Negotiating for Success in the Competitive Port and Marine Terminal Industry

AAPA Marine Terminal Management Training Seminar – Long Beach, California
September 18, 2015
Negotiate for Success

Objective:

- Become familiar with Successful Negotiating Tactics
- Become familiar with the terminology
- De-mystify Negotiations
1. What if you aren’t in the strong position? The truth is there is often power in “weakness”. Having all the power typically reduces the ability to understand how others think, feel and react. Being in the less powerful position actually allows you to better assess what the other party wants or needs and best to deliver that.

2. When you listen and do you homework – you typically find that you’ve actually overestimated the other party’s strength – and undervalued yours.
1. Buck Up! Do some real investigation so you know what others are doing and how you stack up. Keep in mind the particular skills or capabilities you bring to the table. Most of all – keep in mind that you are at the table for a reason. You have power and influence because of those unique attributes. Know what they are – and what they are worth.

2. Make a list of what YOU want from the negotiations – and WHY... This will help you figure out your “walk away” point. Cause if you can’t “walk away” - you can’t negotiate. But it is at least as crucial – if not more so – to understand what’s important to the other side. By studying your counterparty’s motivations, obstacles, and goals you can frame your position not as things they are giving up to you but as “solutions” to their problem.

3. Brainstorm. Research. Create. Role play the negotiations in your head. Think through questions that you can ask to get information and the answers to those questions. Get data on past negotiations to help you make your case. Know as much as possible about other deals they’ve done – or their competitors have done. Don’t be afraid to say “but the last three deals you did, you paid X”.

4. Listen WELL – it builds trust. And pose questions that encourages them to defend their positions – which shows you’ve been listening and that you understand the business at hand. If they can’t defend their position – you’ve shifted the balance of power. For example – if they say “we don’t think you can do the job” you may be able to respond with “what does the one can do the job look like?”. From the answer they give you can frame how to present your attributes, or the potential to
gain those attributes.

5. Play it your way – not theirs. Don’t get reactive or take a negative tone or comment personally – and DO NOT mimic that bad behavior. If the other side makes a threat – and you retaliate with a threat – you are done! Keep focused on results. Don’t confuse yourself with the issues at hand. Know what your goals are and keep focused on your strategy – not their behavior.

6. If you’ve prepared enough – then you understand the whole terrain – not just a single path. That means you are not limited to a single strategy of gives and gets but you have multiple maneuvers to get through the negotiation. If they make a demand – ask them to explain the rationale. Brainstorm some potential resolutions. Ask if they’ve ever been granted what they are asking for. Staying flexible in how you get to where you need to be will allow to also make them feel like they’ve won something as well. That’s the ultimate outcome you want.
Do’s:
1. Crucial to remember what’s important to the other side
2. You are there for a reason
3. You’ll gain valuable insights into motivations and interests

Don’ts:
1. Nothing can substitute for good preparation
2. Develop a range of responses to push the negotiations to your favor
3. If they make threats or unreasonable demands – stick to your goals
Negotiate for Success

Case Study #1: Do Your Homework

• Multi-billion dollar equipment Original Equipment Manufacturer (OEM) launching a new line. Smaller company seeking exclusive distribution rights.
  • Research showed current distribution channels weren’t working all that well
    • Company made sure they could deliver on every level before pitching the OEM...
  • Emphasized the pros of their model instead of the cons of the competition
    • Didn’t want to come across as telling them they “were doing their business wrong”...
    • Also showed how the new model would free-up marketing $ - a concern of the OEM
  • Turning point: OEM noted the concern that the smaller company might have difficulty scaling-up to handle growth...
    • Positioned as a “boutique” able to “focus on the distribution channel for this product”

Research/homework showed other competitors had actually turned them down.
Critical to remember that you have something the other side wants. Even when you aren't in the ‘power position’ – you have something to offer. Know its worth.
Know what they need and what the market will bear. Know what you have to offer and its value in the market. Know when to say “NO”.

**SUMMARY:**

- DESPERATION...
- KILLS...
- DEALS...

*Negotiate for Success*