

Win Without Pitching

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# Ten Negotiating Tips

A Win Without Pitching Webcast | 5 January 2017

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# 15 Negotiating Tips

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# Agenda

- Principles & assumptions
- 15 tips
- Program updates
- Q&A

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# Principles & Assumptions

- Different types of negotiating partners:
  - Clients
  - Pros
    - Procurement
    - Legal
    - Consultants
    - Other inside outsiders
- Different stages of negotiating:
  - Early/ongoing
  - Final

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# Ten Negotiating Tips

And Five Bonus Tips

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# 1. Avoid Over-Investing

- How bad do you want it and how much do you tip your hand?
- Sunk cost bias rules even professional negotiators
- Types of sunk costs (over-investments):
  - Time & attention
  - Emotional/psychic
  - Financial
- Pros look to exploit motivated and empathetic salespeople
- The less invested, the easier to walk away, the greater your power

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## 2. Ask, “Have We Already Won?”

- If procurement or other pros show up at the end, you’ve already won
- But it won’t feel that way
- Procurement will ask until you say no
- So say no early and often
- If procurement shows up at the beginning, you’ve already lost

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## 3. Beware Procurement Lies

- “It’s down to you and one other.”
- “Yours is the highest bid.”
- “You have to cut your price to remain in contention.”
- You’ll hear these even after you’ve won.
- A concession is an invitation to ask for more



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## 4. Outwait the Waiter

- Some pros like to slow things down to test how badly you want it
  - Days to return calls or email
  - Introduce obstacles and terms that create delays
- Your response: slow down even more
- “Take your time. We have our hands full at the moment.”
- Who’s most anxious to move forward: you, procurement or the client?

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## 5. Beware the White Knight

- Is it you?
- The senior person who swoops in at the end to “save the deal”
- Or the principal who keeps asking about the status of the deal
- Keep your senior people off the negotiating front lines unless dealing with a senior client (as opposed to a pro)

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## 6. Decide Your Give-Gets In Advance

- What forms of value can you give to get the price or terms you want to get?
  - Price
  - Terms
  - Cost savings
  - Knowledge transfer
  - Risk reduction
- Decide in advance what you will give to get what you really want

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## 7. Neuter the Final Negotiators

- “Now that we have an agreement, let’s talk about the phone call I’m going to get from your procurement department.”
- Your power is greatest at the moment of verbal confirmation
- Leverage it!

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## 8. Be Ruthless. Or Collaborative.

### **Ruthless with Pros**

- Hold the line. They will ask until they hear no.
- No need for kindness but never negotiate out of emotions
- Retreat and regroup if you find yourself heating up

### **Collaborative with Clients**

- You have to work together!
- Give them some wins (but decide in advance)
- Exception: price buyers (be ruthless!)

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## 9. Use a Positive No

- Restate the request in your own words
  - “Yes, I hear you that affordability is an issue for you.”
- Deliver your no
  - “I can’t give you that price in this situation...”
- Finish with a yes
  - “But what I can do is stretch out the payment terms a little bit.”
- All positive: everything is great!

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## 10. Use Alternatives to No

- Instead of no ask, “How would I do that?”
- Better used with clients than pros
- Use “Yes, but...”
- “Of course we can find a way to meet that budget if it’s your bottom line. We’ll simply put our junior team on it and remove access to principals and we should be able to meet your price.”

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# 11. Invoke Policy

- Pros are trained in negotiating, have little emotional stake in the game and are backed by policies
- Policies trump preferences and inclinations every time
- Policies are “pre-determined decisions”
- Effective in even one-person firms
- “It’s our policy to meet with the end client and decision-maker to determine if this is a relationship worth pursuing.”



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## 12. Don't Negotiate Against Yourself

- Wrong way:
- “Can you take 10% off this price?”
- “I think we can do that. I’ll get the contract over to you.”
- “Great, now I need to get two more bids.”
- Right way:
- “Can you take 10% off this price?”
- “I’m not sure. If there’s nothing else you need to do and you’re willing to sign off on this today at a ten percent reduction I’ll ask for it. Are you?”

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## 13. Always Offer Options

- Three options with an anchor
- Show what the client is giving up in the lower priced option by including in the higher priced ones
- Most client negotiations are eliminated or made easier by showing options
- Separate price buyers from poker players by stripping all extra value out of option one

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## 14. “Get Your Bids, Then Let’s Talk.”

- Don’t be the rabbit
- Test how much power you have to disrupt or derail the purchasing process

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## 15. Never Discount...

- But when you do, do it right
- Never discount to win business (negotiate give-gets)
- Show the discount on the contract/estimate and invoice
- The client will “forget” about the discount on the next job
- Merry Christmas!

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# Questions?

Start typing...

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# Summing Up

1. Avoid over-investing
2. Have you won already?
3. Procurement lies
4. Outwait the waiter
5. Beware the white knight
6. Decide your give-gets
7. Neuter final negotiators
8. Be ruthless. Or collaborate.
9. Use a positive no
10. Use alternatives to no
11. Invoke policy
12. Don't negotiate against yourself
13. Always offer options
14. "Get your three bids."
15. Never discount...

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# Program Updates

- Next week is 1st training week of the term
- Weekly focus calls begin again on Monday
- Classes move from GoToMeeting to Zoom

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# Coming Soon

## Webcasts

- First Principles | Feb
- The Game | Mar
- TBD | Apr

## Live Events

- ReCourses' Advanced Positioning, Demand Generation and Lead Management | Jan 19-20, Nashville