

Being a Manager Means Always Having to Negotiate ... Something

In the business world, we're always making deals and trading something we need for something we have. That's why every manager should know the secrets to successful negotiation.



It's not easy being a manager in today's business world. Things are constantly changing. Markets change. Companies change. Employees change. That's a fact of life.

And every change involves give and take. Whether you're approaching customers in a new market, selecting new suppliers, developing business alliances, implementing new internal procedures or policies, or even managing employees, the bottom line is: you're making a trade which is an exchange necessary to satisfy the needs of both parties.

That's a key point, says Elaine Ré in her book *101 Secrets to Negotiation Success*. "The cornerstone for every trade is that it must be mutually beneficial. Otherwise, it won't work."

But successful managers need to make these deals work. We all want win-win arrangements. These are the only acceptable outcomes for all negotiations. Otherwise, we jeopardize not just the competitive advantage of our companies but our own credibility as well.

Start with a plan

As a consultant and trainer who supports change management efforts, Ré emphasizes the need for sharp negotiation skills during her sessions and discussions with business professionals. And the first rule for any top-notch negotiator is planning.

Even more, be prepared to spend some time doing it because this is the point where you analyze, define and prioritize all of the issues involved with a particular negotiation. Ré says you should figure on devoting as much as nine times more for planning process than you will for the actual negotiations.

Remember that a fundamental question should always fuel the planning stage: What's in it for me? Never lose sight of this question because it serves as a guiding beacon for both developing your plan and implementing strategies for the actual negotiations.

You must take the time to look at every conceivable issue that can stem from this negotiation and how each one relates to achieving a beneficial outcome. This alerts you to must-have issues, as well as ones that could be conceded during the process, if necessary.

While keeping in mind your own needs, don't forget to consider what the issues and needs are for the other party. You can't just think internally. After all, a successful negotiation must create mutual satisfaction. In addition, this allows you to better prepare for both the best and worst possible outcomes.

Making business decisions

Even before you actually start mapping your strategy, you have to make some business decisions. By this, you look at what alternatives are available and then assess your position in relation to them. When there are many, they strengthen your ability to reach a good agreement. If not, you're in a weaker position and that realization will reflect in the terms you will be willing to accept.

You may or may not have more leverage than the person you are negotiating with, but considering their side gives your better capability to make additional gains from them or be willing to make concessions that enhance your credibility with the other side while not affecting the value of the agreement.

Say, for example, that you are working with a colleague on a project with a deadline looming. You need to get more time and effort from that individual to make it. But before you approach the person, consider what the alternatives are. Could you extend the deadline, use a different resource, or even change the quality specs? If yes, then you present them to the colleague as part of the negotiation. If not, and this person is the only one who can see this project through, then you can be prepared to negotiate, for instance, comp time, to create a win-win solution.

In *101 Secrets to Negotiation Success*, you'll learn a number of additional ways to strengthen your planning skills. For example, creating a Settlement Matrix – visually plotting out all of the issues and your range of acceptance for each one – becomes your guidelines to develop your negotiating strategy and even how you will handle the actual process.

While you negotiate

"It's all in the first five minutes," Ré says. It's during the first stage of negotiations – Orientation – in which first impressions are made that set the tone for the rest of the negotiations.

Be professional, organized and courteous. They're givens. But make sure you pay close attention to the other party's behavior. You want to keep people as much in their comfort zone as possible during the process. If they're businesslike and speak slowly, respond in the same manner. If they're casual and energetic, follow suit. Reflecting behavior increases the chances that the other party will like you, which is necessary for them to trust you – a key factor for successful negotiations.

Even with the best introductions, you'll probably reach the second stage, Resistance. And it's the most tenuous part of the process because it can create debates or even arguments when people resist. At this point, you need to redefine issues that are fueling the resistance.

So take this secret to heart. Never confuse understanding words with understanding meaning. Listening beyond words is important when the other side is disagreeing. You first need to clarify what they are saying. That way, you avoid misunderstandings which breed conflicts that often are deal killers.

So be prepared to rephrase what the person is saying, but also use it as an opportunity to suggest another option. For example, a new customer says to you, "Why don't you get the order ready and send it out, and I'll get the purchase order through."

Now you know that is not an acceptable option for your company because there will be costs incurred without an order number or even a deposit. But just saying "No" could bring the entire sale to a halt. However, by seeking clarification and rephrasing with a suggestion, you have the ability to move the sale along: "Let me make sure I understand you. You need us to get everything ready for you to be shipped when we receive the purchase order? Correct?" Chances are, you will receive an affirmative.

And affirmations are what drive negotiations to the third stage: Commitment. During this phase, both parties have agreed to work out a deal.

Tools you can use

The fourth and final negotiation stage is Agreement, and in *101 Secrets to Negotiation Success*, you'll find plenty of other tools and techniques you can use to become a high-performance manager that gets you to the final stage.

There are some you probably never even considered before. Take words, for example. Ré shares with readers the three "magic" words for negotiation – *unfortunately*, *need* and *uncomfortable* – and how each of these are powerful tools to use during the negotiation process.

You'll even gain insights into some of the best techniques, such as using the 4 F's to effectively overcome objections and how silence can be your ally. There's also strategies like "cushioning your hot potatoes," the "Krunch" and

the “Bogey Tactic” – all of which can strengthen your negotiation arsenal that will ensure you are always on the winning side of every deal.

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.



Canyon Crest Publishing
1721 Quail Run Court, NE
Albuquerque, NM 87122
1-800-724-3301
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