

Negotiation is a trading process. Look out for the opportunity to close the deal and it could make a significant difference to any concessions you make

It is as if it were yesterday and I can see their faces yet – stern, unbending, implacable. The setting was innocuous enough – a small meeting room in the hotel for which I was Sales Director. On one side of the table, I sat with the General Manager and on the other were two senior managers of a large computer company whose main European plant was situated twenty miles down the road.

“Free wine for the top table,” he asked. “It’s not a lot to ask given the size of the conference,” and in truth, he was right. 50 delegates; five nights over a winter weekend, when otherwise the hotel would be empty; good spend over the bars from a team of salespeople intent on renewing old acquaintances and having a good time – this was an important piece of business for a city centre hotel that had difficulty filling its bedrooms over a weekend, so we were keen to win it.

But I do remember at the time thinking that it was a bizarre question to be asking. It seemed to me that we still had lots to talk about, and there were key issues yet to be agreed. Quick as a flash though, I replied that free wine would be fine. This was an important gesture to my way of thinking; I was keen to win the customer over and here was a carrot that would improve our relationship and enable us to show willing. “Not a problem,” I continued, thinking to myself that we could well afford four bottles of house white and four of house red.

The meeting continued and further discounts on the conference rate were agreed before the next, seemingly silly question was asked. This time, they wondered whether we could arrange for two complimentary room upgrades. Each of them wanted a private sitting room, so that they could do some entertaining. Further, they suggested that we stock the two rooms with drinks “at off-sale prices” instead of the hotel rates. Before a breath could be taken, my colleague agreed to both. I could see from where he was coming – both of these concessions were relatively cheap for us to concede and again, they demonstrated our willingness to be flexible and keenness to win the deal.

The meeting continued; more requests for small favours from them and more concessions from us. Eventually the deal was done and we toasted each other’s health (this was the 1980’s after all!) with a couple of large gins and tonic. All was well with our world and all was well with theirs – well – so we thought. It turned out that there were another couple of issues that we needed to clear up (in their direction, not ours!), but once those were done and dusted, the conference went ahead.

And then came the gala dinner – well, the morning after to be exact. At the morning meeting, the general manager and I were accosted by the food and beverage manager. “What was with the cases of Chablis and Chateaufeuf du Pape?” My colleague and I looked at each other. “He told me,” continued the food and beverage manager, by this time in the full flow of a righteous and

growing indignation, “that you had offered a case of Chablis and a case of Chateauneuf du Pape for the gala dinner!”

To be fair, we never had, but nor had we confirmed exactly what it was that we had offered, so again we chose not to ruffle the feathers of the organiser at the end of a profitable conference and let it slip through unchallenged.

All of this had slipped my mind until I arrived on a Scotwork Advanced Negotiating Skills course and listened to the tutor talk about closing the deal and agreeing things before the end of the negotiation. Gradually it all came back to me.

- I remembered being surprised by the strange question about the free wine when we still had items to discuss. I now recognise that the most common closing opportunity that you will ever get is when the other side start asking about details. Your response to those kinds of questions should test whether the rest of the deal on the table is acceptable, assuming you make that final concession. If you fail to spot what’s happening, the negotiation can continue – as happened – and you can end up making further unnecessary concessions later in the game.
- The room upgrade was another missed closing opportunity but in addition, we failed to value the concession (which cost us nothing) in their terms. Perhaps we could have gone to our wish list and exchanged early staged payments or a letter of referral in return for the concession (as well, obviously as the close).
- Our failure to confirm the exact details of the concessions made on the gala dinner wine resulted in our taking another hit to the bottom line; the moral of that particular tale is always to ensure that you agree what you have agreed and confirm the agreement. We did not have email in those days; think about sending them a quick summary of the deal by email – it makes “deal creep” less likely. Negotiators ignore the final stages of a negotiation at their peril. Late and sometimes expensive concessions go straight to the bottom line and will have an adverse effect on the profitability of your final agreement.

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