



## My Eight Best Negotiation Tips

Negotiation is a part of life we all have to deal with. Being able to do so successfully can make a big difference to our outcomes. Here are eight tips that have helped me.

### **Be willing to negotiate in the first place**

Some people are too shy to talk about money. Others think it's rude or demeaning. And in many cases they're right. However, when it comes to doing a deal - and we all have to sometimes - being unwilling to engage in "money-talk" can be a very expensive business.

There are a lot of experienced negotiators out there. If you're buying a house or a car, or taking a new job, you can be sure you'll have to deal with such a person. If they can see you're timid about the whole business, many will take advantage of that fact.

You also shouldn't be shy about turning something that may not immediately appear to be a negotiation into one. If I'm buying a few expensive things from the same store, I'll often ask them to throw something in for free or reduce the price. Just because there's no sign saying you can do that, doesn't mean you can't. Often, simply by asking for something extra I'll get a better deal.

### **Don't get emotionally involved**

One big mistake many amateur negotiators make is to become too emotionally attached to winning. They shout, threaten and demand to get their way. This is all counter-productive.

Most deals are only possible if both people feel they're getting something out of it. If the person across the table feels attacked, or doesn't like you, they probably won't back down. Many people hate bullies, and will be more willing to walk away from a transaction if it involves one.

Keep calm, patient and friendly, even if the other person starts losing their cool. Make sure you leave any pride or ego at the door. You're much more likely to do well that way.

### **Don't get suckered by the "rules" trick**

When someone sends me a contract to sign, if there's something on there I don't like, I'll cross it out. I'm also happy to write things I want added in if I think they should be there. Sometimes, the other party will come back to me and say "You're not allowed to make changes to our contracts like that".

Oh really?

Since I'm the one signing the thing, I'll make any changes I want, thank you very much. There's no law that says they're the only one allowed to add things to a contract. If

they're not happy with my changes, let me know and we can work it out, but don't simply tell me I don't have permission.

This highlights a common tactic used by experienced negotiators such as real estate agents, employment agents, car salespeople and the like. They know many people are sticklers about following rules. So they'll make up official sounding pronouncements and insist that "this is the way it's done" or "you're not allowed to do that". If someone starts trying to box you in by adding rules to the deal, ask them to provide proof that such rules really exist.

### **Never be the first person to name a figure**

This is an expensive lesson to have to learn, but a good one. I do a lot of contract work, and one of the first questions I'm usually asked is "What's your hourly rate?". This is a high pressure question, and I often found myself blurting out a figure that was lower than what I really wanted.

These days, I've learned the importance of getting the other person to say a number first. Now, I respond to that question by asking "What's the budget for this contract?". Often, I'm surprised to discover they're offering me a better deal than I thought they were.

### **Ask for more than you expect to get**

Once the other person's given their figure, even if it's much better than you expected, say something like "I think you'll have to do better than that". Don't be arrogant or aggressive. Just say it calmly.

When they enquire about your expectations, ask for more than you expect to get. Few people will walk away from a deal once it's commenced, and you can let the other person feel as if they're winning by lowering your "unrealistic expectations" a bit at a time.

### **Let them believe the final decision doesn't rest with you**

Once a negotiation starts, most people want to get it over with as quickly as possible. Let their impatience beat them. One great way of doing this is to let them believe the person they're negotiating with isn't actually you, but some other "authority figure".

Say something like "Well, I'll have to talk it over with my boss / spouse / partner before I can give you a definite yes".

A skilled negotiator will always want to talk to the person who has the final decision, but don't let them do it. Say the person with the authority over the deal wants you to sort things out but still needs to have the final say. Tell them you'll discuss it and get back with an answer tomorrow. Ask them to make sure that's their best offer you can take to your "authority figure".

This is also a great strategy for preventing people rushing you.

### **Don't act too interested**

Just giving the impression that you're willing to walk away can do wonders for getting a better deal. Always play the reluctant buyer or seller.

### **Don't leave the other person feeling as if they've been cheated**

Many people try to screw every last drop of blood from any negotiation. This is a mistake.

If the other person feels they've been cheated, it can come back to bite you. They may not fulfill their part of the deal, or refuse to deal with you in the future.

Most negotiations should leave both parties feeling satisfied with the outcome. Be willing to give up things that don't really matter to you in order to create a feeling of goodwill. For example, if I'm renegotiating my rent downwards, I'll often offer to sign a longer-lease. That way, the landlord knows his property will have tenants for a longer time, and I get a cheaper rent.