

This article first appeared in **AccountingWeb** on 23/09/09.

Client Negotiation: How to get the Upper Hand

By **Jack Downton**

No matter how technically competent you may be in your role as an accountant, amongst the abilities that often elude even the most talented are making the right impact with clients and prospects and ultimately being an adept negotiator.

In this current economic climate, it's a given that competition is fierce. The marketplace has changed so much that traditionally much larger accountancy firms are now encroaching on much smaller firms' territory, desperate to win what might be deemed small scraps of business. It's now crucial you make an impact with the client the moment you open the door for the meeting.

It may seem obvious but start with some basics; first you need to differentiate yourselves by putting yourself in the client's shoes and understanding what the clients want. Explore your clients' issues. All too often accountants don't give enough consideration to this at the client meeting. This has much more impact than simply stating to clients what services you offer and bombarding them with technical detail. Questions are much more powerful than merely reeling off facts about your company and its people.

When dealing with clients, they already assume your capability as an accountant, so there is no need to justify yourself. Instead talk about recent experience and find out what it is they want and tailor your services to their needs. It might be impressive that your firm has just opened its sixth office in North America and serves 20 of the FTSE 100 – but how does this benefit this particular client?

By asking questions, the client feels listened to, rather than sold to. And by finding out what is important for the client, you learn, they learn and they take away with them the feeling that you are interested in them and their business – and this leaves a lasting impression.

In the current market, all professional services firms have to have a weather eye on the value they deliver and how to make their target audience focus on what they are getting rather than on price. One of the best ways to make this work for you is to get them to state the value of what you are offering rather than doing it yourself. You can often arrive at this by asking questions and really getting under the skin of the problem in such a way that you uncover hidden problems and perhaps are even in a position to offer unexpected benefits. When the client states the value of what you are offering then price becomes secondary and you are much less likely to be pressured over fees.

Resist the common temptation, namely to jump into selling at the first sign of client interest. This is the time to listen and use what you learn to keep asking focused questions, getting deeper into the issues and hopefully guiding the client into seeing how important you are to

their business. You are now much more likely to be able to hold on to your fee, and not have to resort to the all too frequent cop-out: “Well, I think we may be able to manage a discount!”

With negotiation, the main aim is to offer up something you’re comfortable giving away to get something in return that’s important to you. You must also leave yourself in a position that allows you to do business again – a deal which unfairly harms your client will in all likelihood mean that they won’t do business with you again. So, in your market place, you should always put the relationship ahead of the deal. It is different if you will never see the client again but your market place is small enough for your reputation to matter a lot.

If your client, for example, demands you drop your fees by a hefty percentage, you need to be absolutely clear about your walk away position – namely when and where you will walk. If you don’t know your own numbers, or know what the competition is offering, or you are unclear about the value you bring and how you differentiate yourself, you will find yourself in an impossibly weak position and you may find yourself having to drop by far more than you had planned. After all, a good negotiating position is one of relative power vis-a-vis the other party.

Jack Downton is the managing director of The Influence Business Ltd (www.TheInfluenceBusiness.com). He is a former colonel in the Royal Marines. You can email Jack at jack.downton@TheInfluenceBusiness.com