



Stanford eCorner

Negotiating with Customers and Clients

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Video URL: <http://ecorner.stanford.edu/videos/1946/Negotiating-with-Customers-and-Clients>

Dan Springer, CEO of Responsys, acknowledges that the most frequent and important negotiations often occur with customers. Furthermore, Springer advises that the keys to a successful negotiation with customers include: 1) Preparation to discover what the customer wants and 2) Identifying the few things on which you will stand firm.



Transcript

Probably the single biggest category of negotiations that we do is with our existing customers and our new prospects at Responsys. Again, all over the map, just two observations I would make that might be somewhat definitive about my approach is, 1) discovery up front about what someone's expectations and what they want to achieve, is by far the most important thing you can do. If you go into a discussion with a great knowledge of what you want but not very much knowledge about what your prospect wants, it's just lame. It's bad preparation because of course you know what you want. So, I really think preparation is important. One of the things you should realize is that, if it's a new customer, someone's been in the sales process and they should have done a good discovery about what the company was going through, what their business objectives were, how they measured success. I love it when people say, "They want a high ROI." What is that mean? What do you mean by ROI? What investment? What return? Really force people to articulate with those metrics of success are. That's number one. If you know what they want, that helps a lot. Two is being comfortable on what point you have to be firm on.

I think you'll find that the vast majority of people that have made it - by the time I get involve in a discussion, they pretty much decide that they want to work with Responsys. With an existing customer, it doesn't mean that it's - done deal, it doesn't mean that there's no room for them to do something else, but then if I get pulled into, they pretty much probably want to work with us and so, you want to be really customer service oriented and really focus on making them feel good, but you have to let them know where the lines are. If you blur it, you set yourself up for later dissatisfaction. So, if I say, "I might take the price a little lower but I'm not sure." All the other person just heard is "if I don't get the price lower, I didn't get the best thing I could for my company or I didn't do a good job." So, you have to make real clear distinction on what points you're firm on and that's the second piece.