



How to Say No Without Offending the Client

The coming fourth quarter may help salvage the year for many of us. Given the current environment it is also likely that our clients will push harder than usual for price cuts or other concessions. So with that in mind, this week's tip focuses on how to say No.

Sometimes we have to decline our clients' requests. We don't like to do it but we have to do it. Sometimes what they ask for is unreasonable. Often we just cannot give them what they want. And the reality is we have to say NO. The challenge is how do we do that? It is not a comfortable thing to do. And it is certainly not our favorite activity.

When we discuss a subject like this we like to suggest a process. Like any process, you won't apply each step in every situation. But processes are roadmaps. They help get us to where we want to go. Here is the process that we suggest you use when you have to say NO:

1. Paraphrase the Request
2. Tell them what you *can* do
3. Tell them what you *wish* you could do
4. Tell them what you *can't* do
5. Explain *why* you can't do it

Sounds a little complicated, doesn't it? It is not really. And it can be applied conversationally. Let's look at the steps.

- 1. Paraphrase the request**—It is always helpful to first clarify what the client wants. Maybe you misunderstood what they said. If not, let's assure the client that you heard them. When you paraphrase a request, the client may hear it differently and better understand your reaction. But at least they know you understand it. Don't "parrot-phrase" it, paraphrase it: Example:

Client Says: Can you eliminate the fees on this?

Salesperson Says: So you are asking us to pass on the fees, correct?

- 2 Let them know what you can do**—We have to be careful here. You are not making promises that you can't fulfill. And of course, you don't want to appear patronizing. But at the same time you don't want the client to feel foolish. So we treat the request as an idea and we find value in it. Ideally you will find something you can do that is related to the request. So the guy who doesn't want to pay fees might get a response like:

"I assure you we will do everything we can to get you a fair deal that you feel good about..."

Remember, you can always find something that you can do consistent with the request that is reasonable. You may need to be creative here, but you can do it.

3. Tell them what you wish you could do—Don't read more into this step than is necessary. It is your chance to be empathetic and to let the client know you want to help. But we never want to give the client the impression that we are not being fair. Too many salespeople complain about "management." ("I tried to get you a better price but they wouldn't budge.") That may be a good way to sell yourself, but it is a horrible way to sell your company.

Instead what we mean here is to let them know you'd like to give them more but for good reasons you can't. "Mr. Client, if there were ways for us to cover our costs without charging fees, we would certainly take a different position," or, "I wish there was a way to pass on fees for agreements like these as we did in the past, but we can't run the business that way any longer."

What you are letting the client know is that they have the right to make the request and you would like to help, but...

3. Tell them what you can't do—Now it's time to be direct. Very direct. The preceding steps were not done simply to "sugar coat" the bad news. It is done to let the client know that you heard them, that you will do what you can to help, and that they have every right to make that request. But now it is time to say no. Don't beat around the bush—tell them what they need to know:

"The reality is, Mr. Client, for agreements like this we must charge fees. We cannot avoid them. It is a position we have to take even though it can be difficult."

We have heard horror stories in which people spent so much time leading up to the "no" that the client never heard it. So we suggest you spend as much time on step four as you do on steps one through three. And be clear when you finally tell them what you cannot do.

4. Explain the rationale—The final step is to explain why the answer is no. Support your decision. It wasn't made in a vacuum. There is rationale behind it. When possible, let them know what the benefit is to *them* for your position:

"One of the reasons we charge fees is to fund the research that we do to provide better service and expedite the process..." or, "we are extremely committed to the business and are working hard to build capacity to serve clients more effectively. We can't do that if we don't charge fees."

We must do whatever we can to deliver the bad news in as positive a way as we can. Saying NO is part of our job. It may not appear in our job description, but it is something we have to do too often.

So let's do it in a professional way that the client appreciates. And let's do it in a way that enables us to maintain the relationship.