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“Real Life Negotiating”

by Arnold Butler

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About the Author

Arnold Butler started as a salesman and believes the success he enjoyed was based in part on his ability to negotiate on his own behalf and as part of the sales team.

He said, "I enjoyed negotiating with clients and suppliers as part of my job and also on my own behalf when we needed a new car or any other major purchase."

"I hope my book will be a help for people that want to be better negotiators but don't have the time or maybe the budget to learn through professional coaching clinics.

"I want to help readers get a head start with real life negotiating."

"I've given you some of the best tips and advice which I've learned and tested in the workplace."

"I've kept it simple and straight-forward without using any technical or academic terms."

"That's the way we should negotiate unless we are working in an area where technical terms are commonly used."

"I hope the ebook will cut the learning curve for you if you are new to deal-making or help you improve your results if you have been doing deals for a while."

"I believe that you will also find these tips helpful outside of your work."

"Everybody negotiates every day with their family, people in shops or other businesses and elsewhere. My book may help you in these situations too."

Introduction



A negotiation is any discussion between two or more people which involves an agreement for action that affects all parties.

That could be about the sale of a product by one business to another, leasing new premises, buying a new scooter for your young son or getting

that son to do his share of the household chores.

Whether you make deals as part of your job or just with your family and local business people, you are negotiating almost every day of your life in some area.

You may already do well with most of your negotiations and believe that you are naturally a good negotiator.

But, some of the tips and strategies in my ebook might improve the results you are getting now.

If you find some types of negotiation stressful or believe that you have not been getting the results you would like for any other reason, I will share techniques which will improve your results in the future.

Basic Rules of Negotiating

Every experienced negotiator builds up their own list of negotiating rules, based on what has worked for them when making deals. The tactics and tips in my book have worked for me and people I've worked with or learned from.

I hope you'll find the explanations about why I use particular methods in certain types of situations valuable. But, everyone is different and each reader will need to make some adjustments to fit their own personal values and situation.

Let's get started.

Useful Skills for Negotiators

This section contains some suggestions about skills which you will need to get the best results you can with your negotiations and tips about how to improve in any of these areas where you lack experience.

Overcoming Nerves.

You may be nervous about any negotiating that you have to do as part of your job or in other situations.

This may be because you have not got the results you want from previous deals.

Just remember that no-one gets everything they desire with every one of their deals.

If you have a negotiation which does not work as well as you expected, don't dwell on the negative outcome so that it weighs you down.

Don't attach your feeling of self-worth to the outcome of your next negotiation. Almost nobody wins every deal they do.

Regret is a bitter, negative force which can, over time, affect your health as well as your wallet. Study any lessons that you learned from the occasion and use them to help you prepare better for your next deal.

Then, put some time into better preparation before your next negotiation so that you are better able to handle the offers and demands from the other side.

You may just not be comfortable making offers and asserting yourself.

Or, you may think that every negotiation involves someone winning and the other party losing.

But, most negotiations involve each party getting what they regard as a good outcome. Otherwise they would not finalize their agreement.

Some people negotiate as if they are at war with the other party. But, you can usually get better results by focusing on producing the best result for yourself while ensuring that the other party gets a deal which they are happy

with as well.

Do you feel that we should just put out our best offer and then the other party can accept or reject it?

That attitude will probably cause you to pay more for whatever you buy because most people and businesses build a cushion into the prices they offer, even with many "specials".

Also, you are entitled to the best deal you can arrange. If you are used to paying the list price for everything (less any advertised discounts), you might be surprised how many businesses will agree to your request for a discount or some kind of bonus with your significant purchases when you negotiate instead of just accepting what they offer everyone.

If the other party is not happy with their end of the agreement, they will not agree to it.

But, few would mind that you asked.

The same applies when you offer something for sale. If the first prospect quickly accepts the first price you tell them, you will probably wonder if you sold the item too cheaply. That can take some of the shine off your successful sale. But, all you can do is go on to the next deal.

Most people expect to negotiate for most items and services which they buy. If you make an offer lower than their stated price, you will usually get a polite refusal to negotiate. Or, sometimes, a counter offer somewhere in-between the two prices.

Presentation Skills

Knowing how to present yourself and your ideas is a very valuable skill, especially with regard to negotiating. But, it also builds your self-confidence and social skills.

A simple way to help improve your skills is to look for a course on Public Speaking or similar topics at local Adult Education organizations.

You might also consider joining an organization such as Toastmasters

International or other groups which provide their Members with professional standard training in public speaking in a supportive and friendly atmosphere. If your time or funds are very limited, you could also arrange to practice with some friends and work colleagues during breaks, or in your own time. You could be surprised at the improvements you will obtain in a fairly short time. These activities will help you to explain your offers and other points more clearly and also to improve your listening and other interpersonal skills.

Listening



In any sort of negotiation, you should try to focus on what the other person is saying and also what their attitude and gestures may indicate. This can be difficult because we are often surrounded by distractions while we are talking with our colleagues and clients.

We can all become better listeners and you will be surprised how little effort it really takes.

Just by reducing the time you speak and increasing the amount of listening you do can help. You cannot learn as much while you are talking as you can when you are listening.

One of the great benefits that good listeners enjoy is that almost everyone tends to like them and even trust them.

And you will think that your memory is also improving when you take the few steps needed to better listening!

The reason for this is that most people really have very good memories. But they don't focus enough on what they are told or the person who is telling them, so they cannot recall much of what they were told.

Instead of recognizing their lack of attention as the cause of this problem, they trot out the standard excuse that they have a very poor memory. That is not going to impress anyone. When you keep repeating that line, your

subconscious takes notice and you will find your recall actually becoming worse unless you take positive steps toward better listening.

If we pay proper attention to what we are told at the time, we will remember it and recall it much better, even months later.

When somebody has said something that you believe is particularly important, it's a good idea to start your next comment with the point that he made but slightly rephrased in your own words.

If the other person says something that you are not sure about, ask them for clarification right away. That way, you show that what they said was important to you and you want to avoid any possibility of misunderstanding what was said.

That's going to please the other person every time.

We don't have to stand still like a rock with a fixed grin on our face while the other person is talking. We can encourage the speaker with visual signals that show our active interest in what they are saying, such as nodding, smiling or leaning slightly toward them.

It's also important that we don't assume we know what somebody is going to say, because we may end up with a false impression of what they mean.

Some people start thinking about the next thing which they are going to say as soon as they finish their previous comment, so they don't absorb what they are being told. This is often obvious and disappointing to the other people.

Starting to speak as soon as the other person stops talking can also give the impression that you are less than interested in what they say and only focused on getting all your points made.

Just waiting a few seconds before replying is likely to give a much better impression.

Ask Questions

I believe that asking more questions will make most people better

negotiators.

Asking questions will usually get you more information but it can also help you to connect more strongly with the other person.

When we ask people for information or their opinion, we are subtly complimenting them and giving them a chance to show that they have some expertise in the subject.

That makes them feel good and perhaps even a little better about dealing with you.

Showing interest in their views will almost always encourage them to listen more carefully to ours.

Questions should always be asked in a straight-forward way even if you think that the other person's last statement is suspect. Give them the benefit of the doubt until you have enough information to be sure about their motives.

They may simply be repeating what someone else told them and have no personal intent to try to deceive you.

Some of the most knowledgeable deal-makers I know keep the depth of knowledge they have about a topic to themselves and let the other people display theirs.

They say it can be a good idea to ask a question where you already know the most likely answer. This can tell you about the reliability of the other information that person is giving.

Make a Connection with the other Person

When you start to negotiate, it can help if you try to find some common ground which may bring you and the other person closer together.

You don't have to arrange to have dinner with them, but getting to know a little about each other and finding areas of mutual interest helps you to start talking with each other on a level where a mutually satisfactory agreement is easier to get to.

Humor

Keep your sense of humor with you at all times.

Use humor sparingly and only where it is relevant and not likely to offend.

If you're going to tell a joke, make sure that you prepare for that as well as you can.

Professional comedians prepare their off-the-cuff jokes as thoroughly as their set routines. They also spend almost as much time polishing those quick remarks so they sound new every time they use them.

You don't need to spend a lot of time on it but you want to know the joke well enough that you don't forget the punchline (point of the joke).

If someone else tells a joke, always be a good audience for them even if you already know the joke. Give them the response they want and they may do the same for you.

It's not a good idea to jump in with another joke just because you thought of a similar or possibly better one. Let them have the warm afterglow from their joke and get on with the business.

Don't use any joke that might offend even one person in a group.

Giving offence to even one person will also lower their friends' opinion of you and your business as well.

Body Language



Body Language is a system for interpreting to the various gestures and movements which we display without conscious effort of intent.

A simple example is when someone reacts to what you say by leaning toward you. This is fairly obviously a sign of heightened interest.

If you have not already done so, I suggest that you read up about what

people's body language may reveal to you.

But, remember that body language is just a number of indicators which may help us evaluate other people's words more accurately than if we just rely on the words they use.

It is not a true science and there can be a significant possibility of error.

It can only give you clues. The accuracy of your interpretation depends on your experience as well as your knowledge of the particular people and the situation.

If someone folds their arms across their chest while you are talking to them, they may be losing interest in what you say, silently rejecting your view point or just be feeling a little cold.

Some people are very adept at interpreting body language because they have practiced and refined their use of it over a considerable time.

It will be unlikely to get similar results after just a couple of tries. To get the most consistent results, you need to keep practicing and reviewing your results.

My own study of body language has given me positive results and I believe it will be worthwhile for you to put some time into it. Just don't make it the only system you use to evaluate the spoken and silent messages which you get when dealing with people.

Gamblers, palm readers and most politicians use it very effectively to get information from the people around them and also to present themselves in the best light.

Yes, body language can be faked. Actors do it all the time.

But, it is much harder to do this effectively than it might seem. Anyone doing this needs strong motivation and plenty of practice to be convincing.

Otherwise, you and the other people they are talking to may not be sure that they are trying to mislead, but you will probably be able to sense that there is something that's not right in the way they present themselves.

The Effect of Cultural Background and Upbringing

One important factor which trips up some people when they try to "read" other people's body language is the effect of cultural differences which can be strong influences on a person's body language.

People from some areas will avoid direct eye contact because they feel it is not polite.

People from other regions may feel that a direct gaze usually indicates sincerity and avoiding someone's eyes is a sign of disinterest or worse.

Some cultures view touching other people they have just met as acceptable while others do it less often or even avoid it as much as possible.

The personal space which is needed for different people to feel comfortable can vary widely. In some societies, people will make conversation at a distance of a couple of feet from the other person while people from other areas won't begin any dialogue unless they are much closer.

Even people within the same area can have quite different views about the personal space they need during discussions.

You also need to be aware that the way that common gestures are interpreted also has significant variations in different countries.

Even a common gesture like moving your head from side to side has opposing meanings in different parts of the world.

Some gestures which may be generally accepted, or at least tolerated, in your country may cause irritation or even offence to people from different parts of our World.

Three examples are the "thumbs up", "V for Victory" and "Okay" hand gestures.

When you are negotiating, keep gestures and sounds to a minimum.

When in doubt, try to avoid them altogether.

Checking Your Own Body's Signals.

It's a good idea to check the impression which other people might get from

your body language and other unconscious indicators.

You may have developed habits and mannerisms which detract from the effect of your message.

The best way is to have someone record you on a video so that you can see yourself in a way that is much closer to how you appear to other people than, say, a still photograph.

If you find some movements or speech patterns that you want to modify, don't try to fix everything at once.

Just tackle one thing at a time and keep at it.

It could take weeks to make even a very small change. The previous habit has probably been in place for years and won't go away overnight.

Because we've been talking and smiling through our lives, we all think we're pretty good at it.



Does your smile look natural and sincere or have you, over time, developed one which looks forced?

Do you keep your eyes on the other person's face when you are talking to them or do your eyes wander over their body or away from them and around the room?

Empathy

Empathy is the ability to connect with, or at least understand, the motivations of other

people.

It's the ability to think like you are walking in the other person's shoes.

If we always just view everything from our own perspective, we make it much harder to achieve mutual satisfaction with even the simplest negotiation.

It's quite easy to develop more empathy by just thinking about the other

person's goals.

Patience

My uncle Archie was an enthusiastic amateur fisherman and he used to take me on some of his trips.

I learned from his example that you caught more fish if you were patient and learned all you could about the habits, likes and dislikes of the fish.

I've never matched his skill with the rod but the patience he instilled in me has helped with many deals.

I've seen people end up with less than they expected because their eagerness to push their point of view made them interrupt the other person.

This caused offence to the other person or has prevented them getting all the necessary information which the other person was trying to provide to them.

It might have been to their advantage to keep listening and let the other person say everything that they wanted to before opening their mouth again.

Persistence

Any negotiator that lacks persistence will not make many good deals.

It helps you to keep going through to the conclusion of the deal.

But, it can give the impression that we are totally focused on just getting a good result for ourselves.

So, we may win one deal but reduce the chances of building a profitable long-term relationship if we don't also demonstrate that we are also interested in providing an outcome that will be good for all concerned.

Using Pauses and Silence

The pause is a very powerful tool for public speakers and also for negotiators. Many people rush through what they have to say, but they don't realize that this can make it harder for their listeners to fully understand exactly what they mean.

Make your points without pressure or haste and pause from time to time so

that you can gauge the effect of your comments on the people who are listening to you and they can more thoroughly absorb what you say.

Pause for about ten seconds after you say something to the other person. You may feel like adding some extra comment if the other people don't respond immediately, but experienced salespeople know that it's better to give them time to consider and respond when they are ready.

This can be particularly important if you have just made an offer to the other party. Let the silence lengthen rather than add some other comment or adjustment to your offer.

There is probably nothing you can add until they respond which would not have some chance of detracting from the offer you just made.

If you keep talking, they may think that you don't expect them to treat that offer seriously but are just using it as a gambit.

Saying "No".

This can be one of the hardest things to do.

When you are the seller, you start to feel that you should stop trying to get this customer to accept this deal but you feel obligated to continue with your campaign because of the time and effort you have already invested in that potential customer.

When you are the buyer, you have been partly convinced by the salesperson's talk, but still have real doubts about the deal being the right one for you.

When the reason you continue is more emotional than rational, you should decide if it is time for you to just say, "Thanks, but I think we need to consider other possibilities."

The time you have invested is gone. Putting more time and effort into a negotiation which your experience is telling you is probably less than ideal is just wasting more of that valuable commodity.

If your prospective customer asks for concessions or extras which you are

fairly sure are not available, your best move is to say so, and then follow up with the right information when you have confirmation about them.

If you tell them that the requests might be met and you will get back to them, you will get a great response if you get approval for their demands.

But, if you cannot get that approval, they will be disappointed because they probably took your "possibly" as just short of a guarantee and built up their own expectations.

That disappointment can lead them to think that you gave them false hope and make it less likely that they will be comfortable about completing any deal with you.

Guard Your Reputation



Your reputation as a negotiator is linked to your personal reputation.

If you are less straight-forward and responsive in your business dealings than

you are in your personal activities, both reputations are likely to suffer.

Sometimes, how someone is perceived may be negatively affected by something in their personal style even though their ethics are of the highest order.

They may appear to some people as overly aggressive or too focused on winning every detail of each deal or slow to pick up the check for the business lunch.

Always Treat the other People Well.

You may disagree with their position and their offer, but it will not help with the current negotiation or future dealings if you do not treat them with respect at all times.

You will usually receive a similar level of respect as you offer to the other party because most people want to have on-going business or personal relationships.

Telling Stories can Backfire.

Some people like to let other people know about their successful negotiations, both personal and professional. But, it's much better to keep the important details to themselves.

If they are really good, other people will spread the word of their successes and their skills.

That is much more effective than if they do it themselves, because that is often seen as boastful and can cause resentment.

It is common practice in many companies for people from some departments to gather at a bar after the last day of their working week and tell each other stories about the successes they had.

Sometimes, someone will boast about their successful deal to the people that were not involved with it. There's also the possibility that the details they share may be overheard by other people in the area.

This can cause problems because:

- The information may be fed back to the other company that was involved. They will probably not like to know their business dealings were not kept private.
- The other people in their own group may also be less comfortable themselves about sharing confidential information with the speaker in the future.

Tactics

In this Chapter, I'll explain to you some of the most common tactics which may be used on you in some of your negotiations.

You might already use some of these yourself or remember them being used by people that you have dealt with in the past.

Important: Don't Blame Anyone

Sometimes you will encounter tactics that you don't like.

It's a common reaction to respond very negatively to the person who uses the tactic.

That may seem justified but runs the risk of offending the person whose motivation may not be as bad as you think.

Some people use a tactic because they have had it used effectively on them or because that's what they were taught, or told, to do.

That doesn't mean they are bad people.

Know the Value of each Point to each Party

The value of your product or the offer you are making to the other person depends on the number of alternatives which they have and the relative desirability and cost of those alternatives compared to what you offer them.

The value for you and the value to the other person may vary greatly with regard to the whole deal and also for different points of negotiation in it.

When you find some point which has greater value to the other side than it has for you, you may want to use that as a low-cost bargaining chip.

The seller needs to learn what benefits of their product are most important to the buyer and promote them well.

The buyer needs to have, or appear to have, strong alternative options for their purchase and to be focused on the benefits and relative cost of each option.

It's Not Just about the Price

People may focus on the price if they're a seller or the discount if they're the prospective buyer, but good negotiators consider all aspects of the deal as they go through the negotiation process.

That may include:

- Payment terms
- Delivery charges
- Length of Warranty
- Trade-in
- Accessories
- Support
- Training

..... and any other relevant points.

Give the Buyer Reassurance

This is one of the most important factors in the careers of many successful salespeople, especially when they are selling to fairly inexperienced buyers on high-ticket items.

They follow up personally.

It's common for people to have second thoughts within a couple of days, or even hours, of signing for a large purchase.

Many salespeople follow up on all their clients a couple of days after the sale with a business card or an email.

The top people often contact their clients by phone, handwritten postcard or letter. Just think, how many real letters do you get these days?

It makes a great impression and is a great contrast to what your competition probably does.

Keep a Record of the Negotiation



This can be critical. You need to have a record of each point that is negotiated, concessions given and variations in price.

This will help you to ensure that you each get everything which has been agreed and that nothing can be added which was not agreed.

Dealing with Aggression

When you have to deal with people that have an aggressive approach, just remain focused on the deal.

An attack on your offer is not really an attack on you.

Don't let their attitude affect your responses because this could make you less effective in the negotiation.

Their approach may be forceful because:

- They are inexperienced and believe that this is the way to approach any deal. The problem with a hard-headed approach is that most people are put off by it and will prefer to do future deals with other people if they can.
- They have had success when they've used a forceful manner before. Some people keep pushing everyone they deal with right through their career.
- They are completely focused on getting maximum value from the current negotiation for themselves. This deal may be their means to set themselves up for retirement or to achieve a long-cherished dream like a trip or relocation to a new area.



It can be harder to get concessions when the other party are focused on this deal and have no concern about whether or not they are likely to do future business with you.

You need to Know their real Motivation

If the other side stated some specific targets in their opening remarks, don't be too quick to think that these are what they see as the most important points in the negotiation.

These may be just side-issues to their actual main objectives.

Finding the parts of the deal which are really of most interest to them usually requires a little patience and careful probing.

Some of them may not be of particular importance to your team and you may trade them away too cheaply if you don't find out their value to the other side.

This tactic may come up later in the negotiation too.

Someone will focus will talk about a particular point as if it is of great importance to them. While you discuss that issue, they may bring in another point which seems minor but is really one which is really important to them.

If they can keep you from realizing the value they see in that point, they may reduce the price you ask from them to get it.

Try to ensure that you know all the points which the other side considers important. It could be worthwhile to ask them directly if all the points they want included in the deal are now on the table?

If they say, "Yes", then you can all focus on dealing with those matters. It reduces the chance of more additional points being brought up and hopefully increase your progress to a satisfactory deal for both sides.

Splitting the Difference

Sometimes, the other person in a negotiation may suggest that you agree to splitting the difference between your most recent offers.

That may seem a simple way to shorten the discussion and get a result.

But, it does not always give both sides a fair outcome.

Give yourself a couple of minutes for careful thought to decide whether you are getting a good deal and covering all your costs before you reply to their

suggestion.

A seller must be sure that the amount which the split will cut from their price does not make the deal unprofitable.

A buyer must decide if the increase above their latest offer is more than they really want to pay for the item.

If the other person suggests the split to you but you don't want to accept, remember that suggesting a different price is not the only option; you could suggest some other non-cash incentive on top of your last offer as an alternative to the split.

If this is suggested to you and you feel it's the best option for you at that stage, remember to wait a few seconds or you will give the other person the impression that you probably could have been persuaded to give a better deal. That can cause them to feel that they did not get as good a deal as you did.

I suggest that you avoid offering to split the difference with the other party unless you are very sure of your numbers.

When someone make an offer like this to you and you feel inclined to accept, you might want to suggest that your margin is tight but you would agree if they split the new difference between the price after the first split and your previous offer.

Many people will agree with this counter-offer because the new price will be only a relatively small increase and they are already imagining the successful conclusion to the deal.

The advantage is all yours though, because that little extra in the price you get or your discount is getting you nearer to your previous price point without any real trade-off going to the other person.

Don't Give without Getting.

You should avoid making a concession or adding to your offer without the other party adjusting their position as well in some way.

A particular point might seem a little importance to you but it could be something which the other party puts great value on. So, you should offer it as a trade rather than a gift.

This may sound a bit aggressive but it lets you emphasize the value (in their eyes) of the point you are making a concession about.

Focus on Benefits and Features above Price

If you are the only supplier of a unique and valuable product, you can quote any price that you feel the market will pay.

For the rest of us, making the price we charge the focus of our offer is rarely the best strategy. If there are other suppliers of equivalent products, some of them will be prepared to supply cheaper than anyone else.

But, they're likely to see their turnover drop and then lose their price-focused customers when another competitor starts undercutting them.

At some point, they will find they can't go lower without seriously affecting their business and they will have difficulty moving their price upward sufficiently because their customers are focused on the price.

When you show your potential buyers the superior features and benefits of your particular product over the cheaper offerings elsewhere, you are getting them to focus on how much better you can fulfill their needs and the value you offer.

Options can Move You Closer

Sometimes, you may find the other person is indecisive and the negotiation seems to drag on without showing any progress.

If you cannot get them to make a decision, offer them two outcomes which are about equally favorable for you.

You will often get a decision for one of them. Otherwise, your demonstration of willingness to offer compromises may at least encourage the potential buyer to tell you what they feel is missing from your offer.

Paint Pictures

While our basic motivation is to satisfy our needs, many buying decisions are strongly influenced by how much we *want* the offer we are considering.

Giving the other person a word picture of the benefits they will feel if they accept your offer can be much better than just sticking to a dry, factual listing of the facts.

Good sales people learn as much as they can about the buyer's intended use for what they are selling in the early stages of the discussion and use that information to build persuasive images in their minds. Engaging their emotions in the decision can be very powerful.

Be sure to give them the facts that support the pictures and don't overstate the benefits.

When you are the buyer, try not to let the appeal to your emotions and aspirations affect the strength of your focus on your basic goals in the transaction.

This warning, by itself, can help you to be more aware when this tactic is used. There's nothing wrong with it as long as you are given the supporting information. If you notice that the sales person is not giving that to you but relying just on the emotional impact, be very wary.

It's a Standard Practice

Some negotiators will try to get some concession or extra fee by insisting that it is standard practice in the kind of deal that you are discussing.

If you don't agree, treat it as negotiable instead.

This is another area where your research prior to the negotiation can be a great help. You may find that some practices which you are not familiar with are common in certain places. Then, it may be best to accept the custom or try to deal elsewhere.

Subject to Outside Approval

This is where the person or group that you are dealing with says that they

cannot make a final decision without referring it to their boss, partner or committee.

This may be quite true, but it means that the other party in the negotiation has a distinct advantage over you because nothing can be finalized and you are investing time in a negotiation with no great likelihood of getting the result you want.

Maintain a good relationship with the person who has to report to the higher authority, but you need to be able to deal with the one that really has the authority.

If you need to keep the discussion going in the absence of the decision maker, you are at a great disadvantage.

Try to get the meeting deferred until you can put your points directly to that person or you will have to rely on the remaining people from the other side presenting your points for you. They are unlikely to be your best possible advocates.

Sometimes, when you are negotiating with a group, one of them may get a phone call or have to leave before the discussion concludes for some other reason. If this happens, you should politely ask if the people still present have the authority to make a binding decision.

If not, you have the same basic situation and should consider asking for the meeting to be re-scheduled when the people with authority to finalize the deal can be present.

The reason that people still use this technique is because it works. It gives the side that uses it an extra chance to modify the deal after it is all but agreed to.

If you use this tactic or really are restricted to getting information and cannot sign the deal without checking with someone else yourself, you might explain the situation to the other party right at the start.

Timing

Proper timing can benefit you in a wide range of negotiations, especially with

large personal purchases.

If you are buying a Christmas tree, you probably won't have much flexibility with regard to when you want to make a deal. But, if you are planning to buy a household appliance, a car or a cruise, choosing the right time to look for the best deal can help you a lot.

These products have seasons which affect the prices you will be offered and the potential for discounts or bonuses.



You can also time your purchase of a car, refrigerator or even a ring near the end of the month when the salesperson may be more open to a deal which will get their sales figures to where they might get a larger bonus or, at least, equal or better their colleagues' monthly figures.

At the start of the month, they may be less accommodating because they have plenty of time to make their target.

Starting your negotiation just before lunchtime or the end of the other person's working day can sometimes work in your favor.

There can be better deals available when a new model has just been released.

Some children and other family members are experts at this.

They will time their request for you to raise their allowance or buy a new appliance to a time when you are comfortable and not when you have just arrived home after a hard day's work.

"I Like it, but my Partner"

This is a variation of the tactic shown in many television police shows where two policemen play the friendly and not-so-nice cops to get information from a suspect.

With negotiations such as the purchase of a new refrigerator, the couple may have arranged for the wife to be very enthusiastic while the husband is very hard to convince. Many couples choose their roles according to their natural attitudes.

Just remember that they are a team and neither of them is really on your side.

Remain polite and professional but focus your major effort on the hard-to-convince partner because the other person will agree with them.

Sometimes, the "bad cop" is not present and the "good cop" has to go away to get their approval. That puts you, as the seller, at a great disadvantage as I explain in the previous section.

You might suggest that you talk with the distant person by speaker phone while the other one is with you and try to get their agreement. The other person is not likely to be the best way to get your main selling points across to their partner.

Little Extras

In some deals, you may think that everything of importance is being discussed, but the other person may add some extra items when you are almost ready to "bank their check".

For instance, if the negotiation is about buying a lounge suite, the extras might include stain protection, extra cushions or other relatively minor but desirable additions.

If you are the potential buyer, you might introduce one of these at a time when the basic deal seems almost settled and the salesperson feels they have the sale.

If you are the seller, you might accept one small addition but then realize that the buyer has more than one extra thing which they want to make part of the deal.

My response would be to ask for a complete list of everything which the buyer wants. Otherwise, the discussion could take a lot more time than

necessary.

Until you know all that the other party wants from the deal can you work out what you can offer and still keep smiling.

Last Minute Addition

Many buyers will have gone through the whole process with you and, just as you are ready to sign off the deal, they say something like, "That comes with a included, of course?"

You should check your paperwork that the concession they want to push through at the last minute was not discussed or, at least, not agreed to during the negotiation.

Then, if it will have any negative effect on the return you get, you should ask for something in return if they want the late add-on included.

This shows that you stick to your agreements but expect concessions to have mutual benefits.

Other Tactics

Some tactics are of doubtful value.

Asking a salesperson, "What's your real lowest price?" will never get them to reveal their actual bottom line, but it will encourage them to mark you as someone that is only interested in the lowest price rather than the best value.

Some people cultivate a convincing shudder which they use when a salesperson says their price or the prospective buyer makes a really low offer!

It's fairly common in some countries at bazaars and other venues which get most of their business from tourists – visitors that they expect to only have one chance to make a deal with and are not likely to meet again.

I guess it must work or they wouldn't use it.

But, it might be considered insulting by the seller or they might think the buyer has some sort of medical condition.

Another poor tactic, in my opinion, is when the buyer tells the salesperson about their problems, real or imagined, in the hope of a better deal. It's not reasonable to expect the salesperson to cut the store's profit or their commission because someone's canary died.

They may even have much larger problems than you, but maintain a professional attitude and keep their personal affairs out of their business dealings.

Maintaining a professional and pleasant attitude will help you to develop a good relationship with the other person and that can pay dividends by making future dealings with them easier. They can also be the source of word-of-mouth referrals which are probably the best kind of advertising.

Before the Negotiation Begins

In every negotiation of any size, you should prepare yourself thoroughly and review each part of your approach to it.

Proper Preparation is Essential

Careful preparation before you arrive to start the negotiation is important.

When you know:

- Your figures
- Your options
- Your desired outcomes and
- As much as possible about the other party

You can give your full attention to the transaction being discussed and your interaction with the other people from the moment you meet.

Obviously, you will not invest several hours in preparation for a small transaction but an appropriate level of research and planning will enhance your expectation of a favorable outcome for each deal that you negotiate.

You need to be sure about every part of your proposal:

A common error that most inexperienced negotiators make is failing to properly research the other side before the start of the negotiations.

It can help you significantly to know as much as you can about the background, desires and aims of the other party during each major negotiation.

Information about the individuals from the other organization can be useful. Most importantly, you need to know who has the authority to make the decision.

Get this information about the other side before you meet to try to make the deal:

- ? How important this deal is to them?
- ? Are they under pressure to get a result? If so, is that financial or time

pressure?

? Do they have other strong prospects for this deal apart from yourself?

You can be sure that they will gather material about your company and its objectives, resources and probable bottom line as well.

Information really is power.

Only after you have gathered the best information you can about the other party, can you try to work out the goals and tactics which they might use with you.

This helps when you start thinking about how you might answer their questions and deal with their offers and any possible areas of disagreement.

But, don't just think about these points; work out the most effective ways for you or members of the team to respond to them.

- Plan exactly how you will present your offer.
- What responses do you expect or hope for from the other side? Try to develop some answers to questions or criticisms which they may have.
- Are there any points which you hope the other party will not raise? Decide in advance what your best possible response could be and be ready to deal with it.
- Make a list of concessions or bonuses which you feel you can make without affecting your desired outcome from the deal.
- List all the things which you need to get for the deal to be successful so that you make sure they are all included in the final agreement.

What are Your Prime Objective and Fallback Options?

If you go into a negotiation with just one objective and no fallback options, you are automatically limiting yourself through the whole process.

If you are buying a car, you need to decide what models and what features might best suit your needs and your budget.

If you are seeking a loan, you should at least have details of the terms which you have checked are available from other providers. You must have all relevant information about your own finances, including your Credit Score and history to avoid delays in the negotiation.

Do You HAVE to Make This Deal?

The best option to have is the ability to say no (at least for now).

When you are not tied to getting a positive result at all costs, but can walk away completely or wait for another day or a better offer (maybe from another source), you really are in a powerful position.

If you have been directed to get a completed deal or you have to continue because the other party is the only likely prospect for what you are offering, you will start in a much weaker position.

Your Mindset.

Some of the most important qualities that good negotiators share are mental and physical ones.

Good health is important so that you can handle the stresses, long hours and travelling which may be involved.

But, you need to prepare your mind as well as your paperwork to make the best deal you can.

Some people feel uneasy about asking for a payment which is much higher than they are prepared to accept or making an offer which is well below what they would be prepared to pay. They feel it is close to cheating the other person.

But, profit is not a dirty word and you need to allow some room for it in your calculation. You also need some margin which you can let the other party whittle away at in return for whatever concessions they are prepared to offer you.

The value of an item is what someone is prepared to pay at that moment. That may vary greatly from:

- What you paid for it
- What it cost to make
- The value of its components
- The cost to replace it
- The benefit the buyer may get from it
- What someone might be prepared to pay for it a year later

Keep an Open Mind

Some negotiations are hindered from the start because the people on one or both sides have pre-judged the positions or aims of the other party based on stereotypes or rumor rather than facts.

This can make the whole experience uncomfortable and stressful for all concerned. That can also affect the possibility of satisfactory dealings

between the parties in the future.

This can be avoided if you ensure that you get relevant facts about the other party which can prevent misunderstandings when you start the actual negotiation.

Win-Win or Win-Lose

Do you believe that every deal requires that one side must always win and the other lose?

A better way to view each negotiation is as a means of improving the current situation parties to the final agreement.



of all

Give Them Options.

Each party is likely to put different values on various points of the agreement.

So, you may be able to give more to the other party on a point which is important to them but which is not as valuable to you.

But, remember that you should always secure some sort of benefit in return when you do this.

Leave Them Something.

Some people feel that less than 99% of the pie is too little for them. They want it all.

This attitude may work when what they offer is hard to source elsewhere or they are the only supplier which can meet the buyer's deadlines, but it will cause resentment which may rebound against them in future dealings.

It is wise as well as fair that you focus on building a reasonable outcome for both sides in any negotiation while ensuring you get the best you possibly can for yourself.

Your next negotiation with that person or group will probably be a walkover.

But, you are building a relationship and a reputation which can pay dividends and add to your bottom line later on.

Don't be Stuck on the Sticker Price

When you walk into a department store, do you accept the sticker price as if it was carved in stone? Yes – most people do.

What about the sticker on a car in a car dealer's yard? No, probably not.

My question is, "What's the difference?"

You are not doing anything illegal if you ask for a discount or some other consideration such as a bonus item or accessory when you are in a store rather than a car yard.

Of course, they don't have to agree to your request, but it probably won't be the first time you've ever heard someone say no.

The floor won't open up under you and it's not an indictable offence.

But, just asking will probably not get you any satisfaction.

Prepare to negotiate, not just plead.

Check what the same or similar items cost from all the suppliers in the immediate neighbourhood before you approach any sales person.

Make your comparisons fair. Don't try to compare the store's prices with those of discount retailers who sell off the Internet and don't have the cost of showrooms, floor staff or high rents.

Don't hesitate to ask for that discount or bonus but always do it in a pleasant manner.

To make your request for a discount or accessory as part of the deal more acceptable, try to link it with something which will have some genuine or implied benefit for the store or the salesperson.

You might offer to buy a larger quantity or pay cash instead of charging your credit card (which costs the store a service fee).

Don't Just Have One Obvious Target

Never betray yourself by letting the salesperson see or feel that you or your partner is already emotionally attached to a particular item which they are selling. This mistake is very common and can be costly.

Gather information on a few brands and models when you do your pre-negotiation research. Then, you can show interest in a few items and not just display intense interest in the one you are most attracted to.

You might ask if there are less expensive products which would still meet all your needs.

Sometimes, you can get a discount by buying the store's demonstration unit or floor model.

You might consider a renovated trade-in unit or an item with minor cosmetic defects (scratches and scuffs) for an appropriate discount.

Don't get upset if they still say no to your offer.

Don't Rush to Drop Your Price

Some people, through lack of experience or a low level of belief in the value of their offer, are ready to drop their price at any sign of resistance from the potential buyer.

If you are inclined to do that, remember that you are also dropping the return you get from your deal and the value you represent to your employer if you have one.

The price may not be the main factor in a buying decision unless everything about your offer and that from the buyer's alternative supplier are all equal.

But, the current economic climate has forced many businesses and individuals to focus more on price as a major factor in their buying decisions.

If you can't offer a lower price, you may be able to emphasize other aspects of the deal.

How does your price compare to similar products or services from your competitors?

If your price is substantially higher, do you offer a better product or other advantages which justify that? Make sure that you explain these clearly to the other party.

Instead of dropping your price, are there other things which you can offer which do not cost you but may appeal to the buyer?

Some factors which may make your offer more attractive could be:

- Durability
- Effectiveness
- After sales service
- Warranty
- Support

If you get the sale at a price which gives you a barely acceptable profit margin, that could be taken away if there is any problem when the buyer starts using the product.

You need to be sure that, if you drop your price, you will sell enough extra volume to repair the hole in your sales figures.

If the buyer insists that you lower your price, ask them if they will agree to buy a larger quantity to make the deal one which you can justify to your boss or your accountant.

Don't reject their request out of hand. Give them time to reply and always maintain a professional and friendly attitude.

If they are completely focused on getting the lowest possible price, you are not negotiating - you are bidding.

Price wars don't build ongoing business relationships. The buyer is likely to place their future orders with whoever can offer them the lowest price at that time.

Just getting the order is only part of the story. You need to get paid for the goods or services.

Until then, you don't make anything from the deal.

Bottom Line

The bottom line is usually the minimum result at which you can accept a deal.

It's important to keep this to yourself; it could be disastrous for your negotiating position if the other side found it out.

Keep this figure in mind through your discussion but focus more on the deal which you believe is the best you can get. Otherwise, you may be mentally preparing yourself to accept much less than you are capable of achieving.

Always try to have alternatives and not be focused on one outcome that you feel is the only one you would be happy with.

Research other suppliers beforehand so that you know what the product or service will cost you or the other party elsewhere.

Beginning the Negotiation

Don't give more information than you have to at the beginning of the discussion. Try to keep some information private that you might be able to use to your advantage later in the discussion.

You should try to have the other party list all of its aims and goals at the beginning of the discussion.

First Offers

Many people are unsure about whether they should make the first offer in a negotiation or wait for the other person to set a starting figure.

There's no hard and fast rule whether you should make the first offer but I usually prefer to let the other person set the starting point for the discussion.

I am prepared to wait because that first offer may also give me some extra and very useful details which I had not had any knowledge of until then.

These can help me to frame my responses during later parts of the negotiation.

It's very rare for anyone to begin any level of negotiation with their best offer. So, when you are buying, give that first offer due consideration but don't grab it too quickly unless you are sure that it gives you everything you want.

If their first offer has everything you want, it's usually a good idea to keep your reaction very low-key and wait a few seconds before agreeing.

Otherwise, they may work out that they have been a bit more generous than they really needed to be.

When I make my first offer as a seller I tend to give a fair but high price. This may end some people's interest in the deal but I've usually been able to show enough benefits by then to maintain the interest of any serious purchasers. This can give me more to play with as the potential buyer drags me back toward a common position and also the possibility of getting of a better than average price for my efforts.

Build a Relationship

If you are part of a group that is about to discuss a deal with another group, arrange a few minutes at the beginning of your discussion for everyone to be introduced and give details of their interest in the discussion.

Keep it informal where appropriate, but don't let it wander too far away from the business you came to discuss.

If you are dealing one on one with someone, try to establish some common ground with them before starting the actual negotiation.

Lawyers and Other Advisors.

In major negotiations, both parties will probably have professional advisors present during the discussions.

Where possible, make sure that you are supported to a level equal to the other person or group. But, don't let yourself or your team feel intimidated by anything about the other party or their advisors.

Some advisors are focused on helping the smooth the path through the discussion to an agreement while others may seem to be more interested in putting the deal into the slow lane.

Just keep focused on the goals you want to achieve.

The Final Step

Get it on Paper.

"A verbal contract is not worth the paper it's written on."

- Samuel Goldwyn

It's important for all the main points of your final agreement to be in writing. If something which is important to you isn't written down and acknowledged by all parties, you could have a very difficult time getting satisfaction about it later on.

This is easier if you, or someone on your team, has been making accurate notes through the process.

Get everyone's agreement before anyone signs anything.

Misunderstandings are bad enough but disputes about the details of important negotiations can have financial and legal complications.

Even if that does not occur, any rapport between the parties is likely to be damaged and future negotiations more difficult.

After the Deal has Concluded

Review the Process

Whether you feel that you got the best deal that you could have or not, you will not do any good by worrying about it.

But, you will find that a review of the whole process, including the tactics, offers, counter offers and outcomes as soon as possible after the deal has been closed will help you to learn from the experience.

If you were part of a team during the negotiation, a separate review of your own contributions and outcome apart from the review with the rest of the group can be very worthwhile.

Just find a private area and write everything down while you have it fresh in your mind. Don't edit too much (that can be done later if required).

Focus on writing down as many significant points as you can.

If you have a tape (or digital) recorder or suitable software on your computer, you could record your impressions of this event and suggestions for how you might improve in future negotiations.

If you were part of a team, ask that the team gets together so that they can dissect the event and discuss any part which any person feels is important.

This should be done in a co-operative manner, without blame or other negative emotions being expressed in front of the whole group, so that everyone is comfortable about being part of the review process.

There are No Limits

I hope that my ebook will help you to improve your negotiations in all areas of your life.

The pace of business is increasing more rapidly than ever but the most important factors in our success is how we deal with other people.

Good negotiating skills are valuable tools which can be used by anyone to improve their position and lifestyle.

I hope I see you at a negotiation some time in the future.

Even if I will be on the other side of the table, I wish you good luck and much success.

Arnold Butler

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