

Møller PSFG High Impact Fee Negotiation Programme

Select points of view

Key Points of View

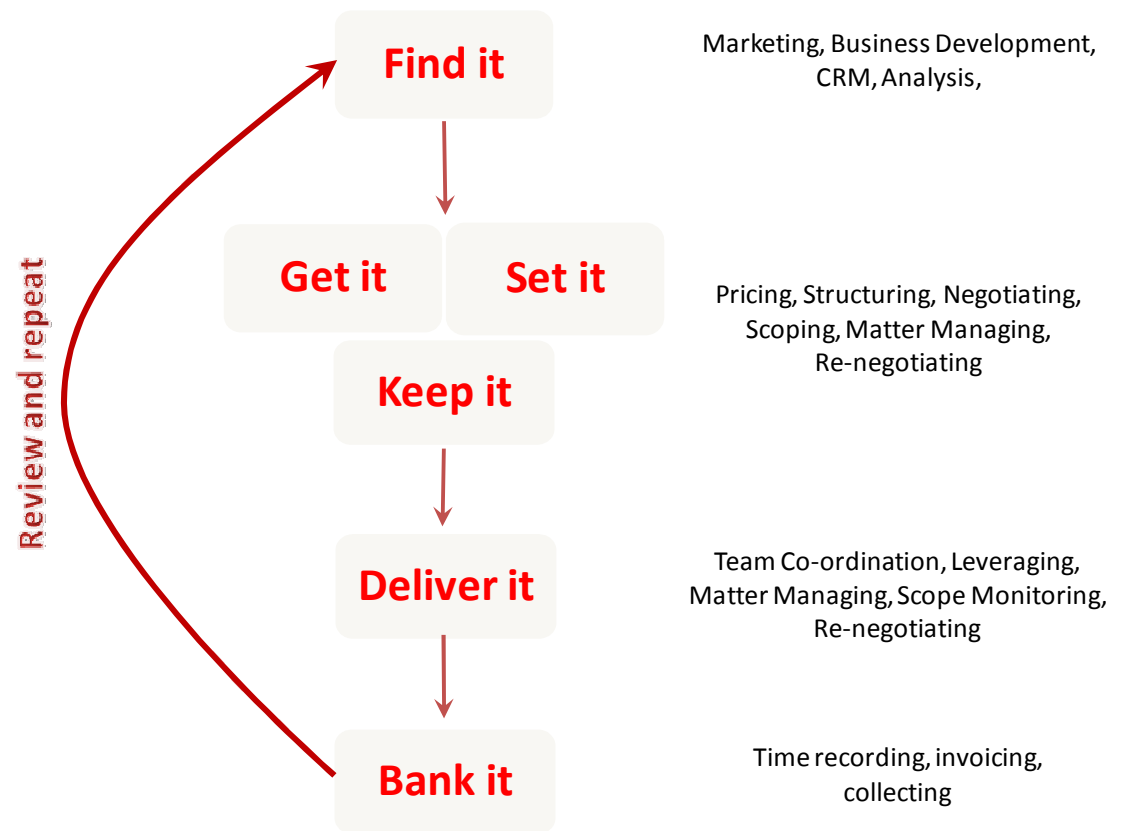
The Møller PSF Group High Impact Fee Negotiation programme is designed to improve the fee negotiation competencies and confidence of participants. The programme addresses key issues and provides a simple to apply yet highly effective framework and techniques for raising negotiation performance

Key teaching points include the following:

- ◆ Fee management activities
- ◆ Planning
- ◆ Getting the timing right
- ◆ Delivering a credible opening position
- ◆ Trading not giving concessions
- ◆ Using creativity to overcome impasse

Fee management activities

Key learning point:
Profitability improvements are not just delivered through price increases



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Planning

Key learning point:

Outstanding negotiators make major commitments to and invest heavily in planning

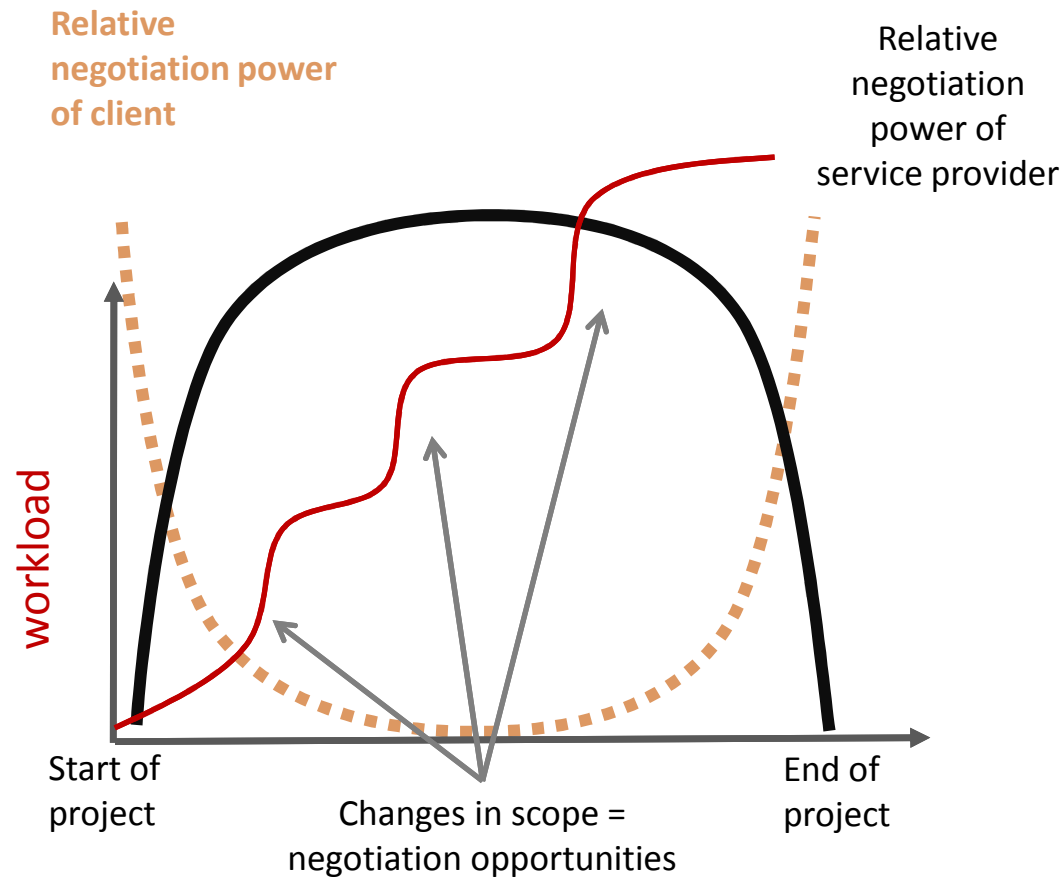
“Perfect planning prevents poor performance”

- ◆ Most professionals do not invest sufficient time and energy in preparing for fee negotiations, placing too much reliance on applying previous approaches
- ◆ Good negotiators spend more time preparing and planning than they do negotiating. These preparations include thinking about the other side’s position, strengths, weaknesses, possible alternatives and potential tactics.
- ◆ Good negotiation requires extensive information/ intelligence gathering from a broad range of sources and appropriate analysis. Preparations also include developing strong alternatives, creating potential options and looking at opportunities for creativity including integrative negotiations.
- ◆ Good negotiators also practice and rehearse key points of the negotiation in advance.

Getting the timing right – dealing with procurement

Key learning point:

Fee negotiations should not just take place at the start or end of a project



How to deliver a credible opening position

Key learning point:

Delivering a strong and credible opening position can materially improve outcome

Issues to consider for building a credible opening position:

- ◆ Managing the flow of information
- ◆ Setting appropriate vetoes and targets
- ◆ Packaging the content
- ◆ Clear summary of services to be provided
- ◆ Avoiding floppy language
- ◆ Use of positive body language
- ◆ Responding to the other side's opener

How to trade – not give away concessions

Key learning point:

Significant value can be lost or won through a smart approach to concession management

Issues:

Many professionals focus their negotiation strategies and preparations on the formulation of their opening negotiation demands and fail to prepare sufficiently for the dynamic flow of concessions.

Significant value is often, lost or won in this phase of a negotiation

Issues for consideration:

- ◆ Identification of potential concessions
- ◆ Sequence of concession flow
- ◆ Avoiding “unnecessary concessions”
- ◆ Understanding relative views of concession values
- ◆ Application of creative approaches

Using creativity to overcome impasse

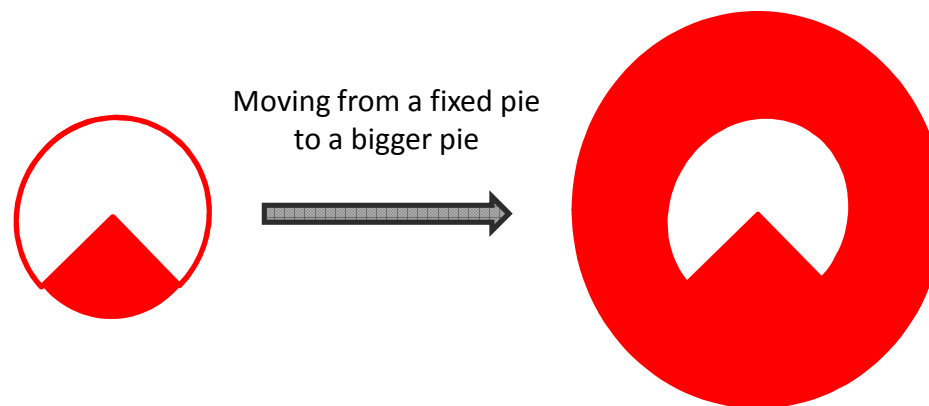
Key learning point:

A “fixed pie” approach can prevent creative negotiations

Key issues:

Outstanding negotiators understand how seeking to generate true “win-win” situations can often generate extra value for both sides.

To deliver such “win-win” outcomes negotiators have to fully understand their counterparts and exchange critical information



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