
Negotiating Higher Profits - A Marketer's View on How To Do It

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Say the word

"negotiation" and what's the first thing that pops into your head? For many people, it's trickery, secrecy, and price cutting, with each side seeking victory over the other.

From a marketing point of view, relating in this way to a prospect or client--whom I'll call Henry--is destructive. This is especially true in today's competitive markets.

Because negotiating is a normal part of getting a valued new project, there has to be, and there is an alternative. That alternative is collaborative, win-win negotiating. The reward for success is higher profits. There are three key stages.

Stage 1. Establish trust and gather information.

The earlier the better, too, since negotiations start earlier and end later than you might think. So begin well before you sit down to the table to "negotiate" the deal. Begin early when it's easiest to establish trust and learn about

Henry and his point of view. Establish rapport with Henry the moment you meet. Begin in a friendly way--smiling, making good eye contact, offering a firm handshake, and saying hello. Chit-chatting might also help.

When you've got some rapport, ask about his situation. How've the vacancy rates affected your business? Why is that? How? Who? When? Can you say some more about that? Let him know you understand. "Henry, the gist of what you're saying is...."

Stage 2. Determine what you want and find out what Henry wants.

Determining what you want sounds simple, maybe obvious--high fees, for example. But focusing on what you really want may turn up some possibilities that you might not have considered. Maybe you want a reward for early completion or quicker-than-expected lease-up or higher-than-expected occupancy rates. Maybe three more projects this year, if the first one is successful. Maybe you want Henry to introduce you to a colleague of his at another corporation. Or recognition in his new ad campaign.

Then find out what Henry wants. Don't assume. Even if you think you know what he wants, ask him. Maybe he wants something obvious--but particularly crucial to him because his promotion depends on it--like meeting a deadline. Or something less obvious, like wanting the work done in his office, or having an architect whom he can trust, or a facility that's more successful than the one his rival finished last August.

Stage 3. Reach a

resolution. Just like in a game of cards, people want different things. Look for pieces that Henry values that wouldn't be of value to you. And vice versa.

Let him know what you're prepared to do. "Henry, I can beat that crucial deadline by a week. I'll need some help from you on a couple of items that I understand are not among your top concerns. Can you increase our fee 1.5% and assign to us two more projects this next quarter." If Henry says "no," or "too high," take it as additional information rather than rejection.

Probe and find out more. Use questions to open up more possibilities, and then make another trial proposal. Is there another way? Why must you have...Supposing....What if....What do you think of....Will that affect the fee?

So...next time you hear the word "negotiation"....think collaboration, mutual problem-solving. Think of using your creative powers in negotiation. And visualize both you and Henry getting what you want.

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