

The SECRETS of EMPOWERING NEGOTIATION REVEALED

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By Cheryl Conner

I write about communications, business and the ways the two intersect

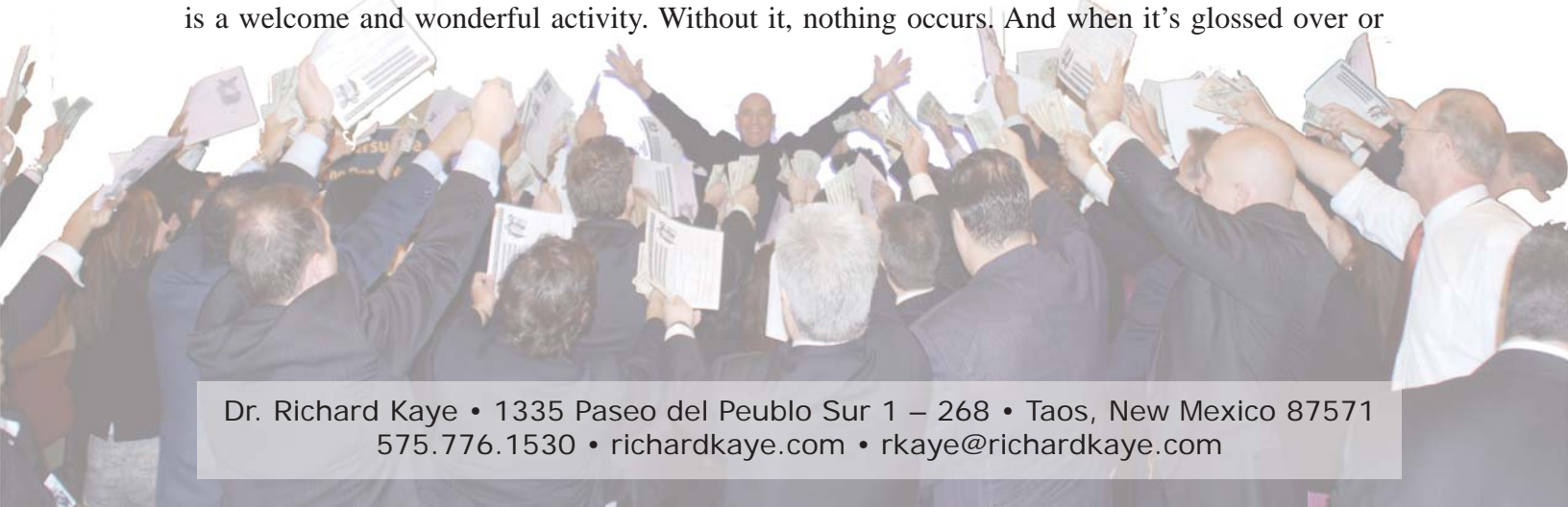
7 Magic Words (And 10 Negotiation Ideas) For Entrepreneurs

Of all the skills we teach prospective entrepreneurs, there's an element missing. Where in our MBA or business preparedness programs do we talk about the skills of negotiation? Um... with the exception of sales training, which is highly focused on negotiation, perhaps the answer is never.

My friend Dr. Richard Kaye raised this point to me recently as we discussed our strategies for business at a recent Pro Speaker Biz event in Las Vegas, led by the head of Performance 360 Events and Performance Magazine, Dr. Jeff Magee. (I've interviewed Magee before here.) Dr. Kaye, Magee and I are fellow faculty members of the CEO Space business growth conferences (as a note, these roles are unpaid). In his business life, Kaye is a retired chiropractor who teaches and presents on how to build better rapport, better communication (here's to that!) and better negotiation skills.

To that end, I am dedicating today's column to negotiation—the set of skills that is at the core of every sale, work assignment, investment and monetary transaction, and at the center of our personal and family existence as well. In that respect, negotiation is everything – yet in our preparation for life and business other than in sales training we rarely give it a thought. Many entrepreneurs even dread negotiation due to the underlying premise that it is adversarial—the battle for dominion between opposite sides.

For starters, I would propose we end the adversarial thinking right now. The very act of conducting business is a series of partnerships and a discovering of synergies that are suitable to all sides. This is a welcome and wonderful activity. Without it, nothing occurs. And when it's glossed over or



Dr. Richard Kaye • 1335 Paseo del Pueblo Sur 1 – 268 • Taos, New Mexico 87571
575.776.1530 • richardkaye.com • rkaye@richardkaye.com

done poorly... well, suffice it to say that this is where adversarial outcomes begin.

If we all negotiate all of the time, how can we do it better? Here are some top strategies, gleaned from my interview with Kaye and additional sources:

1. Know your objective. Ross Kimbarovsky, the co-founder of crowdSPRING, a Chicago-based digital agency that provides a virtual marketplace for freelance design and branding creatives, suggests that you take the time you need to be very sure of the bottom line objectives you need in order for a deal to go through. Have in mind a Plan B that would be your next best alternative if Plan A were not to go through. Without this preparatory thinking you may spend weeks in fruitless negotiation or could end up finding yourself tied to an unfavorable deal. For example, in negotiating the initial hosting agreement for crowdSPRING, he knew immediately when his discussions with Vendor A were unfruitful and within minutes was on the phone with Vendor B, who he had scoped in advance and who was able to make the concessions he needed.
2. Prepare. When it comes to an important sale or a job you really want to win (or to hire for), learn all you can about the other participant(s) in advance. You'll gain helpful information about what matters most to the other person (and to their company). Think about the long term ramifications of an agreement as well (particularly important in investment decisions—there is far more to consider than the black and white ROI).
3. Learn to really listen. How many times in a dialogue do you and the other person in the conversation come away with diametrically opposite recollections of what was actually said? Far too often. We focus too heavily on our strategy, our needs, our fears and the next thing we intend to express to be genuinely hearing what the other person says with their words, and even more importantly what they express nonverbally. Be patient, and do your utmost to let the other party speak freely and to not interrupt.
4. Learn the 7 magic words. “What I might be willing to consider is...” This is my very favorite bit of wisdom from Kaye. In actuality, you have agreed to nothing. In fact you and the listener may be at opposite poles when you make this statement, but by uttering these words you've elevated the conversation to a space that allows for a meaningful dialogue to occur and you've laid the foundation for give and take. Emotionally, these words move you closer to the same side of the table where together you can identify if there is a partnership or a deal to be had.
5. Never make the first offer. Another variation of this rule that you may hear is “He (or she) who speaks first, loses.” Kaye teaches more on this principle in materials from his website (some paid, some free) at www.richardkaye.com. But in short, it's important to recognize that stating the first offer puts you at an immediate disadvantage. Your first offer (or price) may be so far out of the realm of the listener you may actually insult them. Allow the other party to speak first and you will learn invaluable information about their starting point and their frame of reference that will allow you to frame the conversation from there.
6. Never be intimidated. Kimbarovsky raises this point, which I love. A larger organization assumes a smaller team can be intimidated. They will tell you they have form agreements their

legal teams will not allow them to alter. In many if not most of these cases, this is not true. In my own earlier days I was far too willing to agree to prices and terms (out of fear of meeting my own team's payroll) that weren't advantageous to our company. Likewise, I allowed pushy employees to go too far with unreasonable demands. These days I do neither. It's not a question of being a bully, but remembering your own bottom line and being able to utter the words without fear or hesitation, "That won't work for me," and then articulate why, and what you'd need to proceed. Perhaps there is a workable alternative. With one major client, their ability to pay electronically on the 30th day of the month, no fail, made their other terms more workable and we stayed. Conversely, another organization we know was bullied into carrying more than \$1 million in vendor charges for one of their largest clients, a major national bank. It was a rich contract, but ultimately, the one-sided arrangement contributed to causing their business to fail. No matter who the participant is, if your terms aren't possible, walk away.

7. Pay attention to perception. Get to know the people you're negotiating with well enough that you are able to read their emotional reactions (which will also be helpful in managing and controlling the reactions of your own). Chances are, you have become skilled in reading the reactions of your own team members, Kimbarovsky and Kaye have both noted, but you will need to be equally attentive to the reactions and perceptions of the other parties you don't yet know well.
8. Be authentic. Kimbarovsky notes that some people walk into a discussion with a set of "fake" needs they've trumped up that they can pretend to bargain away over the course of discussion, making it appear they've made major concessions when in fact they've conceded nothing at all. While this tactic can sometimes succeed, be very wary of disingenuous acts. Far better is a collaborative discussion that seeks to understand the interests and needs of both sides with accuracy.
9. Create multiple potential solutions. A mistake many negotiators make is limiting the potential outcomes to too few alternatives (although the opposite problem would be presenting so many possible alternatives that it bogs down the recipient with too many choices to make). But for the most part, negotiators tend to limit the options they provide too early, which closes off the opportunity for meaningful brainstorming and positive outcomes to occur.
10. Confirm the points of agreement and disagreement clearly. After each discussion, send a follow up message that articulates the positions of each party clearly. It can lead to a faster conclusion and can save valuable time that would otherwise be spent re-hashing the positions that you have already cleared. It helps the other party know that you are listening carefully and understanding them fully. It will also help you to prepare more beneficially for the next meeting or conversation you'll have.

There are many more aspects to productive negotiation, of course, but if you haven't considered the topic lately, these 10 points can serve as your start. Readers who would like to reach Dr. Richard Kaye as a speaker and presenter can find more information at rkaye@richardkaye.com or www.richardkaye.com.

Hire Dr. Kaye for your business, organization, or next training,
email rkaye@richardkaye.com, or simply call 575.776.1530.