

How to Prepare for Any Negotiation Session

By John Patrick Dolan

If you think successful salespeople “wing it” when it comes to negotiation, think again. In truth, they prepare for every negotiation with the same rigor as a student preparing for an upcoming exam. Smart salespeople realize effective negotiation depends on preparation. They take time to think through their own position and that of their counterpart so they can ultimately handle anything that may arise during the bargaining process.

To become an effective negotiator and a more successful salesperson, you must understand the power of preparation. The first step is to solidify your position. Start by answering the following question: “Where do I stand?” In other words, what is your position in the negotiation process?

Knowing your position means more than saying to yourself, “I want this,” or, “I want that.” In most cases, your position will encompass more components than just the issue driving you to the bargaining table. Before entering the crossfire, use the following three inventory items to establish your position:

1. Know What You Want

Rather than enter a negotiating situation with a vague idea of your position, take time beforehand to formulate a detailed picture in your mind of what you want. Start by making a list of your demands. Say, for example, you’re applying for a new job. In this case, your list may include a desired salary, benefits, and vacation time.

Be very specific in your list of items, because specific demands carry more negotiating power. When you know exactly what you want, you will feel more confident and your counterpart will respond more favorably to your requests. Sometimes just acting like you expect a positive response will sway the other party in your favor. And while you can’t always rely on your confidence alone, the force with which you present your demands will at least give you an edge.

2. Know Where You Can Afford to Compromise

So what happens if you don’t get exactly what you want out of the deal? Well, that’s just reality. No one ever gets *everything* they ask for in life, and negotiation is no different. The process requires give and take from both parties, so you should always be prepared for compromise.

To avoid giving up too much, or giving in on the wrong issues, know in advance what concessions and compromises you are willing to make. Consider your list of demands and decide which items you absolutely must have, what items you would like to have, and what items would be great to have. Plan ahead how far you can reduce your demands so you aren’t forced into making snap decisions, or a decision you may regret.

3. Plan Alternatives to Your Ultimate Goal

Think of alternatives as your safety net. If you can’t negotiate a deal that both parties agree with, you should always be prepared to walk away. For every plan A you should have a plan B, and remember never to want anything too badly. Desperation will

cause you to make poor decisions, and in reality situations aren't usually as desperate as they seem.

Many times, when negotiators aren't prepared with an alternative perspective, they feel like they have no choice but to take what's offered. When you take time to consider your alternatives prior to the negotiation process, you won't be afraid to walk away when things don't go as planned.

What is Your Counterpart's Position?

Once you've determined your stance, the second part of negotiation preparation requires you to look at the situation from the other side. You must survey your counterpart's position and uncover their strengths and weaknesses. Ask yourself the following five questions to discover what's on the other side's agenda:

1. What Do They Want?

Discovering what the other side wants is crucial for developing mutually beneficial agreements. Obviously they want something from you, or you wouldn't be negotiating in the first place. Do they want the product you're selling? Or do they want a cheaper alternative to a service they already get from somewhere else? In many cases, their wants will be apparent. But if you don't know what they want, then don't be afraid to come out and ask them.

2. What is Important to the Other Side?

Say, for example, you're a real estate agent negotiating the price of a listing with an interested couple. Naturally, they want the house you're selling, but what's really important to them? Is it the location? Are they comfortable with the mortgage? Once you discover your counterpart's needs, you can use those points to negotiate for things that are important to you.

3. Why Are They Willing to Negotiate?

Willingness to participate in negotiation automatically signals some degree of flexibility or need. Roger Dawson described a historical example of this concept in his book, *You Can Get Anything You Want*. During the Vietnam War, Lyndon Johnson's administration was under tremendous pressure from the constituency to reach an agreement before the general elections, and the Vietnamese used this to their advantage. They pushed the United States into a corner and forced them to give up almost everything to end the fighting. In this case, the impending election added a time constraint on the United States to the point of desperation. When you know why your opponent is willing to negotiate, you can use it to your advantage.

4. What Does the Other Side Bring to the Situation?

Before entering into negotiations, you must find out what they have to offer you. Do they have what you want? Can they afford your demands? If they don't have what you want, the negotiation process is pointless.

5. What Resources Do They Have?

Just like you have other options, your counterparts are likely to have alternatives as well. Find out how badly they need this deal. Are they desperate? Or do they possess a catalog of other options? A customer, for example, usually has plenty of choices when negotiating the sale of a product or service. They can just shop somewhere else if you don't provide what they want on their terms. But sometimes, you'll find that you are the only source for the item your counterparts want.

Preparation for the Future

You wouldn't take a test without studying, so why should the negotiation process be any different? Taking a personal inventory of your position before beginning the negotiation process will give you confidence and prevent you from making poor decisions. Additionally, some investigation of your counterpart's needs and wants will give you an added edge when the process starts.

Knowledge and preparation are the keys to effective negotiation, and as a salesperson, you can only benefit from the extra effort. When you take time to understand your position and your counterpart's position at the bargaining table, you'll be ready for anything and secure more sales as a result.

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