



Negotiating Strategies That Deliver Results

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Your Presenter

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Negotiating Strategy

“ In negotiation, the past has no future. The purpose of negotiation is to create the future.”



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Common Negotiation Phobias

- ❖ Failure
- ❖ Insufficient preparation
- ❖ Being too passive
- ❖ Missed opportunities
- ❖ Damaging or the loss of a relationship
- ❖ Inability to handle conflict



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Common Negotiation Errors

- ❖ Not concerned about building trust
- ❖ Insufficient planning and preparation
- ❖ Not listening actively
- ❖ Inflexible, not open to options



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Common Negotiation Errors

- ❖ Impatient with the process
- ❖ Not concerned with building or maintaining the relationship
- ❖ Unaware of both parties' emotions
- ❖ Using threats or bullying



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Polling Question #1

If you could improve any one aspect of your negotiation ability, what would it be?

- A) Become more assertive
- B) Be able to develop and present options
- C) Become a better listener



Planning for Success



- ❖ Build an agenda together
- ❖ Understand why people negotiate
- ❖ Know when the negotiation begins
- ❖ Find the common starting point!
- ❖ Value your bottom line
- ❖ Know your options



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Build an Agenda



- ❖ Your first step in "building trust"
- ❖ Permits the parties to state their interests
- ❖ Your opportunity to negotiate time and place
- ❖ Helps identify the "common interests"
- ❖ A place to start the negotiation



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Why Build Trust?

- ❖ Opens communication channels
- ❖ Recognize past failures and apologize
- ❖ Demonstrates respect for others
- ❖ Increases the potential for success
- ❖ Strengthens an existing relationship
- ❖ Builds new relationships



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Attributes of Effective Negotiators

- ❖ An effective communicator, active listener
- ❖ Knowledgeable of the interests & needs of both parties
- ❖ Patient with the process
- ❖ Open to creative options & solutions



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Attributes of Effective Negotiators

- ❖ Trustworthy, honest & cooperative
- ❖ Intelligent, and thinks at a high level
- ❖ Aware of the emotions involved



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Choose Your Approach

Collaborative
(Win / Win)

Focused on Outcome and Relationship



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Choose Your Approach

Distributive
(Win / Lose)

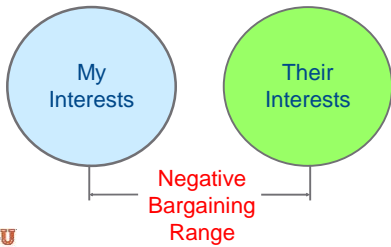
Focused on Outcome only



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Effective Negotiators

Know which interests
are important?



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Which Interests are Important?

- *Common interests*...the interests shared by both parties
- *Complementary interests*...serve different interests but have the same result
- *Conflicting interests*...these are interests that are in opposition to each other



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Which Interests are Important?

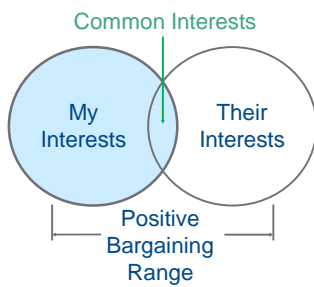
Primary interests...those interests have the greatest value and impact for you and your client

Secondary interests...those interests that have a lesser value for you or your client



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Where Do I Start?



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Your Opening Statement

- ❖ This is your first step in building a relationship
- ❖ Here is your opportunity to present your case and state some of your major interests
- ❖ This statement should be a positive message, unless you need to “mend the fences” broken at a previous negotiation
- ❖ If you are responding to the other party’s opening statement, be sure to recognize their interests and link them to yours



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ZOPA – The Alphabet Soup of Negotiation



Best Alternative To A Negotiated Agreement

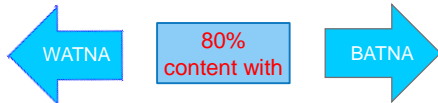


Worst Alternative To A Negotiated Agreement



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ZOPA – Zone of Potential Agreement



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Communicating in a Positive Manner



- ❖ Separate the people from the problem
- ❖ Don't let your emotions rule
- ❖ Connect your interests with their interests
- ❖ Talk about how you feel
- ❖ Let them know what is bothering you



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Active Listening Skills



- ❖ Listen to the other parties in the negotiation
- ❖ Pay attention to the initial remarks of your counterpart
- ❖ Control yourself and learn from others, use silence
- ❖ Ask open ended questions to gain additional information



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Actively Listening

- ❖ Listening actively insures that what is communicated is clear to both parties
- ❖ Avoids misunderstandings
- ❖ Rephrasing is an important tactic and validates the communication
- ❖ Increases the level of communication between the parties



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Reframing

- ❖ Demonstrates that you are listening
- ❖ Validates their interests and needs
- ❖ Clarifies the message and prevents any misunderstandings
- ❖ Reduces anxiety



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Polling Question #2

If you could improve one aspect of your communication skills, what would it be?

- A) Think quicker / think better on my feet
- B) Be a better, more active listener
- C) Knowing when to say no



Power Paradox

- ❖ What are your power choices?
- ❖ Know when to use each type of power
- ❖ What happens when you use the wrong type of power?
- ❖ Can power corrupt?



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Types of Power

- ❖ **Information power** is the most powerful and effective tool in any negotiation
- ❖ **Referent power** is derived from the personal qualities of the power holder
- ❖ **Expert power** is a subset of information power and is a powerful tool to persuade your opponent



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Types of Power

- ❖ **Associative power** occurs when a power holder seeks to enhance his power by "who he knows"
- ❖ **Coercive power** is the ability of the power holder to take something away or to punish for non-compliance
- ❖ **Legitimate power** is derived from the need for social ordering and social power



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Breaking an Impasse



- ❖ What is an impasse?
- ❖ When do they occur in a negotiation?
- ❖ Strategies for breaking an impasse
- ❖ Using a neutral
- ❖ Moving forward after the impasse is resolved



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Close on a Positive Note



- ❖ Thank all parties for their contributions
- ❖ Review both parties stated interests
- ❖ Finalize the wording of the agreement
- ❖ Finalize the implementation schedule



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Polling Question #3

What do you consider the most important characteristic should a successful negotiator possess?

- A. An active listener
- B. Being well prepared
- C. Able and willing to make concessions
- D. Uses the correct types of power



The Difficult Negotiator



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Specific Tactics

The Nibble ...“Come On, You Can Throw This In”

- will the nibble make or break the sale
- make the request seem 'foolish'
- stand by your price, let the buyer know the price of what he/she is requesting
- have a published price list of ala carte items
- include the 'nibble' in your price if this is an ongoing occurrence
- resist the tendency to give in



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Specific Tactics

The Crunch ...You Have To Do Better Than That!”

- find out what the exact problems is
- ask if others are offering the same product/service mix
- ask the buyer what price he or she needs to close the deal
- defend your price, stress your total package
- stress your quality and benefits
- don't respond too quickly to their demands



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Specific Tactics

The Bogey...“Come on Old Pal, I only have \$5,000 in the budget.”

- have alternative designs, delivery and price packages before you come to the negotiation
- find out who ultimately pays the bill, change payment terms
- negotiate the difference between your offered price and the price offered by the buyer



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Specific Tactics

The What If ...What if I order 100?

- Tell the buyer that in order to reflect a true price, you need to understand exactly what his/her expectations are
- have published price lists with quantity discounts firmly labeled
- justify your discounts and quantities required for those discounts



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Q&A



Thank You



If you need to contact the presenter with a question not addressed today, you may email Cary at:

NegotiatingEdge@aol.com

or friend him on LinkedIn.com

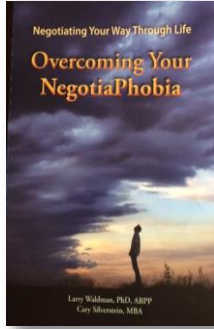


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Afraid to Negotiate?

Overcoming Your NegotiaPhobia is for you! Each chapter looks at different real-life situations and shows you how to successfully address them. No longer fear having to negotiate, instead feel prepared and confident.

Available at:
www.Amazon.com
https://www.amazon.com/s/ref=nb_sb_noss/135-7651831-5712431?uri=search-alias%3Daps&field-keywords=Cary+silverstein



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