If you are involved with sales, how do you feel when you hear phrases such as, “Can you do anything about your price?” or, “You’ll have to do better than that” and variations on these? Does a cloud or two cross the sun? You start to think, “Here we go again….” – yet, have you prepared for this situation?

As a purchaser, do you push suppliers on price alone? Okay, it is a fair tactic when so many sellers will give in, but does it lead to long-term gain? What other ways could you get a better deal for your organisation? Maybe extended credit terms or volume rebates?

Whichever side you are on, what difference could 2% make to your company? Just to get another 2% on a selling price or 2% less on your purchases? How much extra profit will this produce?

Developing your ability to negotiate more firmly and flexibly is not a contradiction in terms; it can be the foundation for increasing business success and also improving relationships. The simple definition of negotiation is, ‘To work or talk (with others) to achieve a transaction, settlement, an agreement’ (from Latin negotiari – do business with).

Typically, there are four options for the outcome of a negotiation and the desired one is the ‘win-win’ unless you are just going for a one-off deal and you may want to opt for the ‘I win–you lose’ choice, although that is not really necessary!

We can all improve ourselves as negotiators by following a few simple steps and treating situations as more than just a bargaining joust. It will also help your cause if you consider situations as something to be resolved and not as a battle to be won! As with many things in life, the key to success is in the planning and preparation and this will impact on your confidence and behaviour with the other party. The more prepared you are, the greater the chance of achieving the deal you want.

One of the first things to consider in your planning stage is ‘the balance of power’. Imagine a set of scales and list the pressures or drivers each side faces.

I wonder what you find? Many similarities? When you recognise that both sides might be facing similar pressures you can take heart! Another way to use this is to assess what drivers the other party is facing and what you can do to reduce the ones on your side to increase the ‘leverage’ you have.

To help you with planning and handling negotiations you may find it useful to work through the ‘AIMING HIGH’ process:

AIMING HIGH

Assess: Consider situation, balance of power, leverage. What is going to be needed for a win-win outcome? What is the previous experience with this contact? How much do you need the deal and how much do they need it? What might be the barriers? What have you got to offer that is unique?

Interests: What are your needs, wants and desires? What are theirs? Think about their interests – put yourself in their shoes – what do they need – what are their drivers (business and personal)?

Make time: Planning and preparation is key, so create time for it. Do not be rushed, do not negotiate under (or ‘un’) prepared. Also, make time for the actual meetings (time pressure can be a problem in a negotiation) the party feeling under most pressure will often make the biggest moves.

Innovate: Remember, it is not just ‘their’ problem, if a genuine negotiation is to take place it is a joint one! Think about, then rethink ‘the pie’ and how it can be shaped and cut. Look at different ways of approaching the situation.

Needs: What are their key needs, wants and objectives? What are yours? Check back that your ideas can satisfy these for both parties.
Generate options: Put your package together, consider all the tradable items, both those you want and those you can give. The more options the better. Whether the buyer or the seller, think about the package in terms of more than price.

Human factors: Even at your most objective and professional, the negotiation is still usually between two (or more) people. Your interpersonal skills count for a great deal. How well you can assess the others, what they want and are doing; your skills in gaining rapport and getting them to talk, good listening and questioning. Also, handling tough situations and managing the dynamics of the meetings is key.

Integrity: Do not get caught up in game playing. Good negotiations will normally be taking place in the context of (or at the start of) an ongoing business relationship and partnership. It does not matter what others may do, operate with integrity and be true to yourself and your values. You will get more good quality deals in the long run.

Get before you give: Trade well and ask for what you want BEFORE you give!

Happy endings! Aim for win-win and if you cannot get that, leave the door open for another time!

If you follow this process you will be well equipped to negotiate effectively and more confident and successful if you make time to work at developing the package you are offering. Think about the variables you can build into the package that you can use to ‘trade’ with. The key to this is to choose things that are of low cost to you, but valuable to the other party – and vice versa. As part of this, plan your ‘best deal’ ie the ideal solution for you and also the lowest position you will take. It is important that you are clear about this – and know when to walk away! Think about what you will be willing to give, and more importantly, what you want to get in return!

The actual approach to the meeting can be improved if you follow the principles of ‘Triangle Talk’ from Karl Anderson’s book, ‘Getting What You Want’. Be clear about what you want and what they want, then keep your proposal tuned towards what they can accept.

When you are through the ‘proposing’ stage and in what many think is the actual negotiation or bargaining stage, it is important to remember a simple phrase which is all about ‘get’ then ‘give’. Look at this wording: “If you……….then I will……….“. Think about the impact of the opposite order, “If I……..then will you……….?” What will an experienced negotiator do in response to that?

To help yourself with negotiations, practice! Look for opportunities in low-key situations and test out ways of getting a deal. Before going to meet that important client or major supplier, as part of your preparation make some time to go over your plan, your package and the options and then how the other party might act. Practice using the ‘get-give’ trading phrase – and anticipate potential problems. You will be pleasantly surprised by the results you get.

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