**Understanding the Nature of Negotiation**

**What is Negotiation?**

Negotiation is structured to achieve a specific outcome, usually in the form of an agreement. Negotiation is the only form of conversation that carries with it the constant possibility of success or failure – meaning you might not get what you want or you may fail to reach an agreement at all. Success in negotiations can come only when you have learned to control the flow of conversation toward agreement and minimized your fear of failure.

Therefore, negotiation means you get what you want and the other person gets something in return. Maybe you’ll gain an advantage – but in real negotiation, both sides feel that they are gaining something, which is the basic for each party’s willingness to agree.

**Successful Negotiation**

It has to be a win-win situation (once the negotiation conclude in the dispute, neither side makes a victory statement). In should never ends in statements like “We really beat the daylights out of the other side.” Instead, the statements such as “Both sides have worked out an agreement we believe to be fair to all of the parties, and we look forward to resuming work.” should be used. These statements show that each side knows they gave something, but they also received something in return.

**Confrontation VS. Negotiation**

Confrontation has winner and loser. It is an all-or-nothing situation (get it all or nothing). It can be appropriate and even useful when there won’t be a next time, or when you can risk walking away with nothing, or when you are right and the other party is wrong. But remember! when you confront, you’ve got to consider beforehand what you’ll get if you win and also what it will cost you to lose.

Negotiation, on the other hand, is about gaining an advantage and perhaps giving something in return. Unlike confrontation, the successful negotiator never walks away empty-handed. In confrontation, the winner may gain an advantage, but the loser may be left with a need to get even.

**Everything is Negotiable!**

How often have you accepted a table near the door in a restaurant because you were hesitant to ask for a more desirable spot?

Think about the time you checked into a hotel and learned that the exact accommodations you reserved were unavailable. Did you ever ask for compensation? Being a successful negotiator means you’ve got to question those situation around you – always being willing to ask for more or better when you’re entitled to it or even if you’re not!

Remember! Everything is negotiable!

**The Five Secrets of Successful Negotiators**

*Secret #1: Get around the rules*

Consider these statement….

“Don’t even think of parking here!”

“Do not enter!”

“Do not remove this tag under penalty of law.”

You have to break the rules!

That means when you see these signs, do question any odd or unfair policy. Just because there is a rule doesn’t mean you can’t be exempted from it. Remember: Anytime you hear the words “No one has ever questioned this policy before,” you are well on your way to being a successful negotiator.

*Secret #2: Go straight to the top*

Do not talk with no authorized person who cannot make changes in the status quo. If the individual you’re talking to is…

(1) behind a window,

(2) wearing a name tag, or

(3) has a title that begins with the word “assistant”

That means you’re talking to the wrong person. You need to get to the real decision maker.

*Bonus Tip*: You may want to ask more than one person just to make sure you’re getting the correct name(s). You can go back to your original target and ask to speak with Mr./Ms. Big.

*Secret #3: Don’t get angry; get action*

Once you meet with the decision maker, you improve your chances of success by being a person with whom it is pleasant to negotiate. In other words, you won’t have much chance of getting what you want if the decision maker has to manage two problems – your behavior and the negotiation – instead of one.

*Secret #4: Never negotiate in a crowd*

In a formal negotiation setting where both the gathering and the issues are large, crowds may be unavoidable.

However, informal negotiations (one-on-one with minor issues) should be a private affair. Especially, when you try to get a better price on a purchase – be it in a store – because if anyone but you and your target can hear the conversation, they will want the same deal.

*Secret #5: Give in order to get*

The tip is giving away something that’s of little or no value to you but of some real or imagined value to your target.

For example, if you want a better price on an airline ticket or a service upgrade, you may often begin with something like “I know you (reservation) didn’t come up with this price yourself, and I’m sorry to bother you with it, *but* if you take a look at ….”

After hours of facing the you’ll-never-fly-your-crummy-airline-again, that bit of recognition and respect (which costs you nothing) has gotten you a lot of upgrades. In this instance, you simply gave up an intangible (recognition) and received a tangible benefit in exchange.

For the vendor side, they are great at coming up with giveaways that seem substantial to customers but are of little or no cost to the vendors themselves.

For example, automobile dealers lure customers with promises for “free oil changes for as long as you own your car!” At first glance, that sounds like a great deal. But think about it: if you keep the car for five years and have maybe ten oil changes, that perk will cost the dealer less than $150. That’s very little comparatively if the dealership makes $2,000 profit on the car and even less if the dealer adds the cost of the oil changes to the selling price.

**Conclusion**

While negotiating, think about what you want, but also think about what you can give up in exchange. Whenever possible, it should be an intangible or a tangible of minimal cost, yet the recipient should perceive it as valuable. However, it may also mean giving up a part of your initial position in order to reach the ultimate goal of all negotiation: ***Agreement***.