Strogoff Consulting's Architecture, Design & Engineering

NEGOTIATING STRATEGIES

Practical, Proven Techniques for Negotiating Better Agreements and Increasing Profits

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Recognizing Red Flags

Most professionals have had clients whom they wish they had never met. Likely, initial signs warned of lurking problems. But because early clues often go unheeded, design professionals may suffer months or years of agony placating difficult clients while telling themselves, "I should have known."

When screening clients and negotiating with them, observe the following red flags:

- The client is reluctant to meet. If a client insists on conducting negotiations via letters, faxes or e-mails rather than face-to-face, they probably place a low value on the relationship or the importance of effective communication. You will likely face an uphill battle throughout your commission.
- The client is inflexible or unwilling to negotiate. Statements such as, "our contract is not changeable" or "other architects (or engineers) have signed this" indicate an unwillingness to collaborate, and this attitude will last well beyond the negotiation.
- The client doesn't listen to or respect the design professional's opinion. Clients need to trust design professionals as their advocates and valued team members. While it's their prerogative not to accept a design professional's recommendations, successful relationships require mutual caring and respect.
- The client undervalues the professional's discipline. These clients might jokingly say things such as, "If they let me, I could get this project done without an architect" or "Architects make too much money." Be warned they wouldn't make these statements if they didn't believe them.
- The client has unrealistic expectations, such as design professionals should deliver an error-free set of documents or reimburse clients for the full cost of change orders.
- The client assigns a representative who doesn't have the authority to make decisions. During a negotiation, you will be at a disadvantage if the representative must

seek approval from the client between meetings. (The client can easily reject proposals when you are not physically present.) And if the representative must obtain approvals throughout the project, design professionals can expect untimely decisions, delays and poorly communicated second-hand information.

- The client is reluctant to disclose available information to the your team. Imagine if architects and engineers, based on what they deemed appropriate, parceled out portions of their construction documents to contractors.
- The client's contract is unreasonable or heavily biased in favor of the client.
 Unreasonable contracts are indicative of unreasonable or distrusting clients.
- The client or its representatives lack integrity. Clients that mislead others, tell people conflicting information, play design professionals off of one another or act dishonestly in other ways have only their interests in mind.
- Discrepancies exist between a client's verbal statements and what they will commit to writing. Clients will gladly include in a contract statements they intend to stand behind.
- The client is fee shopping. Clients that select architects and engineers based primarily on price don't appreciate the value design professionals provide and are more prone to initiating claims against them.
- The client has champagne taste and a beer budget. Clients whose expectations are higher than their budget allows will likely be disappointed with your recommendations or solutions.
- Your gut told you not to proceed. Follow your instincts. If it doesn't feel right, it probably isn't.

Remember, the easiest time to jettison a questionable client is before you start working with them.