout and adoption of any proposed solutions. The following areas typically emerge based upon the research:

- Strategic goals that can be enabled/executed by negotiation
- Given their role and focus, what they see as a desired state for negotiation; details are drilled down into process, leading and lagging indicators
- Key/must-win deals facing the company in the next three, six, nine and twelve months
- Gaps between current state and world class from the benchmarking section
- Potential barriers to success

Lagging Indicators	Leading Indicators	Process Metrics
<p>The ultimate success metrics for this initiative, such as:</p> <ul style="list-style-type: none"> <li>▪ Price increase</li> <li>▪ Margin improvement</li> <li>▪ Risk shift</li> </ul>	<p>Specific items in the control of salespeople that are directly linked to driving lagging indicators – those negotiable items you want more of and less of in deals, such as:</p> <ul style="list-style-type: none"> <li>▪ Adoption of an integrated selling and negotiating process</li> <li>▪ Adding in high-margin services</li> <li>▪ Giving away less free services and value-adds</li> <li>▪ Tightening up commitments in contract language</li> <li>▪ Selling more emerging products</li> <li>▪ Movement on many of the metrics outlined in the benchmark section</li> </ul>	<p>Drive business results, such as:</p> <ul style="list-style-type: none"> <li>▪ Completing the diagnostic</li> <li>▪ Training the sales team</li> <li>▪ Preparing coaches</li> <li>▪ Briefing senior management</li> <li>▪ Aligning performance appraisals</li> </ul>

Unfortunately, the marketplace is flooded with aggressive and professional buyers. Competitors are behaving more irrationally and giving away value. There are fewer opportunities to make deals. The deals that are made are longer term. In the face of all this, sellers continue to report reasonable sophistication on sales strategy, sales process, and account planning. They also report a paucity of sales negotiation strategy and process.

It's no wonder today's state of negotiation is so dismal.

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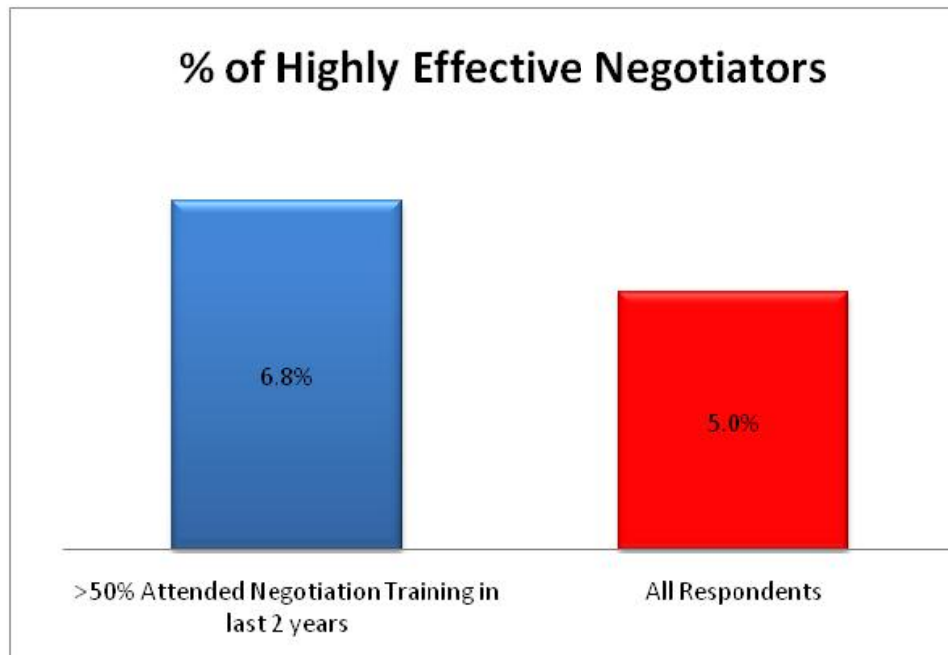
It's so dismal, in fact, that traditional training approaches do not help.

**Consider this:**

In the past two years about 50% of baseline respondents have attended traditional negotiation skills training classes focused on long lists of negotiation tactics and counter-responses. At first glance, we were surprised that more organizations aren't pursuing negotiation training for their sales professionals.

But the results, similar to our experience with over 800 training measurement projects, show that traditional negotiation training just doesn't work.

**Of the roughly 50% that pursued traditional negotiation skills training, only 6.8% rated themselves as highly effective negotiators after the training.** Reports on their level of proactive planning and trading versus conceding also stayed virtually flat.



When you combine the hard costs of training with the opportunity costs of the session, a 1.8% increase is hardly worth the effort.

Fortunately most corporations are well acquainted with the effectiveness of strategy and process. Many consider it key to their sales success. **According to CSO Insights' 13th annual survey of sales performance optimization, 85% of respondents that have a formal sales process report that it has positively impacted sales performance.**

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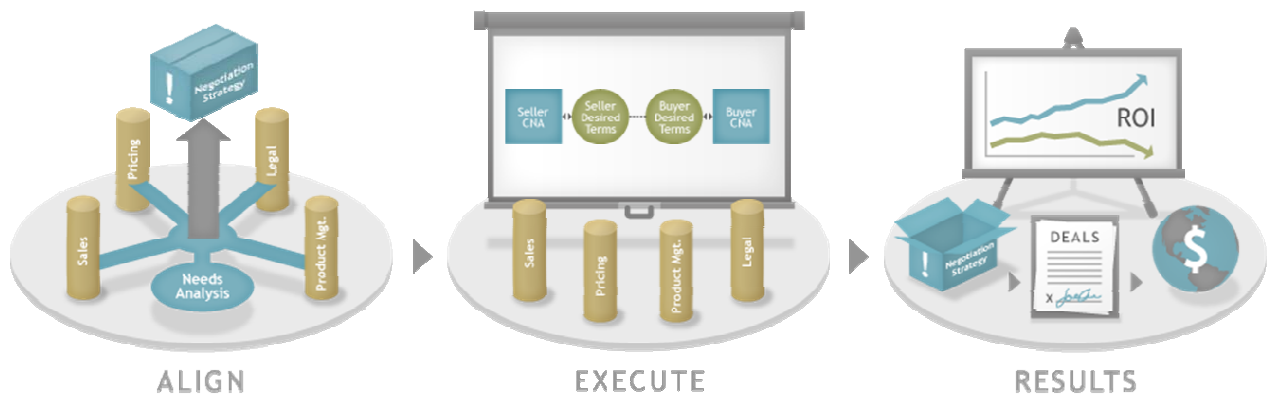
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It would follow then that integrating sales and negotiation strategy and process would create even more impressive outcomes. And it has. Consider that **organizations have reported a 200% ROI within six months of:**

- Attaining internal agreement on where they want to go in negotiation (negotiation strategy)
- Establishing a common negotiation process and language that shows sales professionals how to get there
- Building internal support for the sales team through corporate-wide agreement on what is and is not negotiable so the team can confidently move forward at the negotiation table
- Placing more decision-making power in the hands of dealmakers
- Completely integrating selling and negotiating processes
- Regularly scheduling negotiation planning sessions
- Developing a repeatable negotiation process
- Deciding always to trade and never concede or give something away for nothing



Those organizations raised their standards for negotiation (alignment and execution) and achieved impressive outcomes (results)

This demonstrates tremendous room for growth for firms willing to redefine how they approach negotiation.

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## We help make companies more competitive through people.

Founded in 1995 on the principle that training "by itself" will not drive tangible change or business results, we work with a select group of clients to get the most out of their people. Every training and consulting solution we provide increases revenue, decreases costs, or raises productivity.

### Who we work with

Our clients are typically mid-market business leaders who believe that investing in people is vital to their success. The majority come from the high-tech, life-sciences, and service industries and often lack the internal resources or expertise to get the job done. They want more than what traditional training and consulting approaches can deliver.

### What we do

We get results. Our one-stop-shop offerings range from creating a high performance culture, to outsourcing the training function, to designing and delivering targeted learning solutions. We excel in seven key practice areas: assessment, sales, loyalty, leadership, management, project management, and measurement.

### How we do it

We partner with our clients in a way that makes sense for their unique situation. First we identify the key metrics they want to improve. Then we assemble a dedicated team of experts who have successfully solved similar problems with similar clients. Our expertise and flexibility allow us to move the performance needle faster and farther than anyone else in our industry.

### Our Guarantee

We are fiercely devoted to the success of our clients and guarantee results.



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## Our clients tells us that we are different.

Our clients tell us that we save them both time and money. Our clients tell us that they appreciate access to certified best-in-class experts who help them to move the needle.

### Our sales clients

confirm that they have grown sales by 40%, increased units sold by 42%, increased average pricing by 12%, and closed over 50% of their pipeline.

### Our customer loyalty clients

confirm that their customer revenue per household increased by 18%, repeat calls decreased by 48.4%, single contact resolution increased by 6.1% and their overall customer satisfaction increased by 10%.

### Our leadership and management clients

decrease their costs by up to 50%, increase speed-to-productivity by 60%, accelerate promotions by 20%, decrease unwanted attrition by up to 40%, and report an additional \$13m to their bottom-line.

### Our project management clients

inform us that, by regularly completing projects that meet or exceed expectations, they have become an anomaly in the world where most projects disappoint or fail.

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LSA Client wins 2010.. Learning LEADERS

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## Representative Clients

We are fiercely devoted to the success of our clients and proud that over 85% of our business comes from repeat business with satisfied clients.



97.5% client satisfaction

98.2% recommend LSA

98% solution satisfaction

129% knowledge gain

800+ Assessment and Measurement Projects

45+ Client Case Studies

100+ Client Testimonials

Top 10% Certified Experts