

# AIRPORT MAGAZINE

## THE OTHER KIND OF CONCESSION: THE ART OF THE 100/100 DEAL

By [Watershed Associates, Inc.](#)

### There's always room for negotiation.

**T**hat's the good news. There's even better news: By being willing and ready to negotiate - and doing it well - you stand only to gain. You get what you want; you lose nothing of value; and you position your airport in all your various marketplaces as a most desirable business partner. Your business relationships improve measurably, and you attract higher-quality vendors with better proposals.

Skeptical? Read on.

Negotiating requires that you take the time to talk things over and understand the interests of your transaction partner. People appreciate it when you listen to their issues and try to solve their dilemmas in developing a business deal. And that's exactly what you do when you negotiate - you reach solutions that benefit both parties.

In the public-sector environment, it is easy to assume that you are bound by such a myriad of regulations and requirements from all legislative levels that there is no room for creative concession building. Not so fast. Successful airports are assuming the opposite, and acting on it by negotiating despite the perception of intransigence.

Negotiating opportunities present themselves throughout the airport daily business: working with the neighbors in a noise abatement project; developing a long-term concessions program; purchasing furniture; coordinating law enforcement over multiple jurisdictions; selecting a construction company; even working with your local news media.

As an airport, you can't be too large or too small to benefit from skilled negotiating practices. Indeed, you can't be too large or too small to avoid being hurt by amateur dealings or an entrenched attitude that won't budge. Even small airports can increase their sphere of influence by improving their negotiating skills. Local vendors will remember you fondly. Or not. And as your own career moves you from airport to airport, national-level vendors will follow you from airport to airport. Or not.

It is important to understand that negotiation isn't about leveraging your buying power (or lack of it) to prevail over your vendors. It's about exploring and understanding both sets of needs in order to arrive at the best possible deal for both sides - or all sides, if we're talking about joint venture scenarios.

Purchasing managers for large airports might assume they have more leverage because they have volume on their side. But a take-it-or-leave-it approach to deal-making will only do you a terrible disservice. You may be the only game in town in your region, but in the national or international marketplace, airport vendors and service providers will find customers who are known to be accommodating and cooperative.

You can negotiate hard; you can take them to the mat; you can get the best deal you can. But the supplier who feels like he lost will do everything he can to minimize the costs of servicing that contract. It will cost you more in the long run. Bet on it.

On the other hand, suppliers who feel they have been given a fair shake - rather than a shakedown - will go the extra distance with you, above and beyond the call of contract. They will be more forgiving during all those little negotiations that get done after the contract is signed. And they'll spread the word.

And what do you get in return? Everything you really

want. Plus your airport's reputation in the community and marketplace stays intact. And you've done your part to keep your suppliers healthy and prosperous. Which, eventually, will come back around and benefit you all over again.

Effective negotiation is completely win/win, with everyone walking away from the conversation feeling they've done well and looking forward to reaping the benefits of a long-term relationship. Which, in airport years, can be very long-term, sometimes extending long past the careers of everyone at the original bargaining table.

This is what a proper negotiation is not: A compromise. Compromise, actually, is merely a way to avoid negotiation. It leaves no one feeling good. No one feels bad. No one feels inspired and committed to the spirit of the contract.

In short, the ideal negotiation is a conversation with goals

in mind. At the successful conclusion of that conversation (no matter how long that conversation takes: minutes, hours, months), both sides will have worked hard to create a pie that grows. Eventually everyone gets their fair share, but in a relationship that values long-term objectives over short-term gain, the pieces of that pie will actually be bigger!

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## The Hallmarks Of A Values-Based Negotiation Relationship:

**1) As a buyer, you care about the seller's business concerns.** Buying is the reverse of selling: you must engage the seller's interest in continuing to work with you.

**2) You have patience.** There's a reason the Japanese are notorious for taking a seemingly endless time getting around to making a deal decision. They're not testing you. They're taking the time to really get to know you. Once that bottom-line is signed, the relationship has only just begun. Take the time and have the patience required to really understand your seller's perspective and priorities. With that understanding, there develops trust.

**3) There's trust.** Without trust, you've got nothing. Whether you're the buyer or the seller, the establishment of trust is the beginning of the whole negotiation process. As the buyer, you contribute to the trust relationship by keeping appointments, paying bills on time, and making other purchasing decisions that are consistent with your publicly stated goals.

**4) You gather as much information as possible.** Be able to truly see the deal from the seller's perspective. Read the annual report and the company's 10(k) and 10(q), two extremely informative reports that are very

easily acquired via the Internet. Talk to other customers. Read books on how to sell; they'll help you learn how to buy.

**5) You are willing and ready to walk away from the discussion.** Time is an excellent strategic resource. Use it to buy time to think creatively about each other's needs.

**6) Be creative.** Creative in finding solutions to yours and your transaction partners' issues. Creative in giving and getting concessions.

**7) Never give concessions without getting a concession in return.** If you allow yourself to be easily moved off your original position, you will lose the credibility and respect of your transaction partner. It may feel like an easily affordable concession that will be quickly absorbed by the passage of time. But, in truth, it could be the most expensive concession of your career because it could cost you your reputation as a trustworthy, values-oriented transaction partner.

**8) You treat the seller fairly.** You don't take advantage of the seller's need. You fulfill the seller's need. And the seller fulfills yours.

**9) Finally:** Don't forget to say thank you. Even when you are the buyer. The long view will tell you that it's not always a buyer's market. It is always a partnership market. And the transaction you make will be the transaction you profit from for a very long time.