

Sunday 8th July

Weekly tips and ideas for business professionals



# Negotiation Update

The search for value



I'll continue the bicycle theme and move from The Netherlands to South London and the Tour de France.

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## Sunday morning...

Sunday morning in a warm South London. Eventually the rain ran out and the sun shone...but not for long I fear...at least we're not flooded.

This is a strange week for me because on Wednesday I'm going on a course. I don't get to go on too many so I'm going to enjoy the free ride and try not to interrupt too much. The course is about creative thinking and if you want to check out their website it's [www.logovisual.com](http://www.logovisual.com) The aim is to take the learning and put it into my commercial courses with a view to getting it all down to South Africa next year. What's more it's in Yorkshire...a place that is less well known to me than Hong Kong or Cape Town. I'll dig out my flat cap and clogs.

Once a year the London marathon goes past our house and now we have the Tour de France in South London. What next I wonder...the World Cup in Peckham or the Olympics in Barking...but we've already got that one!. (Sorry for the parochial London ramblings.)

What a weekend for sport. Can't wait today for the British Grand Prix and the Wimbledon final. God bless Tivo.

Lastly a big smile about the release of Alan Johnston in Gaza. What a man...I wish I could craft words like him.

Have a good one...with 3 tips as usual.

## This week I...

I found some software that will help me with my training programmes. Our challenge has been to get all the material into one programme that's easily accessible by the learners and I think we've done the job with Captivate. If any of you use this software or have seen anything authored by it I'd be most grateful if you could let me know your experiences and opinions. We're novices with this at our end and could use some guidance.

## And finally...

(07-06) 11:30 PDT BEIJING, China (AP) --

They're flush with pride in a southwestern Chinese city where a recently-opened porcelain palace features an Egyptian facade, soothing music and more than 1,000 toilets spread out over 32,290 square feet.

Officials in Chongqing are preparing to submit an application to Guinness World Records to have the free four-story public bathroom listed as the world's largest, the state-run China Central Television reported Friday.

"We are spreading toilet culture. People can listen to gentle music and watch TV," said Lu Xiaoqing, an official with the Yangrenjie, or "Foreigners Street," tourist area where the bathroom is located. "After they use the bathroom they will be very, very happy."

Footage aired on CCTV showed people milling about the sprawling facility and washing their hands at trough sinks. For open-aired relief, there is a cluster of stalls without a roof.

"Other bathrooms are all the same. This one is very special. I've never seen anything like it," one visitor to the tourist area told CCTV.

There are also plans to build a supermarket nearby, which will sell toilet-related items, CCTV reported.



## The search for value

# Management Tips

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### The top man

We've got a new Prime Minister in the UK and each Wednesday he has to answer questions in the House of Commons for 30 minutes.

This week was Gordon Brown's first attempt and his performance was woeful. Forget your politics just look at his ability to be the leader of the nation and answer a few simple questions.

So what do we learn from that...of a non political nature, of course. We learn that if you're the top person in your organisation or your department then people will look to you for leadership and performance guidance. If you can't offer that then you're going to have a problem.

Being the boss doesn't mean that you have to be the best in the company. They're the people you hire. What you have to do is to present a credible picture of competence and reassurance both strategically and tactically to your people. If you can't do that then maybe it's time to go.

We'll give Gordon another chance...but I'll don't think he'll get a third.



## The search for value

# *Sales Tips*

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### Don't give it away

There's a television programme in the UK where they teach people to go into shops and try to negotiate better deals. The buyers have an ear piece and they're coached by an expert while they're doing the buying.

I don't want to comment on their negotiation performance but I do want to tell you about the performance of the sellers who are uniformly poor....right across the market place.

It's an old cliché that you can sell anything if you give it away and these people really know how to give things away. It seems that in the world of fitted kitchens, double glazing and conservatories the method is to offer outrageous up front prices and then discount them by up to 60% when the buyer pushes you.

Obviously if the buyer doesn't know this then your margins are fat but if the buyer does know the rules of the game then your credibility is shot to pieces as you lay thousands of dollars on the table.

If you have a good product and if you price it right then you don't need to offer 60% discounts. Remember that it's MARGIN as well as volume that creates good P&L performance.

I teach people that it's worth losing a sale from time to time to protect your margins. Are you up to that challenge?



## The search for value

# *Negotiation Tips*

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### Reducing increments

So you're negotiating...you're a seller and you've got 10% to give away in discounts. What choices do you have?

Give the 10% in one go?

Two 5% discounts?

How about 5% then 3% then 2%?

The answer is clear. It's the third option.

If you make movements in a negotiation then the movements have to be in reducing increments. If everytime the other party ask for something you just give them the same lump sum then you'll get "thanked and banked" to death and end up a very poor person.

Reducing the increments when you're making movements in a negotiation ensures that the other party know that the process is finite and very soon the shop will be shut. That's the sort of thinking we want to encourage.