

# Getting Results Through Negotiations

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*Shipleys Limited*

*From*  
BEST PRACTICES

*...to*  
BODY OF KNOWLEDGE

**APMP**®

# Basic Principles of Negotiation

Knowledge is power

Don't try to close before  
it is closable

If you are not ready to walk,  
you are not ready to negotiate

# Four Phases



- Preparing
  - Preparing yourself
- Opening
  - Your starting position
- Bargaining
  - Narrowing the gap
  - Persuading with logical debate
- Closing
  - Capitalising on work done earlier

# Preparing

*Preparing yourself*

*From*  
BEST PRACTICES

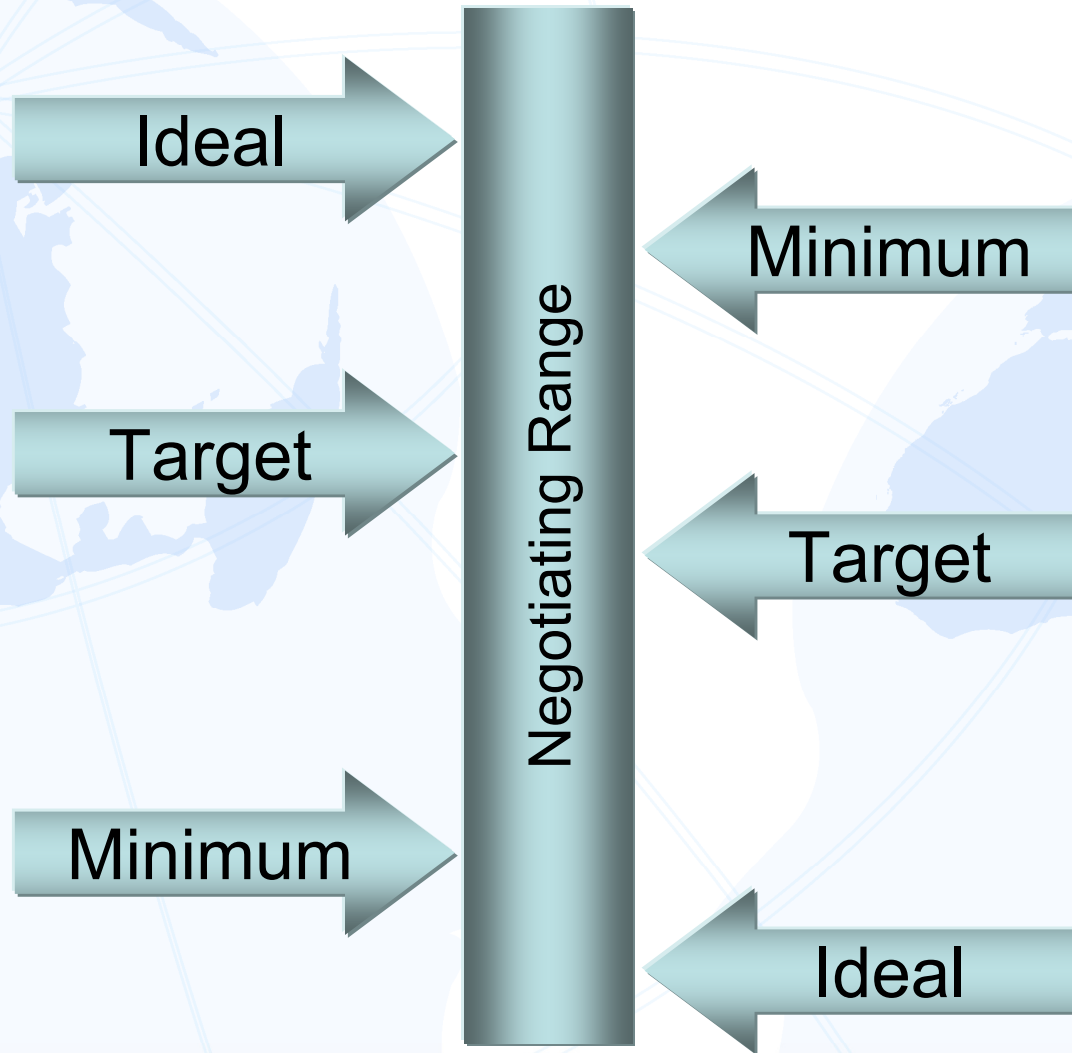
*...to*  
BODY OF KNOWLEDGE

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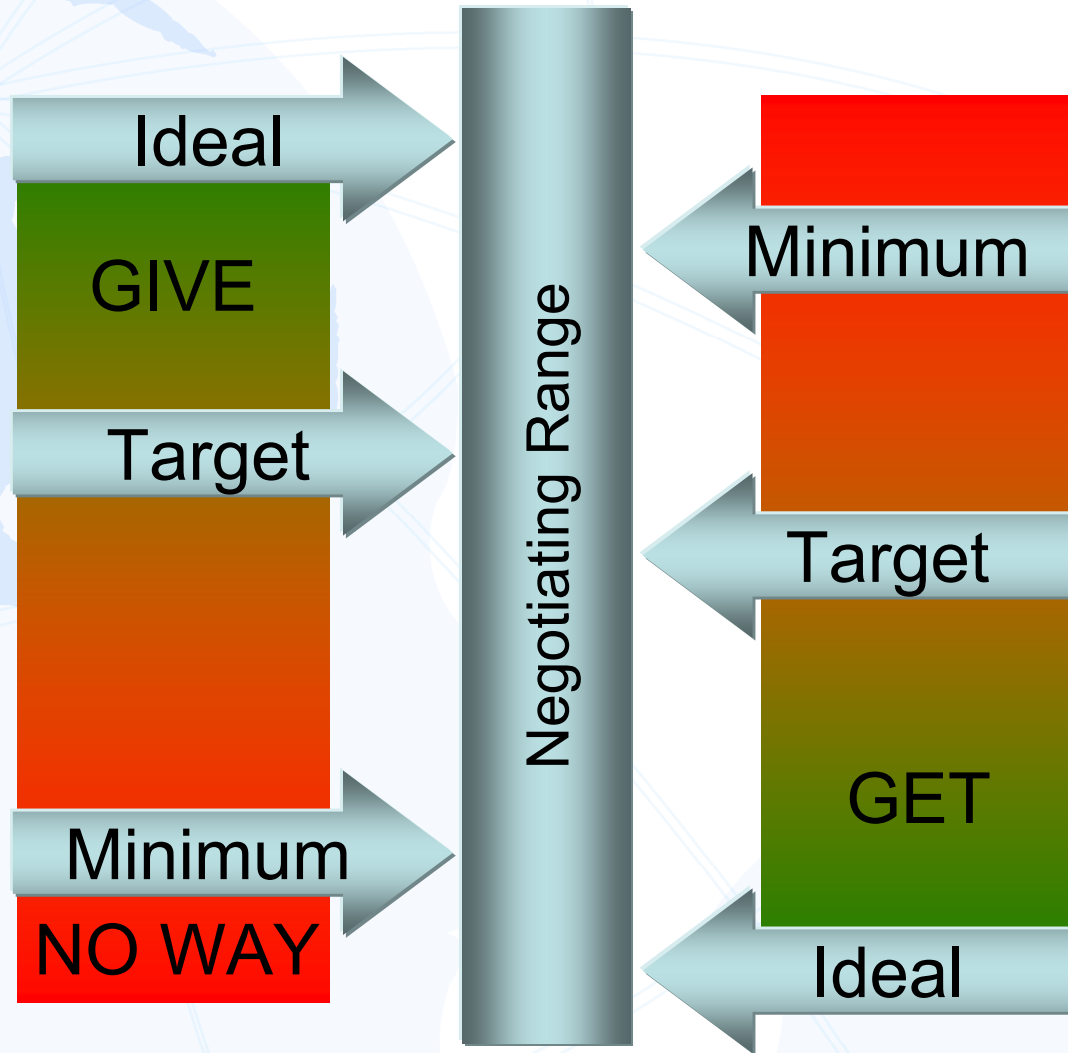
# Preparing Your Negotiating Range



# Predicting Their Negotiating Range



# Get, Give & No Way



# Get-Give List

Your priority	Get	Value (\$)	Give	Their priority (projected)
No Way	1			
	2			
	3			
	4			

# Opening

*Your starting position*

*From*  
BEST PRACTICES

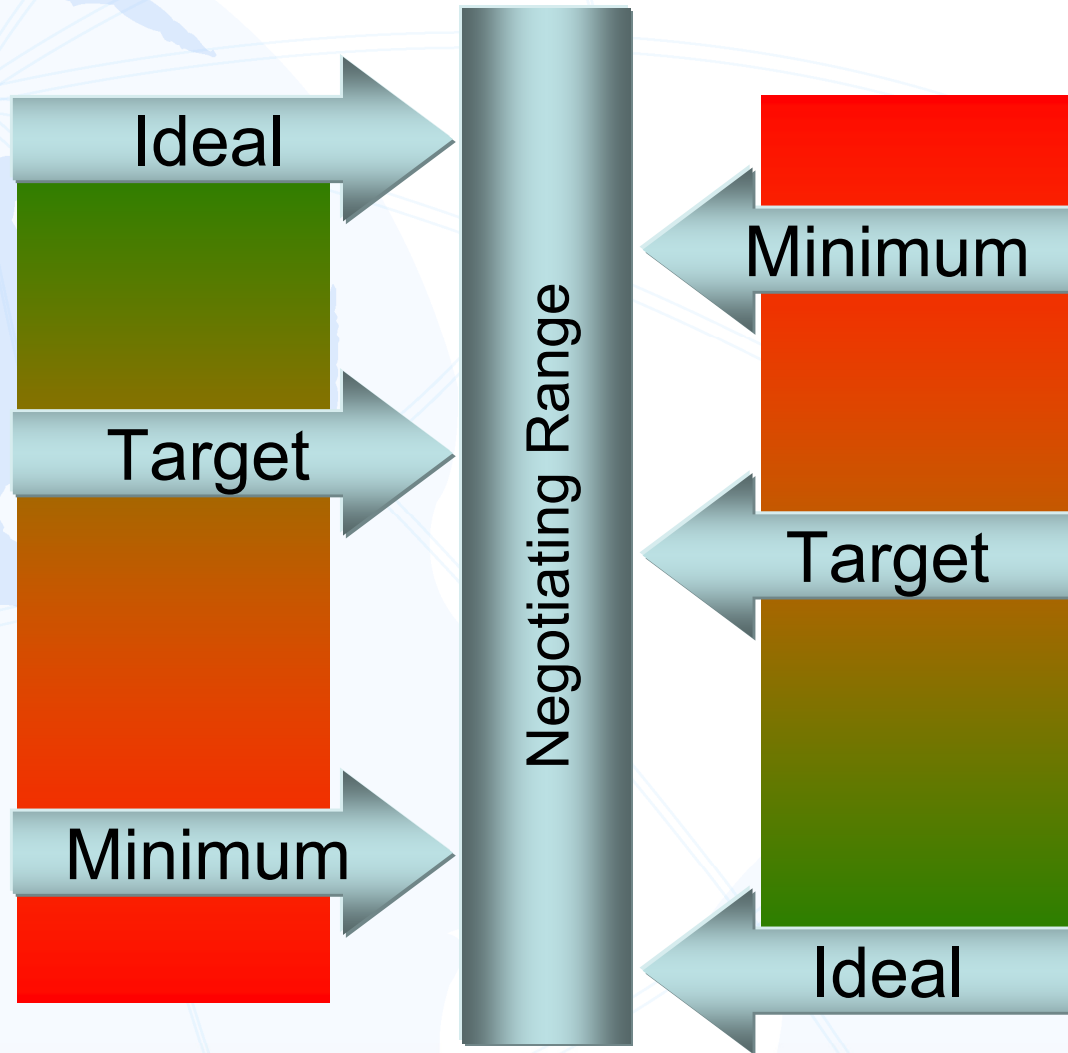
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# Opening Steps

- **Establish authority**
  - Confirm that you and the other party are empowered to negotiate
- **Establish credibility**
  - Establish a tough but credible opening position
- **Opening first**
  - Generally viewed as a sign of weakness
  - Benefits to be gained from opening first:
    - Alter the other party's perception of the situation
    - Demonstrate confidence in your position & trust in them

# Ask For & Give



# Bargaining

*Narrowing the gap*

*Persuading with logical debate*

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# Bargaining Power

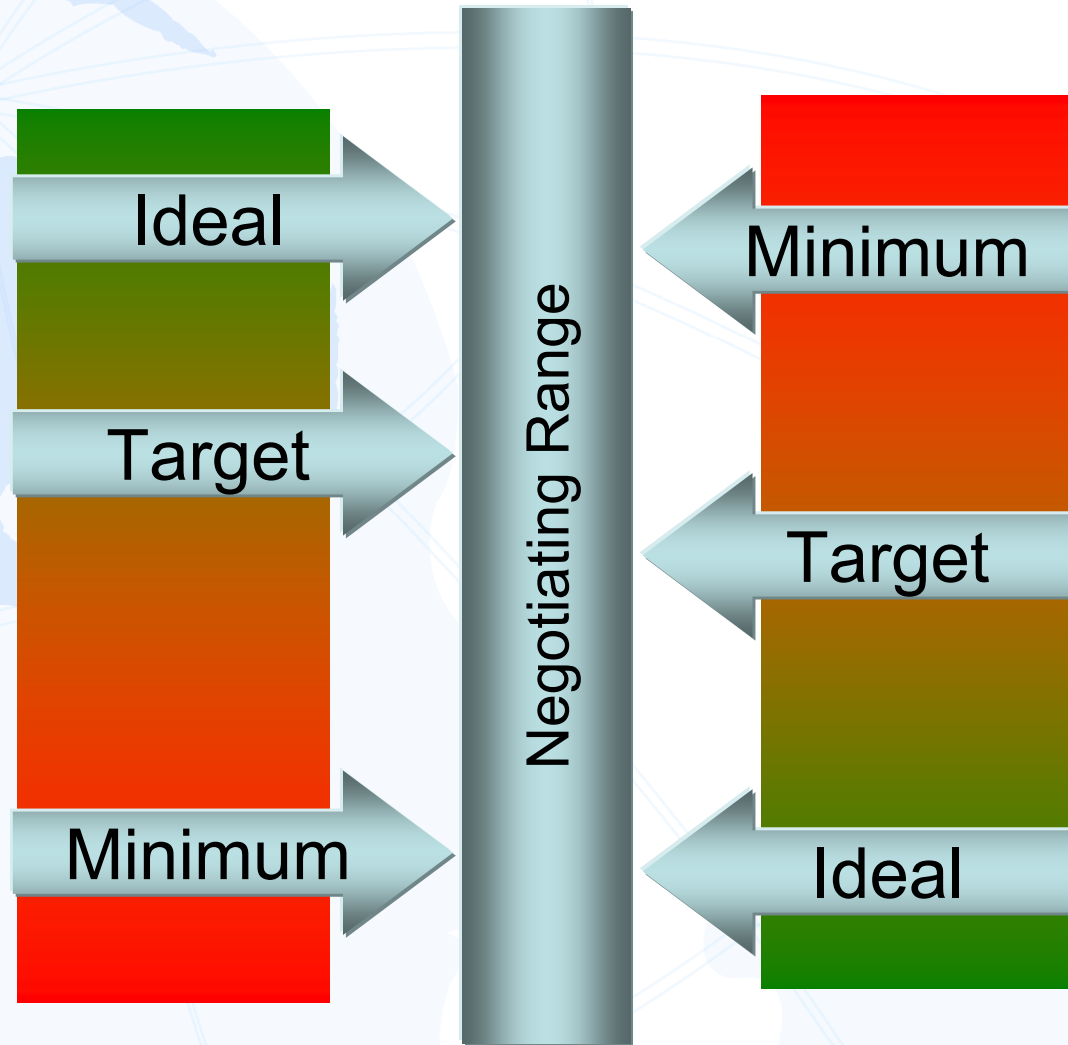
- **The Power Dimension**

- The more sources from which you can buy what you want, the stronger your position
- The more places to which you can sell what you offer, the stronger your position
- Most sellers are overly concerned with the power of the buyers

# Principles of Bargaining

- **Be willing to walk away**
- **Don't give without getting**
  - Understand your own personal negotiation style
- **Be aware of other party's deadlines**
- **Use a win-win approach**
  - Be prepared to settle for what is fair
  - Listen to what the other party wants and make efforts to meet their requests

# Ask For & Give or Take Away



# Bargaining - Things To Do

- **Be explicit about**
  - Each offer you make
  - What terms you think you are agreeing to
- **Be willing to make small concessions**
  - Offer concessions in reverse priority order
  - Behave as if every concession is important
- **Recognise a Losing Trend**
  - Take a Break

# Bargaining - Things Not To Do

- **Avoid**
  - making the first major concession
  - manipulations and half-truths
  - “splitting the difference”
  - goodwill concessions
- **Don't**
  - talk too much yourself
  - just say “No”
  - deny obvious weaknesses in your position
  - bluff or make threats

# Dealing with Deadlock

- **Remain calm and patient**
- **Suggest taking a break**
- **Raise higher level issues**
  - the importance of your long term relationship
  - the advantages of reaching an agreement
  - the dangers of not doing so

# Knowing When to Leave

- **When the other party is unreasonable in their demands or behaviour**
- **After you have made a final offer which has not been accepted**
  - When negotiations reach an impasse
- **When you have achieved your objectives**

# Closing

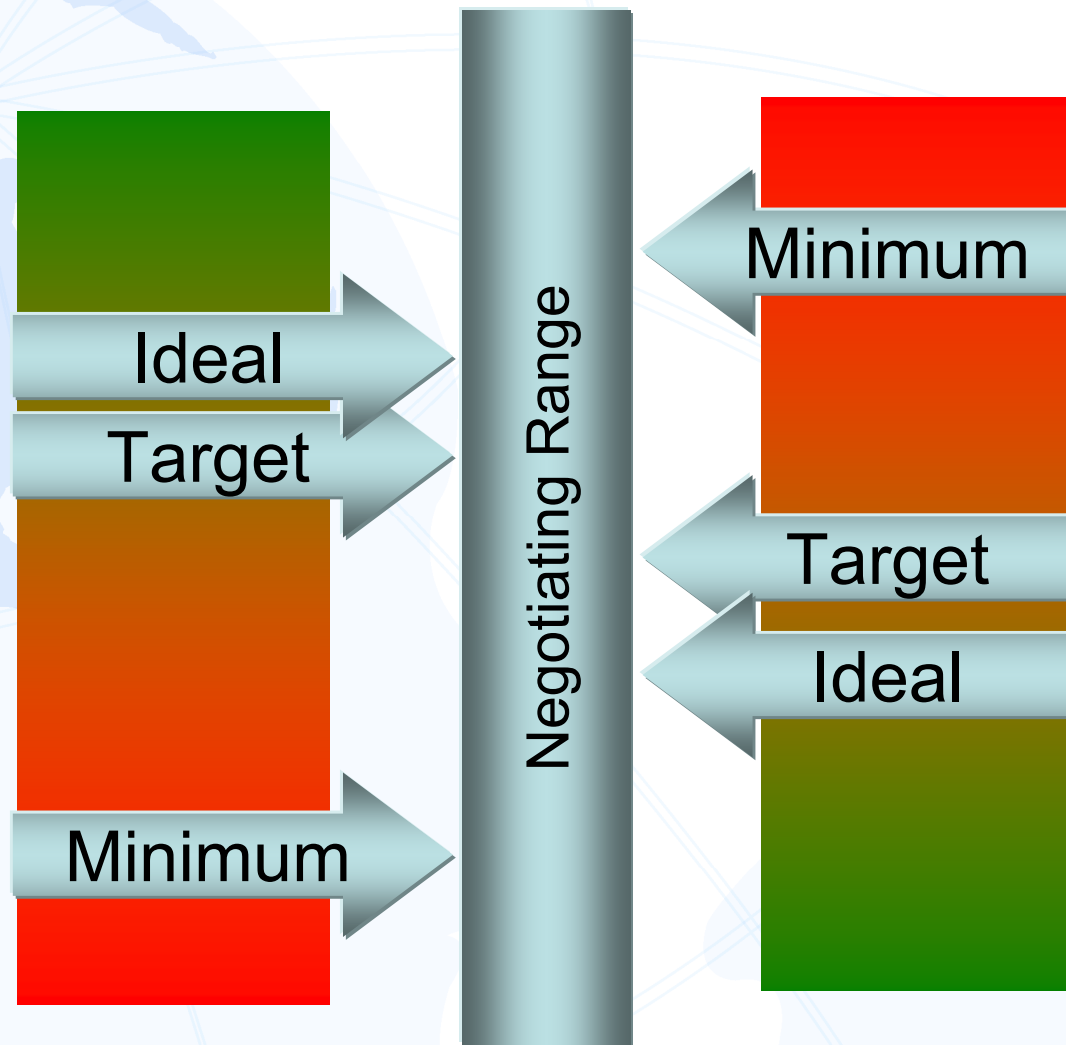
*Capitalising on work done earlier*

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# Closing – Narrow Difference



# Closing

- **Closing Signs**

- difference in the position of the two parties narrows significantly
- objections and counter arguments begin to fade
- one party indicates that they would like to see a draft final agreement
- one party makes a last minute tactical change
- one party seeks a break before making a final commitment

# Closing Process

- **Stay Calm**
- **Stay Professional**
- **Sign the Deal**
- **Shut up & leave as quickly as courtesy allows**