

The **Business** 2.0

NEGOTIATING - BARGAINING

Bargaining is the situation where you know what each party is proposing, or offering, and you use a strategy designed to achieve the best deal you can.

A good bargain means that an agreement is reached, and all parties feel that they have gained something of value in exchange for any **concessions** they make. A bad bargain is one where someone feels that they've lost out, and **resents** it.

The essential key factor in bargaining is that you can walk away, and don't HAVE to reach a diplomatic common goal, so the strategies you use will depend on your desired outcome. However, central to bargaining in negotiation is the principle of exchange: you must give something in order to receive.

So for more complex professional negotiations, what will help you before you meet your bargaining partner?

Obviously you need to know what you want to get out of it and have an idea about how much you are prepared to concede. Be clear about what relationship you want in the end.

Think about your position by asking yourself the following questions:

- If you don't reach agreement with the other person, what **alternatives** do you have?
- How much does it matter if you don't reach an agreement?
- What's special about what you have to offer? How is it better than the competition?
- Order your wants into what is ideal, what is a realistic target, and what is the minimum for you to feel it was satisfactory.

Stay calm and be optimistic. Aim high and expect the best outcome throughout. Just don't make your opening offer so extreme that you **lose face** if you have to change it. There may, therefore, be an advantage in the other person going first – and often, when you listen, you find that their goals are closer to yours than you expected.

Be patient and flexible. It's as much about listening as it is about talking.

When you've heard what they have to say, don't feel you must respond immediately. Summarise - to make sure that you understand and to give you time to think. Ask any questions you need to. If you want to make a counter-offer, first try and include concessions that were low on your **priority** list. That way, you look flexible but haven't given away anything too valuable too soon.

When you both feel that you are ready to close the deal, check that you understand all the issues and can confirm what's been agreed.

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When you have definitely finished, create your action plan with agreed timelines and clear roles and responsibilities.

Finally, be warm and enthusiastic. Smile, shake hands, congratulate each other. Make everyone feel you're in this together and they will want to do business with you again.