



SELLSTATE

SALES MEETING TOOL KIT: Part 6 NEGOTIATING RESOLVABLE DIFFERENCES

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SALES MEETING TOOL KIT: NEGOTIATING RESOLVABLE DIFFERENCES

Negotiating skills are a critical weapon in your real estate arsenal. Your ability to negotiate often determines how many listings a company obtains, how rapidly those listings are converted into offers, and how many offers are converted into closed sales. The ability to resolve temporary conflicts and disagreements between the parties to a real estate transaction makes everybody—buyer, seller, salesperson, associate, and real estate company—a winner.

Use this tool kit—including ready-to-go agenda, activities, and talking points—to help your salespeople improve their negotiating skills and close more deals.

Each element in this tool kit (worksheets, notes) is numbered at the top of the page so you can easily move through the content chronologically

SALES MEETING TOOL KIT: NEGOTIATING RESOLVABLE DIFFERENCES

Component 1: Facilitator Talking Points

These notes will guide you and your salespeople through a discussion and activities to improve negotiating skills.

Before the meeting:

- Review all the meeting documents in this kit

Print the following:

1. These facilitator notes—Component 1
2. The Negotiating Agenda—Component 2
3. Handout 1: Tips for Better Negotiations—Component 3
4. Activity 1: Emotion vs. Logic—Component 4
5. Activity 1: Emotion vs. Logic Idea Sheet—Component 5
6. Activity 2: Reading Non-Verbal Signals—Component 6
7. Activity 2: Reading Non-Verbal Signals Answer Sheet—Component 7
8. Handout 2: Avoiding an Impasse—Component 8
9. Activity 3: Negotiating Scenarios—Component 9
10. Activity 3: Negotiating Scenarios Idea Sheet—Component 10
11. Handout 3: Responding to Common Objections—Component 11

SALES MEETING TOOL KIT: NEGOTIATING RESOLVABLE DIFFERENCES

Component 1: continued

Welcome (1 min.)

True stories (2 min.)

To get the meeting going,

1. Ask participants if any of them want to share stories of frustrating negotiations that turned out well. Or offer a story of your own.
2. Ask participants to estimate how many of their sales fell through during the negotiation.

Background and objectives (2 min.)

Negotiation is not a contest, but a process designed to bring both parties to an agreement of mutual benefit. There may be conflict during a negotiation, but a successful negotiation is one where problems are resolved and everyone involved feels like a winner.

In this meeting, we will:

- Review and discuss negotiating tips that apply to every negotiating situation.
- Explore the roles of emotion and logic in negotiations, and demonstrate how to respond to different levels of emotional/logical responses.
- Demonstrate a few of the non-verbal signals that give clues to a person's attitudes.
- Examine a few ways to get a negotiation started again when it reaches an impasse.
- Give you the chance to try out your negotiating skills in some sample scenarios.

Handout 1: Tips for Better Negotiations (10 min.)

Ask participants to read each negotiating tip aloud to the group and describe a situation where they have applied or failed to apply this tip. Ask the group for ideas on ways the tip could have been used in each situation described or for other tips they could share with the group.

SALES MEETING TOOL KIT: NEGOTIATING RESOLVABLE DIFFERENCES

Component 1: continued

Activity 1: Emotion vs. Logic (10 min.)

Explain that everyone's actions are influenced by both emotion and logic. Identifying the influence of each factor on other parties to a negotiation and deciding where each falls along the emotion-logic continuum offers negotiators a clue on how to communicate effectively. Use the handout for Activity 1 to describe the traits of the four personality types listed on the left-hand side of the page. After you describe each personality type, ask participants to suggest the most effective ways to communicate with that type of individual and write these ideas on a flip chart. Use the Emotion vs. Logic Idea Sheet (Component 5) to prompt the discussion.

Activity 2: Reading Non-Verbal Signals (5-7 min.)

Demonstrate, or ask a volunteer to demonstrate, each of the non-verbal signals listed on the handout. Ask participants to suggest the attitude that each gesture indicates. Use the Non-Verbal Signals Idea Sheet (Component 7) to direct and prompt the discussion.

Handout 2: Avoiding an Impasse (5 min.)

Use this handout to discuss strategies for getting the negotiation started again if it stalls. Ask participants for other tactics they have tried to break a negotiation impasse. Some ideas include: splitting the difference, using questions to ask for more explanation of a point of disagreement, postponing the session to another time.

Activity 3: Negotiating Scenarios (10–20 min.)

Ask one participant to read each of the negotiating scenarios and suggest a good response to the tactic. Then ask the group for other possible responses. Use the Negotiating Scenarios Idea Sheet (Component 10) to prompt the discussion.

Handout 3: Responding to Common Objections (5–10 min.)

Use this handout to review common objections participants may hear from buyers and sellers. Ask a participant to read each objection and the suggested response. Then ask the group for other possible responses to these statements.

Adjourn

Wrap up with a summary of the meeting.

SALES MEETING TOOL KIT: NEGOTIATING RESOLVABLE DIFFERENCES

Component 2: Agenda

Welcome (2 minutes)

True stories (1-2 min.)

Background and objectives (2 min.)

Handout 1: Tips for Better Negotiations (5 min.)

Review these negotiating tips, and suggest some of your own.

Activity 1: Emotion vs. Logic (10 min.)

Recognize the roles that emotion and logic play in a negotiation and how to adapt your negotiation to the use each effectively.

Activity 2: Reading Non-Verbal Signals (5 min.)

Learn to recognize some common non-verbal clues to feelings and attitudes.

Handout 2: Avoiding an Impasse (5 min.)

Discuss ways to get the negotiation started again if it stalls.

Activity 3: Negotiating Scenarios (10 min.)

Use these situations to apply negotiating principles to actual scenarios.

Handout 3: Responding to Common Objections (5 min.)

Review some often-heard objections and learn about how you should respond to keep the negotiation going.

Adjourn

Running time: 45 minutes

SALES MEETING TOOL KIT: NEGOTIATING RESOLVABLE DIFFERENCES

Component 3: Handout 1, Tips for Better Negotiations

Becoming a successful negotiator takes practice, but starting off with some helpful expert tips gives you a head start on the process.

- **Be prepared.** It works in negotiation just like in the Boy Scouts. Be sure that all the facts are available and verified before the negotiation begins. Postponements for fact finding can cause a negotiation to bog down.
- **Present a united front.** You represent clients and must act on their wishes. You may not agree with their position, but don't share that with the other side during a negotiation. In private, you can try to get your clients to change their mind.
- **Leave your attitude at the door.** Don't let your personal opinions of the parties or the situation cloud your judgment or endanger the transaction. Treat everyone in the negotiation with respect. If you disagree, disagree with an idea, not the person.
- **Hold something back.** Plan in advance what concessions your clients are willing to make and then use these concessions when the bargaining gets underway.
- **Don't sweat the small stuff.** Never let a negotiation bog down over a minor point. If you can't agree, put the point aside and come back to it later. Concentrate on getting agreement on major points such as price and terms.
- **Get all the decision makers together.** Nothing is more frustrating than to think you have an agreement to find that someone else must sign off on it.
- **Avoid distractions.** Choose a location that is pleasant, quiet, and away from confusion. Ask everyone to turn off phones and pagers and don't accept calls until the negotiation is complete.
- **Don't share information unnecessarily.** Knowledge is power in a negotiation, so telling the other side extra information may weaken your own negotiating position. Conversely, learn as much about your opponent as you can.
- **Just keep quiet.** Greeting an offer or concession with silence undermines the other side's power and often prompts an immediate reaction.
- **Leave something on the table.** Remember that a successful negotiation is not the same as grinding the opponent into the ground. No one should leave a negotiation angry; you never know when you might have to negotiate with these same people again.

SALES MEETING TOOL KIT: NEGOTIATING RESOLVABLE DIFFERENCES

Component 4: Activity 1, Emotion vs. Logic

The actions of every individual are motivated by a combination of emotion and logic. Where individuals fall on the emotion-logic continuum determines their communication style and provides clues on how to negotiate with them successfully. How would you communicate with these four types of people?

Emotion-logic continuum:

emotion	emotion/logic	logic/emotion	logic
Verbalizer	Reasoner	Convincer	Rationalizer

How to negotiate with various types of people:

Traits	Identification Criteria	How to Communicate
How to deal with <i>emotion</i> The Verbalizer	<ul style="list-style-type: none"> • prefers talking through issues • does not like detail, charts, etc. • skips from topic to topic • may seem indecisive gets bored easily 	
How to deal with <i>emotion/logic</i> The Reasoner	<ul style="list-style-type: none"> • prefers to listen instead of talk • prefers not to take charge • may defer to others for assistance in negotiating • moves at own pace values not making a bad decision over taking a more aggressive approach 	

SALES MEETING TOOL KIT: NEGOTIATING RESOLVABLE DIFFERENCES

Component 4: Activity 1, Emotion vs. Logic

<p>How to deal with <i>logic/emotion</i></p> <p>The Convincer</p>	<ul style="list-style-type: none"> • is equally comfortable talking and listening • likes negotiation and likes to win • uses people skills and logic equally well • stays focused on the process as long as it serves end result will negotiate at the expense of others 	
<p>How to deal with <i>logic</i></p> <p>The Rationalizer</p>	<ul style="list-style-type: none"> • prefers to listen as long as talk is direct and not wasting time • values details and back-up materials • often comes across as cold • wants to get to the "bottom line" as quickly as possible 	

Adapted from "[The 3Ps of Negotiating](#)," by John C. Ritchie Jr., published by South-Western Publishing 2001 (800/347-7707). This book is used in the negotiating course taught through the Education Center of Realtor.org.

SALES MEETING TOOL KIT: NEGOTIATING RESOLVABLE DIFFERENCES

Component 5: Activity 1, Emotion vs. Logic Idea Sheet

The actions of every individual are motivated by a combination of emotion and logic. Where individuals fall on the emotion-logic continuum determines their communication style and provides clues on how to negotiate with them successfully. How would you communicate with these four types of people? Prompt your group with these communication ideas.

Emotion-logic continuum:

emotion	emotion/logic	logic/emotion	logic
Verbalizer	Reasoner	Convincer	Rationalizer

How to negotiate with various types of people:

Traits	Identification Criteria	How to Communicate
How to deal with <i>emotion</i> The Verbalizer	<ul style="list-style-type: none"> • prefers talking through issues • does not like detail, charts, etc. • skips from topic to topic • may seem indecisive gets bored easily 	<ul style="list-style-type: none"> • Ask questions requiring commitments during the process. • Get something in writing defining expectations. • Don't spend too long on a point. • Appeal to "gut instincts".
How to deal with <i>emotion/logic</i> The Reasoner	<ul style="list-style-type: none"> • prefers to listen instead of talk • prefers not to take charge • may defer to others for assistance in negotiating • moves at own pace values not making a bad decision over taking a more aggressive approach 	<ul style="list-style-type: none"> • Supply a combination of verbal support and logical details. • Avoid applying pressure or rushing. • Create good feelings about the negotiation. • Be patient.

SALES MEETING TOOL KIT: NEGOTIATING RESOLVABLE DIFFERENCES

Component 5: continued

<p>How to deal with <i>logic/emotion</i></p> <p>The Convincer</p>	<ul style="list-style-type: none"> • is equally comfortable talking and listening • likes negotiation and likes to win • uses people skills and logic equally well • stays focused on the process as long as it serves end result will negotiate at the expense of others 	<ul style="list-style-type: none"> • Clearly define the boundary of the end result. • Make few concessions or risk losing respect. • Keep control of the negotiation. • Allow a small advantage to give the illusion of control.
<p>How to deal with <i>logic</i></p> <p>The Rationalizer</p>	<ul style="list-style-type: none"> • prefers to listen as long as talk is direct and not wasting time • values details and back-up materials • often comes across as cold • wants to get to the "bottom line' as quickly as possible 	<ul style="list-style-type: none"> • Move the negotiation along as rapidly as possible. • Support any difference of opinion you have with focused facts. • Stay on track and avoid distractions.

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SALES MEETING TOOL KIT: NEGOTIATING RESOLVABLE DIFFERENCES

Component 6: Activity 2, Reading Non-Verbal Signals

How do you interpret these non-verbal signals?

Arms crossed on chest

Unbuttoned coat

Sitting on edge of chair

Doodling

Turned sideways to you

Hands over mouth

Moving closer to you

Hands in steeple

Clinched fists

Hands behind head/leaning back

Compiled from "[The Art of Negotiating](#)," tape series by Gerard I. Nierenberg, Nightengale-Conant Corp.

SALES MEETING TOOL KIT: NEGOTIATING RESOLVABLE DIFFERENCES

Component 7: Activity 2, Reading Non-Verbal Signals Idea Sheet

Use this answer sheet to prompt your group for the correct interpretations.

Arms crossed on chest	Defensive
Unbuttoned coat	Open
Sitting on edge of chair	Eager
Doodling	Bored
Turned sideways to you	Suspicious
Hands over mouth	Doubtful
Moving closer to you	Accepting
Hands in steeple	Confidant
Clinched fists	Frustrated
Hands behind head/leaning back	Dominant

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Component 8: Handout 2, Avoiding an Impasse

- **Set a time by which you must finish the negotiation** because of another appointment or a business trip. Knowing that the clock is ticking helps keep the negotiation going.
- **Break an insoluble problem into several parts**, and try to solve one at a time.
- **Set an insoluble problem aside.** Make a note of the point of disagreement, and come back to it at the end of the negotiation. If you're very close to a deal, both parties will be motivated to find a solution to this last piece of the puzzle.
- **Take a break or change the setting.** It gives people a chance to relax and may break an impasse.
- **Ask the other side for help.** "How do you suggest we solve this problem?"
- **Review the points that you agree upon** to create an atmosphere of shared interest.
- **Give a small concession.** It lets the other side save face and may prompt a concession in return.
- **Eat something.** Taking a break for lunch or refreshments can break tension.

Some of the tips on this handout were adapted from [Power Real Estate Negotiation](#), by William H. Pivar and Richard W. Post, Real Estate Education Co., 1990. (out of print)

SALES MEETING TOOL KIT: NEGOTIATING RESOLVABLE DIFFERENCES

Component 9: Activity 3, Negotiating Scenarios

Directions: Read each scenario and suggest a way to respond that would counter the tactic.

Tactic: *A sense of urgency*

Other side says

If your client makes an offer on a property, the seller's representative might say: "I must warn you that we have gotten several offers and your offer is pretty low."

Your response:

Tactic: *Money problems*

Other side says

If they like a property but want to negotiate price, interested buyers might say: "I'd love to pay the asking price, but there is a salary freeze at my company (or did not get the expected promotion, unexpected expenses came up), and this is as much as I can afford to pay."

Your response:

Tactic: *Lower commission*

Other side says:

Will you're negotiating the listing agreement, the sellers might say: "We need the full amount of the sale price to afford our new house (we need to be able to afford to get the house presentable, we need extra money to fix up our new place), so I can't pay you a full commission."

Your response:

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Component 10: Activity 3, Negotiating Scenarios Idea Sheet

Directions: Read each scenario and suggest a way to respond that would counter the tactic.

Tactic: *A sense of urgency*

Other side says:

If your client makes an offer on a property, the seller's representative might say: "I must warn you that we have gotten several offers and your offer is pretty low."

Your response: "We are anxious to hear if your client accepts our offer or has a counteroffer."

OR

"I'm pretty sure that our offer is comparable to the sale prices of other homes in the neighborhood."

Tactic: *Money problems*

Other side says:

If they like a property but want to negotiate price, interested buyers might say:

"I'd love to pay the asking price, but there is a salary freeze at my company (or did not get the expected promotion, unexpected expenses came up), and this much as I can afford to pay."

Your response: "We might be able to defer part of the purchase price and take it back as a land contract."

OR

"We might be able to lower the price if we didn't include the appliances."

SALES MEETING TOOL KIT: NEGOTIATING RESOLVABLE DIFFERENCES

Component 10: continued

Tactic: *Lower commission*

Other side says:

Will you're negotiating the listing agreement, the sellers might say: "We need the full amount of the sale price to afford our new house (we need to be able to afford to get the house presentable, we need extra money to fix up our new place), so I can't pay you a full commission."

Your response: "If you'll recall, when you listed your property with me, I showed that I spend an average of XXX hours selling your property and helping you close the deal. Don't you think that \$XX is a reasonable price for that amount of work?"

OR

"I certainly understand your need for the extra funds. Perhaps you should talk to your lender about making a slightly lower down payment so you will have the extra cash you need."

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Component 11: Handout 3, Responding to Common Objections

Objection: The price is too high.

Response: If you think the price is too high, what would you consider a fair price?

Objection: I really worried that the bedroom is too small (or some other specific objection).

Response: Let's talk about why that concerns you.

Objection: I can't list my house until I find a place to buy.

Response: Will you be able to afford a down payment on your new house without the money you get from this sale?

Objection: The offer is too low.

Response: I don't really decide what your home is worth; the market really makes that decision. This offer reflects my opinion of the fair current market price.

Objection: What's the lowest price you'll accept?

Response: Why? Don't you think our asking price is fair?

Objection: This offer is all I can afford, and it's only a few thousand lower than your asking price.

Response: Maybe we could split the difference.

Objection: I won't buy this house unless the roof is repaired.

Response: We'll be glad to get two estimates on the cost of repair the roof and discuss a price reduction.

Objection: I think your commission is too high.

Response: I'm an experienced salesperson who averages more than \$5 million in sales a year. I'm an experienced negotiator, who usually sells homes at 98 percent of full list price. I'm an aggressive marketer, who averages a sale in 35 days. I think you're getting a bargain.

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SALES MEETING TOOL KIT: NEGOTIATING RESOLVABLE DIFFERENCES

Component 12: Other Resources

Review The Sales and Marketing Tool Kit "Listing" section on overcoming objections and [defending your commission](#).

For more information on negotiating, review [The Virtual Library on "Negotiating Strategies"](#) at [REALTOR.org](#).

Review the following articles at *Realtormag.com*.

["Avoiding Deadlocked Negotiations"](#)

David Rathgeber, *REALTOR[®] Magazine*, NATIONAL ASSOCIATION OF REALTORS[®], November 1998.

["Conquer Compensation Conflicts"](#)

Elyse Umlauf-Garneau, *Today's REALTOR[®]*, NATIONAL ASSOCIATION OF REALTORS[®], February 1997.

["Do You have Any Objections"](#)

Charles L. Groebe, *Today's REALTOR[®]*, "Book Review," NATIONAL ASSOCIATION OF REALTORS[®], April 1996.

["Get to the Heart of the Negotiation"](#)

Danielle Kennedy, *REALTOR[®] Magazine*, "Selling—Doing Business," NATIONAL ASSOCIATION OF REALTORS[®], March 2001.

["I Know Your Type"](#)

Paul Tieger and Barbara Barron-Tieger, *Today's REALTOR[®]*, NATIONAL ASSOCIATION OF REALTORS[®], August 1998.

["Your Primer for Transaction Success"](#)

Robert Liparulo, *Today's REALTOR[®]*, "1996 Selling and Marketing Guide," NATIONAL ASSOCIATION OF REALTORS[®], February 1996.