

How to Be a Better Negotiator

By Project Solutions Inc. Team



Whether you're discussing terms with suppliers, negotiating contracts with clients, or seeking investment, negotiation is an essential skill that small business owners use constantly. That doesn't change the fact that for many, negotiation is a challenging, anxiety-inducing experience. It can be disheartening to feel that your business is impeded by its weaknesses; however, negotiation is a skill that can be acquired. With adequate practice and preparation, you can approach your next negotiation with a composed and assured demeanor, confident

in your capability to achieve your objectives. In this article, we will look at a few ideas you can use to step up your negotiating game. While we will focus primarily on negotiations with potential clients, the ideas can be applied to any negotiation.

Do Your Research

Going into a negotiation unprepared will leave you open to surprises, less likely to be able to respond to requests specifically, and more likely to make mistakes. Remember: strong negotiation starts before the actual meeting. It is essential to commence your preparation by gathering pertinent information. There are three critical categories of information that consistently hold importance and offer a valuable structure for your research: understanding your client, analyzing your competition, and assessing yourself.

Perhaps as obvious as it is important, you need to know what your client wants to succeed in negotiating with them. As you begin your preparation, try to understand what your client really wants out of this interaction, what fears and goals they have that led them to the negotiating table, and what they are likely to expect to give in exchange for reaching those goals or escaping those fears.

Once you know what the client wants, you can investigate what competition you will face. Maintaining an active awareness of local competitors is good practice generally but developing a specific list of competitors for each deal can help guide your negotiation tactics. When looking at your competitors, ask what they can offer your negotiation partner, what price they will likely charge for that, and how important this deal is for their business.

Finally, you need to understand your own business to succeed in a negotiation. Reserve this section of your research for the final stage, as understanding your client's needs and how your competitors may meet those needs can provide valuable insights into your own capabilities. When looking at your own business before a negotiation, determine how you can help the client reach their goals, what unique value you have that separates you from your competition, and what you want to gain from this potential deal.

Prepare Your Approach

Now that you understand the positions of the groups involved in this negotiation, prepare a few strategies ahead of time. Work through how you will address your potential client's needs, demonstrate that your business is the best solution, and ensure that you meet your goals. Note that it's strategies, plural. Negotiations are conversational, and they may not move in the way you want. Preparing multiple approaches helps you stay adaptable and makes it more likely that, however the conversation moves, you'll be ready.



Maintain The Proper Mindset

Mentality can make all the difference in any conversation. As you enter the negotiating room, make sure you're in the right headspace. To achieve the best results, you will want to be empathetic, personable, and assertive in your negotiating.

Maintaining an empathetic mindset can go a long way to improving your performance. Being able to read the room and adapt to the changing atmosphere can help you keep clients engaged, and putting energy into understanding the feelings of those around you will enable you to address those feelings more directly. This should not be a purely intuitive process, though. Giving others a chance to speak both helps keep them engaged and allows you to glean insight into their needs, while seeing the negotiation from their perspective improves your ability to respond. Ask questions, listen to the answers, and adapt your approach to respond specifically to the people with whom you are negotiating.

It's not enough to just understand your clients, however. You also need to relate to them. People value connections, so giving potential clients a chance to see you as a human being rather than just a voice for a company can give you a big boost in negotiations. Be friendly, engage in conversation that isn't just about the current transaction, and create genuine connections with your clients, and you will encourage them to see you as a friend who cares about them and can be trusted.

Finally, be assertive. When you are speaking, speak confidently. Be excited about what you can offer and assured of the value of that offer for the client. Simultaneously, don't undersell your product or undervalue your work for the sake of ingratiating yourself to your clients. Be honest about what you can provide and what you feel you deserve in return. However, never present yourself as arrogant or confrontational. This is not an invitation to get into arguments or expound upon your greatness to the point of alienating your clients, but to speak with conviction to the ways you know you can help. Position yourself as a solution to their problems, not a source of conflict.

Focus on Solutions and Mutual Growth

When negotiating, it's important to remember that both sides fundamentally want the same thing. You both want to come to an agreement, so focus the discussion first on their problems and your ability to



provide solutions. If the conversation threatens to devolve into an argument, realign it based on your clients' end goals and your ability to help reach them. This can help reduce negativity and defuse aggression, maintaining the productivity of the discussion. Don't be afraid to make compromises to reach a deal that meets those goals. Negotiations aren't competitive, they're collaborative. You both win together and will likely both need to make some amount of compromise to achieve that win. Never position yourself as an adversary. Always be a source of

support and cooperation.

The focus of a negotiation should never be entirely on the other party, however. Mutual satisfaction is vital to a good partnership. Make it clear that you benefit from this deal as well, and don't compromise your bottom line for the sake of meeting unrealistic expectations. If you truly provide the best solution for your client, they should be willing to compromise to achieve that solution as well. If that isn't a possibility, remember that it is okay to walk away from a deal that is unrealistic or unhealthy for your business. If price is the main pain point of a negotiation, consider alternative solutions like negotiating the amount of service you can provide within the client's budget rather than demanding a higher price for the full package.