

Wiggle room

Don't lead with your best offer

Question:

How important is it to be flexible in your position when negotiating?

Response:

Seasoned negotiators recognize the importance of entering a negotiation with set objectives. However, they also understand that flexibility is required in order to achieve their objectives. After all, they recognize that the other party may have an entirely different set of criterion about what is acceptable and what is not.

When you enter a negotiation with a single strategy for securing an agreement, the other party may perceive you to be one-sided or self-serving, thus causing them to dig in their heels. Generally speaking, it is in your best interest to demonstrate to the other party that you are willing to be flexible and are interested in finding common ground. This minimizes the risk of having to engage in hardball tactics.

Here are some simple steps to help you build flexibility into your negotiation strategy:

1. Establish your boundaries beforehand.

If the negotiation involves price, decide the maximum amount you will pay if you are the buyer or the minimum amount you will be willing to accept if you are the seller. When you define these critical guidelines, you reduce the temptation of making inappropriate concessions that you will regret down the road.

This risk is especially high when the other party's "final offer" is close to your desired goal. A skilled negotiator will use this strategy as bait to entice you to deviate from your original objective. Refrain from making a concession in an effort to just get the negotiation over with. Never accept an unrealistic offer. Instead, make a counter-offer or walk away and refuse to negotiate.

Have you ever participated in a negotiation where the other party says, "Why are you being so stubborn about a few dollars?" The best

response to this complaint is to say, "To us, those dollars are real. Since it's just a few dollars to you, I see no reason why you shouldn't accept my offer." The ball is now in their court.

The time to define what is and is not acceptable is before you walk into the negotiation. When the stakes become high and adrenaline is running through your veins, emotions can take hold, obscuring the clarity that is needed to think rationally.

2. Never make your best offer your starting position.

Always give yourself room to negotiate. When you start off a negotiation presenting your best offer, you eliminate room to bargain and force yourself in a corner.

The intent here is not to suggest that you significantly pad your price. By doing so, you risk being perceived as an opportunist, which could undermine your credibility. Rather, it's about coming to the table with a package or enough flexibility, so that you can make concessions without compromising what's really important to you.

3. Decide the concessions you are willing to make or what you will ask for in return for concessions.

NEVER make a concession without either taking something off the table or asking the other party to give something in return. To illustrate, if you are at \$100 and the other party says you need to be at \$80, decide what you can remove from your proposal that is worth \$20 and, if necessary, renegotiate the expectations.

Likewise, if you feel that removing something from the project will compromise the integrity of your deliverables, then ask for something in return that is valuable to you. This might include a personal introduction to a top executive in another division or a testimonial letter addressing the performance objectives you help them achieve.

By assigning value to the \$20, you maintain integrity. The other party perceives that your initial starting point has merit. If you do

not, then you are creating a situation in which your credibility will be questioned. This is why it is important to strategize in advance the concessions you are willing to make and what you will ask for in return.

4. Refrain from telling the other party what is nonnegotiable.

A nonnegotiable is any term or condition that you consider absolutely necessary to finalize the agreement. How you handle nonnegotiables can determine the success or failure of a negotiation.

It is sage advice that unless you have the upper hand, for example, if you are the buyer and the delivery date is an absolute must-have, telling the other party what is nonnegotiable only creates a forum for potential conflict. It is human nature for people to want what they can't have.

Another issue surrounding nonnegotiables is that you risk being perceived as someone who is one-sided. In other words, someone who is only interested in getting what they want at the expense of the other party. Whether this is true or not, that is the impression that is often created when a formal statement about nonnegotiables is presented.

When you fail to demonstrate flexibility, you risk the other party thinking you are unwilling to negotiate. A big part of being successful at the bargaining table has to do with your ability to be perceived as cooperative. When the other party doesn't feel you are at least interested in trying to find common ground, they can become angry and defensive. This can turn a potentially viable situation into a battleground where there are no winners.



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