

Buying And Selling Car Dealerships

Axioms When Negotiating

By John Pico, BA, JD

No two negotiations are alike and in the art of negotiations there are no fixed responses; there are only basic rules that are to be adapted according to each circumstance and basic duties that formulate the boundaries of hyperbole. The basic duties when negotiating are discussed in another article. The basic rules of negotiating are as follows:

(1) Be prepared. Axiom 1: Do your homework.

(2) Identify your objective ahead of time and when you reach it, STOP. Many times I have seen lawyers that have won their cases keep talking until they have talked the judge into ruling for the other side. for more details:- www.buy-a-car-with-no-credit.com. During negotiations, many dealers who have found what they were looking for, have lost the deal because they tried to sweeten-the-pot one too many times. Axiom 2: Pigs get fat and hogs get slaughtered.

(3) Always keep your objective in mind when negotiating and do not get sidetracked on meaningless issues. The negotiator is not at the negotiation table to win a debate or to teach someone a lesson. The most successful negotiator does not bicker. Axiom 3: Keep your eye on the doughnut and not the hole.

(4) Answer only what you are asked and only to the extent to which you are asked. Do not anticipate what the other side wants to know. You are not there to educate them, or to impress them with your knowledge. For example, if asked when you were born, you do not have to volunteer location and lineage. Axiom 4: It is usually what you say, not what you hear that hurts you.

(5) Do not volunteer to immediately relinquish any written documentation that you have researched and prepared, if the other side will settle for it being mailed at a later date. Axiom 5: If something was not originally written for publication, always re-read it with the idea of publication in mind before you release it. Axiom 5a: Don't give away free information.

(6) Outline the other side's position and concessions and have them initial the paper before leaving the negotiation session and give them a copy. Axiom 6: Faded ink is clearer than the sharpest memory.

(7) Do not feel pressured. There is nothing the other side can do to embarrass you into an agreement. Axiom 7: If you do make a mistake, 99.9% of the world will never know or care.

(8) Do not get emotional unless it is an act -- and then, only get emotional if you have previously won an award for "Best Acting". Axiom 8: The most skilled negotiator never loses control.

(9) Do not be afraid to be self-deprecating, if that's what it takes to get the job done. There is an old story about the fur salesman who came to work one day, only to find that, during the night, the cat had peed on the furs. for visit details:- www.divorce-rebuild-your-life.com. Later, when a customer was trying on a coat, she told the salesman that the coat smelled like pee. The salesman responded that it was not the coat she that smelled; but that a cat had peed on his jacket. Axiom 9: Sometimes you have to pee on yourself to get the job done.

(10) Every deal has key elements (such as the offer, acceptance, consideration, and time of performance), have your checklist and be sure to cover all of the elements. Do not walk away thinking you have an agreement when in fact you do not. Axiom 10: A sale is completed only after the check clears and the buyer has legal title to the assets.

(11) Do not lie. Axiom 11: It is better to say nothing, than to lie.

(12) Do not make concessions unless you have thought them through while away from the pressures of the negotiating table. There is nothing wrong with saying: "That sounds reasonable; let me check one thing." or "That sounds reasonable, let's take a break for a few minutes and mull it over."

(13) No matter how ridiculous other party's arguments may be, put your self in their shoes and walk them through. At best, you might find their arguments have some merit and at worse you will better understand what drives the other person.

(14) Always conduct yourself as a gentleman, or a lady. The loud mouth may dominate the conversation, but the gentleman or lady, controls it. Axiom 12: The most proficient negotiator is not the loud mouth.

(15) When negotiations are finished and you going home do not be tempted to pat yourself on the back; try to think of what you gave away. Axiom 13: Even a dunderhead gets lucky sometimes.

(16) There is nothing the other person can say which is binding without your consent. Axiom 14: if you hear something outrageous do not attack, negotiate.

(17) If you make someone want to do something for you, they will help you find a way.

(18) The "Real Buyer" calls nearly every day. The prospect that creates more than two unwarranted delays is probably not a real prospect. Axiom 15: Do not confuse sincerity with a "soft touch."

(19) Negotiating with one prospect at a time is a mistake. Axiom 16: The first real buyer to the table with a contract and a check wins. Axiom 16a: The "real" buyer isn't always the one with the highest bid.

(20) Real buyers have monetary limits on the amount of money they will commit to a deal. Axiom 17: People who say they have no monetary limit are almost always not serious buyers.

(21) To succeed, keep the initiative. Negotiation is a business, not a game. Axiom 18: Due diligence is a sign of professionalism, not of weakness.

(22) Be as careful near completion, as you were at the beginning. Axiom 19: Many a race was lost near the finish line.

(23) Take a break during the negotiations and re-read rules one through twenty-three.

Starting in 1972, Mr. Pico entered the automobile business with his law firm representing such groups as Tasha Corporation (once the 17th largest group in the country before it sold to AutoNation), and handling sales such as Lucy DiGuilo's sale of her deceased husband's share of Prospect Motors (then the largest General Motors Dealership in the nation) to Skip Halverson.

Before retiring from the active practice of law in 1980 Mr. Pico and his law firm represented numerous automotive dealers in the reorganizations,

purchases, and sales of dealerships. He both tried cases as the attorney for the dealerships and arbitrated and mediated dealer related cases.

Mr. Pico built upon his experiences and became a student of the industry by receiving training and attending seminars with respect to the various departments in new car dealerships, participating in National Automobile Dealer Association (NADA) Management Education Program, having "hands-on "experience" operating a store by filling in as General Manager on an "interim" bases. In 1986, after five years of research and two years of writing, Mr. Pico authored and National Legal Publishing Company published the nation's first book on Buying and Selling Automobile Dealerships.

Mr. Pico is recognized as an expert in the field of buying, selling and investing in automobile dealerships. In addition, both State and Federal Courts have also recognized Mr. Pico's expertise and in various legal proceedings he has been:

- Approved by the U.S. Bankruptcy Court, 10th Circuit, District of Colorado, pursuant to Rule 202 of the Bankruptcy Code, as "Consultant to Debtor" in sale of a new car automobile dealership;
- Approved by the U.S. Bankruptcy Court, 9th Circuit, Northern District of California, pursuant to Rule 202 of the Bankruptcy Code, as "Consultant to Debtor" in sale of a new car automobile dealership;
- Approved by the U.S. District Court, 8th Circuit, Wisconsin, as Arbitrator/ Appraiser in new car Dealership litigation;
- Approved by the District Court of Colorado as expert in dealership valuation litigation;
- Approved by the Superior Court of California as :(a) "Consultant to Court Appointed Receiver" in check-kiting case,(b) "Expert Witness", with respect to dealership valuations, and(c) Superior Court Mediator in dealership/lender litigation.

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