

Deals, people and knowing what toys you have!

We live in a world where direct personal communication seems to be declining. Email, Facebook and Donald Trump's favourite, Twitter, frequently replace actually talking to someone. While this can speed up the rate of information exchange, it can also make simple interactions much more complicated, especially when it comes to agreeing a joint deal.

For over 20 years, Anthony Drew has been advising international and domestic businesses. From Fortune 500 companies to family-owned enterprises, Anthony has become recognised as one of the world's leading thinkers on negotiation and personal communication strategies. His new book, *Two Red Lines and a Toy Box*, sets out to demystify the art of negotiation and provide readers with simple, proven techniques and strategies that can help get the very best deal out of any commercial agreement.

Anthony has found that most business people have very low expectations when it comes to creating the right environment for their business discussions. In a recent interview, Anthony noted that "people generally focus on the lowest price they think they will need to charge to secure the contract, or they don't know what the best price is when buying. Most of this comes down to poor planning and a lack of defined reference points to benchmark current market expectations."

This is where Anthony introduced his idea of Red Lines (think 'line drawn in the sand'). "The principle of two red lines," he said, "is to fully understand all the possible aspects that make up your walk-away point as well as the aspects that are likely to make the other side reconsider. In most cases, people underestimate what the client will work with and have only a vague idea of what they can work with themselves. Frequently everything comes down to one key figure which ignores much of the value in the transaction."

Red Lines are not purely financial according to Anthony. "You must take account of all parts of the deal, not just the final price. Human resources, workplace environment, inter-departmental reporting, even the type of coffee served from a vending machine can have an impact on how well people work and their overall performance.

"While these Red Lines might not mean people actually walk away, it can mean that they contribute less as they feel under-valued and resentful of the employer. These things and countless others can impact the business, and they need to be thought through at the appropriate level."

This brought Anthony to talk about the curious second half of his book title, "a Toy



box." He explained that understanding the key components of the red lines starts to define your toy box. "This is the array of key skills, strategies and discussion points you need to have prepared before the conversations start. This can include who will be involved, what roles they play, all the various parameters for your offer, what you expect the other side to want and say as well as your plan for how you want to proceed.

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While a significant part of Anthony's time is spent overseas, he has worked with a number of Scottish businesses and public-sector bodies. One of these was a family-owned food and drinks company where he was able to help them plan for the renegotiation of one of their supply contracts.

Their initial position was to hold the pricing with no inflationary increases, but Anthony was able to show them the real underlying value of their relationship to the supplier. They were able to agree a £5,000,000 saving over the planned contract period and build on the working relationship.

Anthony also helped a

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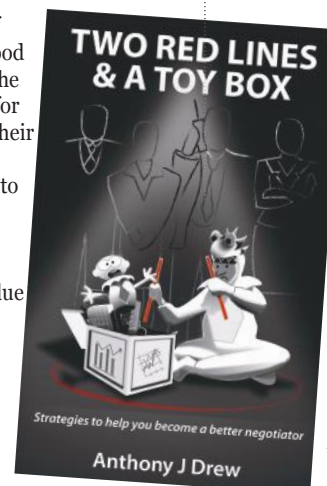
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local authority identify many planning tools which were then used to get a £85,000 rebate from a supplier at the end of a tendered contract. Another authority underestimated the importance of their contract to a supplier and, using the principles of two red lines and a toybox, was able to secure a discount on gate fees for waste services which resulted in a £280,000 saving.

It's not just businesses that benefit from understanding how to negotiate. A delegate from one of Anthony's seminars used the principles when he had an issue with his mobile phone provider. Rather than accept the apology for poor service, he had a structured plan to ask for compensation which resulted in a £600 credit to his account.

"Modern technology is definitely speeding up the rate we do business," said Anthony, "but understanding how to get the best deal is at the core when it comes to how well your business is performing."



• *Two Red Lines and a Toy Box*, is available from ogilvieross.co.uk.

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