



## **Negotiation Skills Workshop**

*27th May 2005*

Hilary Kelsh

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## Programme

- **Introduction - presenter profile and event programme structure**
- **Session One - (8.30 - 9.45am)**
  - Why negotiate?
  - Preparation
  - Develop a Strategy
  - Keeping in control
- **Break - (9.50 - 10.00am)**
- **Session Two - (10.00 - 10.55am)**
  - Coming to an agreement
  - Closing the deal
  - Eight steps to successful negotiating
- **Conclusion - (10.55 - 1100am)**
  - question and answer
  - summary

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• **Questions to the floor:** Who are you? why are you here? What would you like to get out of this workshop?

• Delegates to respond as to what they want to get back from the session. What we are aiming to cover – any specifics to pick up on



## Introduction

- Hilary Kelsh - Business Development Consultant

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**Hilary:** Currently Business Development Director with AGENCY.COM. I've worked in the newmedia/digital technology industry for over 10 years, as a designer for the first few years, then moved swiftly into the strategy, business development, sales and marketing areas.



## Session One

- **Why negotiate?**
- **Preparation**
- **Develop a strategy**
- **Keeping in control**



## Why negotiate?

- **To reach an agreement**
- **To beat the opposition**
- **To compromise**
- **To settle an argument**
- **To make a point**

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### •NEGOTIATION IS EVERYWHERE

- We negotiate all the time - where to meet, what to buy etc.
- To get someone to agree to something you want
- Negotiation is a compromise, to settle an argument or a discussion to benefit ourselves as much as possible
- To be heard
- There are a great many ways of negotiating
- Communication is the key
- It is human nature for our attention to fluctuate and with it our ability to act upon and/or influence, this premise underpins all work in relationship management and sales.
- Relationships grow and decay - to grow it takes work, decay happens through neglect. You have to work at hard, negotiation is a pivotal in developing a sound and robust relationship with a client, colleague, friend, partner, husband, wife, child etc., etc.



## Preparation

- **Who are you negotiating with?**
- **Do your homework**
- **Set out objectives; what do you want to achieve?**
- **Know what the opposition wants to achieve**
- **Consider benefits to both parties**
- **Know your limits and latitude and those of the opposition**
- **Consider what's valuable to you in the end**

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- What is it exactly that you want to negotiate
- Set out your objectives - a promotion, a raise, more time off etc.,
- What will the other party want/gain?
- Know the maximum/minimum you can afford to agree to, know what parameters you're playing with
- By knowing what your opposition is trying to achieve, this is incredibly useful info to help shape a favourable outcome in the end
- What's valuable to you/your business in the end? You may lose the negotiations but try and leave with your reputation and respect intact and the relationship unsullied.

### Telephone calls:

Attitude - think positive things about the other person and visualise the desired outcome

Environment - reduce interruptions, noise and be as comfortable as possible

Words - be concrete and precise, clear and communicative about what it is you want

Options - be open minded for incentives and benefits for the opposition

Focus - remember your goals and keep on-track

Invite a decision

### Meetings:

Profile - do your homework, remember full names, status, interests, history etc.,

Attitude - think positive things about the other person and visualise the desired outcome

Questions - active listening and open-questions

Objections - anticipate these and prepare accordingly

References - points for comfort zone

Personal appearance - smile! Arrive on time and look clean, smart and business like

Respect - regardless of the outcome, aim to leave with dignity



## Develop a Strategy

- **Make personal contact**
- **Set an agenda and forward this in advance**
- **Be open minded**
- **Build trust, a partnership approach**

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- It's important that you approach the opposition directly
- Agenda will help manage expectations and everyone to prepare in advance which in-turn will help seal a decision on the day
- Don't give *everything* away prior to the meeting
- It's not war but it is serious business
- The first few seconds of contact are very important
- The outcome of an interaction can depend on one single detail
- We can influence others subconscious reactions - therefore we need to manage the quality of our personal influence.
- In spoken communication: 7% of the total influence is determined by words used, 35% by body language and 58% by tone of voice.
- The telephone eliminates the body language - but emphasises what is said 10-fold.....a smile can be heard.
- Avoid detailed discussion with anyone other than the person you want to talk to
- Handle objections/questions politely, push to meet personally
- Hang up after you've heard the other person hang-up
- Try and inject humour or personal touch - it breaks down barriers
- When meeting at the oppositions office: respect personal space, wait to be asked to sit/coffee, adapt to their pace. You don't have to be the first one to speak.
- When meeting at your office: be civil, warm and welcoming (regardless of your intentions for an outcome) offer refreshments. Respect their space, you don't have to speak first
- When meeting a colleague: ability to manage internal relationships is often more stressful than managing a client relationship.
- Apply the same rules of first contact for a client relationship for a colleague relationship - establish role, remit, expectations and how your performance will be measured. Establish what support you'll have available to you
- It's important to share information on performance, create a shared view on collaborative issues
- To keep in-mind senior managers and clients needs as priority in peer group discussions



## Keeping in control

- **Communicate clearly**
- **Be confident**
- **Use your power to influence**
- **Aim high**
- **Be flexible and understanding**
- **Don't be afraid to say no**

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Having thoroughly prepared it's time to negotiate

2 things you need to have to be effective: confidence and power to influence

- Confidence - comes from knowing your business/product/worth and being able to communicate articulately with empathy
- Power to influence,- you may not be in the strongest position - not nec. the buyer, or have nothing the other party wants...think incentive and reward. Think benefits to both parties and re-iterate these
- It's important to keep the negotiations in your control - within your price range, delivery time, profit margin etc.,
- Aim high - enter into the negotiation with a Win Win attitude. it's always easier to negotiate down than up. Aim to gain the best deal for yourself
- Be flexible - the opposition might move the goal posts, want different incentives or change their objectives. This is where your preparation comes in very handy.
- Being able to turn things around quickly without putting your objectives or integrity at risk
- Don't be afraid to say no - being a doormat is *not* very attractive. Saying no demands respect in the long run
- Don't try to get the better of the other party/pull-wool-over-their-eyes, they'll smell it a mile off and run!
- To find out as much as you can through open questions - does anyone know what open questions are?
  - I.e., What would you like to achieve?... What are your thoughts on?.....how, why, how much, when, which, where etc.,to expose new information, views and ideas.
- The challenge is to expand the oppositions thinking, coupled with active listening and acknowledgement
- Avoid being defensive when dealing with concerns and questions. Wait a moment before you answer, don't be afraid to pause - there's tremendous power in a pause. Silence allows the other party to think about what you're proposing. Endless chatter will irritate and alienate
- Discuss money confidently and concisely
- Be concrete about what it is you want

...Break...

- 15min break

- So it's time to negotiate and you've prepared well, What else must you have?

#### WORKSHOP EXERCISE:

- Delegates break into 4 groups of 3/4 (depending on numbers)
  - 2 groups (the sellers) are to try to sell a 2nd hand car -a 5year old, 4 door family saloon with 10thousand miles on the clock. To the other 2 groups (the buyers)
- The 2 groups buying are to put down 3 prices: the price they would take, the highest price they would accept and the price the car would be sold for. (The sellers don't know about this)

*...Buyers and Sellers negotiate...*

10 mins max

- When you are about to say yes, say no one more time
- Learn not to flinch
- Leave less on the table and leave others satisfied
- Start out with a low opening offer
- Encourage the other party to open up first
- Use time well
- Make concessions on minor issues
- Take time to answer questions
- Confusion can exist between need and want
- Negotiate on small items
- Learn when to leave



## Session Two

- **Coming to an agreement**
- **Closing the deal**
- **Eight steps to successful negotiating**

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### NEGOTIATION BECOMES A PROCESS

- Assumptions
- Facts
- Issues

Based on these major factors you create positions, and decisions.

Price is always a consideration but it is not always the only consideration



## Coming to an agreement

- **Ask for a decision**
- **Know when to stop selling**
- **Get it in writing and get it signed**

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- Wait and be silent. Be patient, wait for a decision. *Don't start unselling....wait for a decision.* It's always tempting to say something else or discuss details of the terms once the hand-shake agreement has take place. Don't oversell, you could negotiate your way out of an agreement
- Active listening is a form of internal questioning. Understand the true meaning of what is being said and where it was born from.
- Pauses allow active listening to continue when the other person has finished speaking.
- Silence can range from uncomfortable to harmonious - sharing common silence can bond and is as important as knowing what to say.
- Signed contracts are not always possible or practical - but aim for some form of statement of work and/or formal agreement
- Once you have clarified all the points for negotiation and are in agreement, re-affirm understanding using closed questions. I.e., We agree £200k for the first 12 months, is that correct? Do you, have you, ....all useful to check details, generate decisions and gain commitment



## Closing the deal

- **Use objections to your advantage**
- **Informal lobbying**

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- Be sensitive to cultural differences - in Japan a nod doesn't mean agreement
- Objections are not an outright NO - they're buying signs. Use them.
  - Managing a dissatisfied client:
    - be genuinely concerned, give sincere and undivided attention to what you're being told
    - Take precise notes, to validate and acknowledge and to address again at a later date
    - Express sympathy, avoid apology or unnecessary defensiveness
    - Identify misunderstandings calmly and professionally
    - Propose a solution - where possible
    - Make personal commitment to secure an agreed solution - where possible
    - Define solution timeline and concrete terms
    - Thank them for their time and input
    - Follow-up on what was agreed
  - Identify their need button and aim to get them to close the deal themselves
  - Internal lobbying - client side, through a pincer-approach, internally through peer and colleague pressure/validation



## Eight steps to successful negotiating

1. **Research**  
learn as much as you can about them
2. **Decide what is negotiable and what is non-negotiable**  
convince them your needs can be their needs too
3. **Set an agenda**  
have the right facts to make your case
4. **Plan your strategy**  
have a strong purpose
5. **Choose the right person, time and place**  
choose a location that gives neither party an edge
6. **Be aware of body language**  
posture, facial expressions and eye contact
7. **Clarify understanding**  
Listen and ask open questions
8. **Draw up a contract**

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### •Do your research

Clarify your own objectives and make sure you understand what your opposite number wants from the deal. For example, by doing some basic research into a potential supplier, you can work out how valuable your custom is to them.

### •Decide what is negotiable

Before you start to negotiate, draw up a list of factors that are most important to you. Decide what you are (and aren't) prepared to compromise on. Key factors might include price, payment terms, volume or delivery dates. Establish your preferred outcome, but remain realistic, because if you're not prepared to compromise some negotiations won't last long.

### •Set an agenda

Open negotiations by outlining your requirements or terms and conditions and try to get your opposite number to reveal their starting point for discussions.

### •Plan your strategy

You need to plan your strategy in writing before beginning negotiations. This will help you set clear goals and work out where you will draw the line and walk away from the deal. Decide the overall approach that you will adopt. Be clear about the type of deal you want and the priority you will give it. Write down your negotiating strengths and how you might use them to get the concessions you require. Consider ways of defending the weaker parts of your argument and negating the supplier's main strengths.

Once you've decided on your strategy it is essential that you get your negotiating team right. Make sure it has skills in all the required areas and, where necessary, use a specialist to negotiate in areas outside your expertise.

### •Choose the right time and place for negotiation

Ideally select a time and place where you are not under pressure to close the deal.

### •Ask questions and listen closely to answers

Asking questions will help you understand what your opposite number wants to achieve. You may be able to get them to reveal how flexible they are on certain issues.

### •Stand your ground

**Don't reveal your negotiating position and avoid making unnecessary concessions. Don't be afraid to say no**



## Conclusion

- Question and answer
- Summary