The Art of Basic Negotiation

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Negotiation:
Communication aimed at reaching an agreement

I'D SAY THE NEGOTIATIONS WENT MUCH BETTER THAN EXPECTED

BEDTIME WAS PUSHED BACK 10 MINUTES
Why do people love negotiations?

• It’s all about the deal!
  ✓ The feeling of “winning”
  ✓ Joy from earning extra value
  ✓ The euphoria of purchasing something
  ✓ The risk and the reward
  ✓ To get someone to do something they are not willing to do on their own
    ✓ Students
    ✓ Children
Why do people hate negotiations?

• Are you dealing with a conman?
  ✓ Fear of giving up additional value or being “ripped off”
  ✓ People can be perceived as rude and conniving
  ✓ Concerned they may not close the deal
  ✓ Afraid to disrespect the other party
Step 1: Have a Plan

- Identify what type of negotiation you are in
  - Dispute
  - Deal

- Before you enter into the negotiation, think about
  - What would you deem a fair result
  - What/how much are you willing to give up
  - Are there other assets that can be used as leverage
  - What is your walk away point
Step 1: Have a Plan

- Identify your “must haves” and “nonnegotiable” items
  - What is the minimum/maximum that you are willing to give up
  - What is your timeline for reaching an agreement
- Examine the negotiation from the other parties side
  - Review their situation and try to determine their minimum and maximum
  - What would they feel is a “good deal”
  - Do they have a timeline that is important to them
Step 1: Have a Plan
Step 2: Discussion

- Begin to exchange positions and issues
- ASK QUESTIONS!
  - This is where you will be able to identify if a deal is able to be accomplished and if you will be able to achieve greater value
- Listen carefully to what they have to say
Step 3: Propose a Solution

Specify what you want

Cover the details

Be prepared to bargain

If needed, explain your reasoning

Be confident

Have a fallback position available
Step 4: Modify, Modify, Modify

- Don’t concede without counter offering…..unless they caved and gave you what you wanted!
- Seek a compromise. What will it take to achieve a win/win
- Explain your reasoning on your position
  - The other party is more likely to be willing to concede value if they are aware of your reasoning
  - If the situation is right, make it personal
Step 5: Close or Walk Away

• Negotiations are never guaranteed. Be prepared for the fact that the agreement may never come to fruition.
• Sometimes your best tool is to simply walk away. Negotiations can take days, months or years….use that to your advantage.
• Have a plan for when they say yes
• Review the process
  ✓ What could you have done better?
  ✓ Was there a way you could have gained more value?
Tips for Negotiating

• Once someone says yes, stop negotiating!
• Kill them with kindness
  • People anticipate that negotiations are going to be a battle or that people are going to turn nasty. If you surprise them with respect and kindness, you will earn their trust and make them more willing to negotiate.
• Find common ground
  • An agreement is more likely to happen if all parties feel like it is a win/win.

• Do your homework
  • Skilled negotiators are trained to identify if someone is prepared or not. Being prepared takes away some of their power.
• Use other assets when negotiating
  • Example: In a job offer negotiation, if you can’t get them to budge on salary try to talk them into additional vacation days.
• Don’t take it personal
  • Many negotiators view their negotiations as a necessary business transaction. They don’t take it personal and you shouldn’t either.