

The Art of Negotiating

By Steve Michaels



When people are contemplating selling their answering service, they may wonder if they should hire a broker. There are several advantages, such as being visible to a larger pool of buyers, making sure the paperwork is done properly, the escrow is handled – and maximizing the selling price. Even so, some TAS owners still opt to go it alone. If you do decide to sell your answering service yourself, here are a few tips from my thirty years of experience:

It is common for the buyer to initially flatter you with compliments about your business. Flattery tends to soften you so that you drop your guard and offer tidbits of information that will aid the buyer's negotiations, resulting in a lower price and less favorable terms for you. Sometimes the buyer may state that certain multiples are industry standards and tell you that your answering service is not worth what you are asking. Some buyers may also assure you

that because of their years of experience in purchasing businesses, all deals are done a particular way – that is, their way. Sellers with less negotiation experience can fall prey to their pitch and sell their TAS for less than it's worth. Having someone experienced in these matters makes all the difference, plus

it provides peace of mind, knowing that you are getting the best return from your many years of hard work.

Here's another buyer's tactic that has worked in the past. If you have hired a broker or an attorney to do your negotiating
(Continued on next page)

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for you, then let him or her do their job. I've seen buyers try to sidestep the broker, calling the owner directly to finalize a transaction. Remember, there can only be one negotiator. Any house divided is a house that will fall.

Here are some other ideas to keep in mind:

- Never fall in love with a deal – or the buyer. A deal is just a deal; there will always be other deals and other buyers.
- Listen carefully when engaged in serious negotiations. Don't be in a hurry; nobody ever got poor by listening.
- Use silence as a negotiating tool; silence is disconcerting. People tend to fill silences with chatter, often weakening their bargaining position.
- If you're in a hurry, you're in a position of weakness.
- Choose a rogue element that is to your

advantage, like a voicelogger or a new account about to sign up, bringing it into the negotiation at a late stage. You'll be amazed at how often this tactic produces positive results.

- Empty yourself and act like you do not care; it is only a business. You need to convince yourself that you do not care what the outcome of the negotiations will be. Cling to this illusion of emptiness while you negotiate. This attitude will help to strengthen your position, demonstrating to the buyer that you have something of value for sale and are not selling out of weakness or desperation.
- Set a price that you will not deviate from; this is where a skilled negotiator can help.

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- The buyer's job is to downplay your business and lower its worth. You need to keep talking about how well your answering service is doing, the value of the equipment, the growth of the company, and even the possible acquisition of a competitor should the deal not come to completion. This will show the buyer that you are not desperate to sell the business and that you have backup plans.
- Be willing to walk away when the price is not met. Remember that your answering service is not for every buyer; you just have to find the right one.
- Establish where the balance of weakness lies in any serious negotiation. Most strengths are self-evident, especially like cash position and existing infrastructure. Weaknesses are usually hidden; ferret them out and make a battle plan.
- Whenever you have the chance to sell an asset at the zenith of its value, do so. Things do not keep increasing in value forever.

In the final analysis, the answering service owner is the final arbiter. That remains true whether you are a good negotiator or a bad one, whether you have hired a broker or not. The final decision is

yours. Just remember that whatever you agree to during a negotiation, fulfill your commitment. Nobody wants to do business with a weasel or a chiseler.

Steve Michaels, a telephone answering service broker, can be contacted at 800-369-6126 or tas@tasmarketing.com for questions. His Web site is www.tasmarketing.com.

Negotiation Tips for Buyers

When in the buyer's seat, do your homework, and do it rigorously. What you don't know or haven't bothered to find out can greatly hurt you in a serious negotiation. Do a lien search on the business. Check out equipment service contracts and rental or lease agreements to see when they expire and if they are assumable. Even if you are contemplating purchasing the accounts only, you may want to pay a little extra and take the seller's equipment out of the picture – simply to keep the seller's staff from buying it and opening a competing service. Also, buyers should avoid auctions if at all possible. You could end up paying more than the answering service is worth. (Auctions are generally good for the seller.)

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Inc. 5000 Includes Answering Service Call Centers

Inc. magazine ranked Answer Center America, Inc. (Chicago, IL) #1,870 and Call Experts (Charleston, SC) #4088 on its third annual Inc. 5000, an exclusive ranking of the nation's fastest-growing private companies. The list is a comprehensive look at the most important segment of the economy: America's independent-minded entrepreneurs.

A Trio of Advancements from Amtelco

1) The real-time backup feature of Amtelco's Infinity software version 5.5 allows the entire Infinity database to be backed up across a TCP/IP network connection to a backup Infinity server. 2)

Version 5.51 includes several key scheduling enhancements, with the Infinity Intelligent Series (IS) directory becoming more of a focal point for the system. 3) Amtelco continues to enhance its call center Web interface with a client Web interface, Web reporting, and smartphone access.

Answer 1 Awarded Spirit of Enterprise Award

Answer 1 Communications was honored at the recent W.P. Carey Spirit of Enterprise Awards ceremony. About 250 businesses were nominated for the annual awards, which recognize entrepreneurial companies that excel in ethics, energy, and excellence. Answer 1 was one of five businesses honored. "Being a recipient of this award validates everything

that we have worked for and lets us know we are on the right track," said Mary Jones, president of Answer 1 Communications.

Startel Launches SMS Services

Startel Corporation launched a new SMS (think "texting" or "text messaging") aggregator service on October 16. Two versions of the service are available: one for the Startel CMC platform and the other for customers using other equipment. "Because Startel's SMS service is a pure software solution, the reliability is phenomenally high, and the total cost of ownership is greatly reduced," stated Bill Lane, CEO and president of Startel Corporation.

TAS Marketing Celebrates Thirty Years

From northwest Montana, TAS Marketing has supplied answering services with products and services for thirty years. President Steve Michaels has gone through the gauntlet of selling answering service products from the first DID (Direct Inward Dialing) system by Candela Electronics in 1979 to the more sophisticated Asterisk-based TASterix system today. TAS Marketing's primary business is selling TAS businesses, which to date has brokered over 370 transactions.

CAM-X News

At its recent convention, Paul Lloyd (Answer Plus, Toronto, ON) was inducted
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into the CAM-X Hall of Fame, and Doug Swift of Tigertel Communications Inc. was honored with the 2009 Tom Ryan Ethics, Integrity, and Quality Award. CAM-X also announced their 2009-2010 board of directors: president Gary Blair (Tele-Page), past president Mary Anne Straw (Tigertel), first VP, Tom Sheridan (Executive Services), and second VP, Brad French (Alliance Wireless Communications). Directors include Nicole Linde (Intercon Messaging Inc.), Denise Reynolds (T.A.S. Communications), and Tim Carwell (CommAlert). The vendor representative is Patty Anderson (Telescan); the executive director is Linda Osp.

OnviSource Announces OnviNet Portica Unified Communications Platform

OnviSource rolled out the OnviNet Portica unified communications platform, which automates and optimizes call center agent communications. Portica is a multimedia, integrated communications platform that optimizes messaging and automates call handling. It optimizes answering service messaging through integrated voicemail, email, two-way SMS, fax, and dispatch. It also automates call handling through auto-dialers, Intelligent Call Distributor (ICD), and Interactive Voice Response (IVR).

TAS Scheduler V1.0 Ships

TAS Scheduler has shipped version 1.0 to its first twelve preorders. The software, developed by BJ Fischer and Steve Lawrence, enable TAS supervisors to quickly create employee schedules using forecasting. TAS Scheduler can use data from any of the major answering service switch vendors.

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(Continued on next page)

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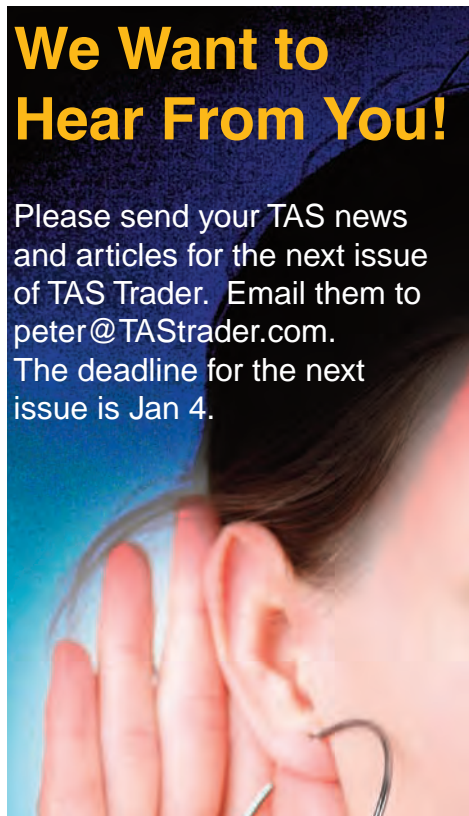
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We Want to Hear From You!

Please send your TAS news and articles for the next issue of TAS Trader. Email them to peter@TAStrader.com. The deadline for the next issue is Jan 4.



Garage Sale

TAS Trader is providing this "garage sale" listing section to help you find a home for old and obsolete, but still working equipment. This will also free up storage space and keep harmful electronics out of the landfill.

Tadiran PRI-231PX boards (fits newer IPX 500/800 wall/rack mount chassis). Two available at \$450.00 each. Call Charlie at 215-723-4316.

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February 2-4, 2010

OEO Partnership Annual Meeting
Gaylord Texan – Dallas TX
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February 28-March 3, 2010

TeamSNUG Annual Meeting
L'Auberge Hotel – Del Mar, CA
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March 14-17, 2010

PINetwork Annual Meeting
Scottsdale Cottonwood Resort- Scottsdale, AZ
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May 11-15, 2010

ATSI Annual Convention and Expo
Westin GasLamp Quarter, San Diego
For more information: 866-896-2874 or www.atso.org

June 12-17 2010

STA 8th Annual Conference at Sea
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October 3-6, 2010

CAM-X and WSTA Joint Convention
Hard Rock Hotel in Las Vegas, NV
For more information, visit www.cam.xa and www.wsta.biz.

September 22-24, 2010

TUNE Fall Annual Conference
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