

On Negotiations

Negotiating is truly a topic for everyone. Everybody does it and most of us do it on a regular basis. Be it as a kid to get the special toy we always wanted, as an adult to decide on the next holiday destination or as a spouse when it comes to dine out options.



Some of these negotiations happen unconscious or unplanned which often leads to failure. As a professional negotiator it is hence crucial to invest some time in the art of negotiation.

So here is a refresher on key rules for negotiating:

- 1. Know when to negotiate:** Negotiating may not always be the best of all options. If you cannot compromise on a particular topic it is better to state this clearly from the start. Otherwise you end up losing face, reputation and/ or leverage for future rounds of negotiations. Your behavior has to be stringent.
- 2. Know what you want:** Negotiations should always have a clear target. Take the current Iran negotiations. The target set was clear: On the one side Iran has the target of ending the embargo, on the other side world powers want to stop any military nuclear developments in Iran. The deal is likely to materialize as both sides have by and large achieved their target even though both sides face internal opposition to the negotiated result.
- 3. Set limits:** Define clearly the optimal outcome and the least preferable, but still acceptable outcome. These boundaries are necessary to ensure that you don't walk away from a good deal and that you don't accept an unacceptable deal once the heat is on.
- 4. Know the other side:** If you are in a classical sales discussion it helps to understand the buyer – seller relation and their guiding principles. A professional buyer will:
 - Know the market
 - Never accept the first offer
 - Set initial requests that are higher than the desired outcome
 - Never make the first concession.

A professional seller will:

- Maintain a negotiation span
- Prepare different offers/ options
- Set (time) limits for an offer
- Be prepared to give in (esp. for new customers).

If you know and understand these principles it will facilitate the negotiation and lead to a process where a common ground can be established and where both sides can reach a desirable outcome.

- 5. Give options:** A skillful negotiator will always guide rather than enforce a decision by the other side. This can be done best by providing options that somewhat look like a decision between a rock and a hard place ... and a cushion. In this way a decision for the latter by the negotiating partner will look attractive and reasonable. Even if they were actually looking for a blanket.
- 6. Dare to ask:** Many people simply shy away from requesting what they desire. Chances are high that they might just get that either because the other side is attributing less value to the request or because the other side is eyeing other topics under negotiation. Besides, nothing is lost if the request isn't fulfilled. On the contrary, being turned down makes it more likely to be heard on another topic of discussion.

A final word of advice for negotiating. Whenever possible start with cooperative behavior. This should set the stage and usually triggers reciprocal behavior from the other side. If the other side does not cooperate than continue on a tit-for-tat basis. Remember: It takes two to tango.

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