Art of the Deal

Summary notes.

Most people would agree that negotiating is more of an art than a science. Good negotiators are usually said to be those people who have an instinct for engaging others and a creative flair for solving problems. As true as this may be the ability to be an effective negotiator can be taught. There are very specific skills and disciplines that determine the outcome of all deals. I have spent many years honing these skills and sharing them with others. During this seminar we will explore the various formulas and strategies that can cause everyone to be successful at the “Art of the Deal”.

Part one.

THE 5 NEGOTIATING ELEMENTS.- The game plan.

The outcome of all interactions is controlled by 5 elements. The ability to be an effective negotiator depends on how well you use these elements in your deals.

The 5 elements are:

Primary
LOGIC - the facts or merits of your case
POWER - the ability to penalize or reward
EMOTION - the human element

Secondary
TRADE - something for something
COMPROMISE - mutual or individual concession.

The 3 primary elements are your persuasive skills and are used to convince the other party to your point of view.

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For example, if you can convince the other party that your facts are indisputable (LOGIC) and that it is completely in their best interest to accept your deal (POWER) and at the same time build trust so that they like you and believe you (EMOTION), you will have created a total package of persuasion.

In the event that one party is unable to control all three primary elements (as is often the case) negotiations then operate in the secondary category. The 2 secondary elements are your creative skills, they are used to bring both parties together when neither one can create complete value for their own position. The effective use of TRADE and COMPROMISE will be discussed extensively during the seminar.

Note: Good negotiators focus as much as possible on being persuasive to minimize concessions.

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Part two

THE 6 NEGOTIATING STRATEGIES

The 5 elements (or game plan) that control the outcome of all interactions are the foundation for all successful deals. However, they do not operate in a vacuum. If we were building an automobile the game plan is the engine, but a good car needs more than an engine, and good negotiators need effective strategies.

During the seminar we will explore 6 strategies that will give your game plan maximum success

Overview of the 6 strategies:

PREPARATION
It is often said that knowledge is the one true power in negotiations. The more you know about the other party before you engage them the more confident you will be in your interactions. Find out as much as possible ahead of time about their needs, their strengths and their weaknesses. It will help you determine how to create value for your point of view.

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DECISION MAKERS
I have a saying in negotiations, “The higher you are dealing in the other party’s camp the more they want what you have”. Translation the more important the decision maker is that you are dealing with the more important you must be to them. Senior people rarely waste their time on deals that are not important to them. Know who you are dealing with and establish their decision making ability early on in negotiations. That way you will avoid being bounced around from one party to another.

CONTROL THE LOCATION
The party that is most comfortable with the time and place will have greater control of the outcome. Do not negotiate when you are tired, bored or in a hurry as you will not be able to give the discussion your full energy and attention. Consider whether you will be best served by a face to face meeting or the telephone. During the seminar we will discuss the pro and cons of each.

GET THE AGENDA
All effective negotiators know that the opening minutes of any negotiation are the most important. It is at that time that you can ask questions to establish the real needs of the other party and confirm any information you gathered at the preparation stage. Never begin a negotiation with a demand or an offer. Take time to listen to the other party to establish their agenda and develop a dialogue of equals.

TRADE CONCESSIONS.
Once you have established an agenda serious discussions begin in negotiations. It is at that time that you will use your primary elements to create value for your point of view. The goal is to minimize concessions by convincing the other party of the value of your position, using LOGIC, POWER and EMOTION to your best advantage. Since the other party will also try to convince you of their point of view concessions may need to be made to secure the deal. If this happens there is only one absolute rule - Trade concessions don’t give them. For everything you are asked to concede you must get something of equal value in return. During the seminar we will discuss a menu of trading choices to give you the best creative options.

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WALK AWAY
In the event that you are unable to secure equal value concessions you must be prepared to stop negotiating. This is not an end move but a strategy to avoid getting caught up in a bad deal. The “walk away” strategy could be as simple as a time out to re-energize or as dramatic as leaving the negotiation to allow the other party to reflect on the inequity of their demands. Do not walk away prematurely in negotiations, make sure you have explored all the options from your 5 elements game plan, but ultimately it is worth remembering this motto. “You can get over the disappointment of no deal much quicker than you can recover from the misery of a bad deal”.

The effective use of these 6 strategies backed up by your full range of negotiating elements will give you the tools you need to secure the best deal possible in all your interactions.

Part three

COLLABORATIVE DEALS
Much has been said and written on the subject of negotiations. Books, seminars and tapes abound, offering tactics and gambits to help us all become “tough as nails” negotiators, or showing us how to get what we want by outsmarting the other guy. The problem with this approach to negotiating is that it creates an adversarial atmosphere that ultimately leads to winners and losers.

The most effective style of negotiating focuses on a collaborative approach to the process, by understanding the simple truth that if you try to win the other party will try to beat you, which is potentially dangerous situation if you need to deal with the other party again in the future. The best negotiators know this and avoid a competitive style. Instead they seek collaborative solutions that benefit both parties.

During the seminar we will use 4 strategies that are effective for collaborative deals, and practice the process with interactive discussion and case studies.

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Here is an overview of the 4 keys to collaborative deals.

1. FOCUS ON THE NEEDS OF BOTH PARTIES.
Begin each collaborative negotiation with a free exchange of information. Build trust by listening to the needs of the other party and showing empathy for their position. By understanding each others needs you will be able to enter into the second stage of the negotiation as partners not adversaries.

2. DEVELOP A REALISTIC SOLUTION.
Based on two separate sets of needs in the negotiation it may not be possible to achieve all your goals and still satisfy both parties. Be realistic, don’t take advantage of the other party. Don’t pressure them for more that they can do as this may cause them to renege on the deal at a later stage. However don’t allow them to pressure you into concessions that are unfair to you. Which brings us to strategy number three.

3. GIVE YOURSELF ROOM TO MANEUVER.
There will be times when you are negotiating in a competitive environment or with a competitive individual, when this happens if you are the only one being collaborative you will lose, which is not an option. To avoid losing it may be necessary to adopt a competitive style yourself. By giving yourself room to maneuver you can haggle with the other party and eventually come to a mutually satisfying solution. This strategy in collaborative by result, if not by design.

4. AVOID SINGLE ISSUES.
The quickest way to sabotage a collaborative deal is to focus in on one issue and be inflexible. Many times you will hear of negotiations that have stalled because the parties cannot agree on one contentious point. Good negotiators understand this problem and always keep several issues on the table as possible solutions. The key here is to trade concessions equally using the 6* variable trading items that create mutually satisfying solutions. Trading one for one, two for two, or three for three. That way neither party feels cheated. This method of problem solving will be discussed in detail during the seminar.

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*The 6 variable trading items are:

MONEY
TIME
PRODUCTS/SERVICES
RELATIONSHIPS
VOLUME
SITUATION

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I hope you enjoyed the seminar and use the skills you have gained to help you secure the best possible deals for yourself and your company. For details of the full range of services I have available check out my website at

www.barryelmsseminars.com

or call 617 899 7746

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