

Ten tips for negotiating better deals



by

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1. Know your objective.

- a. Write down a statement of the desired goal.
- b. Write down a list of things you MUST have. This is your bottom line, walk-away position.
- c. Write down the other things you'd like to have.
- d. Write down the things that would be nice to have

2. Know your position

- a. Know your strengths in the relationship
- b. Know your weaknesses in the relationship

3. Understand your opponent's position

- a. Find out as much as you can about them
 - i. History
 - ii. Background
 - iii. Personalities
- b. Figure out their desired goal(s). ASK... Don't Assume
- c. Write a list of things you believe they MUST have.
- d. Write a list of things you think they'd like to have.
- e. Know the opponent's strengths
- f. Identify the opponent's weaknesses

4. Begin with yes.

- a. Start with a review of the things you already agree on. Early in a negotiation, everybody likes to hear "Yes"
- b. Begin writing an outline of the deal.

5. Ask for what you Want, Get what you NEED

- a. If you don't ask, you don't get.
- b. Aim for the target. Building in extra stuff you really don't need (or expect to get) is counterproductive. Aiming for the moon is only useful if the moon is your objective.
- c. Keep in mind that the other side has needs and wants too.

6. Be ready to compromise

- a. Compromise is the essence of negotiation.
- b. Give your opponent something he needs, and expect something you need in return.

7. Keep an "everybody wins" attitude

- a. Bitterness is anathema to successful negotiations
- b. An attitude of "he's trying to screw me" will only lead to bad feelings.

- c. Focus on the common goal: doing the deal together.
- d. If necessary, look back to the agreed points and try to remember how “close” you are. Don’t focus on how “far apart” you are.
- e. Stay focused on benefits, results, etc. Don’t get preoccupied with minutiae.

8. Be prepared to walk away

Nothing speaks louder than silence. If it’s clear that one of your NEED points is not on the table. Say so. If your opponent is unwilling to compromise in a way that works for you, just say “Thanks, but I’m going to have to pass. It’s too bad we can’t do business.” (“Today”)

9. Give your opponent the chance to save face

Often in negotiations, one or the other party will misjudge the relative positions of the parties. When this happens, and you’ve indicated that you’re prepared to walk away from the deal, your opponent will often recognize his mistake, and if given the chance, will often be willing to reopen negotiations. If you make it possible for your opponent to do so in a dignified manner, you’re likely to arrive at a successful outcome.

10. Close with a review of the whole deal

Once you’ve come to agreement on the points, sit down and write out a point-by-point outline of the whole deal. Reviewing this outline together often fills in the blanks, and clarifies any ambiguities that may exist, avoiding problems later on.

Bonus Point – Be Gracious.

When you’ve finished a tough negotiation, send a brief note to your opponent. Indicate your respect for the other party’s position and negotiating skills. This helps establish rapport and can head off any problems later on. Business is business, and if the parties don’t take things personally, the relationship will be much stronger.