

Questions as a negotiation tool

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Questions are one of the key tools of an effective negotiator. Apart from collecting and clarifying information, a skilled negotiator can use them to find out TOP's motivations, show disagreement, stimulate creative thinking, diffuse anger, avoid stalemates, and provide thinking time.

Research clearly shows that expert negotiators ask more questions, and particularly in selling situations, the type and sequence of the questions can have a profound effect on the outcome of the negotiation.

Section A presents a variety of strategic ways we can exploit questions to control the negotiation process.

Section B on **SPIN selling** shows how we can use questions as a sales technique.

Section A: Using questions strategically

1. to get general information: 'chunking up'

Open questions are good for obtaining general information on some issue or topic, or simply for making someone talk (and thus perhaps reveal more than s/he might want to)
Could you describe what you think are ...

2. to obtain more detailed and specific information: 'chunking down'

Questions starting with *Who? What? Where? When? Why? How?* Allow us to elicit more detailed and specific information about an issue
What exactly do you mean by ...

3. to highlight what you are going to say

Questions like *'Can I ask you a question about your proposal' and 'Can we talk about price now?'* draw attention to what we are saying and make it more emphatic.

4. to discover motivations / needs / reasons

We can use questions to ascertain the reasons behind TOP's position.

I'd be interested to hear why you require such a large quantity of ...?

5. to make TOP examine their proposals / question their assumptions

So, if that is the case doesn't it mean ... ?

6. to clarify details

These are probing questions which allow you to gain more detail.

*Sorry. I'm not sure I understood you correctly. Do you mean ... ?
What precisely would it involve?*

7. to stimulate thinking, generate options, get out of stalemates

What if ... questions create other visions of the future, other options, other possible solutions.

What if we were to create a completely new ...? How would it be if we ...?

8. to gain commitment

When we are moving towards an agreement it is more persuasive to use questions than simple statements of fact which can sound like demands. Tactical summaries and paraphrasing what TOP has said are good for getting the other side to agree to your interpretation of what has been happening, for checking accuracy of understanding, and establishing facts.

So you might be interested if we could increase our marketing support ...

So, you would be ready to take this on, if we agree to ...? Do you agree that this is something that needs to go in the contract?

9. to present a proposal

How would you feel about starting with say 3 models?

10. to show disagreement / question rationale

*Do you really feel that we need to have such a large stock?
Could you explain why you feel that ...?*

11. to float an idea /sound out TOP

How would you feel about ...?

How much would your price change if we increased our order by 10%?

12. to defuse anger and avoid conflict

If someone becomes highly emotional during a negotiation you can of course react in a similar manner. This might well cause the situation to escalate and end up in a full scale row or even an end to the negotiation. Another perhaps better alternative is to attempt to defuse their anger by asking factual, non-threatening questions.

I can see you're annoyed. Is it related to the new terms we discussed?

Section B: SPIN selling - Questions as a sales technique

Based on adapted extracts from **SPIN Selling**, N.Rackham, (1988)

‘**SPIN Selling**’ by Neil Rackham is based on a huge 12-year study relating to how large sales were made. This extensive research by Rackham, and his company Huthwaite, examined more than 35,000 sales calls relating to large, complicated sales scenarios.

One of the key findings was that in successful sales calls, particularly to larger clients with complex needs, it was the buyer who did most of the talking, and the way to get the buyer to talk was by asking questions, but not just ask any old questions.

Skilled salespeople appeared to ask **certain types of questions**, and often **in a particular order**.

Rackham and his team defined these types of questions as:

Situation questions

Problem questions

Implication questions

Need-payoff questions

Situation questions

These are data-gathering questions aimed to quickly ascertain essential background information. They help uncover the facts behind buyer problems and challenges, and provide useful data that will help to put forward a reasonable solution / proposal.

Typical data-gathering questions would be:

- *How long has your department been using this operating system?*
- *What expansion plans do you have in this particular market?*
- *Are your personnel familiar with these IT systems?*

Although situation questions have an important fact-finding role, Rackham’s research showed that successful salespeople don’t overuse them: too many situation questions can bore or irritate the buyer, and might even give the impression the questioner hasn’t done their homework.

According to Rackham, situation questions should be phrased so that they ‘help the buyer see you as a problem solver, rather than a prosecutor.’ The right situation questions can lead smoothly and naturally into discussion about buyer problems.

Problem questions

Once sufficient information has been gathered about the buyer's situation, successful salespeople tend to move to a second type of question, which helps to pinpoint inherent pain points and challenges.

They ask, for example:

- *Is this operation difficult to perform?*
- *So, are you concerned about the quality you're getting from your present process?*
- *Do you find that your IT specialists have the necessary skill-set to handle these innovations?*

These problem questions explore problems, difficulties, and dissatisfactions in areas where the seller's product can help.

Implication questions

In smaller sales, sellers can be very successful if they just know how to ask good situation and problem questions. In larger sales this is not enough; successful people need to ask a third type of question - the implication question.

Typical examples:

- *How does this lack of adaptability affect customer satisfaction?*
- *How does this lack of scope impact on your profitability in the short-term?*
- *Does this increased competition mean that your production facilities are underused?*

Implication questions help the customer recognise the seriousness or urgency of the problem.

Need-payoff questions

Finally, the research found that very successful sales-people ask a fourth type of question during the investigating stage: the need-payoff question.

Rather than the seller explaining the benefits to the buyer, these questions get the buyer to talk through their explicit needs and to come up with the explicit benefits any solution would offer. Getting buyers to talk about the benefits is a lot less pushy and may reduce sales objections - the buyer is more committed as they experience some sort of ownership.

Also, during the thinking process initiated by these kind of needs-payoff questions buyers often extend the payoff to new areas that the seller might not have been fully aware of.

Typical examples:

- *How much could you save on storage costs if we were able to speed this operation up by 10 percent?*
- *If we could improve the quality of this operation, how would that help you?*
- *So, what kind of fixed cost savings do you envisage due to these new procedures?*

Rackhan's studies found that top performers ask more than 10 times as many need-payoff questions per interaction compared to average performers.