

Negotiating Skills For Tax Reps

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Negotiation Skills for Tax Representatives[©]

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Life is hard, and it's getting harder...

Manage a business

Make a profit *SIP 500 4% 10 yrs ASU 15-20%*

Raise a child

Balance a family budget

Run a government

Agora: Worldwide Version

Outsource services

Management and Work Styles

Decline of Conspicuous Consumption

Globalism

Hackneyed Theories Lacking Evidence

Physical Trappings

Behavior

Strategies

Non-Negotiation

Forbearance

Bland Withdrawal

Fait Accompli

Pestering

Goes around, comes around

Worldwide Negotiators

- Japanese - finest
 - Asian – highly competent
 - Russian – legendary
 - Eastern & Central Europe –skilled
 - Germans – out of tune
 - Not logical and efficient
 - English – total failure
 - Middle East – wily merchants.
 - Africans - talented
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Oxymorons

- Business Ethics
- Honest Politician
- Civil War
- Military Intelligence
- Pretty Ugly
- Deafening Silence
- Mournful Optimist
- Social Security
- Good Government
- American Negotiators

North America and Western Europe

- Negotiating slackers
- Americans hate to negotiate
- Embarrassing, tacky, and just not done in polite society
- Supply and Demand
- Efficient economy
- Negotiate with our feet
- Market forces will only drive prices down as far as market levels
- Non-economic negotiations

Uniquely American Phrases

Let's stop beating around the bush

Here's the bottom line

Let's get down to brass tacks

Let's cut to the chase

Let's lay our cards on the table

Do we have a deal, or what?

Split the difference...

How We Get What We Want...

Persuasion & Negotiation

Persuade First - Negotiate If Persuasion Fails

Persuaders give reasons
Negotiators give concessions

Goes Around...Comes Around

Learn from history
The other side survives the talks
Win-Win is mandatory
Win-Lose – short sighted

How do you do Win – Win?

- “Buy” agreement when persuasion fails
 - Unmistakable proof of face-saving
 - Successful hunt
 - Eliminate pain of giving by getting
 - Sine qua non of haggling
 - How to avoid giving away the ranch
 - Trading and opening assertive offer
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Wrong-headed Assumptions

- Concessions are a sign of weakness
 - Standing your ground is admirable
 - If we’re right, we shouldn’t move
 - Concessions must be substantial
 - Start high and drop back is theatrical and wastes time
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Seven Essential Laws

No "Free Gifts"

Start High

Diminishing Concessions

Krunch, Early & Often

Package Settlements

End with a Nibble

Continuous Creative Search

Law 1: No Free Gifts

No concessions without...

Japanese Lesson

Yes, IF

Reciprocity? Not.

Requests = Opportunity

Balance of Trade & Logic

I'll try, do my best, check into it...

Expand the Deal

Nonmonetary Concessions

Law 2: Sellers Start High, Buyers Low

Start : Finish Relationship

Americans start fair and sell hard

Opening offer:

Most Important Moment

There are limits

Commodities vs. Limited Supply

Long-term Relationships

What if your opener is accepted?

Law 3: Plan Your Envelope

Envelope of Negotiations

[Opening \leftrightarrow Target \leftrightarrow Bottom Line]

Concession Strategies

Envelope Sample

\$3,000, \$2,000, & \$1,000

Concession patterns

1. \$3,000, \$3,000, \$3,000, \$3,000, \$2,000
 2. \$3,000, \$2,800, \$2,600, \$2,400, \$2,200
 3. \$3,000, \$2,940, \$2,800, \$2,550, \$2,150
 4. \$3,000, \$2,950, \$2,550, \$2,500, \$2,250
 5. \$3,000, \$2,000, \$2,000, \$2,000, \$2,000
 6. \$3,000, \$2,500, \$2,200, \$2,080, \$2,020
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Law 4: Krunch, Flinches & Winces

Alternative to "Yes" or "No"

Alternative to Haggling

The Krunch

Gentle,

Middle-of-the-Road,

Aggressive,

Inflammatory,

Regional

Responses to Krunches

Law 5: Package Settlements

Everything is on the table

Don't settle piecemeal

Everything is in play until the end

Agree to one deal, not a series of mini-deals

People like to resolve an issue and move on to the next issue

Law 6: End with a Nibble

Small, End-of-the-Deal Concession
In Exchange for Closure
Low-Risk and Dependably Successful
Too Small to be Controversial
Not Worth Deadlocking Over
They Add Up
The Stupid Period
New air of generosity
Nibble Time

Law 7: Continuous Creative Search

Assumptions that Limit Creativity
Both side assign similar values
More for me = Less for You
Zero-Sum Negotiating
Hot Buttons Breed Creativity
What if we do? Would you be interested? What would you offer in return?
The value to the other side is what matters



Obvious, But Important

Do your homework

Keep the climate positive

Never assume an item is non-negotiable

Never accept the first offer

Important Tips & Beware of Items

Limited authority

Phone negotiations

Presentation legitimacy

Verbal legitimacy



Valuable Niceties

Start slowly

Set a complete agenda

Discuss small things first

Be patient

Thanks & Good Luck Negotiating