

Some How-to's for Negotiating

Small business owners negotiate on a daily basis. Whether it's haggling with a supplier, bartering with a business partner or motivating an employee, negotiating is a fundamental reality of small business. But that does not mean it is always done well. To negotiate well is to improve your chances of having a successful business.

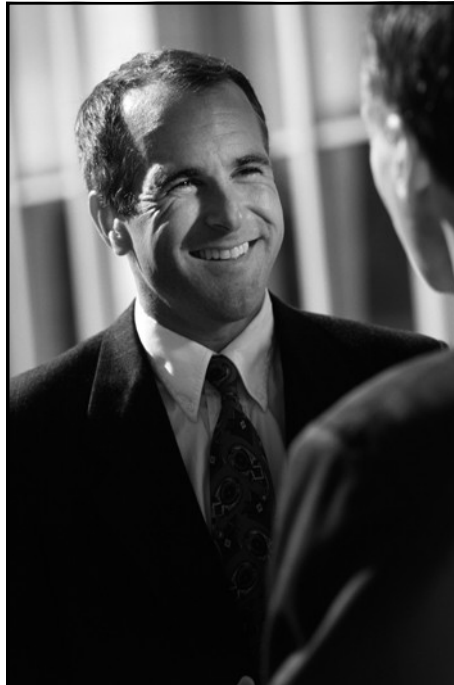
Gather Information

Strong negotiators gather information beforehand to gain an advantage. Price comparisons on supplies are a good example. Being informed strengthens a negotiator's position and lets the other person know that this negotiator means business. It also results in fewer mistakes and helps to negotiate more competitive deals. The business owner who goes into a meeting with a supplier knowing that the average cost of the supply is \$6 is not likely to agree to buying it for \$8. Furthermore, the supplier knows the average cost and is less likely to try and gauge the informed buyer—at least not without some sort of justification for the higher price. But being informed is only one aspect of strong negotiation.

Negotiation is a Part of Relationship-Building

Carefully positioning your opening offer and considering the other party's expectations are critical components of this delicate skill. Remember negotiation is a part of relationship-building and should not be seen as a win-lose situation. Being able to justify a bid strengthens a proposal and softens the other person's ability to counter. By not making ridiculous demands and offering a realistic proposal you are more likely to win the respect and cooperation of the person you're dealing with. Remember to think before speaking and don't

say anything you would not want to see written down or hear played back. Informal offers and off-the-cuff remarks can set expectations, so treat each meeting seriously—as serious as a contract.



Don't Concede Before You Are Ready

When you come to a point where you feel you need to concede, be sure you really do. Too many times business owners concede early because they are uncomfortable with negotiating or have too many other things to do. Before giving in, ask for a justification for any conciliation that has been asked of you. When you give in quickly, you send a message to the other person that you are eager to get this over with or that you never really felt comfortable with your initial request or proposal.

Be Cooperative

Above all else, remain cooperative and positive. That does not mean give in. It just

means maintaining a level of optimism, friendliness and enthusiasm for the process. This not only helps to disarm your counterpart, but it helps the whole process feel more comfortable for all parties. Furthermore, it gives the other party a sense that you are confident, assured, well-informed and ready to get down to business.

Solutions At A Glance...

In summary, this article deals with these issues:

- ☐ Gather Information
- ☐ Negotiation is a Part of Relationship-Building
- ☐ Don't Concede Before You Are Ready
- ☐ Be Cooperative