



Seven Tips for Becoming a Better Negotiator

Michael K. Menerey, Partner, CFO Edge, LLC

Most Los Angeles and Southern California business owners and entrepreneurs have some experience in negotiating. While you might delegate most of the day-to-day negotiations that happen at your company with suppliers, buyers, service providers and related to employees, there are still going to be situations where you, as the CEO, need to handle important negotiations yourself.

Unfortunately, many CEOs and executives have not taken the time to hone their negotiation skills. The fact is, negotiating isn't something that comes naturally for most people — even those who have risen to the rank of a CEO or other high-level executive. Becoming a better negotiator requires some effort, practice and even training. While we can't offer an in-depth course in negotiation within the confines of this article, we can provide some hands-on tips that, if put into practice, can help you become a better negotiator.

1. Take the Time to Prepare Before the Negotiation Begins

This might seem obvious but it's surprising how many people go into negotiations unprepared. Learn the issues that are at stake in the negotiation thoroughly so you aren't caught by surprise at any point during the negotiation. And once you've prepared, act like it — body language says a lot during negotiations, so strive to convey a sense of confidence, but not arrogance.

Preparation is especially important if you are not particularly comfortable with negotiating or are a relatively new negotiator. If you are better prepared than the other party, there's a good chance you can win the negotiation even if the other side is more experienced and confident when it comes to negotiation than you are.

2. Identify What Are the Real Issues at Stake in the Negotiation

One of the biggest mistakes many negotiators make is getting hung up on issues that are secondary (or even tertiary) and losing sight of the most important issues at stake. These might be different for you and the other party — in fact, there's a good chance they will be different for each of you. So decide what is most important to you in the negotiation, and try to determine what is most important to the other party, before you start negotiating.

3. Define Your Deal-Breakers or Walk-Away Point

This is part of negotiating tip number 2. You must decide what issue or issues in the negotiation are absolute deal-breakers — the ones that are non-negotiable for you and over which you'll get up and walk away — and then stick to it. This might be a certain price, delivery timeframe, payment terms and conditions, or something else. Defining your walk-away point before you start negotiations will establish parameters that serve as boundaries to keep you from making a deal you might regret later.

4. Listen to What the Other Side Is Saying

Not listening to the other side is another common negotiating mistake. Sometimes CEOs and executives concentrate so hard on what they've prepared to say that they aren't listening to what the other party is saying. Failure to listen during negotiations can lead to missing key information the other party is sharing that could reveal important clues that can help you negotiate a better deal.

5. Try to Build Rapport With the Other Party

The best negotiations take place in a cooperative and conflict-free environment where neither side feels threatened by the other. Creating this kind of environment requires building rapport with the other party. Be genuine in your effort to get to know the other party a little bit and put him or her at ease. Being polite and pleasant as you negotiate will go a long way toward building mutual respect and rapport.

6. Don't Get Too Hung Up on Price

In many negotiations, price is the most important issue. But does price have to be your ultimate deal-breaker? If it does, then you may end up painting yourself in a corner. Instead, try to identify other issues or areas where there can be some give and take. For example, maybe you can live with a slightly higher price in exchange for more favorable payment terms or an accelerated delivery schedule.

7. Strive For Win-Win Results

Finally, remember that the best negotiations conclude with each side believing they "won" the negotiation. That's why skilled negotiators always strive for win-win results. This is especially important when negotiating with customers, suppliers and service providers you will be working with on an ongoing basis. If they feel like they got the short end of a negotiation, they could become bitter toward you and/or your company, which could damage the relationship, perhaps irretrievably.

Concluding Thoughts

Many CEOs and executives have not taken the time to hone their negotiation skills. The fact is, becoming a better negotiator requires effort, practice and even training. Perhaps most importantly, you must learn to view negotiations in the same way you view relationships, rather than as battles to be won at all costs. By putting these seven negotiation tips into practice, you will improve your negotiation skills and in time become a better negotiator. This will help you in both your business and your personal lives.

About CFO Edge

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