

4 Steps to negotiate your way to business success

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As a manager or owner of a medium business, a large portion of your time each day will be taken up by negotiations with business partners, suppliers, customers, team members and other stakeholders. Maximising the success of these negotiations - big or small - is key to accelerating the success of your business.



If you're a good negotiator, you will be able to bring great clients on board on profitable terms, and then build successful ongoing relationships with them. You will also be able to forge constructive, win-win partnerships with your suppliers and service providers. Negotiating skills are also key to securing the best talent and building a successful team.

Though it comes more naturally to some people than others, negotiating is a skill that can be learned and developed.

Here are a few of the principles that work well in practice:

1. Be prepared

The starting point is to do your research about the organisation or person you are negotiating with; the strengths, weakness and competitors for the product or service you are buying or selling; and the impact the deal or transaction will have on your business.

The more information you have at your fingertips before you start negotiating a deal, the more successful the results will be for your company. Use your research to crystallise some realistic objectives for the negotiation and to develop your strategy for the discussion.

Before you enter the meeting, try to form a clear idea of:

- What you want and at what price
- What the other party wants and what price
- What the market and the competitive landscape looks like
- Any objections the other party may raise to your proposals
- The benefits the deal should deliver for your business
- The benefits for the other party in dealing with you

It can be helpful to take notes or set up a spreadsheet to keep track of the data you collect during your research.

2. Listen more than you speak

Most people like to talk, and listening to what they are saying can help you to become a more successful negotiator. If you are an empathetic listener, you can pick up what elements of your proposal will resonate most strongly with the other party, as well as what their potential concerns may be.

Even in a formal pitch scenario – where you are given the floor to do a presentation – you should make plenty of time to listen. Leave some time to ask them questions to understand where they are coming from, what they need, and what they are willing to offer. To reiterate, the better informed you are, the more successfully you can negotiate.

3. Aim for the mutual win

Wise negotiators leave their egos outside the door and look for ways that both parties can get what they want from the talks. A negotiation should not be a game or a war that you ‘win’ by extracting as many concessions out of the other side as possible. Instead, it should be about finding mutual advantages.

You want to sell your product or service, and start a long-term relationship with a client, for example. And the client wants to get good value for money and a high-quality offering. There is almost always a way to ensure that you can both get what you want.

People like dealing with others who they feel also have their interests at heart, who take the time to develop rapport, and who seek a positive rather than an adversarial relationship. Flexibility, creativity and empathy are strengths when negotiating – so seek to understand not just what the other party wants, but why they want it.

4. Have a plan B

In the words of the old country song, “you’ve got to know when to hold ‘em, when to fold ‘em, and when to walk away”. So, make sure that you can exit any negotiation if your reason and instincts tell you that you are not going to be able to secure an agreement on fair and favourable terms. Don’t bet your company’s future on acquisition talks with just one other company, for example, but keep your options open.

Do not invest all your sales resources in just one large client, just in case they are not willing to close a deal on terms that are financially sustainable for your business. Also, be wary of becoming locked into one supplier – keep your

eyes open for alternatives, even if you are happy with your current provider's product and price.

Scratching the surface

I've simply scratched the surface of a complex field in this article. As mentioned earlier, negotiation is a skill that you can sharpen and develop through practice and training.

In addition to the many great books on the subject, many business leaders find it beneficial to take a negotiation workshop or advanced sales course from one of the business schools to hone their abilities.

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