

Basics of Negotiation

- ✓ **There would be no negotiation unless both sides expected a benefit**
- ✓ **A goal of negotiation is to create a new situation that's better than the old one**
- ✓ **Unfair deals last only while one party feels weaker than the other**
- ✓ **Win-win negotiation delivers the best, most enduring deals**
- ✓ **Like any other skill, negotiation can be learned and practiced**

Traits of Effective Negotiators

Good negotiators:

- ◆ **Understand their counterparts' interests and perspectives**
- ◆ **Understand the difference between positions and interests**
- ◆ **Understand the difference between real power and perceived power**
- ◆ **Know their settlement range**
- ◆ **Know their BATNA (Best Alternative To a Negotiated Agreement)**
- ◆ **Tough on problems, easy on participants!**

Stages of Negotiation

Setting an Agenda

- ◆ **Why are you negotiating? What are the issues, and what are the goals?**

Voicing Demands and Offers

- ◆ **What are your interests and positions?**
- ◆ **What do you want, and what are you willing to give in return?**

Working to Minimize Differences

- ◆ **Where do interests overlap?**
- ◆ **Where is the common ground?**

Closing the Deal

- ◆ **“Win-win” means both sides are better off than when they started**

Negotiation Strategies

Soft Negotiators

- ◆ **Avoid conflict at any cost**
- ◆ **Usually don't stand up for their best interests**

Hard Negotiators

- ◆ **Aggressive and competitive**
- ◆ **May use threats of bluffs**
- ◆ **Not trusting or trustworthy**

Win-Win Negotiators

- ◆ **Work towards the best outcome for all**
- ◆ **Flexible, but can be firm when it's appropriate**
- ◆ **Attack problems, not people**

Pitfalls of Business Growth

- ◆ **Growth may be short-term**
- ◆ **Inability to maintain performance standards**
- ◆ **Unprofessional behavior**
- ◆ **Poor employee morale**
- ◆ **Lack of adequate employee training**
- ◆ **High employee turn-over**
- ◆ **Loss of profitability**
- ◆ **Inefficient use of resources**
- ◆ **Loss of customer loyalty**
- ◆ **Diminished quality**
- ◆ **Inability to focus on core strengths**
- ◆ **Paralyzed or overworked leadership**
- ◆ **Cash crunch**
- ◆ **Bankruptcy**

Bringing It All Together!

- ✓ **Celebrate what you've accomplished**
- ✓ **Organize what you have learned**
- ✓ **Fill in the gaps**
- ✓ **Complete your business plan**
- ✓ **Ask for help**
- ✓ **Remain positive**
- ✓ **Never stop planning!**