

Sundry Debt Workshop

NEGOTIATION



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Aims of Negotiation

❖ 1 - Collect the bad debt

- Within the acceptable parameters of the Council;
- Without the debtor incurring further debts to the Council.

❖ 2 - Maintain the relationship

- Consistently treat the debtor with respect and customer service;
- Avoid making it personal;
- Rehabilitate the debtor to become a good customer.



Existing Skills!



Developing Negotiation Skills

Life Skills developed through relationships both professional and private:

Partner – wants to eat Chinese but you want Italian.

Okay then I'll drive.

Children – I want £20 and a Build a Bear!

No but you can have £5 if you tidy your room.

Work – You need to leave early but it's your late night.

You agree to swap with a colleague etc.



Wheelie Bins

- Liverpool City Council introduced Wheelie Bins;
- 50% of Council wanted Red;
- 50% of Council wanted Blue;
- Negotiations took place for a solution.
- Everyone is happy!



Preparation for Negotiations



Organise your thoughts before making the call;

Have all the **facts** at your fingertips;

Have a **PLAN** in mind for the call;

Set yourself **Personal Targets** for outcomes;

Make **regular calls** – practice makes perfect;

Segment Calls – Commercial Debts and Personal Debts.

7 P's Proper Planning and Preparation Prevents P*** Poor Performance



Negotiation Do's

Always ask for immediate PAYMENT IN FULL;

Only negotiate when you believe the debtor is unable to pay in full;

Always be prepared for negotiations;

Let the debtor think that they have succeeded in getting a good deal;

Obtain employment details and income/expenditure details from the debtor (these could be used in future negotiations).

Create a **WIN:WIN** situation.



Negotiation DO NOT'S

Reveal your **BATNA!**

Best **A**lternate **T**o a **N**egotiated **A**greement (Walkaway point).

Lose your cool (Think of the Swan);

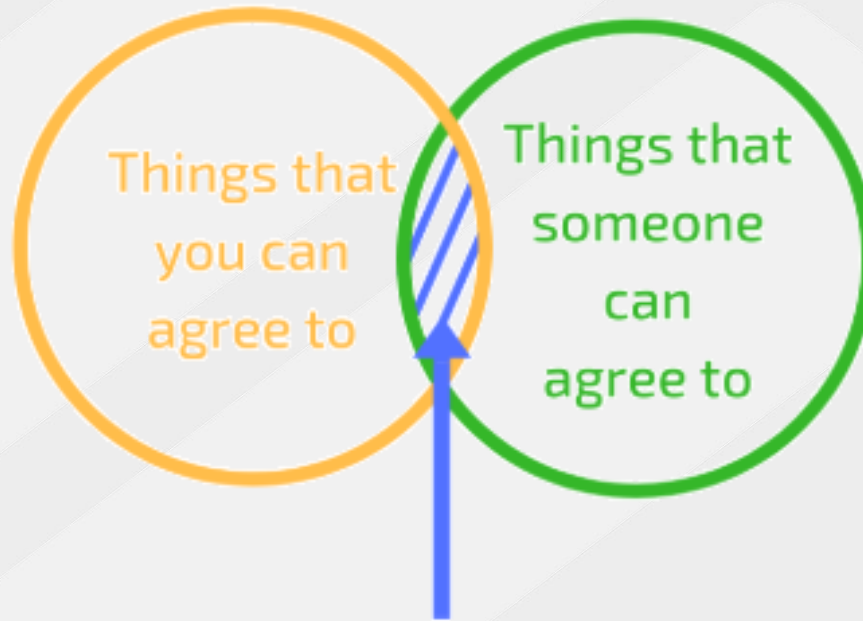
Waste time negotiating with the 'wrong' people.

Be intimidated by anyone including yourself;

Give in due to 'pressure' of needing to be somewhere else.



Zone Of Possible Agreement (ZOPA)



ZOPA - Zone Of Possible Agreement

Segment your Debt



Commercial Debts:

- Late Payment of Commercial Debts (Interest) Act 1998
- 8% plus the Bank of England Base Rate;
- Withdrawal of Service;
- Council do not provide interest free credit facility;

Bargaining Tools

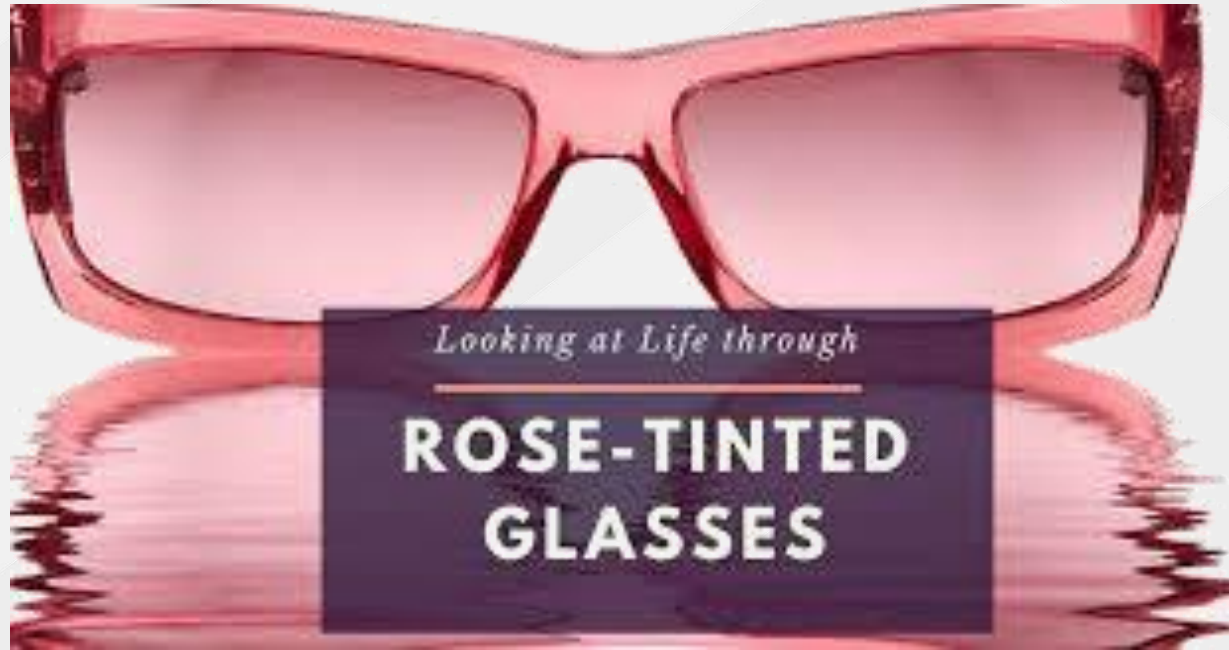
- Doing the Right thing;
- Avoidance of Court Costs;
- CCJ and Credit Rating;
- Withdrawal of Service;
- Not applying for an Attachment of Earnings Order;
- Further Enforcement Avoided;
- Charging Orders; Insolvency etc.



The Importance of Motivation

Performance = Motivation × Ability

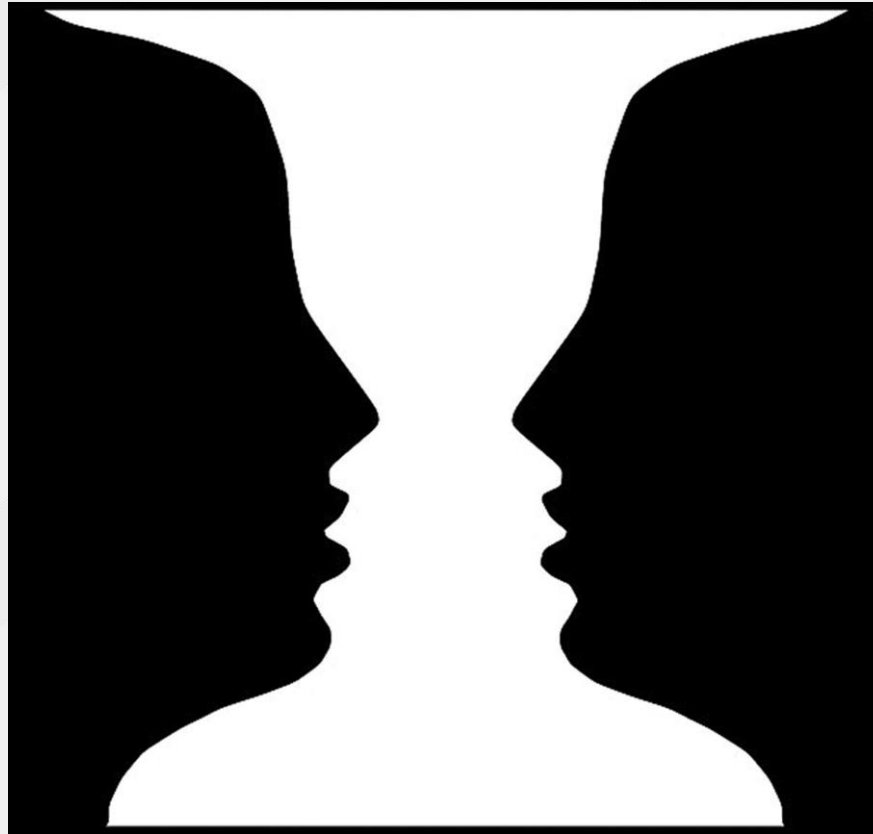
Ability to see the other view?



????



Seeing things Differently 1



Seeing things Differently 2



Seeing things Differently 3



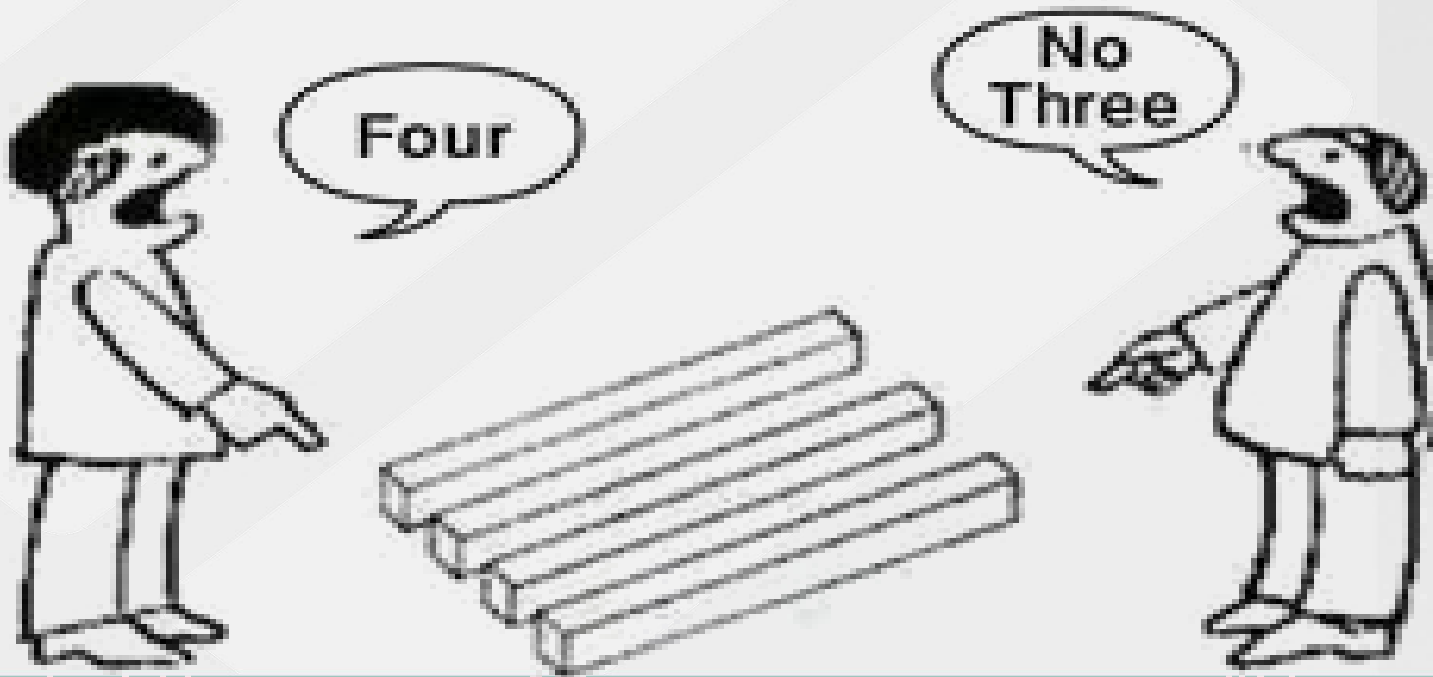
Seeing things Differently 4

Can you find the the mistake?

1 2 3 4 5 6 7 8 9 10

Seeing things Differently 5

It is really confusing!!!



Seeing things Differently 6



Seeing things Differently 6



Seeing things Differently 7



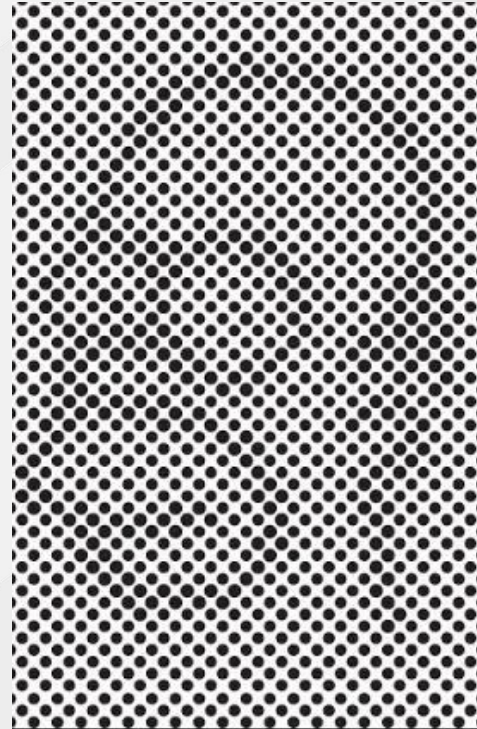
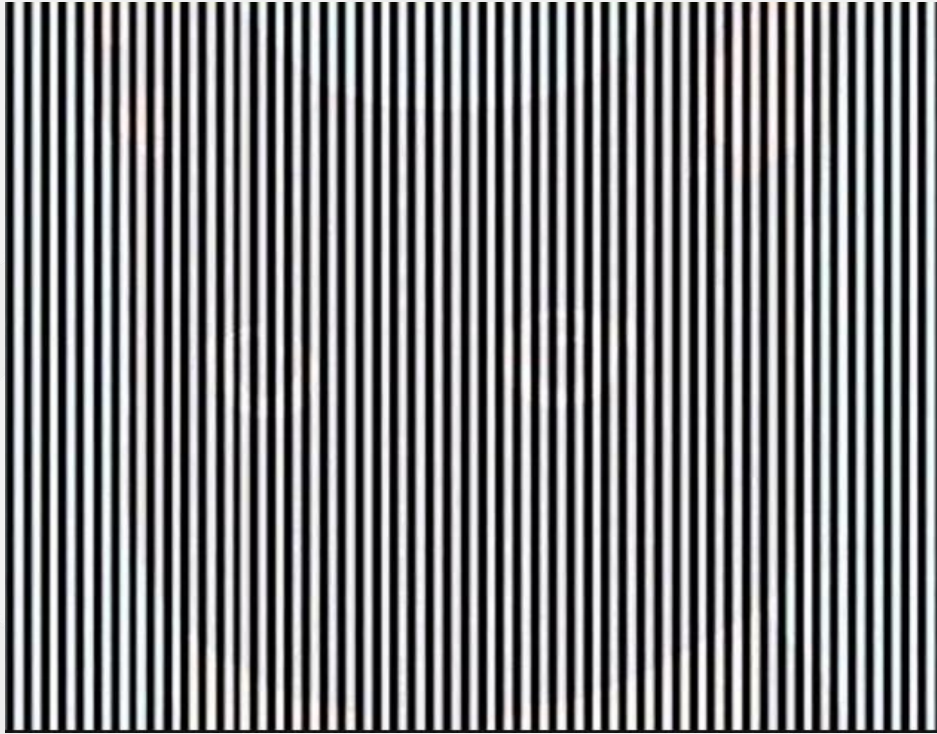
Seeing things Differently 8



Seeing things Differently 9



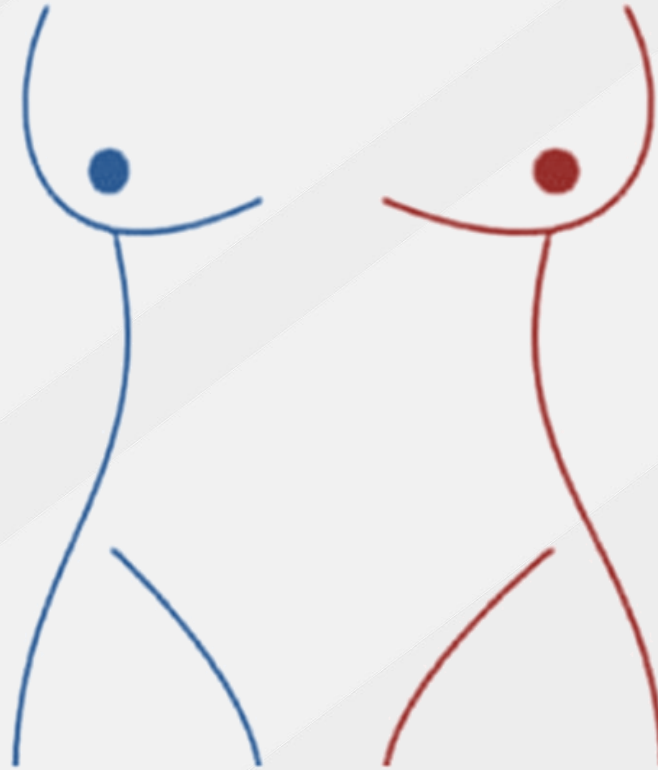
Seeing things Differently 10



Seeing things Differently 11



Seeing things Differently 12



Using Nudge



The Behavioural Insights Team



If you want to encourage a behaviour, make it:

Easy, Attractive, Social and Timely (EAST).

- ❖ **Easy** – let people select what you want them to choose;
- ❖ **Attractive** – colour, images, fonts;
- ❖ **Social** – social norms; peer pressure;
- ❖ **Timely** – when to contact them.



Starbucks 1



Starbucks 2



Starbucks 3



Closing the Deal

When you have what you want;

Clarify what has been agreed;

- ▶ Reflective Questioning techniques.

Seek confirmation – verbal acknowledgement;

Possible also request written acknowledgement.

Seek initial payment to demonstrate commitment;



Questions?



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