CHAPTER

09

MANAGE MARKETING & SELLING PROCESSES OF A NEW VENTURE

LEAD HR CONSULTING

BUSINESS IN-A-BOX

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Manage Marketing and Selling Processes of a New Venture

A brilliant product without effective marketing and selling is a business waiting to fail. Conversely, a modest product backed by excellent marketing and customer relationship management can build a thriving venture. This chapter covers the complete arc of marketing and selling for new ventures: from implementing the marketing plan and choosing promotion channels, through the art of negotiation and the mechanics of quoting, to the complex world of tendering for commercial and government contracts. Mastering these skills transforms the entrepreneur from someone who makes things into someone who builds a sustainable, growing business.

By the end of this chapter, you will be able to:
✥ Define and explain the key marketing terms: marketing, marketing concept, marketing plan, business plan, customer.
✥ Explain the four pillars of the marketing concept: target market, customer needs, integrated marketing, and profitability.
✥ Describe the five core business activities: R&D;, marketing, production, distribution, and sales.
✥ Explain how to implement a marketing plan through scheduling, resourcing, budgeting, and controlling.
✥ Identify and explain six suitable promotion methods for a new venture.
✥ Apply the AIDA selling model (Attention, Interest, Desire, Action) to promotional content.
✥ Explain direct selling, cold calling, wholesale selling, telesales, and network marketing as selling techniques.
✥ Implement customer relations practices: initial contact, active listening, effective communication, problem-solving, teamwork, and follow-up.
✥ Design and use a customer satisfaction survey.
✥ Explain the purpose and implementation of after-sales service.
✥ State and apply the twelve basic principles of negotiation.
✥ Explain and apply the five key planning elements for negotiations: objectives, information, concessions, strategy, and tasks.
✥ Apply ten negotiation techniques including preparation, listening, silence, and commitment.
✥ Define a quotation and explain the different types of business transactions.
✥ Explain the principles and procedures for compiling quotes including costing, pricing, terms, and legal implications.
✥ Describe the structure of a standard quotation: header, body, and footer.
✥ Identify and avoid the common pitfalls in quoting and order-taking.
✥ Define tendering and explain the difference between open and restricted tendering procedures.
✥ Identify and manage the top ten risks associated with tendering.
✥ Analyse the financial advantages and disadvantages of tendering for a specific opportunity.
✥ Compile a professional tender document including all required sections and supporting documentation.

Section 1: Implementing the Marketing Plan

A marketing plan that sits in a drawer generates no revenue. Marketing implementation is the discipline of converting marketing strategies and intentions into the day-to-day activities that actually attract, engage, and convert customers. It is where the rubber meets the road — and where many new ventures stumble despite having good ideas on paper.

1.1 Key Marketing Definitions

Marketing: The management process through which goods and services move from concept to customer. As a practice, it involves the 4 Ps: product development, price determination, place (distribution), and promotional strategy. As a philosophy, it means thinking about the business in terms of customer needs and their satisfaction.

Marketing Concept: A management philosophy that holds that a firm's goals are best achieved through identifying and satisfying the stated and unstated needs and wants of its target markets — more effectively than competitors can.

Marketing Plan: A product-specific or company-wide plan that describes activities involved in achieving specific marketing objectives within a set timeframe. It includes analysis of the current market situation, detailed action programmes, budgets, sales forecasts, strategies, and projected financial statements.

Business Plan: A written document describing in detail how a new business will achieve its goals, covering marketing, financial, and operational viewpoints. It provides a defined picture of potential costs, drawbacks, and revenue projections.

Customer: A person, company, or other entity that buys goods and services produced by another. Customers are the entire purpose of the business — without them, there is no revenue, no purpose, and no venture.

1.7 Building a Sales Pipeline and Customer Acquisition System

Sustainable revenue growth requires a system for consistently generating, qualifying, and converting leads — not just the occasional sale that comes from personal networking. A sales pipeline is a structured model that tracks potential customers from first contact to closed sale, enabling the entrepreneur to manage and predict revenue with meaningful accuracy.

Lead Generation: The activities that bring new potential customers into awareness of the business: advertising, content marketing, referrals, cold calling, trade shows, and social media. The volume and quality of leads entering the top of the pipeline determines everything downstream.

Lead Qualification: Assessing whether a lead is a genuine potential customer: do they have the problem you solve? Do they have the budget to pay for your solution? Are they the decision-maker? Are they ready to buy within a reasonable timeframe? Qualification prevents wasting sales time on leads that will never convert.

Needs Analysis: Understanding the specific, detailed situation of the qualified prospect: what exactly is their problem? What solutions have they tried? What would success look like? What constraints do they face? The needs analysis conversation is where the trust required for a sale is built.

Proposal or Quotation: Presenting a specific solution and price tailored to the prospect's needs as uncovered in the needs analysis. The proposal or quotation follows directly from the needs analysis — the customer should see their own words and priorities reflected in your proposal.

Negotiation: Handling objections, discussing terms, and reaching agreement on price, delivery, and conditions. Section 2 of this chapter provides the complete negotiation framework.

Closing: The moment of agreement — the customer accepts the proposal and commits to the purchase. Effective closers make it easy to say yes: clear terms, a simple signing process, and immediate next steps.

Onboarding and Delivery: Fulfilling the commitment made in the sale. The quality of delivery determines whether the customer becomes a repeat buyer and advocate or a disappointed one-time customer.

Managing the pipeline means knowing, at any given time: how many leads are at each stage, the conversion rate between each stage, the average time it takes to move from one stage to the next, and the average deal value. These metrics enable revenue forecasting and identify where the pipeline needs attention — whether that is more lead generation, better qualification, stronger proposals, or more effective closing.

1.8 Measuring Marketing Effectiveness

Marketing without measurement is guesswork. Every marketing investment should be evaluated against specific metrics that connect directly to business performance:

Customer Acquisition Cost (CAC): Total marketing and sales spend in a period ÷ number of new customers acquired in that period. This is the most important marketing efficiency metric. If CAC exceeds Customer Lifetime Value (CLV), the business is destroying value through its marketing — a common and fatal error for growth-at-all-costs startups.

Customer Lifetime Value (CLV): The total revenue expected from a customer over the entire duration of the relationship. CLV = Average Purchase Value × Purchase Frequency × Customer Lifespan. Knowing CLV enables rational decision-making about how much to invest in acquiring new customers and retaining existing ones.

Net Promoter Score (NPS): A single survey question: 'How likely are you to recommend us to a friend or colleague?' (0-10 scale). Respondents scoring 9-10 are Promoters; 7-8 are Passives; 0-6 are Detractors. NPS = % Promoters – % Detractors. A positive and growing NPS indicates a healthy customer relationship base; a declining NPS is an early warning signal of underlying service or product issues.

Conversion Rate: The percentage of leads or prospects who convert to customers at each stage of the sales pipeline. Tracking conversion rates by stage identifies where the pipeline is leaking —

whether at lead quality, qualification, proposal, or closing.

Return on Marketing Investment (ROMI): (Revenue attributable to marketing – Marketing cost) ÷ Marketing cost × 100%. A ROMI of 500% means every R1 of marketing spend generates R5 of revenue. Tracking ROMI by channel enables progressive reallocation of marketing budget toward the highest-performing channels.

1.2 The Four Pillars of the Marketing Concept

Successful implementation of any marketing plan requires understanding and genuinely committing to the four pillars of the marketing concept:

Target Market

No business can profitably serve every customer in every market. Target marketing is the discipline of identifying the specific customer segments for whom the venture's value proposition is strongest — and concentrating marketing resources on those segments. A well-defined target market enables sharper messaging, more efficient media spend, and stronger customer relationships than trying to appeal to everyone.

For the South African entrepreneur, target market definition must account for demographic diversity (11 official languages, multiple cultural contexts, extreme income disparity), geographic segmentation (urban vs township vs rural), and psychographic factors (aspirational identities, community values, brand relationships). A brand that resonates deeply with one community may feel alien in another — which is why the most successful South African marketers develop channel and message strategies that are genuinely culturally adapted, not merely translated.

Customer Needs

The marketing concept distinguishes between responsive marketing (finding a stated need and filling it) and creative marketing (discovering and producing solutions that customers did not ask for but enthusiastically adopt). Both approaches require deep customer understanding — built through market research, customer conversations, observation, and empathy.

The entrepreneur who makes products based on what they want to make, rather than what customers need, typically fails. The entrepreneur who obsessively asks 'what problem does the customer have, and how can we solve it better than anyone else?' builds a sustainable advantage. Customer needs are not static — they evolve with economic conditions, technology, social norms, and competitive offers. Monitoring how customer needs are shifting is one of the most valuable investments the entrepreneur can make.

Integrated Marketing

Integrated marketing means that every marketing function — sales force, advertising, product management, customer service, social media, and physical store experience — works together to deliver a consistent, reinforcing message and experience to the customer. The brand promise made in advertising must be delivered in the product; the product experience must match what the website promised; the customer service tone must reflect the brand values communicated in social media.

Internal marketing must precede external marketing. It makes no sense to promise excellent service to customers if the staff have not been trained, empowered, and motivated to deliver it. Every employee in a small business is a marketer — their interactions with customers, suppliers, and community members either build or erode the brand.

Profitability

Marketing creates customer value; the business model converts customer value into organisational profit. A marketing strategy that wins customers at a cost greater than the lifetime value of those customers destroys value rather than creating it. Every marketing programme must be evaluated against its return on investment — not just on engagement metrics like followers or likes, but on actual revenue generated and customer lifetime value created. Marketing is not a cost centre; it is an investment with a measurable return.

1.3 Marketing Plan Implementation — From Plan to Action

Converting a marketing plan from a document into results requires disciplined implementation across four dimensions:

Scheduling: Every marketing activity must be scheduled with a specific start date, end date, and responsible person. A marketing schedule converts the marketing plan's strategies into a week-by-week calendar of specific tasks. Without a schedule, activities slip — and the cumulative effect of missed marketing activities is significantly lower revenue than the plan projected.

Resourcing: For each scheduled activity, identify the resources required: people (who will do the work?), tools (what equipment, platforms, or software is needed?), content (what creative, copy, images, or video must be produced?), and partnerships (which external suppliers or collaborators are involved?). Resource gaps identified early can be addressed proactively; resource gaps discovered on the day of execution cause expensive delays and compromises.

Budgeting: Every marketing activity has a cost — including those that feel 'free' like social media management (which costs the entrepreneur's time). Build a complete marketing budget that covers all cost categories: digital advertising spend, creative production, event costs, printed materials, website maintenance, PR and influencer costs, and monitoring tools. A good rule of thumb for growth-focused SMEs: marketing spend should represent 5-15% of target revenue, depending on the stage of the business and the competitiveness of the market.

Controlling: The marketing plan must be monitored against specific metrics. Key marketing metrics: customer acquisition cost (how much does it cost to acquire one new customer?), conversion rate (what percentage of leads become customers?), customer lifetime value (how much does the average customer spend over the entire relationship?), return on ad spend (how much revenue is generated per rand of advertising?), and Net Promoter Score (how likely are customers to recommend the business?). When performance deviates from plan, investigate promptly and adapt.

1.4 Promotional Methods for New Ventures

Promotion is how the business communicates its value to potential customers. The optimal promotional mix for a new venture depends on: the target market's media consumption habits, the geographic scope of the market, the available budget, and the nature of the product or service. The following promotional channels are most relevant to South African new ventures:

Print and Graphic Media

Despite the digital revolution, print media retains significant reach and credibility in South Africa, particularly for targeting older, more affluent consumers, professional B2B audiences, and local community markets. Relevant print channels:

Brochures and flyers are cost-effective for communicating detailed product information to interested prospects. A professionally designed A4 tri-fold brochure distributed at a relevant event or through targeted direct mail can generate significantly higher response rates than digital-only campaigns for certain target segments.

Local newspaper advertising builds community brand awareness and reaches consumers during a relaxed, receptive reading occasion. The Weekly newspapers distributed free in South African suburbs are particularly cost-effective for local service businesses.

Trade and industry magazines provide highly targeted reach to professional audiences in specific sectors — manufacturers, retailers, medical professionals, property practitioners, and others who subscribe specifically to stay informed about their industry.

Digital and Social Media

Digital channels offer the best combination of targeting precision, cost efficiency, and measurability available to new ventures. South Africa's rapidly growing smartphone penetration (exceeding 90% in urban areas by 2024) and mobile data affordability make digital the default primary channel for most consumer markets.

Social media platforms: Facebook and Instagram dominate consumer social media in South Africa (particularly for the 25-45 demographic). LinkedIn is essential for B2B marketing. TikTok has explosive reach among under-35 consumers. WhatsApp Business is uniquely powerful for building direct customer relationships in South African markets — it bridges formal and informal commerce channels.

Search engine marketing: Google Search advertising targets customers who are actively searching for a product or service — capturing high-intent demand at the exact moment of need. Google My Business listing is free and essential for any local business.

Email marketing: for businesses with a customer database, email marketing generates the highest ROI of any digital channel. A well-crafted monthly newsletter with genuine customer value (not just product promotion) builds long-term customer loyalty.

Outdoor and Transit Advertising

Billboards and transit advertising (on taxi cabs, buses, and commuter trains) provide high-frequency visual exposure to broad local audiences. They are particularly effective for: building brand awareness in a specific geographic area, reinforcing messages from other channels, and reaching commuter audiences in lower-income areas that are less digitally engaged. The fundamental requirement: bold design, one clear message, legible from a moving vehicle. If the message cannot be absorbed in 3-5 seconds by someone passing at speed, it is not doing its job.

Product and Service Launches

A well-executed product launch generates concentrated media attention, social media sharing, and customer excitement that no ongoing advertising campaign can replicate. South African launches that succeed: invite genuine influencers and journalists (not just employees and family members), provide a memorable experience that gives attendees a story to tell, create content that can be shared on social media, and follow up with meaningful press coverage. Soft launches (for minor updates) require updating materials and educating channels. Hard launches (for major new products) require full promotional support to generate market momentum.

Informal Selling and Direct Sales

For many South African entrepreneurs — particularly those serving township, rural, or informal market customers — direct, personal selling remains the most effective promotional channel. Informal selling (market stalls, door-to-door, person-to-person at community gatherings) builds the personal trust relationships that formal marketing channels cannot replicate. The stokvel market, church community, and workplace social network are all powerful informal selling channels that the culturally intelligent entrepreneur can leverage effectively.

Networking and Community Involvement

Business networking events, industry associations, trade shows, and community organisations provide access to potential customers, suppliers, advisors, and referral networks that can be far more valuable than any paid advertising. South African entrepreneurs who actively participate in their industry associations, local business forums, and professional networks consistently report that referrals from their networks are their most valuable source of new business. Word of mouth remains the single most trusted form of promotion — and it is generated by delivering excellent products and service, not by spending on advertising.

1.5 Selling Techniques — The AIDA Model and Beyond

Selling is the conversion of a prospect's interest into an actual purchase commitment. Understanding and applying selling techniques consistently separates businesses that grow from businesses that plateau. The AIDA model provides the foundational framework for effective selling communication:

A — Attention

The first challenge is simply getting the prospect to notice you in a world of competing messages. Attention is captured by: relevance (speaking directly to the prospect's most important current problem), specificity (a specific claim is more attention-grabbing than a generic one — 'Reduce your electricity bill by 40%' beats 'Save on electricity'), curiosity (posing an intriguing question), and visual impact (bold design, striking imagery, or unexpected format). Free samples, demonstrations, and 'try before you buy' offers are particularly powerful attention mechanisms because they reduce the perceived risk of engagement.

I — Interest

Once you have the prospect's attention, you must hold it by providing information that is genuinely valuable and relevant to their situation. Interest is built by: clear, jargon-free language that respects the reader's intelligence, honest information that helps the prospect understand their situation better, and storytelling that makes the problem and solution concrete and relatable. Nothing kills interest faster than corporate-speak, vague claims, or irrelevant information.

D — Desire

Desire is created when the prospect can vividly imagine how their life or business will be better after buying the product. The technique: paint a picture of the after-state — the problem solved, the benefit realised, the aspiration achieved. Show, don't just tell: use before-and-after images, testimonials from existing customers, specific case studies, and demonstrations that make the benefit tangible. Address the emotional dimension of the decision — most purchases, even business purchases, are ultimately driven by emotional motivations (pride, fear, aspiration, belonging) justified with rational arguments.

A — Action

Even a deeply interested, genuinely desiring prospect will not buy without a clear, specific call to action. Tell the prospect exactly what to do next: 'Call 0xx xxx xxxx before Friday for 20% off', 'Click the button to start your 30-day free trial', 'Complete the application form below and we will call you within 2 hours'. Include a sense of urgency where genuinely justified (limited availability, time-limited offer) — but never manufactured urgency that the customer can see through. Urgency that is not credible destroys trust.

Other Selling Approaches

Direct Selling: Selling directly to the end customer without intermediaries. Advantages: full margin retained, direct customer relationship, immediate feedback on customer needs and objections. Disadvantages: requires the entrepreneur to invest time in selling rather than production; geographic reach is limited by the seller's capacity; no leverage from third-party distribution networks.

Cold Calling: Contacting prospects who have not expressed prior interest. Success requires: a well-prepared opening statement, knowledge of the prospect's business context, focus on securing an appointment (not closing a sale in the opening call), and a thick skin — most cold calls will not convert immediately. Despite its reputation, cold calling remains one of the most cost-effective new business development tools for B2B ventures when executed well.

Wholesale and Reseller Sales: Selling through distributors, retailers, or agents who then sell to end consumers. Advantages: rapid geographic reach, leverage of established customer relationships, lower selling cost per unit. Disadvantages: lower margin per unit (the intermediary's margin must come from somewhere), less control over pricing and positioning, dependence on the intermediary's performance and priorities.

Telesales and Online Sales: Selling via phone or e-commerce platform. Effective for repeat customers with established relationships, standardised products where the customer can evaluate without physical examination, and price-sensitive markets where convenience drives the purchase decision.

Network Marketing: A sales model in which independent agents sell products and recruit other agents, earning commission on both their own sales and the sales of their recruit network. When the product genuinely creates value for end consumers, network marketing can be an effective and profitable distribution system. When the compensation model rewards recruitment over product sales, it becomes unsustainable and potentially illegal.

1.6 Customer Relations Practices

Customer acquisition is expensive; customer retention is cheap. A customer who has already bought from you and had a good experience is far more likely to buy again, buy more, and refer others than any new prospect. Building a culture of excellent customer relations is therefore the highest-return investment a new venture can make:

Initial Contact and First Impressions: The first interaction sets the template for the entire relationship. Whether the contact is in person, on the phone, or via email, the customer's first impression is formed within seconds and influences their entire subsequent experience. Train every team member to greet warmly, listen actively, and demonstrate genuine interest in the customer's needs from the very first interaction.

Active Listening: Most people listen to respond rather than to understand. Skilled customer relations practitioners listen to understand — they hear not just what the customer says, but what they mean, what they need, and what concerns underlie their question. Reflective listening techniques (paraphrasing back what you heard, asking clarifying questions) demonstrate that the customer is being genuinely heard and build the trust required for lasting relationships.

Effective Communication: Clear, honest, jargon-free communication prevents the misunderstandings that are the most common source of customer dissatisfaction. Over-communicate rather than under-communicate: tell customers what to expect, when to expect it, and what you will do if something goes wrong. Written communication (email, WhatsApp) should be professional, clear, and quickly responsive.

Problem-Solving with Empathy: Problems are inevitable in any business. How they are handled determines whether the customer becomes a loyal advocate or a permanent detractor. The research is unambiguous: a customer whose problem is resolved quickly and well often becomes a more loyal customer than one who never had a problem. The recovery process is an opportunity to demonstrate the values of the business.

Follow-Up: After every significant interaction — a sale, a service delivery, a complaint resolution — follow up to confirm that the customer is satisfied. A brief phone call or WhatsApp message asking 'How are you finding the product?' or 'Is everything working as expected?' costs almost nothing but builds a relationship that is extraordinarily valuable over time.

Customer Satisfaction Surveys

Customer satisfaction surveys are structured tools for measuring how well the business is meeting customer expectations. They are most valuable when: conducted regularly (not just once), designed to generate actionable insights (not just vanity metrics), acted on promptly (customers who see no change from their feedback quickly stop providing it), and shared internally so all team members understand what matters most to customers. The three most predictive questions in any customer survey:

- ◆ Overall, how satisfied are you with [product/service]? (1-10 scale)
- ◆ Would you recommend us to a friend or colleague? (NPS: 0-10 scale)
- ◆ What is the one thing we could do to make you happier?

After-Sales Service — The Trust Builder

After-sales service encompasses everything the business does for the customer after the transaction is complete: warranty support, usage assistance, technical help, complaint handling, and relationship maintenance. Three principles guide effective after-sales service:

- ◆ Continue selling — ongoing engagement with customers about their evolving needs identifies upsell and cross-sell opportunities before competitors do.
- ◆ Stay available — make it easy for customers to reach you with problems, questions, or feedback. An unanswered WhatsApp message from a customer is a relationship in jeopardy.
- ◆ Be a customer liaison — position yourself as the customer's advocate within your own business. When a customer has a problem, the experience of having it resolved by someone who genuinely champions their interests is powerfully differentiating.

Section 2: Negotiating a Deal with a Customer

Negotiation is the process by which two or more parties with different needs and goals work toward a mutually acceptable agreement. For the entrepreneur, negotiation happens every day — with customers (on price, terms, delivery), with suppliers (on costs, payment terms, quantities), with employees (on compensation and conditions), and with investors (on valuation and terms). Developing negotiation skill is one of the highest-leverage investments an entrepreneur can make in their own capability.

2.1 The Twelve Basic Principles of Negotiation

The following twelve principles, consistently applied, transform average negotiators into skilled ones:

1. Know when to negotiate and when to walk away: Not every 'no' ends a negotiation — often it is the beginning. But some negotiations genuinely are over. Learn to distinguish between the 'no that means I'm open to different terms' and the 'no that means I'm not interested.' Walking away from a negotiation that can't be won is strength, not defeat.

2. Negotiate for outcome, not ego: The goal is a good agreement, not to 'win' the argument. Skilled negotiators sometimes deliberately allow the other party to 'win' on visible points while achieving their actual objectives on the issues that matter most.

3. Negotiate issues, not personalities: When the counterpart is difficult, rude, or uses aggressive tactics, the temptation to respond in kind is powerful and almost always counterproductive. Stay focused on the issues at hand. The other person's behaviour is their problem; don't make it yours.

4. Know what is relevant and what is irrelevant: Identify your true priorities before sitting down. Keep them fixed internally, even while discussing lower-priority issues with apparent flexibility. Use your knowledge of what matters to the other party as leverage.

5. Talk in terms of benefits, not features: 'This contract will save you 30% on your current supplier costs' is more powerful than 'we offer competitive pricing.' Translate every feature of your offer into a specific, quantified benefit for the counterpart.

6. Ask questions rather than make statements: Questions guide the conversation and keep you in control. 'Would a 30-day payment term work for your cash flow?' is more powerful than 'We require 30-day payment terms.' It invites the counterpart to say yes rather than challenging them to say no.

7. Use your strengths and manage your weaknesses: Every negotiator has strengths and weaknesses. Be conscious of both. Disguise weaknesses where possible; deploy strengths strategically. The willingness to walk away is the single greatest source of negotiating strength — never negotiate when you are desperate.

8. Respond rather than react: Reactions are reflexes; responses are deliberate. Skilled negotiators pause, think, and choose their response. When an unexpected demand or aggressive tactic appears, silence followed by a considered response is almost always better than an immediate reaction.

9. Attract rather than chase: Structure your proposals so they pull the counterpart toward your desired outcome rather than chasing them. A well-crafted offer that clearly serves the counterpart's interests will be more effective than aggressive pursuit.

10. Break complicated issues into simple elements: Complex multi-issue negotiations are more manageable when decomposed into individual elements. Agree on principles first, then negotiate details. Agreement on one element builds momentum for subsequent ones.

11. Know when to negotiate concepts vs. details: In the early stages of a negotiation, focus on broad agreement — the concept of a partnership, the general commercial framework. Details can be negotiated once the conceptual agreement is solid. Trying to negotiate details before the concept is agreed typically derails negotiations.

12. Have a system to capture the agreement: Negotiations are primarily verbal; agreements decay or are reinterpreted if not promptly documented. As soon as agreement is reached, confirm the key terms in writing — even a brief summary email is far better than relying on verbal memory.

2.2 Planning for Negotiations — The Five Key Dimensions

The preparation phase is the most important part of any negotiation. Entrepreneurs who spend more time preparing consistently achieve better outcomes than those who 'wing it.' Preparation should address five dimensions:

Objectives

Before entering any negotiation, define clearly:

Best Case Outcome: what would complete success look like?

Acceptable Outcomes: what range of outcomes would still be satisfactory?

Walk-Away Point: what is the minimum acceptable outcome below which you should walk away?

BATNA (Best Alternative to Negotiated Agreement): if this negotiation fails, what is your next-best option? Your BATNA defines your actual walk-away point and determines your negotiating power.

Information

Information is leverage. Before negotiating, research: the counterpart's business context and current priorities; their likely budget and procurement process; the competitive alternatives they are considering; their previous negotiation behaviour; market pricing for comparable offerings; and any timing pressures or deadlines they face. The more you know about the counterpart's situation, the more precisely you can craft a proposal that meets their genuine needs at a price that works for you.

Concessions

Pre-identify all concessions available to you — and their real cost. Not all concessions are equal: a payment term extension may cost you almost nothing in finance cost but be highly valued by a cash-strapped buyer. A discount of R5,000 may feel significant but actually cost you R5,000 that comes directly from profit. Map your concessions by cost to you versus perceived value to the counterpart — and always trade high-cost-to-you concessions for high-value-to-counterpart concessions, never give them away.

Strategy

Choose a negotiation style appropriate to the relationship and the stakes: collaborative (win-win, preserving the relationship) for long-term customers and partners; competitive (maximising your own outcome) for one-off transactions where the relationship is transactional; principled (interest-based) for complex multi-issue negotiations. Plan the opening position, the sequence of concessions, and the tactics you will deploy if the counterpart becomes aggressive.

Roles and Tasks

In team negotiations, pre-assign roles: the lead negotiator (controls the pace and direction), the expert (provides technical input), the observer (notes body language and unspoken signals), and the note-taker (records agreed points). Establish pre-agreed signals for taking a break, calling a caucus, or escalating beyond the team's authority. Misaligned teams are one of the most common causes of negotiation failure.

2.3 Negotiation Techniques in Practice

Beyond principles and preparation, specific techniques create tactical advantage in the negotiation room:

Win-Win Framing: Always present your proposals as serving both parties' interests. Even competitive negotiations go better when both parties believe the outcome respects their core interests. The phrase 'I think this could work well for both of us' is more likely to advance a negotiation than 'I need you to accept these terms.'

Extreme Initial Position: Research shows that negotiators who make the first (aggressive but credible) offer typically achieve better outcomes. An ambitious starting position anchors the counterpart's expectations. However, the position must be justifiable — an opening offer so extreme that it destroys credibility damages the negotiation rather than helping it.

Silence as a Tool: Most people are uncomfortable with silence and rush to fill it, often with concessions. After making an offer or proposal, wait. If the counterpart responds with silence, wait some more. The party that breaks the silence first typically weakens their own position.

The Reluctant Buyer/Seller: Even if you are eager to close the deal, project measured enthusiasm rather than desperation. 'I'm interested, but I need this to work on these terms' is more powerful than 'I really need this contract.'

Spiralling Agreements: In complex negotiations, start by reaching agreement on small, uncontested points. Each small agreement builds momentum and creates a pattern of 'saying yes' that makes it progressively harder for the counterpart to say no on larger issues.

Trading Concessions: Never give a concession without getting one in return. 'If you can commit to payment in 30 days, I can hold this price for 12 months' is a negotiation; 'I'll hold this price for you' is a gift.

2.4 Principled Negotiation — The Win-Win Framework

The conventional view of negotiation as a zero-sum contest — where one party's gain is the other's loss — produces poor outcomes in ongoing business relationships. The principled negotiation approach, developed at Harvard's Program on Negotiation, offers a more sophisticated and more effective alternative for long-term business relationships:

Separate the People from the Problem: The people at the negotiating table are not the problem. The problem is the problem. Addressing interpersonal dynamics — the counterpart's ego, emotions, or relationship needs — separately from the substantive issues prevents personal conflict from contaminating the commercial outcome.

Focus on Interests, Not Positions: Positions ('I need a 30% discount') often mask the underlying interests that actually drive the negotiation ('I need to stay within budget this quarter'). Exploring the interests behind stated positions frequently reveals solutions that satisfy both parties' real needs without either side having to 'lose' on their stated position.

Invent Options for Mutual Gain: Before settling on terms, brainstorm options that might create value for both parties. A payment schedule that spreads a large purchase over three months might be slightly better for the seller and significantly better for the buyer — creating more total value than a simple price negotiation would have.

Use Objective Criteria: Ground the negotiation in market data, professional valuations, industry norms, and legal standards rather than in either party's subjective assertions of what something is worth. 'The market rate for this service is R800-R1,200 per day based on current industry surveys — where should we land within that range?' is a more productive foundation than 'I want R1,500 and you want to pay R600.'

Negotiating in the South African Context

South African business culture has specific characteristics that shape effective negotiation: relationship orientation (decisions often depend on personal trust built before the formal negotiation), hierarchy sensitivity (the level at which you negotiate signals the importance you attach to the relationship), ubuntu philosophy (communal decision-making values mean that seemingly finalised negotiations may be reviewed by groups not present at the negotiating table), and code-switching (the ability to move between formal business language, vernacular, and cultural reference points signals authentic relationship, not just commercial interest). Time flexibility differs markedly across cultural contexts — what reads as disrespect for schedule in one context is entirely normal in another. Build cultural intelligence into your negotiation preparation, not just commercial intelligence.

Section 3: Completing Basic Quotations

A quotation is a formal offer to supply specified goods or services at a specified price within a specified period. When accepted by the buyer, it becomes a binding contract. The discipline of quoting accurately, completely, and professionally is therefore both a commercial skill and a legal obligation.

3.1 Types of Business Transactions

Understanding the type of transaction you are quoting for shapes the structure and content of the quotation:

Transaction Type	Key Quoting Considerations
Retail to Customer (In-Person)	The customer selects and purchases products directly from the business. Price includes the retail mark-up and applicable VAT. The quote is typically the price tag itself.
Retail to Customer (Remote)	Phone or online orders where the customer cannot physically examine the product. The quote must include detailed product specification, price (VAT-inclusive), delivery timeframe, and return policy.
Wholesaler to Retailer	Bulk purchase transactions typically settled on invoice with agreed payment terms (e.g., 30 days from invoice). Quotes specify unit price, minimum order quantity, discount tiers for volume, and lead time.
Business to Business (B2B)	Custom service or product contracts often involving complex specifications, multi-stage delivery, and negotiated terms. Quotes must address all contract terms explicitly, as they form the basis of the legal agreement.
Consumer to Consumer (C2C)	Transactions between individuals facilitated through platforms like Facebook Marketplace or Gumtree. Typically cash transactions; the 'quote' is the asking price.
Unilateral Agreement	One party makes a promise without requiring a reciprocal commitment from the other (e.g., a reward advertisement). The 'quote' is the reward offered.
Bilateral Agreement	Both parties exchange binding promises — the most common commercial form. The quotation and acceptance create a bilateral contract binding on both parties.

3.2 Principles and Procedures for Compiling Quotes

A quotation is only as good as the cost and pricing analysis underlying it. The following principles guide professional quote preparation:

Accurate Cost Calculation

Before quoting, calculate the complete cost of delivering the product or service:

Direct costs: raw materials (at current supplier prices, not estimated), direct labour (actual hours × labour rate, including overtime if applicable), direct overhead (packaging, specialised equipment usage).

Indirect costs (overhead): allocate a proportional share of monthly fixed costs (rent, salaries, utilities, insurance, depreciation) to the quoted work based on the proportion of the total business capacity it represents.

Profit margin: add the required margin — typically 10-25% of total cost for most service businesses, higher for specialist or high-value products. The margin must cover not just profit but also the business risk of unexpected cost overruns.

Formula: Selling Price = Direct Costs + Indirect Costs + Profit Margin

Terms and Conditions

Every quotation must include clear terms and conditions that protect the business:

Payment terms: when payment is due (e.g., 30% upfront, 70% on completion; or 30 days from invoice date); accepted payment methods; late payment penalties.

Validity period: how long the quoted price is valid (typically 30-60 days) — material and labour costs change, and an open-ended quotation creates price risk for the business.

Scope definition: what is included and explicitly what is excluded from the quoted price. Ambiguity about scope is the most common cause of post-contract disputes.

Cancellation terms: the notice required to cancel and any cancellation charges that apply.

Warranty and liability: what guarantees are given about quality and performance, and the limits of liability if things go wrong.

Legal Implications

A quotation that is accepted by the buyer creates a legally binding contract. This means the business is obligated to supply at the quoted price, within the quoted timeframe, to the quoted specification — regardless of cost increases that occur after the quote is accepted. Implications:

Never quote without knowing the cost — price surprises cannot be passed to the customer after the quote is accepted.

Quote with validity periods — prices change; an open-ended quote is a price risk.

Be specific about scope — 'website development' is not a scope; 'a 5-page responsive website with contact form, Google Maps integration, and 3 rounds of revisions' is a scope.

Include VAT explicitly — state whether the quoted price is VAT-inclusive or VAT-exclusive. Disputes about VAT are common and easily avoidable.

3.3 Structure of a Standard Quotation

A professional quotation is structured in three parts:

Header (Top Section)

◆ Your business letterhead: legal name, physical address, telephone, email, website.

◆ The word 'QUOTATION' or 'QUOTE' clearly displayed at the top.

◆ Your VAT registration number (if VAT-registered).

◆ A sequential quotation number (no two quotations should share a number — your quotation number system is your legal record-keeping system).

◆ The quotation date.

◆ Payment terms (e.g., '50% on order, 50% on completion' or '30 days from invoice').

◆ Customer name, company name, and full physical address.

Body (Middle Section)

◆ A clear, detailed description of each item being quoted: quantity, unit of measure, specification, and unit price.

◆ Be as specific as possible — vague descriptions create disputes. Include drawings, measurements, or technical specifications as attachments where relevant.

◆ Sub-totals for each line item.

◆ Any items explicitly excluded from the scope should be listed here.

◆ Delivery timeframe and method.

◆ Validity period of the quotation.

Footer (Bottom Section)

◆ Total amount (ex VAT).

◆ VAT amount (at 15%).

◆ Total amount (VAT-inclusive).

◆ Your terms and conditions (or reference to the full T&Cs; document).

◆ Authorised signature and designation.

◆ Optional: a signature block for the customer to sign and return as formal acceptance of the quotation.

3.4 Common Pitfalls in Quoting and Order-Taking

Pitfall	Consequence and Prevention
Underestimating costs	The most dangerous quotation error. Once the quote is accepted, you must deliver at the quoted price. Systematic underestimation causes the business to 'lose money on every deal' — a fatal trajectory.
Vague scope definition	'We will build you a website' vs 'We will build a 5-page responsive website including...' The first will generate a dispute; the second will not.
No validity period	An open-ended quote becomes unenforceable when material prices rise. Always include a validity date.
Omitting VAT treatment	Always state explicitly whether prices are VAT-inclusive or VAT-exclusive. A customer who discovers VAT is additional to a quoted price they believed was inclusive feels deceived.
Quoting without checking availability	Quoting a product that is out of stock or a delivery timeline that cannot be met creates a breach of contract from day one.
Errors in order-taking	Mishearing or mis-recording customer specifications leads to delivering the wrong product — expensive to fix and damaging to the relationship. Always confirm order details in writing before processing.
Ignoring payment terms in the quote	A quote without payment terms means the customer assumes their preferred terms. Always specify payment terms upfront.

3.5 Using Technology to Manage Quotations

Managing quotations manually becomes increasingly difficult as the business scales. Technology tools that support professional quotation management:

Accounting software with quotation modules: Xero, Sage Business Cloud, and QuickBooks all include professional quotation and invoicing modules that number quotes automatically, track their status (sent, viewed, accepted, declined), convert accepted quotes to invoices, and maintain a complete quotation history. This is essential for any business issuing more than 10 quotes per month.

CRM systems: Customer Relationship Management tools like HubSpot (free tier available) or Zoho CRM link quotations to customer records, enabling you to track the full history of every customer interaction from first contact through quote to order to payment.

Specialised quoting software: For businesses with complex product configurations (many options, accessories, or customisations), specialised quoting tools (PandaDoc, QuoteWerks, Proposify) enable the rapid generation of professional proposals and quotations with electronic signature capability.

WhatsApp Business and email templates: For smaller operations, professional WhatsApp Business or email templates with standardised quotation formats maintain consistency without requiring expensive software.

Section 4: Completing Tender Documents

Tendering is the formal competitive process by which organisations — particularly government entities — select suppliers for significant contracts. For South African entrepreneurs, government tenders represent one of the largest and most accessible revenue opportunities available — particularly for BEE-compliant businesses. But tendering is also one of the most resource-intensive and legally complex commercial activities, requiring preparation, discipline, and professional execution.

4.1 Tendering Principles

The tender process is designed to ensure fair, transparent, and value-for-money procurement. Understanding the principles that govern tendering helps the entrepreneur submit credible, competitive bids:

Transparency and Fairness: Government procurement is governed by the Public Finance Management Act (PFMA) and the Municipal Finance Management Act (MFMA), which require that all qualifying suppliers have equal access to tender opportunities and that awards are made based on objective, pre-published criteria. Corruption in the tender process is a criminal offence under the Prevention and Combating of Corrupt Activities Act.

Price is Not Everything: Government tenders must evaluate 'best value for money' — the best combination of price, quality, delivery reliability, and developmental impact. Under the Preferential Procurement Policy Framework Act (PPPFA), BEE status is weighted alongside price in the evaluation scorecard. A Level 1 BEE contributor can claim up to 10 preference points that partially offset a price premium versus a non-compliant competitor.

Binding Commitment: When a tender is awarded, it creates a binding contract. The tenderer must supply at the tendered price, within the tendered timeframe, to the tendered specification. Under-pricing a tender to win the contract and then seeking to renegotiate once awarded is a breach of the contract and damages the business's reputation with the procuring entity permanently.

Deadlines Are Absolute: Government tender submissions have hard deadlines. A submission received one minute after the closing time will not be considered, regardless of the reason for lateness. Allow substantial buffer time for submission — including time for photocopying, binding, travel to the submission point, and queue waiting.

Documentation Completeness: Missing a single required document is grounds for disqualification. Review the tender requirements document meticulously, compile a submission checklist, and have a second person independently verify completeness before submission.

Finding Tender Opportunities

◆ Government Tender Bulletin: published weekly by the Government Printing Works — the official source for national and provincial government tenders

◆ Supplier Portal (eTender): the National Treasury's online tender portal (etenders.gov.za) lists all national and provincial government tenders electronically

◆ Municipal websites: each municipality publishes tenders on its own website under 'Tenders' or 'Supply Chain Management'

◆ CIDB (Construction Industry Development Board): all construction tenders above specified thresholds are listed on the CIDB website

◆ Private tender notification services: commercial services aggregate tenders from multiple sources and send daily alerts matched to subscriber profiles

◆ Industry associations and chambers of commerce: often communicate tender opportunities to members in their sector

◆ Newspaper public notices: many tenders are still advertised in local and national newspapers

Types of Tender Procedure

Open Tendering

Any qualified organisation may submit a tender. The tender is advertised publicly. All submissions are evaluated against the same pre-published criteria. Open tendering is used when the expected number of responses is manageable and when the goods or services are sufficiently standardised that all capable suppliers can compete on equal terms. Most government procurement for goods and simple services uses open tendering.

Restricted (Pre-Qualification) Tendering

Suppliers must first pass a pre-qualification assessment before being invited to submit a full tender. The pre-qualification evaluates: financial standing (can the supplier sustain the contract?), technical capability (does the supplier have the skills and equipment?), past experience (has the supplier successfully delivered comparable work?), and compliance (BBBEE certificate, tax clearance, health and safety compliance). Only pre-qualified suppliers receive the full tender documentation. Restricted tendering is used for complex, high-value, or specialised contracts.

Electronic Tendering (e-Tendering)

The entire tender process — from registration and document download through submission and evaluation — is conducted electronically through a secure online portal. E-tendering reduces administrative costs, improves document security, and creates a complete audit trail. The NationalTreasury's eTender portal is South Africa's primary government e-tendering platform. All registration and submission deadlines apply as strictly to e-tenders as to physical submissions — 'the portal was slow' is not an accepted excuse for late submission.

4.2 Risks Associated with Tendering

Tendering is not a risk-free activity. The following risks must be assessed before committing significant resources to a tender response:

Cash Flow Risk: Government contracts often have long payment cycles (30-60 days from invoice, sometimes longer in practice). If the contract requires significant upfront expenditure on materials, labour, and equipment, the business must finance this gap from its own resources or from a working capital facility. Failing to anticipate this cash flow requirement has forced many businesses into default on lucrative contracts they technically won.

Under-Pricing Risk: Pricing a tender too low to win the contract and then failing to deliver profitably is one of the most common causes of construction and services business failure. Every rand of cost must be identified and priced before submission. Use contingency allowances (typically 10-15% of direct costs) for risks that cannot be precisely quantified.

Performance Risk: If the business wins the tender and fails to deliver to specification, on time, or within the tendered budget, the consequences include contract termination, performance guarantee calls, blacklisting from future tenders, and potential legal action. Never tender for a contract that exceeds the business's current operational capability without a credible plan to build that capability before the contract starts.

Compliance Risk: Failure to comply with the tender's administrative requirements — missing documents, incorrect forms, incomplete declarations — results in automatic disqualification regardless of the technical and commercial merit of the bid.

Competition Risk: In a well-advertised tender, you will typically compete against multiple other organisations. Some may be larger, better-resourced, or more experienced. The tender response must demonstrate your specific competitive advantage clearly and compellingly — why should the procuring entity choose you over better-resourced competitors?

Opportunity Cost Risk: Preparing a comprehensive tender response for a large contract can consume hundreds of hours of management time. If the tender is not won, that time and the associated costs are lost. Before committing to a tender, assess realistically: Is this contract a good fit for our capabilities? What is our realistic probability of winning? Is the expected value (probability × contract value) sufficient to justify the preparation cost?

4.3 Financial Analysis of a Tender Opportunity

Before investing in a tender response, conduct a financial feasibility analysis:

- ◆ Can we actually deliver this contract at a price that is competitive AND profitable?
- ◆ What are the total costs (direct + indirect + risk allowances) of delivering this contract?
- ◆ What profit margin can we achieve at a competitive price point?
- ◆ What upfront investment is required (mobilisation costs, working capital)?
- ◆ How will the contract affect our capacity to serve existing customers?
- ◆ What is our payment timeline and can we sustain operations until payment?
- ◆ If we win, will this contract enable us to grow, or will it strain us to breaking point?

Tender Advantages	Tender Disadvantages
Large contract value — significant revenue in one award	High preparation cost — time and money invested with no guarantee of winning
Long-term relationships — repeat business with satisfied government customers	Long payment cycles — cash flow challenge during contract execution
Credibility — government contracts enhance business profile with private sector customers	Bureaucratic compliance — significant administrative burden
BEE leverage — preference points advantage for compliant businesses	Bid bond requirements — some tenders require financial guarantees

Stable revenue — predictable income stream for the contract duration	Fixed price risk — cost increases during the contract cannot be passed on

4.4 Required Documents for South African Government Tenders

Every South African government tender submission typically requires:

Document	Purpose and Notes
Tax Clearance Certificate	Issued by SARS; confirms the business and its directors have no outstanding tax obligations. Available from SARS eFiling. Must be current (typically valid for 12 months from issue date).
BEE Certificate	A valid B-BBEE rating certificate from an accredited verification agency (for businesses with annual turnover above R10 million) or a signed affidavit (for businesses with annual turnover below R10 million — the 'Exempt Micro Enterprise' threshold).
CIPC Registration Documents	Certified copy of Certificate of Incorporation (COR 14.3) and any relevant company documents.
Declaration of Interest (SBD 4)	Declares any relationships between the tenderer and government officials or employees — prevents conflicts of interest.
Preference Points Claim (SBD 6.1)	The form on which BEE preference points are claimed. Must be completed even if no preference points are being claimed.
General Conditions of Contract (GCC)	Must be signed to indicate acceptance of the standard government contract terms.
Pricing Schedule	The completed schedule of rates and prices — the financial heart of the submission.
Company Profile and Track Record	A concise business profile including: company overview, key personnel CVs, list of comparable contracts successfully delivered (with client contact references), and any relevant certifications or accreditations.

4.5 Writing a Winning Tender Response

The quality of the tender document itself — not just its price — is a significant differentiator. Many businesses with excellent capabilities lose tenders because their submissions are poorly structured, difficult to evaluate, or fail to directly address the evaluation criteria. The following principles guide winning tender writing:

Answer the question that was asked: Read the tender specification carefully. Respond directly to each evaluation criterion in the same sequence as the specification. The evaluator is comparing submissions against criteria — make their job easy by clearly addressing each criterion in a clearly labelled section.

Lead with your differentiators: In the executive summary and introduction, immediately communicate why this business is the best choice for this specific contract. Not generic claims ('we are experienced and professional') but specific, evidence-based differentiators ('we have delivered 12 comparable contracts for government entities in the past 3 years, with a 100% on-time completion rate').

Use evidence, not assertion: Every claim must be supported by evidence: past contract references with verifiable client contacts, staff CVs demonstrating relevant qualifications and experience, certifications and accreditations, case studies showing comparable work delivered successfully. Assertions without evidence are worthless in a competitive evaluation.

Be realistic and credible: A tender that promises the impossible — unrealistically short timelines, impossibly low prices — is immediately discounted by experienced evaluators. A tender that is honest about challenges and realistic about timelines, while demonstrating a credible plan to deliver, builds evaluator confidence.

Professional presentation: The tender document is a direct reflection of the organisation's professionalism. Spelling errors, inconsistent formatting, missing page numbers, and disorganised structure all signal that the business lacks the attention to detail required to execute a complex contract.

Seek professional support: For high-value tenders, the investment in a professional tender writer, legal reviewer, or financial advisor to check the submission is almost always cost-effective. A winning tender worth R5 million justifies spending R20,000 on professional submission support.

4.6 Digital Marketing Strategy for New Ventures — A Practical Framework

Digital marketing has democratised marketing — giving small businesses access to precision targeting, detailed analytics, and global reach at costs that were previously available only to large corporations. But digital marketing without strategy generates noise, not customers. The following framework helps new ventures build an effective digital marketing engine:

Define Your Digital Target Audience: Before spending a rand on digital advertising, define your ideal customer as specifically as possible: age range, location, income level, interests, online behaviour, and the specific problem that your product or service solves for them. Every aspect of your digital marketing — which platforms to use, what content to create, how to write your ads — flows from this customer definition.

Build Your Digital Foundation: A professional, mobile-optimised website is the essential foundation of any digital marketing strategy. It must: load in under 3 seconds (most users abandon slower sites), clearly communicate your value proposition above the fold, include a clear call-to-action on every page, and be technically optimised for search engines (SEO). Google My Business listing is free, takes 30 minutes to set up, and is essential for any local business — it is the first thing that appears when someone searches for your business or your category in your area.

Choose the Right Platforms: Not every business needs to be on every social media platform. Choose 2-3 platforms where your target audience is most active and most receptive: Facebook/Instagram for B2C consumer businesses; LinkedIn for B2B professional services; TikTok for youth-oriented consumer brands; WhatsApp Business for direct customer communication in South African markets. Build presence on fewer platforms well rather than spreading thinly across many.

Content Strategy: Create content that genuinely serves your target audience — educational, entertaining, or inspiring content that your audience values independently of whether they buy from you. Content marketing builds trust and authority over time; paid advertising generates immediate attention. The best digital strategies combine both. In South Africa, video content (particularly short-form) consistently generates higher engagement than static images or text, especially on mobile.

Measure What Matters: Digital marketing generates more data than any other marketing channel. The risk is drowning in metrics. Focus on the metrics that are directly linked to business outcomes: customer acquisition cost (how much does it cost to bring in one new customer?), return on ad spend (how much revenue does each rand of advertising generate?), and conversion rate (what percentage of website visitors take the desired action?). Vanity metrics — followers, likes, reach — matter only if they contribute to these business outcomes.

Chapter Summary

❖ Marketing is the process of creating, communicating, and delivering value to customers. The marketing concept rests on four pillars: target market identification, customer needs focus, integrated marketing across all functions, and profitability as the ultimate objective.

❖ Marketing plan implementation requires scheduling (specific dates and responsibilities), resourcing (people, tools, content), budgeting (all-in cost of every activity), and controlling (performance metrics and course-correction).

❖ Six promotional channels for South African new ventures: print media, digital and social media, outdoor and transit advertising, product/service launches, informal selling, and networking and community involvement.

❖ The AIDA selling model: Attention (capture interest with relevance and specificity), Interest (maintain with genuine value and clear language), Desire (paint the after-state — the customer's life after buying), Action (give a specific, urgent call to action).

❖ Five selling approaches: direct selling (full margin, direct relationship), cold calling (proactive B2B development), wholesale/reseller (geographic leverage, lower margin), telesales/online (efficient for repeat customers), network marketing (leveraged distribution when product genuinely creates value).

❖ Customer relations practices: first impressions matter, active listening, clear communication, empathetic problem-solving, and consistent follow-up. After-sales service builds loyalty and generates repeat business.

❖ Twelve negotiation principles: know when to negotiate vs walk away, negotiate for outcome not ego, focus on issues not personalities, know what is relevant, talk in benefits, ask questions, use strengths, respond not react, attract not chase, simplify complexity, know concepts vs details, and document agreements immediately.

❖ Five negotiation planning dimensions: objectives (best, acceptable, walk-away, BATNA), information (counterpart's context and priorities), concessions (cost to you vs value to them), strategy (collaborative, competitive, or principled), and team roles.

❖ Quotation key principles: accurate full-cost calculation, clear scope definition, explicit payment terms, validity period, and legal implications of acceptance.

❖ Standard quotation structure: header (letterhead, quote number, date, customer, payment terms), body (detailed line items, specifications, timeline), footer (totals, VAT, terms, signature).

❖ Common quoting pitfalls: cost underestimation, vague scope, no validity period, ambiguous VAT treatment, availability not confirmed, order-taking errors.

❖ Tender types: open (any qualified supplier), restricted (pre-qualification then invite), and electronic (portal-based end-to-end). Deadlines are absolute; documentation must be complete.

❖ Six tender risks: cash flow (upfront investment before payment), under-pricing (fixed price cannot be revised), performance (must deliver to specification), compliance (missing documents = disqualification), competition (more capable incumbents), and opportunity cost (high preparation cost if unsuccessful).

❖ Financial tender analysis questions: Can we deliver profitably? Can we sustain cash flow? How does it affect existing customers? Is the expected value worth the preparation investment?

❖ Required SA government tender documents: tax clearance certificate, BEE certificate, company registration documents, declaration of interest, preference points claim, pricing schedule, and company profile.

Application Exercise: Choose a real tender opportunity relevant to your business (search the Government Tender Bulletin or your municipality's website). Conduct a financial feasibility analysis. Prepare a complete quotation document for a customer in your target market. Apply the AIDA model to redesign one of your existing promotional materials. Practise a negotiation role-play with a mentor or colleague using the twelve principles and the five planning dimensions.