

IBP2424 (W13)  
Negotiation Strategies

## Why negotiation fail?

### HOW DO NEGOTIATION FAIL?

The reasons mostly go back to the process of negotiation. These reasons include:

- ✘ Poor planning
- ✘ Poor/misguided assumptions
- ✘ Failure to listen
- ✘ Being culturally insensitive
- ✘ Failure to establish the bases of negotiation
- ✘ Accepting an offer too quickly

### POOR PLANNING

- ✘ Pre-negotiation homework should be extensive and detailed.
- ✘ Things to consider before talks: your bottom line, your walk away point, and time constraints.
- ✘ Don't forget to consider alternatives in case you fail to reach an agreement.

### POOR/MISGUIDED ASSUMPTIONS

Never approaching a negotiation with assumptions about pre-existing limits. This would cost you to miss out on what both parties want

### FAILURE TO LISTEN

- ✘ Not listening to your competitor, lead to missing some relevant information



### BEING CULTURALLY INSENSITIVE

- ✘ Not aware of cultural differences



### **FAILURE TO ESTABLISH THE BASES OF NEGOTIATION**

- ✘ Paying too much or too little attention to an agreement's detail can cause missed opportunities
- ✘ Negotiators must begin the talks by clearly establishing the bases of negotiation

### **ACCEPTING AN OFFER TOO QUICKLY**

- ✘ Accepting an offer right away makes your rival feel he or she could have done better
- ✘ "Never give anyone their first offer"

### **5 TIPS TO HELP YOU NEGOTIATE SUCCESSFULLY**

#### **1. Prepare and plan**

- + Prepare and plan for the negotiation process before the meeting
- + Research the client company, its profile, statements, products, and stakeholders
- + Determine needs, wants, and any problems or issues that may be affecting your clients
- + If your product contains a solution for the (client) company's problems and fits its needs, then the meeting can create an opportunity for partnership

#### **2. Determine value**

- + Determine value from a client's point of view. The first impression is critical
- + You must set yourself apart from the competition. Focus on a client's issues and try honestly to see things from the client's point of view

#### **3. Build rapport**

- + Talking to people about something in which they have an interest
- + People love to talk about things they enjoy. Ask them to speak about themselves, and listen rather than talking

#### **4. Build credibility**

- + Show specific facts, results and benefits
- + Talk in terms of a client's needs and wants and understand what a client's greatest motive is. Show your potential clients evidence that you can help them based on what you have done for others.

**5. Follow up**

- + Something always needs to be clarified after a meeting
- + A buyer may need additional information, or you can just send a thank-you letter
- + Following up is a great way to stay in touch with a prospective client

<http://usatoday30.usatoday.com/money/jobcenter/workplace/cromystory/2011/08/5-tips-help-you-meet-with-prospective-clients/50054238/1>

**VDO: INITIAL OFFER ERROR**

<http://www.youtube.com/watch?v=JOeuHXuuoh0&feature=related>

✘ Look at the VDO an answer what makes the negotiation fail? And how to resolve it?