


# Making money conversations work for you

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Negotiating contracts and talking money is always tough, and it's often an awkward conversation. Having negotiated in the money-trenches for a number of years, here are my top eight tips to make the conversation a little easier, and the outcome better for the client, management and your team.

## 1. Be realistic

Just because it's a big brand, don't assume they have big budgets. Big brands can see an inflated Cost Estimate coming at a hundred paces. Be fair and be realistic. Rather outline the scope of work and put a figure to this – prospective clients will appreciate this more.

## 2. Give yourself room to negotiate

Don't over-inflate, but give yourself room to negotiate down. If you go in too low, you might come out getting paid less than what is fair for the scope of work required. Rather go in slightly higher and know what is the least amount you'll come down to.



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## 3. Provide menu options

When a client is unsure of the scope or their budget, rather make a suggestion to them to prepare a “menu” of services and pricing. Provide three pricing options – Rolls Royce, BMW 3-Series and a Fiat 500. The Rolls Royce retainer would have the most resources, the broadest scope and provide the most hours for month at the highest fee. As you move down the menu options to the BMW and Fiat; the number of resources and hours would decline, as would the ability to deliver all the service lines.

## 4. Be nimble

As someone once said to me, be nimble. Be flexible in how you price and how you work and be open to working on either a retainer basis or as a project. Yes, it is great to be on retainer and always be on call and thinking about clients, but if you can secure a project fee then do it. Rather get the business, get a foot in the door and dazzle them with delivery. Deliver

great work and this may naturally evolve into a retainer.

## **5. Be transparent**

The best way to reaching a meeting of minds is to create understanding. Be upfront about the scope of work you see, the rates you charge and the hours required to deliver. Also be transparent about mark-ups, increases and other administrative costs. If ignored, these are the things that often cause the most complications with clients.

## **6. Make some costs once-off**

From the required scope of work, what can be done and billed up front? What can be looked at as value-based pricing? Strategic development sessions and risk analysis sessions are more often than not, once-off and completed upfront as part of on-boarding and set-up processes. Why include this figure in the overall retainer?

Rather separate the costs of the workshops and plans out of the retainer fees. Charging a flat fee for a strategy session, independent of how many hours it takes usually works out to a similar fee but sometimes clients feel more comfortable with it. Remember, the monthly retainer would cover ongoing strategic counsel and ongoing issues management counsel anyway.

## **7. Go for a hourly, daily or weekly rate**

If the client really needs you, but doesn't know what they really want you to do. Suggest an hourly or daily rate – with a “let's see how it goes” approach. Again, be upfront with how many hours or days you anticipate the work will take. In this way, if you wrap the work up early or take longer than expected, you still get paid fairly. It also may lead to future work, or something more permanent.

## **8. Know your worth**

As gran used to say, stick to your knitting. Go for the work you know you are good at, price it at what it's worth and be confident. That worth will be reflected in the scope of work, your strengths will shine in delivery and clients will be happy to pay you for it.

At the end of all negotiations, clients want to work with like-minded people who can make a plan – especially in a solutions-driven industry like public relations. If you're difficult in negotiations, it won't get the relationship off to a great start. Be nimble, be transparent, be collaborative and be open to options.

## **ABOUT JOANNE BOTHA**

I am a leading reputation strategist with over 15 years' of experience. I have worked with iconic brands from around the world to develop reputation strategies that support business goals.

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