

Lesson 15 Worksheet: Negotiation Skills

This worksheet will help you negotiate wise agreements – i.e. agreements that value you at your true worth, while also giving the other party a good deal. Striking a fair balance will give both sides an incentive to make the deal – and the relationship – work.

1. Talk to the right people

Who are you negotiating with?

Do you trust them?

If so, go to the next question. If not...

Do you really have to do business with them?

2. Always have another option

What will you do if you fail to reach an agreement in this negotiation?

How would you know you have failed? i.e. what are the minimum terms you would accept?

What other options do you have?

If you don't have enough options, how can you find others – *before* you start negotiating?

If you really have no alternative, don't let the other party know! When you walk into the room or pick up the phone, think and act as though you are free to walk away – it will help you project confidence.

3. Know your worth

- Decide on what you want. E.g. a price for a sale, a salary figure, terms of engagement for a partnership.
- Depending on your circumstances, you may also need to have a 'fall back' position – the lowest figure or conditions you can possibly accept.
- Beware of making concessions in advance, based on your assumptions about the other party's resources or expectations. They may have more resources or different expectations than you imagine. And if you start with a lower request, they may start negotiating against that!
- Make a list of your dealbreakers – things you can't accept or make concessions on.

4. Start with points of agreement

1. First, picture in your mind what a successful outcome would look like. Imagine both sides being happy with the deal, and fulfilling their commitments with enthusiasm and mutual respect.
2. When the negotiations begin, get them off to a good start by describing this desired outcome – and check with the other party how closely this matches their vision. You don't need to include the precise terms, but make it very clear that you're looking for them to be happy with the deal as well as you.
3. Next, list all the specific points on which you are already agreed, and make explicit links to the desired outcome you've already described. Present these as pieces of the jigsaw that are already in place, leaving just a few more before the picture is completed to everyone's satisfaction.

5. Establish criteria

When it comes to points of disagreement, try to establish clear and reasonably objective criteria for coming to an agreement.

These can include:

- the value each party is providing
- the resources each party is committing
- market rates
- the risk each party is taking

Beware of accepting criteria that will give the other party an advantage, or that don't take into account important considerations to you. This is particularly important if they are unfamiliar with you and the type of work you do.

E.g. If they have never hired a graphic designer before, they may not understand that they are not just paying for a final design – they are paying for consultation, understanding their business problem, preparing drafts and alternatives, and refining the design. And their proposed usage may involve different types of intellectual property rights as well.

So before you start haggling over figures, make sure that both sides understand the other's criteria, and what is at stake for them.

6. Artists don't compete on price

If it's a sales conversation, then before setting your prices, do everything you can to establish yourself as an authority, or an artist with unique talents and abilities. Within every field of art or industry, there are customers who understand that exceptional talents command exceptional prices. Make it your business to establish yourself as an exceptional talent.

Here are some of the elements that will help you position yourself as a high status artist or practitioner:

- Critical reputation
- Popularity
- Venue – e.g. showing in the best gallery or being published by the best publisher
- Peers' respect and recommendation
- Consistency over time

Whatever you do, don't undercut your reputation by competing with cheaper alternatives and beware of offering your work at a discount.

7. Empathise

Imagine yourself in the other party's shoes, particularly when it comes to points of difference, and ask yourself:

How are they feeling?

What do they want to avoid?

What could reassure them?

What are they likely to agree to?

8. Beware of first offers

Resist the temptation to accept a first offer straightaway, especially if it seems too good to be true.

Ask yourself why they are making such an offer.

Ask them “What’s this offer based on?” – this will help you establish their criteria.

Try to establish their ‘ceiling’, i.e. the highest point they are likely to go to. In this context, it can be reassuring to hear them say “no”, as it gives you some indication of where their ceiling is.

Don’t push for exorbitant concessions, unless you get a strong indication that the other party doesn’t see them as exorbitant. (Some people have incredibly high ceilings!) Watch carefully for signs of their emotional response – you don’t want them to agree to something and then regret it and resent you.

9. Look for win/don't lose options

When discussing points of difference, look for options that give one party something they value highly, and are relatively easy for the other to agree to.

E.g. You normally take a week to process orders, but your customer needs something urgently. If you haggle over time, you could end up deadlocked. But perhaps they are prepared to pay more, pay your invoice more quickly, or place a large order, in return for express delivery.

In this context, beware of giving away your 'Don't Lose' options lightly – something may be easy for you to do, but it could be highly valuable to the other party, and give you leverage in negotiating something that is valuable to you in return.

What criteria are you inflexible on?

What criteria can you be flexible on?

What criteria is the other party inflexible on?

What criteria can they be flexible on?

How can you combine the answers to create win/don't lose solutions?

10. Don't give way without something in return

If someone asks you for a concession, don't just give in. Doing so will not only leave you a disadvantage, it will call your credibility into question.

If you can think of a specific concession you want in return, ask for it.

If not, say something like *"If I give you this, it will cost me [insert loss of time, income resources etc here]. What will you give me in return?"*

This makes it clear to the other party that they are asking for something valuable – and places the onus on them to come up with a solution to the problem they are creating.

11. Remember the future

Sometimes you may sense that you have an advantage over the other party, or that they are agreeing to something reluctantly, that will put them at a disadvantage. Even if it's tempting to go for such a 'good deal', remember that this will affect your relationship with them, and possibly your reputation with the people they talk to.

Before you shake hands on the deal, take a read of their body language.

- Do they seem happy, relieved, enthusiastic?
- Or hesitant, begrudging, resigned?

If the latter, then ask them whether they are really happy to go ahead, or whether there is anything they'd like to change.

Renegotiating the deal at this stage may feel like a sign of weakness, but it actually positions you as a high status player, and gives you the opportunity to cement the relationship as well as clinch the deal.

12. If they play dirty...

If possible, walk away. You want to avoid dealing with dishonest people. But if the deal feels really important, remember the options from the lesson:

Talk to a trusted advisor

The deal may feel like a 'must have' for you, but is it really so important that you would deal with someone of low integrity? Ask a friend or advisor who knows you well for their opinion of whether you're better off walking away.

Call them out on it

"Do you think you can get the best deal by trying to intimidate me?"

Give yourself time

If you feel you're being steamrolled into a decision, tell them you need time to think it over and come back to them.

Get backup

Some situations call for a professional negotiator, a lawyer, or both. If the other side have them, you need them too.

Stand your ground

Don't be intimidated. It's hard work, but sometimes you just have to stand up to a bully