



## 5 important business negotiation strategies

Business negotiation is a world of contradictions. You've got to be firm but flexible. Open and sharing, but a little cagey. There's a lot to get your head around. But your state of mind might be the most important thing. Aim for a mutually beneficial outcome and you'll find the whole exercise more comfortable.

### Follow these five tips to prepare for your next negotiation.

**1. Do your homework** - Learn the main terms and concepts they're likely to use so you're not confused or intimidated by jargon. Familiarise yourself with their products or services, their industry and their competitors. Understand your position. It's important to know what you bring to the table, and why they might prefer to do business with you.

**2. Don't be anchored** - Being the first to say a number can be a good way to take control of a business negotiation. That first figure often becomes a reference point for the rest of the conversation.

**3. Know where you can compromise** - As a small business owner, you may need the deal more than your negotiating partner. Be realistic about that. Don't let your pride get in the way. Decide what you need from the deal to make it worthwhile and be prepared to compromise on everything else. You can do this strategically.

**4. Aim for a win-win** - Negotiating isn't about trying to dominate an opponent. This is business – you're trying to find a profitable outcome that benefits everyone. Always remember that both parties can win and don't underestimate the power of being nice.

**5. Have a plan B** - What happens if you both walk away from the deal? Figure out what you'll do if business negotiations fail and ask if you can live with that outcome. This exercise will help you decide how hard you negotiate.

## **Practice makes perfect with business negotiations**

Negotiation can be tricky, which is why many of us don't really like doing it. But if you have a small business, you probably can't avoid it. Don't be intimidated by it. As long as you know the strength of your position and respect the other party, you're off to a good start.