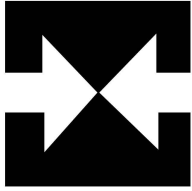


E-LESSON #21: How to Negotiate Without Turning into a Pitiful Puddle of Spineless Goo



GENERAL AGENDA

HOW TO NEGOTIATE WITHOUT TURNING INTO A PITIFUL PUDDLE OF SPINELESS GOO

By Paul Weyland

“Let us never negotiate out of fear. And, let us never fear to negotiate.”
John F. Kennedy

In the Czech Republic some people still remember old communist jokes. In one such joke two brothers are split up in 1968 after one flees to Germany and the other remains in Czechoslovakia. The brother in Germany prospers while his sibling endures the hardships of communist oppression. Years later they secretly meet in the forest. The brother living in Germany asks his brother, “So, how is it going with the Russians?” His brother replies, “Oh, quite well. You see, we made a ‘deal’ with the Russians. They take all of our manufactured goods.” His brother asks, “Well, what do you get in exchange?” The sibling answers, “In exchange, we give them all of our natural resources and free labor.”

In this case, any “negotiating” on the Czech’s part was done under extreme duress. It’s a rare day when broadcast sellers have to negotiate a buy with armed clients.

Some of us in broadcasting think we’re better at negotiating than a lot of other industries. Oh, yeah? Then where did POSTING come from? Wouldn’t you have liked to have been a fly on the wall at the very first posting meeting between an agency person and a TV general manager?

AGENCY - “We’re going to change the way we buy television. From now on, we’re going to buy your station based on the ratings you have now. But if your ratings DROP, then YOU OWE US.”

TV MANAGER - “Okay. I think I understand. So if our ratings go UP, then YOU OWE US?”

AGENCY - “NO.”

TV MANAGER - “Okay, I do understand. We’ll DO IT!”

Brilliant. Hey radio people...don’t laugh too loud. How many free appearances and bonus spots have you given away lately? And be careful...major agencies are still trying to get radio stations to post.

Successful negotiating is not difficult

Negotiation is merely a learned skill that, if practiced regularly, becomes a natural instinct. Negotiation is simply the art of modifying the behavior of another person, toward a mutually beneficial conclusion. So, why does it have to be so awkward? Why do we feel we have to give up so soon?

Most media salespeople are the worst negotiators in the world. As soon as a buyer puts on any pressure the salesperson craters. Instead of negotiating with the client, we wind up negotiating with the sales manager. In some countries, you have to pay bribes to advertising agencies to get their business. Here in America we call this “added value.” We routinely give away added value and bonus spots. In fact, agency buys seldom come down anymore without stipulating value-added guarantees.

Shamefully, this disturbing trend is now raising its ugly head with direct clients and it’s no wonder. Anxious to add billing, salespeople in every market size are actually *volunteering* added value, without the client even asking. Do you enjoy working for free? Wouldn’t you rather drink paint than spend one more Saturday hanging around at remotes with the scourge of humanity, those cheating, lying PRIZE PIGS?

Anybody can give it away

As in other industries, the broadcast salesperson will always take the path of what he or she believes offers the least resistance in closing a deal.

Anybody can give it away; however, it takes a real salesperson to sell it. You don’t have to crater during a negotiation. You work hard in this business and there is no logical reason why you shouldn’t be paid well for your hard work.

Some tips for much better negotiation:

Don’t haggle over price

Try to keep the discussion focused on your **VALUE** and **BENEFIT** to your client, not your **PRICE**. There is no question that value can be perceived completely differently between two individuals...depending on the education of both sides. It is always in your best interest to make sure that you understand as much as possible about how your client’s business works. Of course, it’s equally important that you educate your client on the benefits of

marketing and advertising, and how valuable your audience is to your client's bottom line. Steer your client away from price and back toward **value**. For example, what's the value of one new customer to your client?

Start high

Propose bigger schedules. How much is the client spending in the Yellow Pages or in the newspaper? Remember to tell the client that with you they could OWN a day or a daypart or a program. That's virtually impossible to do in the newspaper, even with a full-page ad.

Ask for a long-term contract

Remember...if you don't ask for long-term business you won't get a long-term contract. Use a long-term contract as leverage in your negotiation. In other words, consider conceding on a minor point, in exchange for a longer-term order.

Negotiate when and where

If you can, try to negotiate the time and the place for your negotiation. Try to schedule at a time that you're usually you're sharpest and most alert. Negotiate the meeting place if you can, away from your client's business. Try to meet at your station or in a neutral spot where your client won't be distracted by phone calls or other interruptions. *Pick a place where you can think and listen and feel comfortable.*

Have confidence

Before you sit down with your client, visualize a successful negotiation. Have confidence in your ability to come out of the meeting with a few victories and a good, solid deal. You represent thousands and thousands of pairs of eyes and ears with legs and wallets. Your audience has tremendous value to your client. And, you have value to your client. Your knowledge of marketing and advertising means you know how to successfully modify the behavior of a percentage of those thousands of consumers your station represents. So, have confidence in your ability to negotiate a good deal...for you and your client. This lesson will help you realize that you really do have a spine. You're not just a Pitiful Puddle of Spineless Goo. Face it. You're good enough, you're smart enough, and by gosh, people like you.

Everybody Wins

A successful negotiation is not a game with a winner and a loser. In order to have a successful negotiation, both sides must feel as though they have won. You are not there to destroy an opponent. Nor are you there to be destroyed.

You are there to strike a deal where everybody believes that they have won something. Remember that you are working toward a common goal.

Don't waste time with the wrong person

Have you ever spent valuable time and/or money dealing with someone who was not the decision maker? It gets you so mad you just want to stab yourself in the neck. To make absolutely sure you're dealing with the person who buys the advertising, **ASK**. Ask the person directly if they are the person who buys the advertising for their company. If the "real" decision-maker can't be there, try to reschedule until you can meet with the correct person. In fact, be sure to ask the non-decision maker to help you arrange an appointment with the real decision maker.

Never judge a book by its cover

...Or a client by his appearance or manner. Always assume that your client is as skilled a negotiator as you are. Don't underestimate anybody and you'll have fewer surprises.

What's your client's motivation?

Do some homework before your meeting and try your best to figure out what your client's primary motivation will be in the negotiation. It may not be what you think it is. It may or may not be rate. It may or may not be added value. It may or may not be a better creative idea. It may or may not be a trip or other incentive.

You have two ears and one mouth for a reason

To make absolutely certain you *understand the situation as clearly as possible, always be a good listener*. If you see or hear something that you don't fully understand, ask the person you are negotiating with to please *repeat or restate* what they have said. Again, always listen carefully. **PROBE** for information when you don't understand a prospect's point. "When you say that you mean... (?)" and let the client finish the statement or thought.

Teach your client that you're the good guy

Have short and long-term goals of building a foundation of trust and confidence with your client. Don't lie or cheat or cover something up. If you make a mistake, admit it, apologize, make amends and move on. Always behave in a way that is absolutely beyond reproach. Work toward establishing a relationship where what you say goes unquestioned. This doesn't necessarily mean that your client will agree with everything you say...only that he would accept it as being **factual**.

Gray is okay

Remember that in a good negotiation, NOTHING is black and white. There should always be some gray space. Deals are made in the gray spaces.

Don't get emotional

Try to look at every possible side of a deal...every angle and detail, before and during the negotiation. Your ability to stay objective and flexible will be crucial to the outcome. If you are emotionally attached to any single issue, your ability to negotiate objectively is compromised. Don't fight to win a battle and then lose the war. That's being pig-headed. Sacrifice smaller points to win bigger ones.

Keep it simple

Try to guide the meeting agenda and stick to a simple plan. Keep your agenda as simple and straightforward as possible. Use the **SOS one-sheet proposal** as your agenda. Remember KISS? *Keep It Simple Stupid*. The more complicated the agenda, the tougher the close.

Turn your weaknesses into strengths

For example, if you look young, don't let your youth be mistaken for lack of experience or ability. The same goes with your race, your gender, your handicap or any other issue that you think may be perceived as a weakness. Subtly point out your strengths and skills early in the discussion. If you're young for example, older clients might appreciate your youthful perspective when it comes to marketing his product or service to a younger audience.

The offense scores the points

If you're dealing with a notoriously tough negotiator, and you've never been good with bullies, *try to go on the offensive first*. If the client owes you money...or didn't quite do what he said he would do the last time you had an agreement, bring those things up early and throw him a little off his rhythm.

Don't sweat the petty stuff

Always know exactly what you can or can't offer. If your client asks for small concessions and isn't moving on the bigger issue until you agree to his, and you know that you have the flexibility to add the concession, quickly say, "Let's add that."

Look 'em in the eye

Maintain good eye contact. Practice. Try looking at only one of the client's eyes if that makes you feel more comfortable (the client will not be able to tell

from across the table). If you don't believe me, try it for yourself. Sit across a table from a person and stare at just one eye. Ask the other person if they can tell.

Don't attack a grizzly bear

Professional negotiators learn early on that when principle is involved...*DON'T ATTACK THE PRINCIPLE*. Don't try to tell a fundamental newspaper client that the newspaper doesn't work. That's just plain stupid.

Kiss and make up

Never allow a misunderstanding or a personality issue to get tangled up in a business negotiation. If you and your client have underlying issues or "dramas" then talk about them and clean them up. Bring the facts out in the open. If the client deserves an apology, then apologize and move on.

Three's a crowd

If the client brings a third party into the negotiation, or you have to get a decision by committee, it usually spells disaster. Seldom has anyone ever gotten every single storeowner in a shopping center to agree to do an advertising campaign.

Negotiate everything

Ask, Ask, Ask. Most clients will concede and pay for a number of things that the client might assume are free, or that you would normally give away for free.

- Negotiate a fee for promotional mentions.
- Negotiate for more money per paid spot to help pay the cost of the promotion.
- Negotiate to split the cost for tee shirts, calendars and other promotional items.
- Negotiate with the client to get your station featured in all of the client's other advertising.
- Negotiate with the client to pay for newspaper ads or direct mail you'll have to do, including printing, point of purchase, catering and any other promotional costs.
- Negotiate with the client to provide substantial prizes...things that listeners or viewers will really want to win.
- Negotiate with the client to hang your banners in highly visible locations inside and outside the store and to play your station for at least a week ahead of the promotion.

- Ask the client to help provide you with other vendors to help with the cost of the promotion.
- Negotiate a fee for engineers and set-up.
- Negotiate talent fees for live appearances.
- Insist on a longer-term contract before agreeing to any added value.

Put it in writing

To avoid misunderstandings, always follow up an oral negotiation with a written agreement.

The bottom line is that most clients will respect you more when you negotiate like a professional. Don't make everything so easy to get. Help your client to perceive that your station has value. Negotiate for everything. Everything should have a price. Don't allow the client to think for a minute that anything is free. Everything you have has value and can be used to negotiate a better situation for you and your company.

There is an on-line companion video provided with this lesson.

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