

The Art of Basic Negotiation

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Negotiation:

Communication aimed at reaching an agreement



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*

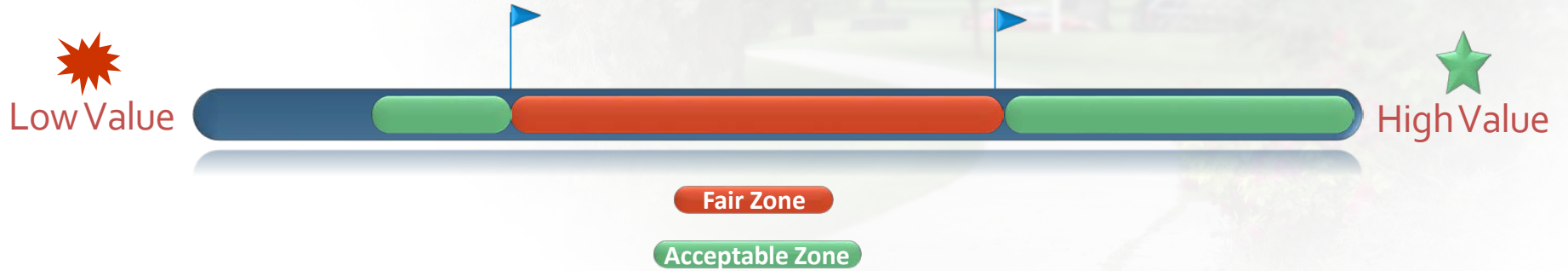
Step 1: Have a Plan

- 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***

***If needed, explain
your reasoning***

***Cover the
details***

Be confident

***Be prepared
to bargain***

***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.