

## Maximise your profit opportunities.

**Stephen Jackson spent many years working in the City of London as a Corporate Banker, negotiating multi-million pound commercial transactions, before becoming an independent Business Consultant. He has a passion for Negotiating and has run courses in this subject for International Banking Groups. He has a proven track record of success and his courses have been described as "both entertaining and enlightening". As the following demonstrates, negotiation skills could have a fundamental and beneficial effect on your business.**

From my experience of business – which ranges from start-ups to public companies – the improvement of employees' negotiating skills is one of the simplest and most cost-effective ways of increasing profitability. Think about it – no additional meetings, no different sales processes, no additional costs, just an improved result from the same level of activity. Any improvement in a deal goes directly into your bottom-line.

Experience would suggest that many companies do not recognise the extent of the combined effect of small gains in each area of their business. During the recent Olympics, the coach of the Great Britain cycling team summed it up perfectly when asked why they were now the best in the world. He used the phrase "the aggregation of marginal gains". In other words, they had looked at every factor that affects the performance of the rider on the track and worked at slightly improving each aspect. The results speak for themselves.

In principle, I am advocating the same approach to business and, specifically, to your negotiations. Just like the cycling team you should be striving to continuously improve your "performance under pressure". In order to achieve the fine improvements that differentiate the "world beaters" from the "also-rans", those at the elite of their chosen sport, recognise the need to use a coach. Why should it be any different in business?

Yet, it is fair to say, the majority of companies do not invest in Negotiating training. Surveys will tell you that the majority of people you deal with throughout your life have never had any formal training in this subject. But it doesn't matter, does it? After all, you just tell them your price and stick to it (no matter what) and, therefore, you are a good negotiator, aren't you? If that's your view, then let me ask you a couple of easy questions.

1. What are the typical stages of a negotiation?
2. Is it better to tell them your price or ask for their figure?
3. How do you know if you could have got more out of a deal?

If you can answer these questions *and be sure that you are correct*, then you are probably a skilled negotiator – and you are definitely in the minority!

If you are struggling to answer these questions, or if you are not sure that your answers are correct, then you are both honest and fall into the category of those who could benefit from an improvement of their negotiating skills.

The reality is that most companies don't recognise the need to improve these skills and, of those that do acknowledge a skills-gap, most do nothing about it. This is a staggering oversight

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when you consider the implications for your business – by investing a relatively small amount of time and effort, you can give your company a competitive advantage over the majority of your competition. Businesses will spend a significant amount of money looking for a strategy or new product idea in order to achieve an advantage over their competitors. Most could achieve this by simply doing the same things more effectively. Sometimes, the obvious is overlooked!

You may feel that your business already negotiates effectively, or that you employ purchasing experts to procure items on “the best terms possible”. If so, then I would simply ask - how do you know that this is being achieved? Most organisations that I have dealt with do not measure the ongoing improvements made to the business, as a result of improved negotiating skills. Does yours?

I've worked with major international financial organisations, where you would expect good negotiating skills to be right at the top of their agenda. Yet, even there, opportunities are not always being maximised. In many companies, the situation is a whole lot worse - sometimes they do not even recognise that they have the opportunity to negotiate. Whilst you may think that such a scenario is unrealistic, I would challenge you to look at your own environment and be sure that you are maximising all of your negotiating opportunities. Does your business have a “profit maximisation” culture embedded within it?

**If not, then what can you do about it?** There are a number of possibilities.

**1. Get your staff together and tell them to “negotiate harder”.** Fair enough, but you may get a few blank looks and you may lose some important relationships. Do they understand the difference between tactical and strategic negotiations?

**2. Run some internal training.** You must have someone who is (or thinks they are) good at negotiating? Get them to pass on their “secrets”. The danger is that any bad habits will also be passed on, and you are limiting the business to one style of negotiation. Is this style appropriate?

**3. Attend an external training programme.** It may be costly, and will be generic rather than tailored to meet your requirements, but it will definitely be a step in the right direction.

**4. Get a Negotiating professional** to review the situation in your business. Obtain recommendations that are designed to meet your existing requirements and development needs. Make sure that the professional has a track record of measurable success. The feedback should include targets for your business, which can be measured as part of a continuous improvement programme.

If you chose carefully and implement a well-structured, flexible improvement plan, you may well be amazed by the results.

Not convinced? Then let me give you a couple of examples.

I was pleased last year (you may recall that house prices were rising quite strongly then), when an Estate Agent told me that he was “staggered” that I had managed to secure a flat in a prestigious development, at £15k less than the nearest price. I had to smile when I noticed his card, which read “Sales Negotiator”!

An hour after concluding a course, I received a call from one of the delegates advising me that he had just achieved an additional £10k on a fee, for a deal that he had been working on for some time. He was honest enough to admit that prior to the course, he would not have even attempted to

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achieve such a figure - he thought it "was impossible".

But it's not all about "big numbers" - it's about what matters to your business. I remember hearing from a lady who was thrilled, because she had extended a deadline on a delivery. It may not sound like much, but her main business problem was time pressure. Perhaps, more significantly, it was the first time she had ever tried to negotiate a change in the delivery schedule. Who knows what she may achieve when she builds on this initial success?

### **Remember, don't overlook the combined effect of marginal improvements.**

At this point, you may be thinking, "good idea, but we can't afford it". How do you know? Can you afford not to? What if your nearest competitor is already doing this, whilst you are still just thinking about it?

I've proven in the past that this type of programme can more than pay for itself, if your organisation implements it properly. That is why the *measurement* of results is so important. If you would like to find out more about how SPS can help to improve your bottom line performance through better negotiating skills, then please feel free to call me on 07763 550052 or write to me at [Stephen.Jackson@talktoSPS.com](mailto:Stephen.Jackson@talktoSPS.com)

If you're still not sure whether you would benefit from some help in the negotiating arena, test yourself on the following:

1. Is win/win the best result you can achieve in a

negotiation?

2. If you were selling men's suits, would you show the customer the highest or lowest priced suit first?

3. Is it better to negotiate face to face or by telephone?

4. Define "listening" (without looking in the dictionary!).

5. Do you know how to use a "time-out" to your advantage?

6. When is the best time to negotiate?

Email me for the answers at:

[Stephen.Jackson@talktoSPS.com](mailto:Stephen.Jackson@talktoSPS.com)

Finally, if your business has run a negotiating programme in the past, is it time for a refresher course or an updating seminar? Ensuring the continuous development of your team's skills is always a challenge. A well-timed course can help you to facilitate this aim, as well as helping to improve your bottom-line performance.

**Good luck with your negotiations, and remember - there is no place for luck in a negotiation!**

**For further information, see Stephen Jackson's detailed profile in the North West section of our website [www.talktoSPS.com](http://www.talktoSPS.com)**

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