



Negotiating

INTRODUCTION

Some believe negotiating is negative, unethical and gets in the way of technical people doing their job. Most of the technical people I've worked with do not enjoy negotiating. Many view negotiating as a part of their job that they want to avoid. If a negotiation occurs they are going to lose. Since this is the case, they try to avoid the process.

Others view negotiation as a necessary and positive part of business and relationship building. To those parties, negotiating is part of the communication process. It is part of the process of assuring that a fair price is obtained for the services or products received. During the negotiation, valuable information is learned about each other. This results in each party better understanding the others' position, personality, philosophy, approach to business, the benefits of the service/product, greater appreciation for each other's views and needs and other direct and indirect benefits too numerous to list.

In the U.S. there is, at times, a perspective that negotiating is challenging the value of the service/product; and this is wrong. This is much different than other parts of the world. In many parts of the world almost everything is negotiated. When I was in Italy, I witnessed an American trying to pay the asking price of an article and obtaining change that reduced the price. Others were paying one-half the asking price. Negotiating occurs in grocery, clothing, hardware, crafts and virtually all stores and places in other parts of the world. It is accepted and understood.

With competition increasing and clients asking more questions about scope of work, fee schedules, labor rates, subcontractor mark-ups, other charges, overhead rates, changes and other costs, negotiating skills are more important than ever. Many clients are taught the skills of negotiating. They know that if they do not ask, they will not receive. They are finding that when they do ask, they often receive. They receive from you, from me and from others they ask.

I believe the only long-term winning approach to negotiation is a win-win approach that builds relationships with your clients, suppliers, employees, shareholders and others. Other ways of negotiating can be successful in the short-term, but not the long term. If I win and the other party loses, they will be unhappy and will determine some way to win in the future, or sever the relationship. Either way, the end result is that I lose in another future situation or visa versa. In win-win negotiating, you can be fair and reasonable and still protect yourself from those who may try to take advantage of your fairness. In the end, this type of negotiating will protect you, enable relationships to further develop and result in more repeat and profitable work.

The following should enable you to further prepare for your negotiations:

WIN / WIN NEGOTIATING

- Don't narrow to one issue
- Be open-minded
- Don't personalize
- Try to downplay power and control
 - Unless others are using this
- Relationship is more important than the conflict
- Try to avoid setting deadlines
 - They can but not you
- Determine what they want
 - What do they really want!
- State what you want - step in gaining position
- Consider the big picture
- Rank desires in order of importance
- Recognize what obstacles exist in getting what you want
- Identify what you have, what they want, and what stands in the way
 - Keep differentiating yourself
- Trade what you have for what the other person has

PROFILE OF A GOOD NEGOTIATOR

- Prepared
- Patient and persistent
- Quiet confidence
- Experienced
- Flexible
- Uses common sense
- Understands human behavior
- Controls emotions
- Positive attitude
- Effective communicator / persuader
- Listener
- Tactful
- Thinks well under pressure
- Honest / trustworthy
- Respects and cares about others
- Committed to excellence

SURVIVAL RULES FOR NEGOTIATING

- Listen
- Understand and acknowledge the other person's point of view
- Use questions more than statements
- Especially avoid "you" statements
- Understand other's personality, style, et. al.
- Listen
- Take notes
- Use silence - it is a symbol of strength
- Establish thresholds
- Have numerous options / alternatives
- Be prepared to give up something
 - Don't give up something unless asked
 - Specifically let the other party know this is a concession
 - Try to get something in return for the concession
- Listen
- Ask - you will never receive if you don't ask
- Never say "yes" to the first offer - the seller needs to believe they made a good deal!
- Make low offers
- Always ask for more than you expect to get
- Never argue
- Listen
- Smart is dumb and dumb is smart
- Have the capability to "walk away"
 - If you cannot do this, you should not be negotiating!
- Avoid setting time deadlines - the person under the greatest time pressure usually loses. Don't let other party know you have a deadline
- When you are ready to say "yes", practice saying "no"
- Watch for sudden changes in body language
- Listen
- Don't leave the hardest issue to last
- When coming to an impasse - discuss, go onto other points and come back
- Don't lose control of your emotions
- Don't make assumptions
- **BELIEVE YOUR SERVICE IS WORTH MORE THAN YOU ARE ASKING**
- **BELIEVE THAT IF THE CLIENT GOES ANYWHERE ELSE - IT IS A MISTAKE**