

“Improving Your Marketing & Negotiating Skills”

May 19, 2004 SLO STC Telephone Seminar

This session is a follow-on to the April 26th San Luis Obispo STC event called “Marketing and Negotiating Contract Services.” These are some of the hardest skills we ever need to learn as professionals — how to make prospective clients or employers understand what we have to offer, and how to negotiate a mutually satisfying outcome. Although negotiating is naturally an adversarial process, it need not be an unpleasant one. For April 26th event details, see <http://www.slostc.org/events/apr26.html>.

Marketing consultant and independent contractor **Bruce G. Mills** will help us “drill into” and practice the marketing and negotiating skills he introduced to us on April 26th. Bruce has many years of marketing, executive leadership, and project management experience in the graphic arts and related industries; a BA in Fine Arts and an MBA; and is the principal of Lone Pine Studio (<http://lonepinestudio.com>).

Common Negotiating Concerns

Here are the “burning” negotiation issues our audience identified on April 26th:

- ❖ How and when to negotiate **salary or freelance compensation rates and packages**; how not to aim too high or too low; how to determine a “best price” vs. a “fair price,” even right out of school; how to size up what “they” can afford to pay
- ❖ How to propose, weigh out, and negotiate **creative tradeoffs** among pay, responsibilities, benefits, and other perks; when the merit of doing work for added experience might justify lower pay
- ❖ Where to begin in the negotiation process; how to **master techniques** such as finding a middle ground, “win-win,” and staying open-minded in the face of objections and resistance
- ❖ How to **articulate what you can offer** as a value-added advantage over your competition; convincing others of your skills and getting them to take your experience seriously (including volunteer work or internships)
- ❖ How to accurately **define the scope** of a project in the marketing/negotiating phase and **set a value** for individual work components
- ❖ How to negotiate **related cost or schedule details** such as travel, research, training, lab time, and time on or off the project; when to take the cost risk of traveling to discuss a project with unknown parameters
- ❖ How to handle situations that require **re-negotiating schedules or costs** resulting from changes in requirements; how best to agree on meaningful **communication lines** and **responsibilities**

A Review of the Basic 7-Step Negotiation Process

1. Try to 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 and of sufficient detail to define the terms of an agreement.
4. Validate your adversary’s commitment as soon as possible.
5. Communicate your value-added position and your commitment.
6. Be prepared to make compromises but resist concessions.
7. Try to reach the middle ground, a “meeting of the minds,” a win-win.

Drilling Into the 7-Step Negotiation Process

1) Try to find out what your adversary wants.

Considerations: Probe to find out what deliverable products or services are needed and what value your adversary attaches to them. Ask who the audience is, how the audience is going to use them, and the expected outcomes. Should the products or services significantly increase sales, revenue, awareness, or participation? On the other end of the spectrum, will they merely satisfy an annoying requirement with a low perceived value? What expectations exist with respect to compensation in light of the perceived value of the project? If you can find this out now, you've gotten your adversary to "blink," and it's the basis for taking the next step towards forming a commitment.

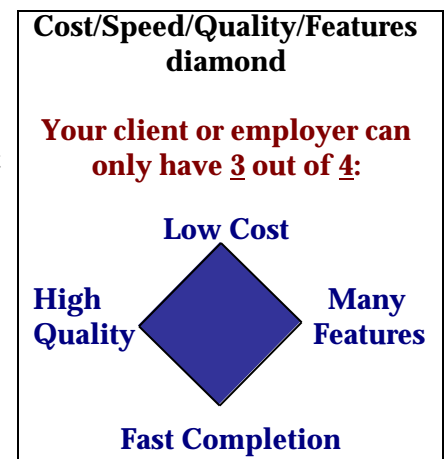
2) Know exactly what you want and what you are willing to do to get it.

Considerations: Some of this you will want to prepare for in advance by determining the basis and validation of your needs and requirements. At this stage you will begin to formulate a negotiating position based on what you want relative to what you've learned or clarified in step #1. You are trying to determine whether there's a match between your top-level desires with those of your adversary. Try to figure out on the fly the following issues: 1) Are the expectations and requirements you've heard so far acceptable? 2) Are any of them undesirable enough to make you want to terminate the discussion (for example, a requirement to travel 80% of the time if you hate traveling)? Here's where you may want to walk away, or decide whether you want to spend time educating this individual. 3) Are any issues worth negotiating further (such as trying to reduce the amount of travel)?

3) Get enough information and of sufficient detail to define the terms of an agreement.

Considerations: You've made some tentative decisions to keep talking if you've successfully passed through step #2. Now you need to hear some quantitative measures of performance that will allow you to validate a commitment. Examples include products to be delivered, and the **schedule vs. quality vs. cost vs. features** (the "diamond" tradeoff). You need to get a sense of whether the project is doable, and if you have doubts, whether the potential client is realistic and is willing to drill deeper into the unknowns.

Note: You're *not* trying to nail down the scope of work at this point; you are just trying to get an understanding of what your adversary needs to hear in order to make a commitment. What is the "algorithm for acceptance"?



4) Validate your adversary's commitment as soon as possible.

Considerations: You can now start saying, "If I can give you what you want, <for the terms, compensation, and conditions you sound like you are willing to provide> will you give me the project?" If the answer is yes, it means that you have a basis on which to hammer out an agreement. If your adversary can't or won't make a commitment, it may mean that he or she does not have the authority to make a commitment, or that the conditions and circumstances may have changed since the last time you talked to him/her. If the latter is the case, you may be wasting your time negotiating further. **Note:** This commitment is not a contractual agreement -- it's an indication of whether the "patient is still alive." From here until the deal is done, each time a new obstacle is overcome or terms change, you have to keep taking their temperature to make sure you haven't lost their commitment.

5) Communicate your value-added position and your commitment.

Considerations: A green light at step #4 means that now it's time to start selling your value. This step could occur in parallel with the preparation of a bid or proposal, or with any other formal or casual process that has qualified you as a serious candidate. There are really two levels to selling yourself. For example, for either a deliverable product or services performed by the hour, your "Level 1" selling method may be to show relevant work samples through your personal portfolio (paper-based, Web-based, electronic, or a combination). At "Level 2," you might want to convey how you will personally contribute additional benefits to the deal, which might consist of special terms, conditions, or courtesies (a traditional example is season tickets to sports events). It's also a time to provide your personal promise to deliver what you commit to, and to convey your expectation that they will deliver whatever they commit to.

6) Be prepared to make compromises but resist concessions.

Considerations: Try to anticipate some of the potential issues during your initial preparation process. Look for opportunities to turn obstacles into opportunities – additional services, for instance. Other issues may have been identified in step #2. Step #6 may iterate, since it may take time to educate your adversary about the tradeoff process using the diamond diagram in step #4. If you get stuck on one issue, try to put it aside and come back to it. You would also return to step #4 to continue taking "blood pressure" readings -- is the patient still alive? Further, step #6 is a sanity check because even though you may be the most likely candidate to take on the project, you also might decide to walk away if there are too many obstacles to overcome.

7) Try to reach the middle ground, a “meeting of the minds,” a win-win.

Considerations: This step is an acknowledgement that you’ve successfully completed step #6. Your perceived needs and those of your adversary have been reconciled. It represents a win-win situation because all parties have a *perception* of getting what they wanted (even if they didn’t get exactly what they asked for in step #1). Changes usually result from compromises that converted stated “positions” into “needs.” Once that shift occurs, it’s possible to find more creative ways to satisfy those needs (for example, substituting more frequent deliveries for larger delivery sizes). A contract or a verbal agreement may result.