

## **Negotiating in a Buyers Market?**

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**“Cash is King!”** If you weren’t familiar with this term, you are now!

The current worldwide economic upheaval is definitely going to change the way we all negotiate. Lenders are skittish. Budgets are being cut. Recession is upon us. Organizations and individuals with cash are in a position to call the shots for the immediate future.

For Buyers of a variety of products and services this means you have a much wider assortment of buying strategies at your disposal and you are in the enviable position to say “no” to as many offers as you choose because Sellers are lining up to see you.

Buyers your IQ will appear to have risen exponentially because Sellers will be listen to and dissecting every word you say looking for signs of a maybe or a “yes”.

Buyers this is your time. You can compress time. You can elongate time. You are actually in good position to bend time and turn time back on pricing!

Sellers...the world just got little more complicated. The marketplace will be taking more time to make decisions about your needs. If your offerings are not absolutely unique and compelling, you will be pressed to show substantially more value than in the past just to maintain market share. This will require you to be the best negotiator at the table or face declining profit.

Seller negotiation strategies that worked last week may not be relevant this week. Relationships with Buyers will change because the market is now wired differently. Even those Sellers who are market leaders with great value propositions and dominant points of difference will be doing their utmost to lock up as much available revenue from Buyers as possible. Why?...because “Cash is King”.

Once a dominant Seller has secured enough market-share and revenue to keep their bankers and shareholders at bay these Sellers will become comfortable projecting forward and only then be in a position to negotiate tougher deals.

For us in business who are not selling a monopoly we can only “walk away” from a piece of business if it is damaging to us or if we have an equal or better opportunity. Dominant Sellers that lock up base revenue with smart negotiations will have more confidence to negotiate in future peripheral or pedestrian deals.

There may even be Sellers who are going to be placed in positions where they may actually be forced to buy business in some negotiations. Sounds odd but its true.

Now, because “Cash is King”, Buyers will feel strong enough to start contacting Sellers and asking them “would you take this offer.....? A Buyers market is wired differently and now transactional roles may actually be reversed.

Sellers negotiating skills will truly be tested. In the this environment Sellers will have to;

- 1) Have a better understanding other the entire negotiating process
- 2) Have better reconnaissance than “the other side”
- 3) Have a strong understanding of their own SWOT and that of “the other side”
- 4) Make objectives clear and ranked for importance
- 5) Have deep empathy for “the other side”
- 6) Cost model propositions so as agreements close they support our objectives
- 7) Be flexible with negotiations that show unusual elasticity
- 8) Make proposals relevant to Buyers. Buyers with cash seek “Unique Propositions”
- 9) Know their operations so deeply they can say “Yes” confidently
- 10) Be brave. Be strong. Build Smart/Wise Deals.

Remember “**Cash is King**”!