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By the

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Essential Negotiation Skills

(38) ★★★★★

Reaching an Agreement That Works for You

Why does negotiation matter? Quite simply, the world would be a much angrier and more dissatisfied place without it, and we'd achieve very little in life due to constant conflict and misunderstanding.

A good negotiator finds a mutually acceptable way forward, instead of being at loggerheads with people who hold different views or who are working toward different goals. He or she will skillfully close a deal, agree a new training plan, set a schedule, or fine-tune processes. Good negotiation leads to better working practices, and increased satisfaction in the workplace and in life in general.

In this article, we look at some of the different approaches to negotiation, how best to prepare yourself, and what other skills you can employ to maximize your success.

What Is Negotiation?

You have negotiated successfully when you navigate through, or prevent, conflict, achieve an acceptable solution to a mutual problem, and agree follow-up actions that both sides are willing to implement. Ideally, you will achieve your own goals as a result, but often you will have to compromise.

An important point to remember is that negotiation isn't limited to "big decisions." Whether you're discussing a potential **pay raise** ☺ for a team member, **saying "no"** ☺ to a task from a co-worker, or even choosing a Friday-night takeout with the family, you can use negotiation skills several times a day, for challenges large and small.

So, how can you prepare yourself for negotiation?

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Do Your Homework

Tailor your preparation to the scale of the negotiation you're entering into. For example, turning up with reams of paperwork to discuss a team member's request for a day off will likely cause amusement, dismay or resentment. Equally, having no hard data to hand at a crisis board meeting will almost certainly damage your reputation within your organization.

Use this list to help you to prepare:

- **Goals** – what are you trying to achieve during the negotiation? And what do you think the other person's goals are?
- **Trades** – what might you be able to give away or ask for? What can the other party offer you?
- **Alternatives** – if you really can't achieve your goals, what would be your best alternative to a negotiated agreement (BATNA)? Your position will be more secure if you have a number of options, so it's worth putting a lot of time into this.
- **Relationships** – how have negotiations with the other party worked out in the past? What kind of relationship do you want with him in the future?
- **Expected outcomes** – what precedents have been set? Based on those and on your current knowledge, what seems to be the most likely outcome?
- **Consequences** – is this a big, one-off deal or one of many small negotiations? What do you and the other party stand to gain or lose?
- **Power** – who holds the power? How will this affect the negotiation?
- **Solutions** – what do you now consider to be a fair outcome?

You can also download our Negotiation Preparation Worksheet [here](#).

Choose Your Style

Many people assume that there is one "ideal" or "correct" style of negotiation that we should all be aiming for. In fact, there are several options. Just as the subject – and seriousness – of your negotiation may change, so can the way that you negotiate.

Your choice of approach depends on what you're trying to achieve, how important total success is, your willingness to compromise, and your ongoing relationship with the other party.

Lewicki–Hiam's Negotiation Matrix Ⓢ is a great place to start. You'll find two styles in this model that you might expect – "accommodating" and "competing" – as well as "avoiding," "collaborative" and "compromise," with guidance on the pros and cons of each.

Negotiate!

The heart of your negotiation is, of course, what happens in that **crucial conversation**. But even as you step forward to make your introductions, think about how you and the other party might feel after you've signed the agreement or left the meeting room. What will be the long-term impact of your approach? And what can you expect from "the other side"?

Tip:

You might like to apply the six steps of **Interest-Based Relational Conflict Resolution** Ⓢ whichever style you adopt, to ease any tension and to lessen the chances of the negotiation breaking down:

1. Treat the other person with respect.
2. Separate the person from the problem.
3. Understand her point of view.
4. Listen first, talk second.
5. Stick to the facts.
6. Explore options together.

When you're negotiating with someone who you'll likely continue to deal with and whose opinion of you matters, you'll both want to be open and fair. Try to achieve a win-win result by being as creative as you can about all aspects of the issue being discussed.

For example, you could:

- "Expand the pie" – change what's on offer to accommodate both parties.
- Suggest alternative solutions – offer something in place of what's being asked for.
- Trade favors – agree between you which priorities to honor for one another.
- Offer compensation – recognize a demand that's been given up.
- Make it easy for the other party to act in the way that you'd like – remove practical barriers or subsidize the cost.

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Such **Integrative Negotiation** Ⓡ can even enhance your relationship with the other party and build your professional reputation, while harder approaches may damage your chances of future success.

However, be aware that the other party might have no such scruples, especially if he doesn't expect to deal with you in the future. So, he could use **distributive negotiation** Ⓡ, with the intention of "playing hardball," to gain concessions from you in his favor.

He'll start proceedings with an opening offer or asking price, and he'll have in mind a target price (what he'd ideally like) and a resistance point (what he'll refuse to compromise on). You'll need to spend a large part of the conversation figuring out what these last two values are, so that you can make effective offers in return.

This style of negotiation can be appropriate when you're, for example, buying or selling real estate. You'll likely have no contact with the other party afterwards so you can "go all out" for what you want without fear of embarrassment or reprisals. But take care and think carefully about taking this approach in a business setting – you never know when your paths may cross again.

Other tools that can help you to think beyond the short term in your negotiation include:

- **Game Theory** Ⓡ – this will help you to anticipate your "opponent's" possible behaviors and reactions, and so refine your approach.
- The **Decision Matrix Analysis** Ⓡ – use this to weight the factors that are most important to you in your particular situation, and to rate your options numerically against them.
- The **10 Cs of Supplier Evaluation** Ⓡ – this encourages you to look beyond just price to determine who offers the best fit for your needs and values.
- The **Conflict Layer Model** Ⓡ – this can help you to establish your position, interests and needs.

Lastly, why not download and work through our Bite-Sized Training™ session on **negotiation**, to improve your negotiating skills.

Increase Your Chances

No matter how prepared you are, or how carefully you follow your chosen approach, you'll need to draw on a range of soft skills to finally win the other party over.

As you might expect, you'll need to be **assertive** Ⓡ, but remember to **listen** Ⓡ too! And strike a balance between emotion and logic. The **Persuasion Tools Model** Ⓡ will help you here, by matching your level of intuition with your more conscious influencing capabilities.

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You might be facing a panel of people or facilitating a group, rather than having a one-on-one meeting, so there'll be other dynamics to keep in mind, too. But if you're not feeling too confident, focus on **building a strong relationship** ☺ with the other participants rather than on giving a brilliant performance. Whoever you're dealing with, you'll likely get a better outcome if you can **build trust** ☺ with them. After all, no one wants to risk being taken advantage of in a deal.

Tip:

Keep on track despite any nerves by avoiding the most **common mistakes of negotiation** ☺, and by understanding the **Dos and Don'ts of Persuading** ☺. Knowing what to avoid is often just as important as remembering the best practices to follow!

Key Points

Negotiation happens in all areas of life, not just during set-piece business deals.

Be thoroughly but appropriately prepared when you enter into a negotiation. Choose your negotiating style based on your goals and the kind of relationship that you want with the other party in the future.

If you're expecting to interact with her after the deal, aim for a mutually acceptable, or win-win, outcome through integrative negotiation. But be prepared for a less balanced outcome, through distributive negotiation, if you don't.

Keep some alternative but acceptable outcomes in mind – these will take a lot of the pressure off your performance. And remember to use your other communication skills to increase your chances of success.

Download Worksheet

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Great summary. Concise and good tips throughout. Links to further reading are recommended after the article has been read through otherwise it causes a tangent distraction

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