

## Communicating at the Right Time

### Negotiating Effectively at the Table from the Buyer and Seller

Regardless of whether you are on the buyer or seller side, you need to communicate effectively when in negotiations if you want to conclude with a successful transaction. No party will have a successful close of a business transaction if you do all the talking and not listen to what the other has to say.

The biggest fault any party can have is solely giving answers and not listening or writing down the input of the other side. Knowing what the other side is thinking and being able to relate and understand will lead you to a successful close instead of an impasse.



### RECORDING AND LISTENING

Here are some important points to follow when managing negotiations:

#### Ask More Questions

You should always be asking more questions instead of giving answers. No matter if you think you know the answers; it is important that you listen to what the other party is saying as opposed to giving only your two cents.

#### Determine the Other Party's Concerns and Needs

Always discern what the other party's underlying concerns, interests, preferences and needs are. They have to be able to mesh with your goals if you are going to be able to find common ground.

#### Record and Review

If you're not writing down everything the other party is saying, you're not doing your job. The importance of this is to review what the points are that the other party is presenting, and review them what you have written so they will give you more invaluable information.

#### Allow Other Party to Give Opinion

The other party should be able to tell their story in their own way, even if they may digress and meander. Always give their side the platform to speak.

#### Temper Your Words and Reactions

Control your words and reactions so that you do not come across as opinionated and judgmental. The worst thing to do is to spend time arguing and debating.

#### Answer Questions with Questions

You must get into the habit of answering a question with a question. This will help you clarify where the other party is going with their questioning.

### ADDITIONAL POINTS TO NEGOTIATING

These are some important points that you should recognize:

- **Catch More Flies with Honey** - Always begin the strategic interaction in a congenial and respectful manner as the other party should respond in kind.

- **Don't be the Lone Ranger** – You should have an associate with you when you go into a bargaining session. This will give a feeling of support, provide the opportunity for feedback and allow for more flexibility in tactics.
- **Save the Leader for Last** – You want to keep the ultimate decision maker out of the heart of deal making. This will give you one more buffer prior to the final decision.
- **Slow Things Down** – Don't speed along with responses and decisions. This can produce detrimental results for both parties. If you feel you or the other party is getting too ahead of the game, slow it down, ask questions and seek clarification.
- **Seek Alternative Perspectives** – Always approach the way the other side has framed an issue or formulated the problem with a different outlook. Never accept anything at face value.
- **No Doesn't Mean Never** – It's easy to forget this in negotiating. It's a reflexive reaction to the unexpected or an opening bargaining position. Determine the objection and respond accordingly.

## SETTING OBJECTIVES

Before contacting the other party, think about your interests, concerns and what's really more important to you. Always embark upon the least troublesome issue first – those where a consensus can be readily attained. You should save the most problematic issue for last.

### *Must Haves*

These are crucial elements of a deal that economically will impact you if not included.

### *Would Likes*

These matters have a little more room for flexibility since they are not deal breakers.

### *Tradables*

These are items may have a small economic impact to you, but have value to the other side.

## Closing the Deal

The following benchmarks are necessary to successfully conclude a negotiation:

- Gain a sufficient investment in the process to minimize the potential for buyer's or seller's remorse.
- Furnish a basis for comparison, such as objective data.
- Use the concession rate to signal the best deal by beginning with the largest concession, and gradually diminish the amount conceded. Most concessions should come at the end of the negotiations, not at the beginning.
- After obtaining involvement, provide options or choices.