

You Can Get the Best Deal or the Best Price

It's all in how you negotiate!

Life is a series of deals. We're always looking to get something we need from someone else. In turn, people continually try to sell us something they think we need.

"When you think about, we're always negotiating!" says Elaine Ré, a change management consultant and author of the book *101 Secrets to Negotiation Success*. "And in every negotiation, something is given and something is gained. It's a trading process."



And here's the deal: Every trade must be mutually beneficial for each party, or it will not work.

And that's why successful negotiators continually focus on a key secret to success. They never lose sight of the critical question that underlies each and every trade: What's in it for me?

After all, you don't want to waste time on an outcome that isn't worth your while. But as Ré points out, be sure to think about all the issues involved in the upcoming negotiation, from the must-haves to the "I-can-live-without-that" ones.

At the same time, be sure to anticipate and analyze as best you can the same types of issues that the other side may have. Remember, another secret to negotiation success is being able to negotiate the whole package.

The idea is to identify and prioritize all of the issues and negotiate all of them first before settling on any particular one.

TIPS FOR TOP NEGOTIATORS

1. **Always look for opportunities.** Everything can be negotiated, whether you're in a restaurant, a store or contracting a service. Awareness builds confidence.
2. **Plan, plan and then plan some more.** Even the most insignificant negotiations require planning. The more planning you do, the better you can identify issues that can be entered into discussions. More important, planning clarifies your thinking in terms of seeking the results you want.
3. **Be flexible.** This is the name of the game. The more you appear willing to work with the other person to reach a workable agreement, the greater your chances of getting what you want.
4. **Never lose sight of personal needs.** This includes your needs as well as the person with whom you are negotiating. Treat each person the same way you would like to be treated.
5. **Focus on building relationships, not making deals.** When faced with the choice of a bad deal for one side or the other – or no deal at all – scrap the deal and try to save the relationship for future negotiations.

Buying a house offers a good example. The issues involved generally are price and settlement date. But there may be additional payment issues concerning furniture in the house and roofing repairs. What you don't want to do is bring up each issue individually. If you settle the roof issue first and then the furniture, you'll have nothing left to trade by the time you begin negotiating on price and settlement.

Instead, start off the negotiation by stating the four issues involved in the whole package. By doing this, you're setting yourself up for a more agreeable package. Using this technique, for instance, allows you trade off and make gains that ultimately give you a better deal. For instance, you can agree to pay for the new roof if they throw in the furniture, or you'll agree to settling one month earlier if they knock down the price a few thousand dollars.

Techniques for success

As we've noted, you must take time to plan for every negotiation. Ré, in fact, believes spending as much as nine times longer than the actual amount of time you'll spend in the negotiation. Sounds like a lot, but it's time worth investing.

Knowing all the issues and prioritizing them within the range of acceptance – those you absolutely need versus ones that are dispensable – allows you to visually map out a strategy that will guide you during the negotiation process. In *101 Secrets to Negotiation Success*, the author shows you how to create a Settlement Matrix, a graphic you develop that becomes part of your negotiation plan.

But there are also plenty of other elements that arise during the process that you can use in your favor. Mostly notably: objections. Chances are, the other party will object to something in the process. That's okay. Work with it. As Ré advises: "The most useful tool I've found is called The Four F's: Feel, Felt, Found and Find. Use these to deflate defensive posturing, avoid hostility, and persuade the other side of the strength of your position."

These four factors will allow you to sidestep defensiveness by joining the other party in their reaction to the problem. The result: the ability to work out a more creative solution.

Let's continue with our house example. Now that you've negotiated and agreed to pay for the roof repairs, you're now negotiating with a roofing contractor. He says he can't complete the repairs for anything less than \$3,500 because it requires three men to complete three days of work. Otherwise he'll lose money.

Now let's apply The Four F's. You start by asking the roofer a question: "So, you feel the time required prevents you from lowering the price." Then you join his reaction: "Other contractors felt that way about other work they've

done around here.” Now submit your solution: “But they found that at this time of year, spreading the work over two weeks allowed them to reduce the price.” And leverage your strength: “You may find it better for you to complete my roof for \$3,500 rather than seek out other business this late in the season.”

Give and take

As we noted, every negotiation is a trade. You want to gain something; others want something from you. Concessions often become critical to closing a deal. But successful negotiators understand that a balance must be achieved. Every concession you make must be matched by a similar concession from the other side.

More important, though, is the fact that concessions should not be made too early in the process. Remember that there are four stages of negotiation: Orientation includes the initial introductions and first impressions; Resistance breeds debates or even arguments that can make or break the deal; Commitment comes after both sides have agreed to make the deal work; and Agreement involves the satisfactory settlement of all the issues.

As Ré emphasizes, do not make concessions during the Resistance phase because you’ll only give in to appease an emotion, not to trade something for something else. And never concede under pressure. Rather, the best technique to use during Resistance is what Ré calls the The Straw Man approach. This will help you move negotiations into the Commitment phase.

The Straw Man approach refers to those issues you identified during planning that are least important to you. At times, you may benefit from strongly voicing these issues first, knowing that you would be able to concede on it later based on the other party’s reaction. And that’s good, because your willingness to concede early builds credibility among the other party. Establishing credibility earlier in the process strengthens your ability to get what you want when discussions move into your more important issues.

‘Krunch’ time

The “Krunch,” as Ré calls it, is a familiar and powerful tactic for negotiations. One party simply says to the other: “You have to do better than that.”

You can use the “Krunch” to great advantage, particularly early in the process. By using it, you signal to the other party that you mean business, but it avoids creating defensiveness since it subtly tells the person that their offer is unreasonable.

In response, the other party will be glad to have the chance to make another offer, and they’ll usually eliminate any of the extras they included in the

initial offer. You may, for example, receive a reduced price, or you may gain additional valuable services, such as free delivery and removal of your old refrigerator, at the same price.

About the author



Elaine Ré is president of Ré Associates, an internationally known consulting and training firm with offices in Albuquerque, New York and London. Negotiation skill building is part of her company's overall expertise in supporting change management efforts for companies and organizations.

Her book, *101 Secrets to Negotiation Success* – a practical, hands-on, easy-to-use reference that outlines everything you need to know about planning and conducting win-win negotiations – is available from Canyon Crest Publishing.



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