

QUESTIONS TO ASK WHEN NEGOTIATING

By Harry E. Hough, Ph.D., CPP

Questions are one of the most useful tools while negotiating. Questions both give and get information. The type of questions you ask may indicate your interest or your concerns. Here are some samples you may use when you negotiate.

Do you have enough capacity to handle our business if we need 50% more next year?

Is your company flexible on payment terms?

Could you lower your price if we purchase the raw material for you? (This assumes that you have already been told what they allegedly pay for their raw material)

You say you cannot make the delivery date we require, but could you make it if we pay you overtime for working on the weekends?

You say your product is the best in the market place, yet you give a shorter warranty period than your competition. Why is that?

What ideas have you come up with to reduce cost during the last three years of doing business with you?

You say you need a 15% increase in price because inflation has eaten away your profit and you have not had an increase in three years. Doesn't that mean you were making an exorbitant profit all this time?

Are you aware of how much competition you have?

Which companies are your major competitors?

How much have you invested in research to solve our problem? Isn't our business worth it to you?

You say you have idle capacity and promise quick delivery, but won't you put us on the back burner when the economy improves and your high volume regular customers begin ordering again?

You require a large cash advance for this job even though we have top notch credit, does that mean you are financially shaky?

How is your business doing? Are you busy? How is business compared to last year? What is your forecast for next year?

Do you sell to any of our competitors?

Are you most efficient with high volume orders or smaller orders?

Do you prefer standard items or items produced to the customer's specifications?

How many customers do you have?

Are there any customers that account for the major portion of your business?

What salary do you pay your secretaries?

Do you have trouble keeping engineers?

Every few months a different salesperson calls on us. What is the problem in your company?

We notice in the financial news that your company made record profits last year. What can you do to reduce the cost of the products you sell us?

How much do you pay for material in your product?

What can you do for us if we give you an annual agreement or increase our volume by 50%?