



Tips for Innovative Meetings and Events (T.I.M.E.)

Topic: Negotiations

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Welcome

Negotiation is a key skill for business. The hospitality industry is famous for swings in supply and demand around hotel space – a primary area for anyone planning a meeting to negotiate.

Negotiating is often viewed as unpleasant, because it implies conflict, but negotiating need not be characterized by bad feelings or angry behavior. Negotiating has nothing to do with people or relationships. Negotiating is the process by which two or more parties with different needs and goals work to find a mutually acceptable solution to an issue.

Negotiating is a skill that can be developed through experience, knowledge and preparation. This issue of Tips for Innovative Meetings and Events aims to help you engage in positive, win-win negotiation to find a compromise that is acceptable to both parties, and leaves both parties feeling that they've won, in some way, after the negotiation. The very process of negotiating forces you to identify the most important aspects that will result in an innovative meeting.

Much of what I write about in each T.I.M.E. issue is based upon conversations with colleagues. For this month's issue, I would like to thank Judi Wood, President of Spruce Events Consulting, for her help and advice in crafting this issue.

A wish to each of you for more successful negotiations after reading this month's issue.

Sue

[Sue Tinnish](#)

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Negotiations in the Hospitality Industry

MeetingNews conducted a survey of 321 planners to assess their style of negotiating. The results reviewed in February 2007 were as follows (Krantz, M, February 19,2007, Fold, Check or Raise?, MeetingNews,p.1):

Among Corporate Planners:

60.7% - Quote actual figures and see if the property can service the meeting well at that price

32.2% - Quote figures close to actual budget, then negotiate aggressively to get better terms

7.1% - Ask for too much in some areas, then make concessions in return for better terms in other areas

Among Association Planners:

67.7% - Quote actual figures and see if the property can service the meeting well at that price

26.0% - Quote figures close to actual budget, then negotiate aggressively to get better terms

6.3% - Ask for too much in some areas, then make concessions in return for better terms in other areas

Negotiation Preparations

Whatever negotiation strategy you adhere to, you are more likely to be successful through preparation. You can prepare for negotiations by doing the following:

Know the bottom line.

Before entering any negotiation, calculate what the bottom line is. How important is the transaction? What are the costs of not successfully negotiating a deal? Establish a bottom line to create boundaries around the negotiation. This analysis gives the insight as to how much to concede before it is better to walk away.

Samuel Tepper in Professional Meeting Management advocates that for every negotiation that an overarching objective should be to build your relationships. This suggests focusing on the transaction at hand and also adopting a long-term perspective in assessing the bottom line. (Tepper, S. 2006. Professional Meeting Management, fifth edition, pp. 607-609)

Research, research, research.

Information is power. Collect as much information before starting any negotiation. Use conversations with the other party, website information, company annual reports, etc. to help collect information.

Your research also includes fully documenting the meeting. Historical information will help a meeting manager effectively negotiate.

For suppliers, the Destination Marketing Association International's (DMAI) Meeting Information Network (MINT) serves as a repository of information about association and corporate meetings. MINT along with other sources will provide information about meetings and the potential revenue.

Be prepared.

Before negotiating, know exactly what are the requirements and associated priorities. Be ready to articulate what is important, its relative importance and why it is important. And also anticipate what the other side will have on their list. Compile a list of their wants and need. Tepper calls this the RINT™ or Ranked Items the Negotiation Table™ Analysis. Anticipate counter-proposals and compromises and think about how to react to each.

Adopt a mind set that is not adversarial.

This preparation will create a focus that is centered on the other party, not solely centered on you. The more you can put your self in the other party's shoes the more likely the negotiation will be successful.

Pre-meet as appropriate.

The proper preparation for a negotiating requires time to ask questions of the other party and to complete research. Plan to ask for time or an advance meeting before negotiations to ask questions. This allows time to be more focused on the other party and to more fully understand their positions, requirements, wants and motivations.

Barriers to Successful Negotiation

There are many reasons that negotiations go awry. You can ensure that your negotiations are more likely to be successful by avoiding these five common barriers to successful negotiations:

Viewing negotiation as confrontational.

As discussed in the welcome, negotiation need not be confrontational. In fact effective negotiation is characterized by the parties working together to find a solution, rather than each party trying to win.

Becoming emotional.

It's normal to become emotional during negotiations that are important. Often negotiations are fraught with blame and a focus on personalities (more on that later). In a negotiation, as in any relationship, each party contributes, for better or worse. Blaming others for difficulty only further ignites a situation and creates more emotion. Choose words carefully, speak clearly and positively.

Maintaining coolness allows people to channel their negotiating behavior in constructive ways. Thus, it is important to maintain control.

Possessing a bad attitude.

In addition to avoiding emotion and confrontation, the attitude assumed in negotiation (hostile vs. cooperative) will set the tone for the interaction. Possessing a positive

attitude also directs a perspective in the negotiation where both parties will leave "winning." Don't view negotiation as a contest that must be won. The final element in having a positive attitude is a point touched upon earlier – the need to understand the other person's needs, and wants with respect to the issue.

Focusing on personalities, not issues.

We have a tendency to get off track particularly with people we don't like by focusing on how difficult or obnoxious the person seems. Once this happens, effective negotiation is impossible. It is important to stick to the issues, and put aside our degree of like or dislike for the individual.

Not listening.

Focusing on what should be said next instead of listening intently to the other party will derail negotiations. Listening helps establish trust and understanding. From that basis two parties can successfully negotiate.

Principles in Negotiation

Roger Fisher and William L. Ury in their book, *Getting to Yes: Negotiating Agreement Without Giving In*, advance these negotiating principles which support the art and science of negotiating:

1. Set the tone early, offset any bad rumors, and be candid.
2. Utilize "human factors" and be open about feelings and motives; this will enhance trust.
3. Avoid presenting too many issues, highlight the strongest ones.
4. Avoid deadlines, lessening the chance for needless concessions.
5. Summarize frequently; this enhances understanding.
6. Present arguments calmly, without personalization, and make sure they are logically supported.
7. Avoid use of personal opinions in arguments.
8. Avoid ultimatums and other forms of non-negotiable demands.
9. Admit, when appropriate, the validity of the other party's arguments.

Tips for Successful Negotiations

Starting a negotiation with the principles cited above will set the stage for a positive negotiation. These nine additional tips will help the negotiation process unfold smoothly:

Be inquisitive.

Ask questions before and during the negotiation. Skillful questions can reveal valuable information and transform a negotiation from an adversarial conflict into a partnership. Start with open-ended questions and move to narrower, more direct questions. Questions to uncover what the other person's concerns and needs might include:

- What do you need from me on this?
- What are your concerns about what I am suggesting / asking?

- Why is this important to you/to your organization?
- How do you view our business/our meeting?
- Why is our business appealing or unappealing?

Once a question is asked, be quiet and listen carefully. Restate the response to confirm and clarify.

Share information.

Both parties rely on each other to be forthcoming with information. It is important to state your needs upfront. Offer the underlying reasoning for what is needed (the why).

Be prepared for disagreement.

There will be disagreement and disappointment during any negotiation. Disagreement involves the issue not the relationship. But how you disagree will affect relationships. Seek common ground or set the point aside until later.

Expect the unexpected.

When confronted with an unexpected demand, it is perfectly acceptable to ask for time to consider the request. Or bundle it with other requests. Avoid quick, unconsidered decisions.

Prepare options beforehand.

Project how the negotiation may proceed – best case and worse case. Prepare options in advance. Place yourself in the other party's shoes and anticipate why the other person may resist the proposal, and be prepared to counter with an alternative.

Don't argue.

Negotiating is about finding solutions not trying to prove the other person wrong. Where possible use objective criteria for decision-making.

Trade small concession for something in return.

Whenever you are asked for a small concession in the negotiation, ask for something in return. Say, "If we can do that for you, what can you do for us?"

Don't ever give up something without asking for something in return. John Foster uses the terminology "free gift." He states, "Don't give a concession to the other side without asking for a concession in return." In the same June 2007 article, he cites a Japanese technique of responding to every proposal with a "yes, if" statement. The Japanese, a culture that favors saving face, preserves relationships and keeps the negotiating process going by trading concessions. (Foster, J. 2007, June. Turning the Tables: Part 2. *Convene*, pp. 70 -74) By asking for something in return often the other side will make a concession.

Watch the balance.

The negotiating process starts with a client and a seller. Depending on the negotiations, the balance may begin to shift between which party wants "it" more – where "it" represents a successful close to the transaction and the negotiations. Watch for shifts in the balance. Once one party seems to want "it" more, then other party has more negotiating power and can adjust accordingly.

Don't leave the other person feeling as if they've been cheated.

Everyone speaks about the value of relationships in the hospitality industry. Negotiation is about arriving at a solution not squeezing blood from a turnip. If the other party feels they've been taken advantage of, it will hurt the overall relationship.

Most negotiations should leave both parties feeling satisfied with the outcome. Give up concessions that don't really matter in order to create a feeling of goodwill.

Negotiating Hazards

Negotiating hazards represent opportunities where the negotiation process can be vulnerable and risky. Here are some potential hazards:

Timing

Don't be caught negotiating when there is:

- A high degree of anger on either side
- Preoccupation with something else
- A high level of stress
- Tiredness on one side or the other

Time negotiations to avoid these times. If they arise during negotiations a time-out or rest period is in order, or perhaps rescheduling to a better time.

Finalize the agreements

Don't leave details hanging. It is often amazing how two people sitting in the same room can have different perspectives concerning what was agreed upon. To ensure that everyone is clear, summarize the agreement verbally or shortly afterward in a letter of agreement.

There is a chance that the other party may not be negotiating in good faith or from the same principles that you are.

Good guy/bad guy

This tactic is common whenever negotiating with two people. One of them appears to be mean and hard-nosed. The other is warm, friendly, and very sympathetic. The good guy/bad guy routine can cause a person to be psychologically drawn to the "good guy" and want to please that person. Counter the tactic by letting the other party know you realize what they're doing. Typically, they will back off of this well-known strategy.

Ask my manager

Ensure that you are negotiating with a decision maker. In early stages of negotiations it may be acceptable to allow negotiation points to go back to a "higher authority." However, ultimately this wastes time. If relying upon a "higher authority", request they participate in the negotiations or set a one- or two-day deadline for their approval or revisions. John Foster suggests asking the question "Do you have the authority to negotiate terms that differ from your standard contract or is there someone you have to go to for approval?" (Foster, J. June 2007 Turning the Tables: Part 2, Convene, p.71)

The nonstop negotiator

A nonstop negotiator does not view a signed contract as the end of negotiations. Rather, they see it as just the start of negotiations. The nonstop negotiator will keep coming back with additional requests. The nonstop negotiator is counting on the other party having psychologically "moved on" and expects to find the other party vulnerable to their requests.

"Work it out later"

The other side says to you, "That's not a big problem. We can work that out later." When "later" arrives, there is time pressure to complete the negotiations. People become flexible when they're under time pressure, and they will make concessions. Time is one of the factors that always affects the outcome of negotiations. Work to resolve all the issues well ahead of a deadline.

Wiggle Room in Hotel Negotiations

Negotiating opportunities primarily depend on how important the business is to the hotel. A meeting manager can make their business more attractive through the following:

1. Guaranteeing multiple meetings
2. Guaranteeing repeat business. (Making a commitment to hold next year's meetings with the same hotel brand is a powerful selling point)
3. Shifting dates to meet the hotel's demand. By asking about the facility's peak, off-peak and shoulder seasons, and the days of the week on which it would prefer to book business, a meeting manager may not only make the business more attractive but also have greater leverage when negotiating
4. Maximizing the use of the hotel property for as many catering functions as possible. Holding dinners and meal functions at the hotel vs. an off-site property generates more revenue for the hotel.

The overall profit profile influences the meeting manager's ability to negotiate. Be fully aware of the revenue that the group will generate. Look for areas to increase the attractiveness of your business. Consider all sources of revenue including:

- Early arrivals or extended stays by attendees
- Spending habits of attendees
- Heavy use of suites by suppliers or exhibitors
- Future meeting opportunities

Of all the areas for wiggle room in hospitality negotiations, space is generally the best opportunity. Hotels are typically looking to maximize revenue from sleeping rooms and catering sales. On the other side, there are many concessions and areas open for the meeting manager to negotiate into the contract including:

- Complimentary amenities like free limo pickup at the airport or upgrades to concierge level
- Ancillary service fees like resort fees or storage charges and handling fees
- Complimentary items like free sleeping room per 50 picked up, welcome receptions, afternoon breaks or welcome breakfast
- Services which don't represent (any or large) incremental costs for the hotel like passes to the health club, early check-in, late check-out or internet access
- Designated VIP check in for guests (at larger resort properties)
- Complimentary services for attendees like turn down service and daily newspapers (not always provided now)
- Presentation materials including easels, flip charts, presentation boards

Finally, meeting planners must understand the realities of negotiating for hotel space. Market conditions change and it is important to be realistic about what is reasonable in a buyer's or seller's market.

Freebies: Information and The Revenue Manager

Information is Power

We know the importance of information. Write a clause into your contract that says you will receive the history of your meeting (full accounting of all monies spent) from the venue before you will pay. Then you will walk away with the information to negotiate that meeting next time.

More Freebies

There is a new kid on the block. The Revenue Manager at a hotel can make or break your deal. Learn more about this role by emailing me for the additional freebie at sue@suetinnish.com or click here [Revenue Manager](#).

Future T.I.M.E.

I am involved in creating a fabulous educational opportunity - AmaZing Meetings Discover the Magic.

Come see Bob Higa, a talented magician, and me in action during AmaZing Meetings.

Friday, September 21, 2007
Wyndham Peachtree Conference Center
Get more information at [AmaZing Meetings](#) or
<http://events.iacconline.org/AmaZing2007/>.

If you would like to receive an invitation, please email with your contact information. Come for the education, the magic and the networking. [AmaZing Meetings Invitation](#).

I will be putting together my 2008 speaking calendar in the next issue.

A better idea, book me to speak yourself. You can find me at sue@suetinnish.com or 847.394.9857.

Virtual T.I.M.E. and T.I.M.E. Gone By

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You can hear a podcast on the topic of Entertainment (October 2005 T.I.M.E. issue) between Jim Grillo, Here's Chicago.com and myself. Listen now! Or if reading is more your speed, read the back issue at http://www.suetinnish.com/index_files/Page568.html or access the PDF at <http://www.suetinnish.com/Entertainment%2010.05.pdf> [The Ahh's, HaHa's and AhHa's of Entertainment](#)

If the toolbar does not appear, go to the Here's Chicago website at <http://www.hereschicago.com/> [Entertainment Podcast at Here's Chicago.com](#).

Here's what is included in past issues ([Back Issue Request](#)):

2007

Chaos & Meetings (January), Signage and Wayfinding (February), Building Effective Supplier Teams (March), Conference Centers & CMP (April), Visual Communication (May), Convention and Visitors Bureaus or CVBs (June)

2006

New Year's Resolutions (January), Generational Differences (February), Speaker Suggestions (March), Building Bridges (April), Positive Posters (May), Cruises (June), Moving Knowledge and Talent (July), Relaxing Meetings (August), Keynotes (September), Podcasting (October), Unique Meeting Venues (November), Deja View (December)

2005

New Year's Resolutions (January), Brainy Side of Food and Beverage (February), Sarbanes-Oxley and Meetings (March), Visual Aids (April), Experiential Teambuilding (May), Emotional Meetings (June), Press Conferences (July), Green Meetings (August), International Meetings (September), Value of Entertainment (October), Copyright Laws (November), Deja View III (December)

2004

Branding (January), Audio Visuals (February), Networking (March), Strategic Budgeting (April), Sensory Meetings (May), Board Meetings (June), Leadership (July), Barrier-free Meetings (August), Time Management & Meetings (September), The Travel Experience & Stress (October), Voting Techniques (November), Deja View II (December)

2003

Everyday Meetings (January), Diversity (February), Problem Solving (March), Marketing Pre- and Post- Event (April), Entertainment (May), Balance in Meetings and child care (June), Mobile Events (July), Last Minute Ideas (August), Training Meetings (September), Unique Venues (October), Data, Information and Number Crunching Privacy (November), Deja View (December)

2002

Teambuilding Options (January), Promotional Products (February), Multicultural Communication (March), Outdoor Learning (April), Budgets and ROK (May), Creativity (June), High Touch Technology (July), Economic and Business Cycles (August), Successful Environmental Factors/Conference Centers (September), Return on Investment (October), Incentive Meetings (November), Resource Recap (December)

2001

Sales, Award Presentations (January), Change and Communicating Change (February), Open Space Technology (March), Adult Learning Styles (April), Trade Shows (May), Emotional Intelligence (June), Presentation Tips (July), Ice Breakers (August), Facilitation (September), Humor (October), Customer Care (November), Slack (December)

2000

Teambuilding (May), Green Meetings (June), Values (July), Minimum/Minimal Meetings (August), Evaluations (October), Politics (November), and Toys (December)

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