

Negotiation

All business owners need to negotiate – it comes with the territory. However, while some of us are natural negotiators, others will want to run a mile and avoid what they see as any kind of confrontation. So is there a secret to it? And how do you do it, particularly if you hate the thought of squaring up to the people on the other side of the table? Or you think that they are much bigger than you, or hold all the cards?

Like anything in life, some people seem to have a knack for doing a deal, in fact they thrive on it. Others might take a more aggressive position of 'I win, you lose'. Often these sorts of negotiations seem to be framed directly around price and getting it down. And if you're new in business and keen to bag what you think is a big order, you may well be tempted to concede. But that might not always be good for you or your business.

Julius O'Dowd is a Senior Commercial Executive at the BBC, who has led contractual negotiations with corporate enterprises such as Vodafone, Oracle & Microsoft. Julius regularly delivers negotiation training to BBC staff as part of their Training Academy and to other organisations.

His three top tips for people new to negotiation are:

1. Preparation – think about the outcome you are seeking and also find out what you can about the other side and what they want from any deal. The more you know about things such as their motivations and timelines, the more you are likely to be able to navigate to a successful negotiation.
2. Understand the importance of power – are you an established business with a healthy cashflow or a start-up with limited resources. Crucially, have you thought through a good alternative to this deal?
3. Aim to build a relationship – the best possible outcome is a 'win-win' deal where both parties walk away thinking they have got something from it and in fact have gained more than they expected.

"It's really important that everyone understands that they have to prepare," he says. "When you are a small business, you can often feel outgunned, so what can you do to change the power dynamic? Building a rapport is absolutely crucial, even in a quite dry commercial environment. Some people often ask that if the other side also knows this stuff then how can you get an advantage? The key thing here is that you are not being taken advantage of. You will be able to recognise what people are doing and the reasons for them doing it. Use direct language, and also ask questions. Also, you should prepare an alternative position and don't be afraid to walk away."

What Julius is referring to is your "BATNA": Best Alternative To a Negotiated Agreement. This is your "walkaway alternative". If I walk away from this negotiation now, what can I do instead? It is very important to identify your "BATNA" as it is your measuring stick to work out how good any potential agreement is.

However, how does all of that work when you are looking to negotiate a commercial lease agreement for your business premises, particularly when many landlords are insistent that certain conditions such as the amount of deposit are non-negotiable?

Julius believes that many of the same principles will apply.

"There are some things which are more difficult than others, but most things are negotiable," he says. 'Just look at all the factors in the lease; length, price, location, the service arrangements, deposit and any extras that are included, and of course break clauses and notice periods. Look at all the things that makes up these contracts. Then also look at the

situation from the other side too, so for example 'how are they doing?', 'are there lots of vacancies?', 'is it in a booming area?' All of these things would factor in how you would approach a negotiation."

Not all negotiations need to be complex, but having some parameters in place, thinking about what you want, and how you want to get it, may certainly help you feel you've got more say in the process and you don't have to be railroaded into accepting something you're not comfortable with. Probably the most important thing is to work out your "BATNA".

Further Reading

A great deal has been written on this subject, so if you are interested in brushing up your skills you might want to take a look at some books. Here are some suggestions:

['Getting to Yes – Negotiating Agreement Without Giving In'](#), which was written by American authors, Roger Fisher and William Ury, and later Bruce Patton, who was involved with the Harvard Negotiation Project. This is full of some really useful information such as:

- Separate the people from the problem;
- Focus on interests not positions.

You might also want to look at the sequel, "Getting Past No", by William Ury, who puts forward a five step plan to negotiating with difficult people:

- Control your own behaviour – don't react. Work out your interests and your BATNA. Don't get mad or get even but focus on what you want.
- Step to Their Side: create a favourable climate and defuse the other side's anger, fear or suspicion. Listen, acknowledge, and agree what you can. Be respectful.
- Don't Reject, Reframe: instead of rejecting the other side's position and getting deadlocked, draw their attention to the problem of meeting each side's interests. Ask problem-solving questions like "Why do you want that?"
- Build Them a Golden Bridge: help the other side save face and make the outcome look like a victory for them.
- Bring Them to Their Senses, Not Their Knees: educate the other side about the costs of not agreeing, warn instead of threatening, and show you have a BATNA. Let the other side know you want everyone to be happy, and not victory.

The strategy behind this is to think about the other side as a person to be persuaded, not an obstacle to be pushed by force. Don't look to win – look to win them over!

Finally, you might also want to consider "Verbal Judo: The Gentle Art of Persuasion" by George J. Thompson PHD and Jerry B Jenkins. This will teach you:

- What never to say
- Engage people through empathy
- Listen better and always be heard
- Stop verbal attacks in their tracks.

Further support

The London Growth Hub has published this series of 'how-to' guides to help businesses rent or buy commercial property. [This flowchart](#) will help you identify the most relevant 'how-to' guides for your business.



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