



Negotiation Tips & Strategies

Letting the other person have YOUR way

FEDERATION of CREDIT
and FINANCIAL PROFESSIONALS

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Negotiation Tips

*Adapted from Successful Negotiating
Letting the other person have your way
Ginny Pearson Barnes, Ed.D.*

- Any time you tell someone that what you want is different from what they are giving you, ***you are negotiating***
- Negotiation is the resolution of a disagreement, using give-and-take within the context of a particular relationship. It involves sharing ideas and information and seeking a mutually acceptable outcome.
- Joint problem-solving is often the most satisfying way to reach agreement
- The ultimate goal in negotiating is for both parties to come away feeling satisfied

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Facts about Negotiation

- Negotiation is not always neat or nice
How can you keep your perspective when negotiating is not easy?
- Negotiation is not a game or a war
What can you do to understand that negotiating is a process?
- Negotiating is not about winners
What can you do to create mutually satisfactory outcomes?
- Negotiation is not about egos
What can you do to learn about the differences in others?
- Negotiation is not about perceptions
What can you do to improve your attitude?

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Negotiation Checklist

- Who are you negotiating with – *Who are the parties? What are their needs? What are their personalities/styles? What are their differences? What do they want?*
- What are the key issues – *Do all parties clearly understand the issues? What do you have in common? What do you want / need? What are you willing to give?*
- What is the negotiating environment – *Is the meeting space public/private? Is there pressure for decisions? What kind of commitment and trust exists? What costs are involved?*
- What is the negotiating process – *Who asked for the meeting? Who will begin the process? Who sets the ground rules? Do you need complete agreement? How are decisions made?*

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Negotiation Checklist (cont'd.)

- What information do you need – *How will you gather data? Will the information be acceptable? Do you need to discuss it before the negotiation? Do you need more time to gather data?*
- What is your negotiation strategy – *Do you know your alternatives? Do you understand the problems? Do you have a bottom line? What power/authority/knowledge do you bring to the table? Do you know a good solution and options? Do you have information about the other party?*
- How will the agreement be reached – *Written / oral / formal / informal? Do you need feedback from others?*
- How will agreement be implemented – *Who is responsible? What is time line? Need additional meetings? Need to renegotiate?*

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When negotiating, it is important to:

- ✓ Express your feelings objectively
- ✓ Attack the problem, not the person
- ✓ Build relationships as you negotiate
- ✓ Create a positive environment, not a negative one
- ✓ Problem-solve in a positive way

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Negotiate with Empowerment

- When you empower others in the negotiating process, you share the power to make suggestions or decisions or to determine the process used
 - ✓ Don't let differences become the issue; find the common ground and negotiate from that perspective
 - ✓ Gain as much information as you can about the other person or situation so you are more prepared to negotiate
 - ✓ Invite the ideas and opinions of others. It will make them feel important and valued and increase their desire to negotiate

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Nonverbal Behavior in Negotiation

- Nonverbal behavior directly affects the negotiation process (*93% of our communication comes through body language*)
- When body language and words don't match, people place more value on body language
- Consider: *voice pitch, intonation, gestures, eye contact, proximity, facial expressions*

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Avoid Escalating Words

- 💣 **“You”** – often inflammatory, use “I” statements instead
- 💣 **“But”** – negates what came before, use “and”
- 💣 **“Can’t”** – implies failure, makes negotiation appear hopeless
- 💣 **“Always”, “Never”** – unnecessary generalization
- 💣 **“Should have”, “Ought to have”** – preachy and bossy; demands that people perform according to our standards

“But nothing” Group Exercise

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Do Your Homework – Be Prepared

- In order to work towards a “win-win” solution, you need to:
 - ✓ Understand the motives of others
 - ✓ Avoid assumptions
 - ✓ Know the specifics of the subject being negotiated
 - ✓ Focus on the main interests of each person

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Do Your Homework – Know Your Position

- What do you want out of the negotiation?
- Are your expectations realistic for this situation?
- How much are you willing to compromise?
- What are you willing to settle for?
 - Prepare a list of alternatives that you find acceptable
 - List your interests
 - Gather supporting documentation

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Do Your Homework – Know Their Position

- Try to determine or anticipate their key interests and how they will approach the negotiation
- Actively listen to the other person
 - Limit your own talking
 - Ask questions for clarification
 - Stay calm – don't jump to conclusions or overreact
 - Listen for ideas, not just words; react to ideas, not the person
 - Get feedback
 - Notice nonverbal language

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Do Your Homework – Use Open & Closed Questions

- Open Ended Questions – can not be answered with yes/no
 - Use to learn more about the other person
 - Often begin with “why”, “what”, “how”
 - “What do you think about... “
 - “Could you tell me more about ...”
 - “Why weren't you satisfied with ...”
- Closed Ended Questions – must be answered with yes/no
 - Use to pin down the other person
 - “Would you agree that ...”
 - “Do you still think that ...”

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Focus on Other Person's Interests, not Their Position

- Ask what their interests/objections are, then listen to answer
 - “What are you most concerned about ...”
 - “What problems do you foresee ...”
 - “Is there anything else we need to do to ...”
- Acknowledge the objections
 - “Um-hmmm...”
 - “I can see why you are concerned with that ...”
- Evaluate which are “real” objections (vs emotional, knee-jerk)

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What to Do When People Say “NO”

- Don't take it personally
- Have alternative “plans” ready – *propose alternatives as ideas rather than solutions. Make sure ideas highlight benefits for both parties*
 - “One fair alternative might be ...”
 - “What if we did ...”
- Acknowledge their objections
 - “I respect” ... “I appreciate” ... “I agree”
- Suggest a temporary postponement in the decision

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What to Do When People Say “NO”

- **3 Magic Phrases**
 - ✓ **“I respect ...”** (“I respect your honesty with me ...”, “I respect how difficult these situations are ...”)
 - ✓ **“I appreciate ...”** (“I appreciate the time you are giving me ...”, “I appreciate your willingness to be honest with me ...”)
 - ✓ **“I agree ...”** (“I agree that we have a problem...”, “I agree you need to get the goods on the floor ...”)

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How to Handle a Difficult Person

- People who are hard to get along with usually become that way because of low self-esteem; they often put down others in an attempt to elevate their own self-worth
- Steps to take:
 - Listen and ask them to repeat what they said (*maybe you heard wrong*)
 - Repeat for clarification (“Please correct me if I am wrong, but did you say ...”)
 - Ask for solutions to problem (“What suggestions do you have ...”)
 - If necessary, disengage
 - Keep records

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Preparation, Patience and Perseverance

- Patience is one of the most important tools during a negotiation
 - Learning to be patient gives you strength in negotiating situations
- Satisfaction is a continuum
 - Enjoy the successes
 - Learn from the failures
 - Cope with the varying degrees of frustration that lie in the middle

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What might you say ... what are some alternatives?

- Customer not paying past due invoices because of cash flow issues
- Customer does not agree to repay chargebacks and you have provided proof “beyond a reasonable doubt”
- Customer won't pay past due invoice because we are denying their credit line
- Unable to comply with certain requirements of a new customer and trying to get a waiver
- Negotiating payment plan on outstanding invoices and there are **NO** new orders (*inactive customer*)

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How might you handle it ... what might you say / do?

- To maintain your cool – not take negotiation personally
- When you feel you are not in control of situation, not prepared
- When you don't seem to be moving towards a mutually acceptable solution
- When the other "side" is being unreasonable / inflexible

Negotiation tips

A Few Final Thoughts ...

- Put yourself in the other person's shoes
- Try to understand their perspective
- How will the other person hear your words?
- What to say instead of saying "no"
 - *"Convince me" / "Help me understand"*
 - *"Yes, after ..."*
 - *"Let me think about it ..."*

Negotiation tips

A Few Final Thoughts ...

- Ask questions to understand the other person's perspective
 - “What do you think we should do? ...”
 - “How would you handle this?”
 - “What would you do if you were in my shoes?”
- If someone says something that you do not agree with or is different from what you were thinking, what is your first reaction?
 - They are wrong vs maybe we have different assumptions vs there might be a misunderstanding from either side
- When people do not meet your expectations how do you feel?
 - They are incompetent vs they are trying their best

Negotiation tips

A Few Final Thoughts ...

- Give people the benefit of the doubt
- How do you celebrate strengths and accept / coach weaknesses
- People often live up (or down) to your expectations
- People learn faster from successes than failures
- Don't forget the words to avoid / words to use

Negotiation tips

Things to Consider ...

- Provide training to increase effectiveness
 - Negotiation is a learned skill
 - Techniques are basic, but not necessarily intuitive
- Practice improves chances of success
 - Encourage routine role playing
 - Consider “dry run” of all significant negotiations

↑ preparation = ↑ rewards

Thank You



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