

# Negotiating Rules.

Negotiating and deal making can be fraught with issues and danger. To overcome these challenges some simple, tried and tested 'rules' will help and mastering these will make a big difference to your success.

## **Rule 1- Recognise when you are in a negotiation and ONLY negotiate when there is a commitment from the other party.**

There is always a danger that you could get drawn into a negotiation without realising it, so be aware and make sure that before you negotiate and potentially trade some value, the other party really want to do business.

## **Rule 2 - Follow a process and prepare, prepare, prepare.**

Achieving the right result in a negotiation depends so much on preparing well. There are a number of areas you need to cover in your preparation – such as goals and objectives, understanding negotiating strength and developing a proposal/counter proposal strategy. Following a process and system for preparing for your negotiations is essential

## **Rule 3 - Know your objectives.**

Without absolute clarity over your objectives for the negotiation you won't achieve the best result. Think about all the things you may want to get from a deal, then prioritise these objectives into those that are **good** to achieve, those that are **realistic** and those that you **MUST** achieve. You must also understand the point at which you will leave the negotiation. If, during the negotiation, you get to a point where the value you will

achieve is less than you currently have or the alternatives open to you will give you more value than you should leave the negotiation and seek one of those alternatives.

#### **Rule 4 - Understand Negotiating Power and strength.**

One of the key areas to understand is the balance of Negotiating Power or Strength. If you understand this key concept you will be able to leverage your position much better to get the results you want. If you are in a stronger position than your counterpart then how will you use this advantage to your benefit? However, if you are in a weaker position than your negotiating counterpart it is crucial you think about the actions you can take to address this balance and the most appropriate negotiation strategy to adopt.

#### **Rule 5 - Have an alternative.**

One of the most important things you can do to increase your negotiating strength is to have some alternatives when you negotiate. If you have some strong alternatives it will give you more strength to get the best deal you can.

#### **Rule 6 - Rehearse, rehearse and rehearse.**

You wouldn't deliver a wedding speech without rehearsing beforehand.... so why would you go into a negotiation without rehearsing your proposal, opening script, your approach or how you are going to overcome any objections to your position?

#### **Rule 7 - Be aware of the competitive negotiating tactics.**

There are a number of common competitive tactics that get used by people when negotiating – such as the 'Good Cop, Bad Cop' approach. If you know these tactics and can recognise them you can have the strategies available, on hand and front of mind when you need them most.

## **Rule 8 - Be comfortable with silence.**

One of the most powerful tools in negotiating is knowing when to keep quiet and say nothing. Few people like silence and people will often fill the space, (possibly with concessions) rather than suffer an uncomfortable period of silence. If you make a proposal or respond to one of the other parties keep quiet and let them respond to you, don't interrupt.

## **Rule 9 - Never give anything away without getting something in return.**

An absolutely invaluable rule – if the other party ask you for something, always ask for something in return and let them know what you are giving up – it will make sure you do not give value away and get nothing in return AND it will manage the other side's expectations in the negotiation. Follow this rule and you will soon condition behaviour that if the other side want something from you, they will have to give up some value. Don't be surprised if they stop asking! Learn the phrase "If you can do x for me, then I'll do y for you".

## **Rule 10 - Know the detail of the agreement and get it written down.**

Once you have a negotiated deal, make sure you clarify the detail and get it written down. If you don't sort out the detail it may well cause the deal to unravel in the future.

**Follow these rules and you'll be an effective negotiator.**

