

TOP TEN TIPS FOR FEE NEGOTIATION 2010

1. Make sure you understand exactly the details of use, including project title, end client and especially limiting factors such as time, size and print-run and the extent of different formats or media – ask your client questions until you are sure about the proposed usage. If exclusive rights are requested, confirm the extent of exclusivity, ensure you can grant these rights and make an appropriate surcharge.
2. Be prepared - work through the proposed usage carefully to calculate an accurate price before you commit to anything.
3. Be consistent in your approach to negotiation. Always document quotes and fee discussions carefully and confirm in writing to the client, detailing the rights granted, referring to your invoice/licence agreement and agreeing payment terms. Request a written confirmation or purchase order from the client if necessary.
4. Upsell – highlight the benefits of licensing wider usage whilst preparing the initial quote. Always check about electronic use if licensing for print media, and clarify the specific detail of digital use. Do not offer electronic rights for free and itemise the electronic fee separately. Bear in mind that digital in some media will increasingly replace print use.
5. Ensure that all staff quoting and negotiating are adequately trained and have access to appropriate pricing information. Confer with a more experienced colleague if necessary. Seek industry comparisons by pricing up similar usage on the websites of close competitors or industry leaders.
6. Follow up on all quotes to establish feedback from the client and to maintain dialogue through to a successful conclusion. Remember that the successful fee negotiation is one where both parties are happy with the outcome.
7. Be confident and don't let the client pressure you. Never quote "ball park figures" or give verbal quotes without researching your figures and checking the context of use and previous history. If the customer quotes a lower price from a competitor ask to see written confirmation of the quote, to ensure the rights are the same, before considering whether to offer a discount.
8. Talk about how the image brings value to the client - the quality of the image itself and the benefits the proposed usage will bring to the client. Make sure that you don't undervalue rare, unique or exclusive imagery.
9. Refer to terms and conditions and be clear about the rights you are granting – avoid risks over third party rights, state if third party clearance is needed, and beware accepting clients' terms and conditions. Check client purchase orders or permission request forms carefully to ensure that they don't conflict with your own terms, and reassert these if necessary.
10. Always leave room for negotiation and don't automatically discount. If you do offer a discount, you must be able to justify this and get something in return. Don't be afraid to ask what the client's budget is or what they usually pay. This may provide a context for working out your fee and may also forewarn you of potentially fruitless discussions.