

NEGOTIATING TIPS

The objective in negotiating today, is to create a WIN-win situation. Both sides win, but you win a little more than the other party. We offered a 3-P approach to negotiating; Prepare, Probe, Propose.

If you want to be successful at negotiating, you must do your homework... you MUST Prepare.

“The will to win is driven by the will to prepare to win.” Mia Hamm - US National Women’s Soccer team Captain.

PREPARE

Let’s look at the GETPAID Plan to Preparing to Negotiate.

- ◆ Goal – What is your highest Goal you hope to achieve in this negotiation?
- ◆ Exit Point – What is your lowest Goal and at what point will you simply have to leave the negotiation and accept nothing?
- ◆ Trends – Knowing Your Opponent. Their history. Their Strengths. Their Weaknesses. TIU-vs-Lindsey Wilson. Know your strengths, weaknesses, and history.
- ◆ Profit Breakdowns – Know how each element of the product or service you’re negotiating over breaks down into profit margins. You will then prioritize negotiating points accordingly.
- ◆ Attitude – Your Attitude is Everything. Prepare to be shot at. But don’t shot back.
- ◆ Interests – Know what you can give, what you can’t give, and what you have already given...the hidden negotiating tool. Also try to imagine the other sides interests.
- ◆ Deadlines – Every negotiation has a deadline. Know yours, and try to imagine theirs. It could work to your advantage.

Preparation is the key to successful negotiating. The GETPAID Method will help improve your chances for success. Insurance companies spend millions of dollars on research and training to be successful in negotiating for maximum profits. Psychological research, Word track training, negotiation training, etc. are common investments they make. You must play on the same field, be prepared! In the next issue, we will continue with this series on negotiating and look at the Probe step, the Propose step, and the “Just Say NO” element!

Negotiating happens throughout our day. At home, at work, at the store, at our kids sporting events.... Everywhere.

Negotiation occurs when someone has something we want and we are prepared to bargain for it.

Negotiating is not War. Negotiating is not science. Negotiating is the commerce of information for ultimate gain.

Knowledge is Power!

PROBE

Probing is the first step of the early negotiation process with the other party. It is the process whereby you are trying to establish the other sides position. You need to know things like:

- What do they want?
- What seems most important?
- What seems least important?

Rule #1 – You must use an Anatomy Application – Two Ears, One Mouth! Listen more than you talk.

Steps

- ◆ Ask Questions and LISTEN. Probe for information. Ask questions such as “Why do you feel that way?” “Why is that important?” “How do you see that working in this case?” “Who requires that it be done that way?” You can get further details by asking “Could you give me that again please?” In this stage if you do not listen with complete focus and attention, you will not gain the

knowledge you need to proceed effectively.

- ◆ Answer their questions with questions.
- ◆ Play Hypothetical Games. You can say things like.... “Let’s pretend....Just suppose.....What if?” These examples usually do not create any absolute conditions or obligations from either side. It can be used to bring in the third party element, too.

Don’ts in Probing

- ◆ Don’t Assume – You know what that does... makes an ASS out of U and ME. You may think you know what they’re thinking, but you could be wrong!
- ◆ Don’t Attack – An aggressor will be answered with aggression almost every time, just ask Usama Bin Laden. The little guy can not win that war.
- ◆ Don’t Get Off Track – Stay focused on your objectives.

PROPOSE

Before you Propose, Take Inventory. You started with what you expected their position and interests to be. By probing you have gathered more information. Add it up and see where you are. Now as for a proposal, here are some key points:

- ◆ LET THEM GO FIRST – If you let them go first, you might just attain your GOAL (highest Goal you had hoped to achieve) immediately. Maybe you can even get more! Have you ever noticed who typically goes first at your shop? I told you they have spent millions!
- ◆ NEVER ACCEPT THE FIRST OFFER – At least not right away. There must be a way to get more of what you want. Ever buy a new car?
- ◆ TAKE YOUR TIME – Sometimes it is who can outlast the other. Somebody wants to move on and be done with the negotiating, make it be them, you’ll get more.
- ◆ STAY FOCUSED ON YOUR “GOAL” – The fear of rejection is what trained negotiators count on to beat you. Focus High, Ask High, Receive High.
- ◆ HORSE TRADE YOUR INTERESTS – They want to save on a labor operation. Trade them that amount for a higher profit element. Or trade that giveaway for something that wasn’t a previous charge like storage, towing, administration fee’s, restocking charge, etc. this is where you trade something you value less for something you value more.

WHEN THE GOING GETS TOUGH

- ◆ Don’t Take it Personally
- ◆ Don’t Get Personal
- ◆ Don’t be Insulted – Don’t accept their ploy to make you think they are insulted. Your offer is no less reasonable than what they are proposing. Find out how to sell your side.
- ◆ Anger on Either side will stifle progress.
- ◆ Guilt. This can be a powerful tool when used skillfully. “You should feel bad for asking me to cut my technicians pay like this.” “Just because you have the upper hand, why, you’ve put us in a difficult corner. How can you do this to us?”

The best way to get what you want, is to help them get what they want.

JUST SAY “NO”

Saying “No” is one of the most powerful tools you can use. Your opponent is likely trained to continue to ask for more. The only way to stop that may be to say “No.” Here are some ways to say no and some responses to their No’s.

Buying Time “NO” – Not necessarily a “No” as you say “...let me get back to you on that.” If this is used on you, respond by asking, “When will you get back to me on this?”

Delayed “NO” – “After careful consideration on your request, the answer is no.” If applied to you, ask; “What elements of this proposal are causing you to take this position?”

Uncomfortable “NO” – “I really do not feel right about doing this.” You might counter such a statement with, “I can appreciate how you feel. How can we make it comfortable?”

Apologetic “NO” – This is a gentle No response. “I’m really sorry, but I really couldn’t do that. Is there another way?” If poised to you, respond with; “I’m sorry, too. How do you propose that we can both meet our obligations?”

Knowledgeable “NO” – Tap into your knowledge, experience, and training versus theirs. “In the past 10 years alone, we’ve probably performed this procedure several hundreds of times. I know what we can do and what we can not do. Is there something you know about this repair that we don’t?”

Prove-it “NO” – If they contend that no one else charges for that, ask who he’s referring to. Be ready to call that shop in his presence and ask if it is true.

Flat-out “NO” – Although you should use this sparingly, it requires no explanation. Simply NO. If this is applied to you, you can respond with “I’m confused.” Or ask for an explanation.

Approved “NO” – Bring in your top technician and let him decide if he can and will do it for the offered amount. If so, it’s a YES. If not, it’s a NO.

Conditional “NO” – This appears as a “Yes”, but.... “I will agree to that if you will...and you will, and you will...” Conditions that regain what you agree to give them.

CPG has developed several training programs for shop owners, managers, estimators, and other staff in hopes we could increase your efficiency, productivity, and profitability. We hope the information and ideas shared were helpful.