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Chapter Three: Elements and Terms of an Up-Front Contract

► Chapter 1:
Why Have a System?

► Chapter 2:
Bonding &
Building Rapport

► **Chapter 3:
Up-Front
Contracts**



► Chapter 4:
Identifying Pain

► Chapter 5:
Questioning
Strategies



► Chapter 6:
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Average

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Elements and Terms of an Up-Front Contract

Chapter 3: Summary & Learning Objectives

Chapter Description:

Participants will understand the importance and the details of creating mutual agreements up front so that there is no mutual mystification regarding what will happen or outcomes.

Chapter Outline:

- ☐ When Should You Make an Up-Front Contract?
- ☐ Up-Front Contract Using ANOT
- ☐ Sandler Rules for Up-Front Contracts

Chapter Objectives:

At the conclusion of this Chapter, you will be able to:

- ☐ Define and explain the five elements of an up-front contract.
- ☐ Determine where to best use up-front contracts.
- ☐ Understand and explain ANOT.
- ☐ Explain the acceptable outcomes of a sales meeting.



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Elements and Terms of an Up-Front Contract

An up-front contract is a mechanism by which the salesperson and the prospect agree, before a meeting, to exactly what will take place during the meeting.



No mutual mystification!

There are five elements of an up-front contract:

1. Purpose of the meeting

- ☐ Explain why you are having the meeting. The purpose should move the selling process forward.

2. Prospect's agenda and expectations

- ☐ Find out what the prospect's agenda is for the meeting.
- ☐ Find out what his expectations of you are.

3. Salesperson's agenda and expectations

- ☐ Explain to the prospect what you will be doing in the meeting.
- ☐ Explain your expectations of the prospect, including what information you will need from him.

4. Time

- ☐ Schedule the date, time, and location of the meeting.
- ☐ Allow enough time to cover all necessary points.

5. Outcome

- ☐ The outcome should be the decision to proceed with or stop the selling process, or the prospect's final decision to buy or not to buy.

The terms of an up-front contract are simple. Both you and the prospect must agree to the outcome for each stage of the contract.

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When Should You Make an Up-Front Contract?

You should make an up-front contract:

- ☐ On the phone with the prospect prior to the first meeting.
- ☐ Anytime you are going to have a meeting with a prospect.
- ☐ Anytime you are beginning one of the steps in the Sandler Selling System.
- ☐ At the conclusion of a sale, to discuss add-on business, future business, and referrals.
- ☐ At the conclusion of every meeting.

NOTE: Remember, “up-front” does not mean that you make an up-front contract only before the first meeting or contact you have with a prospect. It means that you do it before ANY meeting or contact you have with a prospect.

What happens if you do not make an up-front contract before a meeting or presentation?:

- ☐ You and the prospect may have conflicting expectations.
- ☐ The prospect may expect a presentation you are not prepared to make.
- ☐ You may be forced into a situation of providing free consulting.



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Up-Front Contract Using ANOT

One way to approach making an up-front contract prior to a first meeting is to use the ANOT acronym as a guide to the elements of the contract.

"I appreciate your invitation to meet about your annual needs. Naturally you will want to discuss some questions you have for me. Obviously I will need to ask you some questions. Typically the way this will go is..."

<u>A</u>PPRECIATE	Thank the prospect for meeting and verify the time and the purpose: ☐ The date and time of the meeting, as well as the amount of time set aside for it. Also, state the purpose.
<u>N</u>ATURALLY	The kind of information the prospect may want from you includes: ☐ Your company's background. ☐ The type of companies that you help. ☐ The products/services your company offers. ☐ The types of results that clients have experienced by using your product or service.
<u>O</u>BVIOUSLY	The kind of information you will want from the prospect includes: ☐ His company's background. ☐ The types of companies with which they work. ☐ The main issues they are facing when it comes to "X".
<u>T</u>YPICALLY	There are two possible outcomes: ☐ The prospect decides there is no fit. Tell the prospect that you want him to be comfortable saying there is no fit, if that is the case. ☐ The prospect decides there is a good fit. You will then discuss potential next steps.

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Sandler Rules for Up-Front Contracts



A strong up-front contract gives you the opportunity to deal with your biggest fears up front.



A strong up-front contract guarantees no interruptions during your sales calls.



A strong up-front contract requires that a decision be made at each intermediate meeting.



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Lessons Learned & Knowledge Testing

Chapter Summary:

Key takeaways from this Chapter:

The five elements of an up-front contract are time, purpose, prospect's agenda, salesperson's agenda, and outcome. These components must be clearly and explicitly stated and mutually agreed upon between salesperson and prospect. Every phase of a sale should begin with an up-front contract and end with an up-front contract for the next phase. Failure to make and keep up-front contracts results in mutual mystification.

The acronym ANOT serves as a helpful reminder of the elements of the up-front contract. Problems such as interruptions, "biggest fears," and "what happens next?" are solved by up-front contracts.

The up-front contract has great significance in the proper execution of the Sandler Selling System. In addition to setting agendas and removing confusion, it levels the playing field between prospect and salesperson. Instead of the stereotypical image of a sale with the prospect in a commanding position over a subservient salesperson, the up-front contract creates a situation with two mature adults interacting equally by establishing an agenda that is mutually agreed upon and adhering to it.



Observations & Revelations:

During this Chapter, I learned:

As a result of what I learned, I will:

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Knowledge Testing

Where is the most obvious place to use an up-front contract?

Where else could up-front contracts be used?

What are the five elements of an up-front contract?

1.

2.

3.

4.

5.

Complete the Sandler Rule:

No

 !



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Knowledge Testing

What does the acronym ANOT stand for?

A: _____

N: _____

O: _____

T: _____

What are the possible outcomes that you would want to address in your up-front contract? Why?
