

I think that in a negotiation of this sort, it's very important for both sides to understand what is at stake, and that means both companies have to consider both the long- and short-term implications for their businesses. For N-Vision it's clearly in their interests to build a long-term relationship and to generate repeat business, so they have to be prepared to make some concessions on price, without going too far, of course. The area in which they have the greatest flexibility to improve on their offer is training – and they might even consider providing this free of charge. So, if they were to negotiate on that basis, with a ten per cent discount on all items, that would mean that Watermark would only be paying almost €12,000 for a top-of-the-range solution. On the payment side, however, I think they should stand their ground because this is the first time they have done business with Watermark and they need that guarantee. For Watermark, one of the questions is to know if they have staff with adequate computer skills – if that's the case then they might be able to make some significant savings. Perhaps by arranging to buy their own server for less than what N-Vision is proposing. They would also need less in the way of training and they could certainly negotiate lower fees in that area, too. In my view, Watermark would be wrong to opt for a cheap solution – this site could be a critical part of their business in the future and that means they need quality and, of course, quality doesn't come cheap. So my advice to them would be not to go for the shared server option. Otherwise, well obviously, they should negotiate for whatever they can get in terms of discounts, but I don't think they can reasonably expect to reach a deal without paying at least one-third upfront.