

## **Today's Economy and the Negotiating Marathon**

by

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Many of us in the media business have lived through some fantastic times over the last couple of decades.

You'd have to look back to the early 1980's to see any real difficulty in our business, when we witnessed "The Housing Bust" in Alberta. Consumers endured super high interest rates, falling home prices and in many cases saw the value of their homes drop below that of their mortgage balances. Does any of this sound familiar? Did it have an effect on consumer spending? Did it have an effect on the Retail sector? Did the challenges in Retail advertising spend have any effect on the duration and rigor of contract negotiations with media and marketing companies?

Now leap forward a quarter century and you have our current situation, with almost unheard of consumer and corporate debt in Canada. The economy of our largest trading partner to the south is careening into a recession. Gas has tripled in price at the pumps, ultimately affecting how much of our hard-earned money we actually get to keep. Lenders are getting very cautious about who can borrow and how much they will lend. Oh, and what about "The Big Three" and the domestic auto industry that is the engine that pulls the Ontario economy and with it much of the rest of Canada? And then there's the big drop in consumer confidence and retail demand. Truly, a whole slew of ill-timed economic chickens coming to roost all at the same time. You get the picture.

Annual contract negotiations this year are going to be fun! So what is your company doing to get in shape for this potential marathon of bargaining?

Let's face it; we are all short of time. It doesn't matter whether you are selling or buying. With global business running 24 hours a day, greater demands on all business people and the impact of technology (both good and bad), time is truly compressed and we're all desperately short of it. Vendors need to sell more and faster, and buyers need more time to research, consider and decide on their best options. As such, time compression produces and reveals a fairly noticeable drop in civility.

Throw your own spin on your own company's economic realities and now you really get the picture!

With so little time and so many changes in our current marketplace some of us have forgotten or need to learn some basic preparation tools.

Here are a few tips:

- 1) Collect useful data and intelligence on the other side (whether the Seller or Buyer) weeks and even months before the actual negotiation begins through casual conversations and regular meetings and not necessarily not pertaining to the negotiation. In other words, get the other side to talk about their world – their company goals, growth expectations or competitive challenges.
- 2) The above will allow your side to do a mini SWOT Analysis (Strengths, Weaknesses, Opportunities and Threats) of the other side and their and your competitors.
- 3) Research the market to see how general media rates and those of your competitors' and are going to climb this year.

Even with all of this groundwork, you are just at the starting point (believe it, or not) where you can start asking probing, high-gain questions of the other side that will build your case in preparation for the negotiating marathon.

For more on Patrick Tinney, Centroid Marketing and Negotiation Programs visit [centroidmarketing.com](http://centroidmarketing.com) or drop Patrick a note at [patrick@centroidmarketing.com](mailto:patrick@centroidmarketing.com)