

EVERYTHING IS NEGOTIABLE

How To Negotiate and Win

GAVIN KENNEDY

Main Idea

Everything is negotiable.

If you automatically assume this until circumstances prove otherwise, you'll be amazed at the bargains you can strike - even in unexpected areas. When you assume that anything is unnegotiable, simply because the other party has not yet indicated a willingness to negotiate, you are missing huge opportunities to make better deals for yourself, for the company you work for and for the people you buy things from.

Negotiation is the simple process of structuring a business transaction in such a way that everyone involved gains the most. There is always a better deal waiting in the wings. Habitually look for those better deals and your business affairs will flourish.

Key Principles

1. The worst thing you can do to any negotiator is accept the first offer they make.
2. Never focus on a grievance. Concentrate on negotiating a remedy, and leave the creative insults to others.
3. When operating in unfamiliar territory, ask loads of "what if..." questions until you have the facts.
4. Both buyers and sellers are under pressure to put together deals. Expect pressure as an integral part of the process.
5. Making a goodwill concession without gaining any concessions is the worst possible negotiating strategy.
6. Always shock the other party with your opening offer.
7. Never advertise anything with O.N.O. - or near offer. It only weakens your position.
8. Toughness in negotiations pays big dividends.
9. The most useful negotiating word is IF - never give anything away without gaining ground somewhere else.
10. You can hold the upper hand in any negotiation simply by believing that you hold the upper hand.
11. Using a real or imaginary principal gives you the chance to make trial offers to find price limits.
12. There is no such thing as a fixed price. Get into the habit of automatically challenging every set price.
13. When selling, assume the other party will challenge your price. Don't be afraid to stand firm on your price.
14. Never change the price of your product. For a different price, they can buy a different package.
15. Never be intimidated by corporate trappings or glitter to undersell your product or service.
16. Threats are totally unproductive negotiating techniques.
17. Keep the issues in any negotiation completely separate from emotions.
18. Watch for the vast array of gambits, ploys and tactics people use to get you to drop your price.

Introduction - How to Survive the Recession

Main Idea

Always assume everything is negotiable and you will be amazed at the bargains you will be able to strike. Even more surprising is the fact that the people you deal with will often come up with a deal that is also better for them when you are prepared to negotiate rather than settle for the first terms mentioned. The key is not in the actual negotiating, but in your approach to the negotiations.

Never be intimidated into thinking something is not negotiable. The more prestigious the other party, the more susceptible they are to negotiability. Negotiating as a technique can be applied across cultural barriers to any size business dealing, large or small. In life, almost everybody negotiates about almost everything - so much so that most people hardly think about what they are doing.

In practice, negotiating is a messy, sometimes chaotic exercise. People lose their train of thought, have interruptions, have other worries crowding their thoughts and suffer from emotional outbursts. The trick is to identify the underlying patterns inherent in the process as a whole, and to improve your judgment and experience in these specific areas.

1. The worst thing you can do to a negotiator

Main Idea

The worst thing you can do to any negotiator is accept his first offer.

Supporting Ideas

People like to get bargains, and expect to work for a deal. When you accept the first price offered, you make the other person miserable simply because they have no idea of what your final price could have been. They may secretly think that the price they opened with (and which was accepted) was too high, and that if they had opened with a price much lower, you may have sold for a lower price.

Acceptance of a first offer leaves room for doubt about what other offer might have been accepted if that had been tried first.

If you are selling something, you can offset the accept first offer reply by using an add-on technique. You may say, "The normal charge for my services are \$1,000 per day". If this is accepted, you then say, "But as you require....., I will need an additional \$500 for these things, plus..." If your first offer met with a price objection, you can use this technique in reverse to take off parts of the service to get back to an expenditure level they feel comfortable with.

Negotiators expect to negotiate. They feel cheated and miserable if someone doesn't recognize this fact and accepts the first offer they make. Accepting a first offer undermines confidence in both the deal and themselves. So do a favor for any business person you negotiate with and refuse to accept their first offer. Make them work for the sale. If nothing else, you may also be amazed at the bargains you can secure - simply by asking for them.

2. Why you can't negotiate a grievance

Main Idea

Never just bluntly state a grievance. Negotiate a remedy. It is never the other party's feelings that need to be sorted out - your own interests need your full attention. Focus on the issue that has made you complain in the first place, and the structure of a remedy rather than concentrating on being as abrasive and insulting as possible. It's much more productive over the long term.

Supporting Ideas

Most people are experts at complaining and insulting at the expense of getting to the real key issue - structuring a remedy that fills the requirements of all interested parties.

In other words, put aside the opportunity to let sarcasm run riot and take the initiative by suggesting a remedy that will sort out the situation. Invest more energy into framing a suitable remedy than you do into composing a witty speech about their competence. In the long run, you'll come out ahead.

When anything goes wrong, concentrate on the issue at hand by suggesting a realistic remedy rather than entering into a verbal free-for-all that entertains but achieves nothing.

At the very least, your constructive complaining should include a suggested remedy that you have thought out. The other party can then focus on the viability of the remedy rather than replying in kind to your insults. Much more productive in the long run.

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