

# Business negotiation strategies to land the perfect deal

Business negotiations happen almost every day. Whether it's a discussion between two potential business partners, an employee and a manager discussing a raise, or a team negotiating a change to a deadline, the same skills and tactics play a role. Whatever you may be negotiating, we're here to help you make that deal. The art of negotiation comes naturally to others, but for others it takes practice. Either way, everyone can benefit from some key tips and recommendations.

In this BusinessManagementDaily.com article, we cover:

- Successful negotiating strategies
- Practices to avoid when making a deal
- Practicing to improve your negotiation skills

## Useful Business Negotiation Strategies

Stakeholders and small business owners alike live in a world of constant negotiation. These back and forth communication skills are invaluable in the business world, and there are proven strategies for getting the deal you want, regardless of the nature of the deal.

Below are a few key negotiating strategies that will help you win any negotiating scenario.

### Clarify Assumptions

Don't let misunderstandings diminish the negotiation process. Be as organized as possible with what you want out of a deal without coming across as 'robotic' or 'bland'.

The person with whom you're negotiating will likely be impressed with your organization, and they'll also appreciate the fact that you aren't there to waste their time. Do your best to paint a picture of what you want and establish your goal to reach agreement first thing at the negotiation table.



### **Establish a fallback position (BATNA)**

A deal might not always go your way. That means you must have a fallback plan in place. In negotiation theory, a fallback plan is referred to as a BATNA, or 'best alternative to a negotiated agreement.' If you can't get exactly what you want, you should know what alternatives there are. This puts you in a more powerful position in the negotiation and will help you not be let down when a deal doesn't happen. So set your goals high, and hope for the best, but be prepared not to get it.

### **Speak the other person's language**

Use the other person's words at the bargaining table. Knowing the general personality traits of whom you are negotiating will make it so much easier, and skilled negotiators are masters at using other people's words to persuade them into a deal.

Are you unfamiliar with the negotiator on the other side of the table? You could try adding them on social media and other platforms to get a feel for what they like and how to appeal to them. This applies, particularly to international business. It's easy to get a feel for someone you work with every day, but someone from a different country speaking a different language is another bear of investigation to tackle.

We might advise that you be so good at using the other person's words that it subtly slips under their radar without them even consciously noting it.

### **Face problems head-on**

Hit the nail on the head when it comes to your business negotiation strategy, and a big part of facing problems is properly identifying them.

That being said, you should still use neutral wording in your negotiating to avoid creating conflict. Yes, the problem needs to be addressed, but without negativity or over-angst. A good hostage negotiator might not come right out and tell the hostage-taker that he was coming in armed, but rather silently enter posing as just another civilian.

## **Embrace the stalemate**

Negotiating can often end in a stalemate where both parties make a sacrifice to reach a successful end agreement, but ultimately end up in a deadlock. Don't necessarily treat a stalemate as the end, consider it a temporary impasse and a chance to "take a breather."

Let's face it, negotiating is hard. A Harvard study suggests that negotiators with a [reputation for collaboration](#) have the upper hand against more competitive negotiators. Being a tough negotiator isn't always what yields the best deal. What's more important is your ability to collaborate effectively.

## **Listen open-mindedly**

Showing humility in your argument is a surefire way to create an open relationship. Because making a deal sometimes isn't all about you. A Harvard Business Review article points out that there is a 'strength in weakness' when it negotiating, and people with good business negotiation skills have a knack for weaving silence into their strategy.

There is a misconception that listening too much will make you look like a pushover and lead to being taken advantage of, but we would argue that strategic negotiation stems from listening to the other side closely and inputting your first offer at the perfect time much like a quick jab in a boxing match.

## **Radiate energy**

Business success requires that you emit a vibration that emulates your personality and what you stand for. Nobody wants to do business with a robot, so it's important to be who you are, and radiate your energy when making the deal. The opposing negotiator most likely wants to know you better as a person, and they'll more likely be more lenient in dealing with you if you are putting off friendly vibes.

Most importantly, don't forget to smile.



"Business success requires that you emit a vibration that emulates your personality and what you stand for."

### **Express sincere praise**

It's okay to point out things you like in the person you're negotiating with. You obviously don't want the other party involved to think you're 'buttering them up,' but what are you doing if you're doing business with somebody you don't like?

Mergers and acquisitions create growing pains within companies, but friendliness and respect are two tools used to make trade-offs easy. Showing that you're willing to acknowledge the positives in the other person and their position can help build trust and strengthen your position.

### **Acknowledge agreement**

In a business argument, there are always points where both parties agree to disagree. The important part is highlighting areas where both parties both want to be in on the action and capitalizing on it.

The advantage of finding commonalities within the deal is that it will ease the other party into even more agreements down the road. Focusing on disagreement is a negative aspect of business negotiation that likely won't get you far.

### **Prove your point**

You can't go into a negotiation without a goal, and proving the validity of that goal is what it's all about. Few negotiators will agree with you without concrete evidence, so that means you've got to bring some cards to the table to highly influence your success.

### **Cluster agreements**

Don't forget to come to the table with multiple deals in mind. Why? Because you can quickly add details to the deal when the opposing side starts agreeing with you.

Win-win situations are always ideal, so work out all of those side details before you start negotiating, and if you can help the other side come out on top also — now that's the sign of a master negotiator.

For example, start-ups always require many different goods and services to get out of the gate running, and this

is where clustering agreements make it easy to hit the target multiple times in one throw.

## **Repeat questions**

Clarification is huge in business deals, so asking lots of questions is a must.

Specifically, start with easy and friendly 'softball' questions like what they want to eat during the meeting or how long they've been at their current position, and then quickly transition to the big important 'hardball' questions like "How do you feel about investing 500 thousand dollars in our business?"

When you start with a simple and easy question, it sets a tone for bigger questions to come out more casually. For example, a company employee might have a shaky tone to their voice coming right out the door asking for a raise, and the employer might catch onto it and take advantage. In high-stakes situations, build your confidence with personal questions, and shoot high with confident and powerful requests.

## **Emphasize common bonds**

Finding common ground is a great psychological technique for getting the other person on your side. You might even consider bringing a negotiation partner to the mix to help with problem-solving. The quality of a good manager/leader is knowing how to use employees to their advantage.

## **You decide when the negotiation ends**

This is your deal, so there's no reason to let the opponent control it. Don't let the opposing side leave if you aren't done negotiating. Any successful person will tell you that they became successful by being assertive and not backing down.

If you need to make concessions in a negotiation, that's fine (and sometimes necessary). The bottom line and important detail is taking personal control over the argument.

## **Notions to avoid in business negotiation**

Every scenario of business negotiation is different, but some actions should be avoided to create a successful business strategy. Here are a few:

### **Don't label people**

People generally don't enjoy having a label put on them, and this especially applies to a business situation. For example, you might notice that a business partner is overly hyperactive, but that doesn't mean you should call them 'jittery' or 'twitchy' to their face. You *definitely* should keep other people's physical figures/characteristics out of the argument when discussing a deal.

In reality, the only thing that matters about the person on the other side of the deal is if they want to agree.

### **No apologies necessary**

Don't say sorry in business negotiation because it makes you look like you're either trying to take advantage or simply not cut out for the deal.

In some cases, saying sorry could have a [legal consequence](#). For example, if the manager of a ski resort apologizes to an injured skier being carried away in a stretcher, it could make the injured skier think that there was a design flaw in the trails that caused them to become injured — means for a lawsuit.

## **Forget the past**

Let the past be. Just remember that any past negotiations don't matter when working on your new deal. For example, if an employee feels like they have earned an employer a lot of money, they're going to ask for a raise, but that doesn't necessarily mean they should hang that over the head of the employer.

Sure, it's okay to point out how much money you've made for the company, but it's not a good strategy to obligate or pressure someone into paying more. Instead, you should kindly ask for more opportunities.

## **Don't speak in absolutes**

'Always' and 'never' should be used sparingly when negotiating because they end up creating unnecessary conflict and could shut down negotiations. Instead of speaking drastically, speaking hypothetically. Talk about positive aspects that would occur if the deal were to go through, and why you think it's a good idea to come to a reasonable agreement.

## **Get better at negotiating by practicing**

So, we've prepared all you entrepreneurs and other business folk with some great tools for becoming a master negotiator, but we will say that effective negotiation strategies don't happen overnight.

These do's and don't's work best with constant practice. Business school isn't the only place to learn to properly contract negotiations. The key is to find your unique negotiation style in as many scenarios of negotiating as possible specific to your trade, and don't get discouraged if you continuously fail — that's part of the learning curve.