Marketing & Negotiation for Contract Services

…or getting across the road without getting run over.

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SLO-STC
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Relevant Experience
- 15 Years Graphic Design & Production in Marketing & Corporate Communications
- 10 Years Technology Marketing and Product Management
- 5 Years Independent Contractor

Negotiating is a Two-way Street
- The view is different from the other side
- It is an “adversarial process”
- You must be able to see and understand your adversary’s point of view
- You must address their needs and overcome perceived obstacles
- When they “feel” they are getting what they want, you will get what you want

Getting across on Solid Footing

Process: Procedure Oriented (Mechanical)
Planning: Marketing Oriented (Strategic)
Technique: Sales Oriented (Tactical)

The Process
1) Find out what your adversary wants.
2) Know exactly what you want and what you are willing to do to get it.
3) Get enough information to define the terms of an agreement.
4) Validate your adversary’s commitment as soon as possible.
The Process

5) Communicate your value-added position, your offer and your personal commitment.
6) Prepare to make compromises and to avoid concessions.
7) Seek a middle ground, “meeting of the minds”, win-win.

When they “feel” they are getting what they want, you will get what you want!

Planning: Three Big Wheels

Research
- Who is your adversary?
- What is their history in the market?
- What are the requirements & deliverables?
- Can it be done?
- What are all possible pitfalls and contingencies?
- What are fair market rates?
- What should it cost?
- What is the competitive landscape?

Goal Setting
- What do you need to get to “feel” you are getting what you want?
- What are you willing to do (or not) to get it?
- What are your limitations?
- When would you walk away?

Positioning for Strength
- Value-Added Proposition
  - Differentiation
  - Features & Benefits
  - Extras
- Presentation
  - Position for Personal Power
  - Position for Value
  - Position for Control
Proven Techniques

- Building a Relationship
- Getting a Commitment
- Selling Your Advantage
- Managing Gaming Tactics

Building a Relationship

- Negotiate in person
- Develop a comfortable interactive atmosphere before starting
- Make sure you understand what your adversary wants
- Ask questions, listen actively and respond
- Build trust and respect
- Identify secondary opportunities

Getting a Commitment

- Validate decision-making authority
- Get a commitment as soon as possible
  - “If I can __________, will you agree to proceed?”
- Identify and address obstacles
- Avoid getting stuck on one issue
- Always make concessions or compromises subject to a commitment
- Accept a reasonable offer
- Know when to walk away

Selling Your Advantage

- Never assume you must discount
- Present your value added
  - Differentiation
  - Features & Benefits
  - Extras
- If you have to give up something, get something in return

Recognizing Gaming Tactics

- Appealing to ego
- Getting your adversary to state position first
- Making the terms or proposal appear unreasonable
- Sighting competitors who have performed at lower costs
- Intimidation
- Sudden changes in requirements
- Blaming a third party for limitations
- Good-guy Bad-guy
- Straw issues as distractions
- Walk outs
- Recesses
- Ganging up
- Making their problem your problem
- Justifying concessions with “funny-money” calculations
- Time squeeze – pressure to close

Managing Gaming Tactics

- Invoke a higher authority
- Keep the sides balanced
- Get your opponent to “blink” first
- Be prepared for curve balls
- Avoid interruptions without commitment
- Stick to your goals and limits
Keys to Successful Negotiation

- Stick to the “Process”
- Plan for it
- Employ proven techniques
  - Build a relationship
  - Get a commitment
  - Sell your advantage
  - Manage Gamesmanship

Q & A