

SANDLERSM

McDonnell Consulting Group

**Schnabel Apprentice Training Program
August 17, 2023**



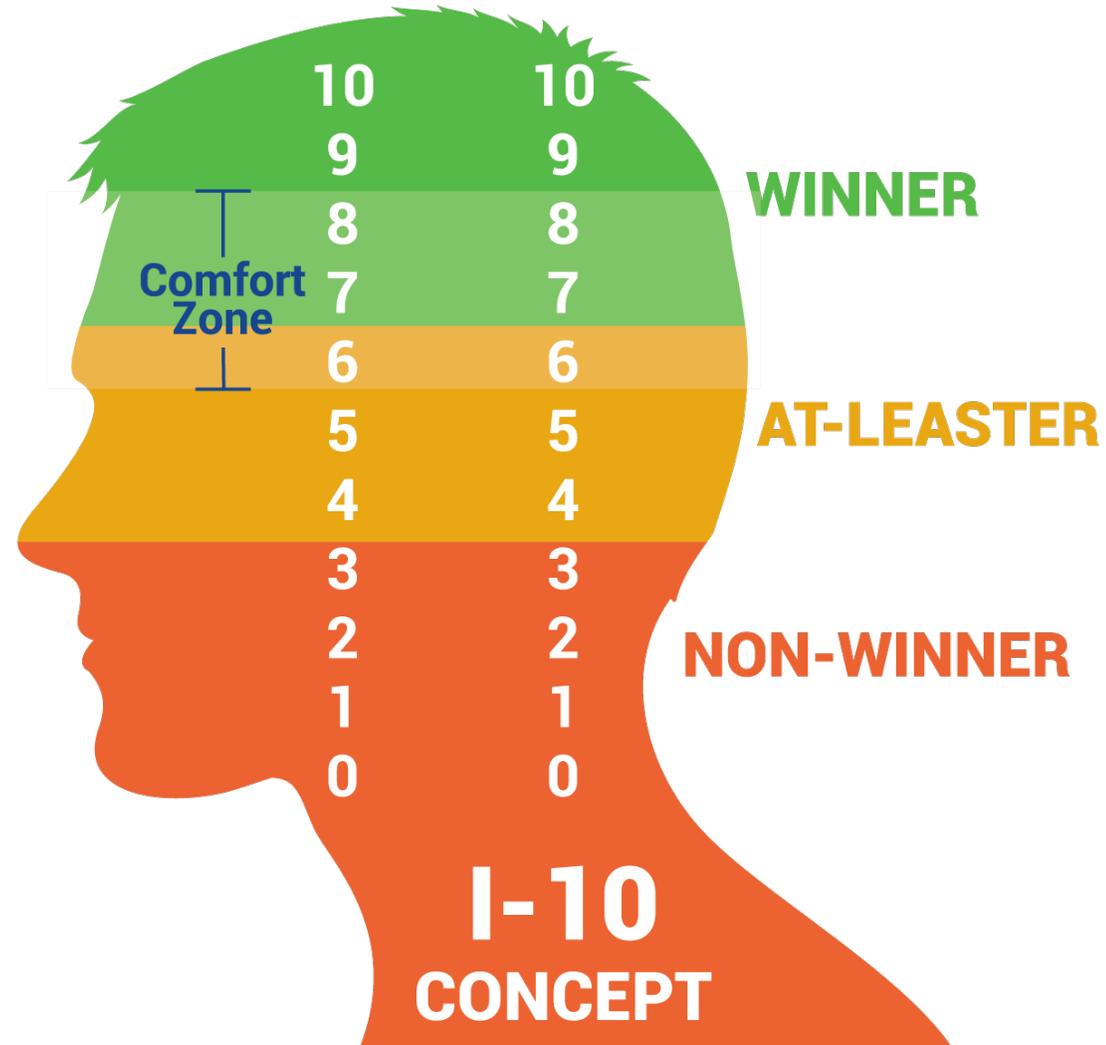
**Sell the problem you solve,
not the product/service you
have.**

How to Be Vulnerable in BD/Sales

- 1) Get on the phone, Zoom, Teams, Vidyard, F2F call/meeting...
- 2) Tell them how you are feeling...
- 3) Be a constant learner (asking sophisticated questions)
- 4) Close for what you want...
- 5) Embrace the Identity/Role Theory (own it)...



Identity vs. Role



Schnabel Example: Negotiating vs. Losing

Favorable for Us

- Limited liability
- Standard rate schedule
- Standard terms
- Net 30
- Sole source
- Testimonials
- Lump sum
- Risk terms
- Standard scope

Client Favorable

- Expedited schedule
- Pay when paid
- Not to exceed
- Standard terms
- Discounted rate schedule
- Indemnity – alleged negligence
- Authority/control over every hour charged
- Allowance multiplier
- No mark up on subs





Exercise: Negotiating Preparation Worksheet *(cont'd)*

Remember: People are different, but predictable.

If we don't do business, what will the customer do?

What is their walk away point?

What are my parameters?

Starting point?

Target?

Walk away point?

Common Mistakes



- Failing to Recognize a Strategic Negotiator
- Weak Pre-Negotiation Positioning
- Making Unilateral Concessions
- Talking Too Much
- Losing Control of Your Emotions
- Entering Unprepared
- Failing to Understand that Money Is Never the Real Issue.

If it comes down to just price, it's
a....WIN/LOSE

Keep all of the issues on the table and
play them against each other

Sell value (whether that is service,
expertise, keeping them out of the
newspaper)

Be willing to walk away

Never Narrow Negotiations Down to Just One Issue

Money – if you need it badly, you don't have the power

Time – If you're in a hurry, you don't have the power

Competition – If plentiful, you're not in a good position (must sell value)

Experience – If perceived as expert, you have the power

Power in Negotiating

Knowledge – the more knowledge you have about the client, the more power

Workload – low backlog equals less power

Facts – more proof you have, the more power you have

Courage – if you don't have courage to walk out, you don't have the power

**Power –
continued**

Negotiating Gambits

- **The Nibble** – used by contractors; you make small decision and they nibble back what you agreed on
- **The Hot Potato** – The “problem” is thrown to you, which you accept
- **The Flinch** – an exaggerated visual reaction is given to make you flinch
- **The Red Herring** – this is a diversionary tactic, “I really wasn’t happy with that last job you did”
- **The Vice** – “I’m sorry, but you’re going to have to do better than this”
- **Funny Money** – Our Geotech fees are <0.01% of the construction costs!

Nibbling

- Nibbling is continuous chipping at your proposal over time, taking a little concession each time. (Incremental Negotiating)
 - Why does it work? What won't we do? What will we do?

- How to Beat it!

Behavior/Attitude: Your hard work, energy, efforts, demos have value!

- When buyer asks for concession, get comfortable asking "why" and/or "If we can.....what else is likely to prevent us getting to yes?"
- Get something of greater or equal value – "Get an IOU for everything you do."

Hot Potato

- The buyer takes a problem which is really his own and tries to toss it to you. “We’ve just had our budget cut by 30%..”
 - Why does it work? What won’t we do? What will we do?
- How to Beat it!
 - “Thanks for sharing, how should we handle that?”
 - “What were you hoping that we could do?”
 - Post-Sell Pitfalls (In Advance):
 - “What could go wrong that may make this project go sideways?”
 - “What should we do about that if it were to arise?”

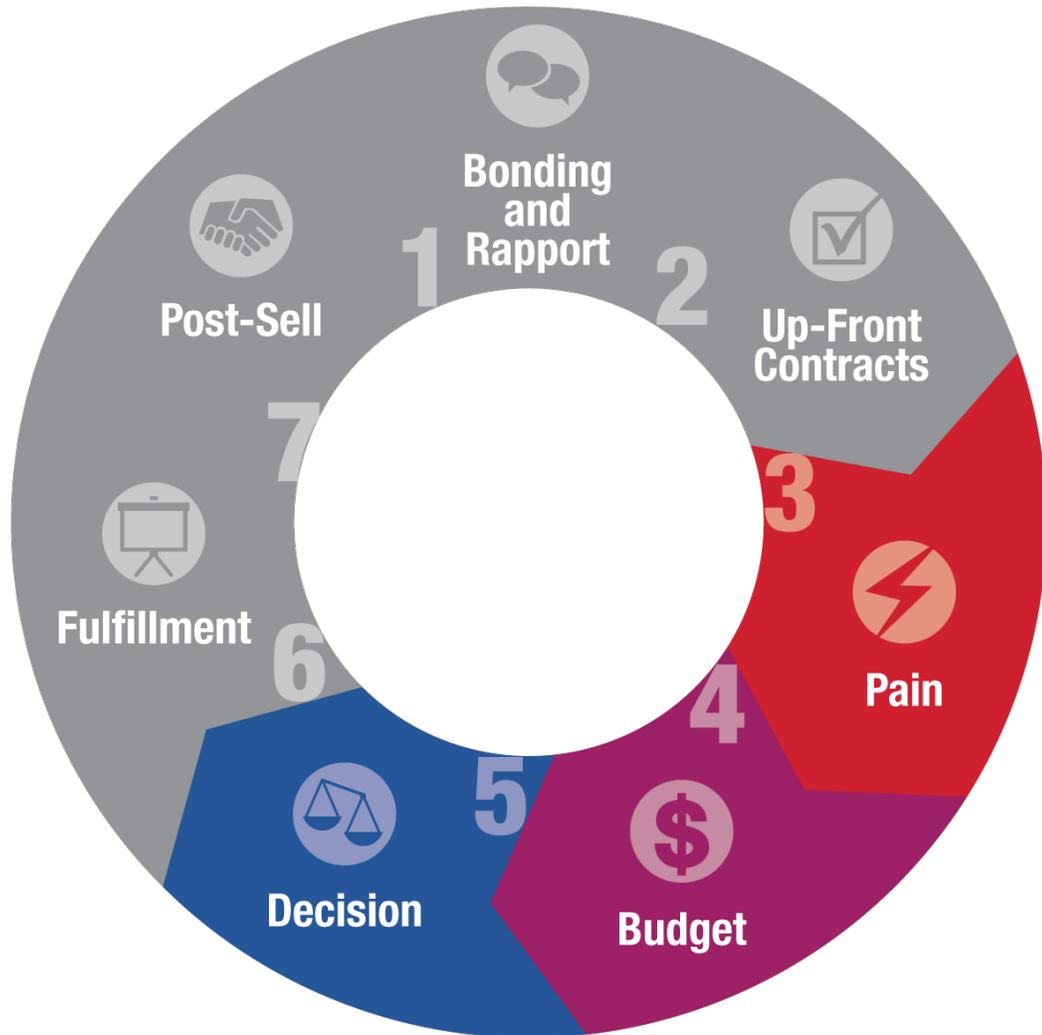
The Flinch

- You state your price and the buyer almost falls out of his/her chair, regardless of the price.
 - Why does it work? What won't we do? What will we do?
- How to Beat it!
 - Go back to pain (Quantify if applicable)
 - Co-Build Solution
 - Budget Step (After Pain!)
 - "If I were to tell you that we'd be an investment of \$X - \$X, would it make sense to continue the conversation?"
 - Determine that "if price weren't an issue" what solution would they be going with
 - What else?

The Collaborative Negotiation Process

- **Discuss underlying interests: listen and share**
- **Explore possibilities for mutual gain: create, invent and devise possible agreements**
- **Come to an agreement that meets the important interests of both parties**

Qualifying the Opportunity



Cross Selling Part 1

Although not a complete list, the following services will be of interest to your clients when they call you looking for help:

- 1. Design Build**
- 2. Geotechnical/Geostructural Engineering**
- 3. Dam/Levee Engineering**
- 4. Tunnel Engineering**
- 5. Risk Management**
- 6. Infrastructure Monitoring Services**
- 7. Environmental**
- 8. Water Rights–Water Resources/Water Resource Mechanical Design**
- 9. Transportation**
- 10. Power & Energy**

Dominant

D-Style

Blind Spots:

- Failing to involve others in problem-solving.
- Omitting too many details for the sake of brevity.
- Displaying impatience when providing detailed instruction.
- Having the urge to criticize others who do not share a sense of urgency.
- Maintaining control by delegating responsibility but not authority.
- Directing others so forcefully that they don't ask questions or discuss problems.
- Reacting aggressively when others try to limit authority or autonomy.
- Working with such a sense of urgency that it causes others unnecessary stress.

Influencer

I-Style

Blind Spots:

- Being overly optimistic about people or situations.
- Spending more time interacting with people than on completing tasks.
- Having trouble following consistent, predictable routines.
- Having difficulty limiting time spent with people or in meetings.
- Trusting gut feelings when more planning is necessary.
- Providing insufficient structure for people who need a defined approach to work.
- Getting distracted by multiple new ideas and failing to focus.
- Avoiding decisions that potentially involve losing approval or looking bad.

Steady-
Relator

S-Style

Blind Spots:

- Not being direct when communicating negative information.
- Being too passive when assertiveness is necessary.
- Avoiding confrontation and not giving feedback to others who may need it.
- Delaying decisions involving interpersonal conflict.

Compliant

C-Style

Blind Spots:

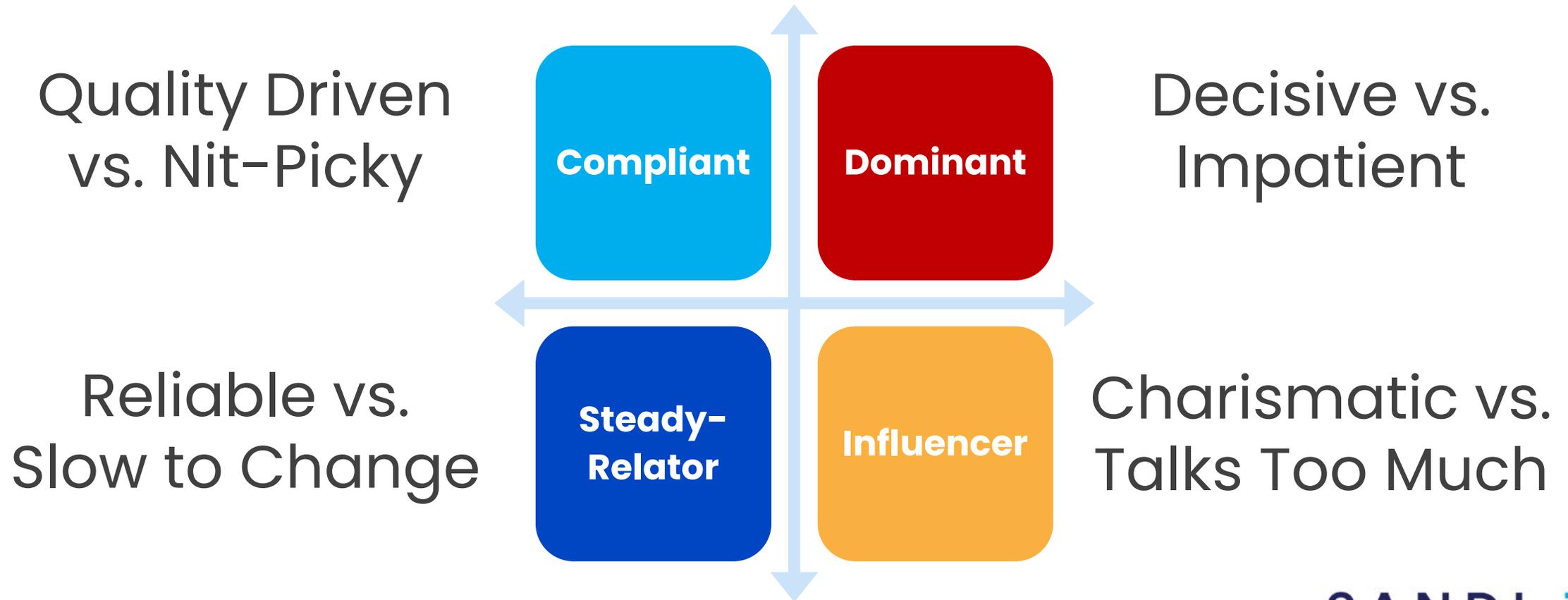
- Seeking a perfect solution instead of a workable solution.
- Taking a lot of time gathering information and assessing risk before making decisions.
- Avoiding or resisting people who do not use a systematic approach to organizing work.
- Feeling the urge to criticize people who don't meet his/her standards for quality and accuracy.
- Checking in too frequently, with too many questions when someone needs more autonomy.
- Overcomplicating solutions to simple problems.

Blind Spots Breakout:

- Discuss your biggest blind spot for your dominate style with your teammates
- Discuss what you can do NOW to address your blind spot
- Get feedback from others in your group



Strength vs. Weakness



30-Second Commercial Worksheet

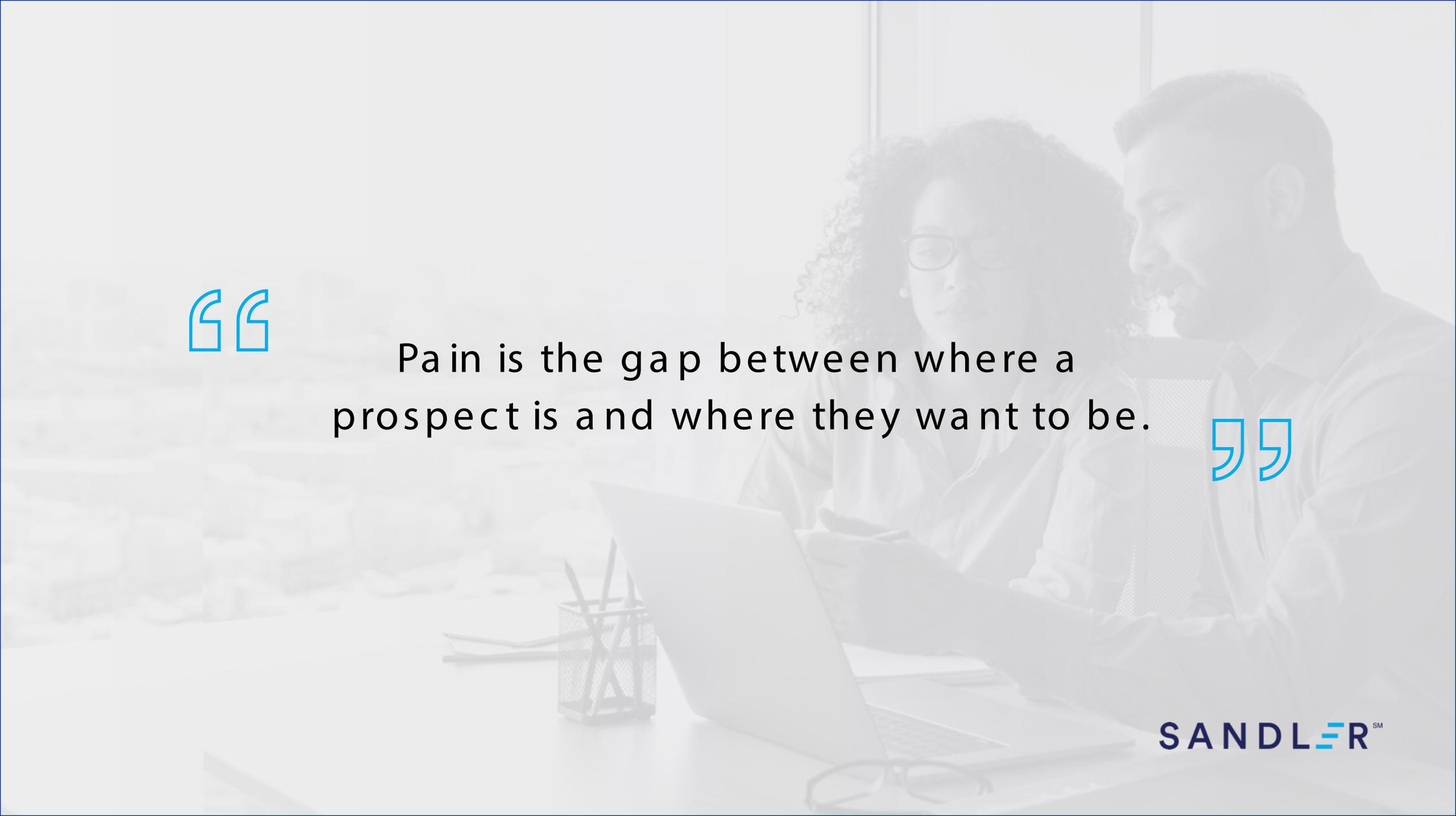
**FEATURES/BENEFITS
PRODUCT/SERVICE/FIRM**

**CONSEQUENCES OF NOT HAVING
THIS FEATURE/BENEFIT = PAIN**

My name is _____ with Schnabel Engineering. We are a _____ and help clients/businesses who are concerned about:

PAIN 1, _____ PAIN 2, _____ PAIN 3, _____

I don't suppose these are any concerns of yours? *OR* I can't imagine that these are any problems you have experienced?



“

Pain is the gap between where a prospect is and where they want to be.

”

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Reasons why we do things

- Pain is a **compelling, emotional reason** to do something different.
- Pain = gap between where buyer is and where they want to be.



Skills Practice: Use the Pain Funnel



DETAILS

- Tell me more about that.
- Can you be more specific?
- Give me an example.

ELAPSED TIME

- How long has that been a problem?

ACTIONS

- What have you tried to do about that?
- And did that work?

COSTS

- How much do you think that has cost you?

FEELINGS

- How do you feel about that?
- Have you given up trying to deal with the problem?



Scan to download the
Sandler Pain Funnel

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Expand Your Nets

- **Benefit Net:** What industries/companies get business when you get business?
- **Jealousy Net:** Who does business with people that you want do business with?
- **'They Like Me' Net:** People who you have given business to for whatever reason.
- **'I Like Them' Net:** People you have received business from in the past six months.
- **Alliance Net:** Who can you co-market or co-sell with?
- **Client Net:** Who have you worked with who loves what you do for them?

CROSS SELLING – PART 2

Transitioning the Features and Benefits to Pain: Problems and issues addressed by working with Schnabel.

- Design Build – Brianna
- Geotechnical/Geostructural Engineering – Mike
- Dam/Levee Engineering – Sharon
- Tunnel Engineering – Samer
- Risk Management – Teddy
- Infrastructure Monitoring Services – Kevin
- Environmental – Mo
- Water Rights-Water Resources/Water Resource Mechanical Design – Jared
- Transportation – Shelby
- Power & Energy – Jared