

Influence and Negotiation Skills

Tips for Closing Successful Negotiation

Lecture 10

College of Entrepreneurship and Innovation
Code ENT623

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Lec. 10 Overview

The main points:

- Sources of Negotiation Power
- Negotiation ground rules
- Emotional Control in Negotiation
- Closing the deal
- Negotiation tips
- conclusion



01

Sources of Negotiation Power



Sources of Negotiating Power



Need power

It refers to the perceived importance or urgency that one party has for reaching an agreement compared to the other party. When a party has a greater need or dependency on reaching an agreement, they are said to have higher need power

Alternatives / Options power

The ability to walk away from a negotiation and pursue alternative options can significantly enhance negotiation power. If you have attractive alternatives, you are less dependent on reaching an agreement and can negotiate from a position of strength.

Timing Power

The timing of a negotiation can affect your negotiation power. For example, being the first to make an offer or initiating a negotiation when the other party is in need or under time pressure can give you an advantage.

Relationships and Networks power

Having strong relationships within the industry or relevant networks can provide valuable support and information, increasing your negotiation power. Building alliances or partnerships can also enhance your position.

Leverage / Investment Power

This refers to the advantages or resources that a party possesses that can be used to influence the negotiation. Leverage can come from various sources such as financial strength, market dominance, expertise, or unique assets. The party with stronger leverage generally has more negotiation power.

skills power

Effective communication, active listening, empathy, and the ability to build rapport can positively impact negotiation power. Skilled negotiators can influence the dynamics of the negotiation, manage conflicts, and persuade others to agree to their terms.

EX: In sales, when you sharpen your skills, you make more money.

Information/ Knowledge power

Having access to relevant information and being well-informed about the subject matter of the negotiation can increase your negotiation power. Information asymmetry, where one party has more information than the other, can be leveraged to gain an advantage.

Power based on the accumulation and presentation of data along with the acknowledgment of that accumulation or expertise by the counterparty.

credibility power

It refers to the perceived trustworthiness, reliability, and expertise that a party possesses. It is the ability to establish and maintain a positive reputation and influence the negotiation process based on that reputation.

Engaging with stakeholders successfully requires a combination of negotiation and influencing strategies and techniques. Here are some tips for using these strategies effectively:

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Negotiation ground rules



1. Respect

All parties involved in the negotiation should treat each other with respect and professionalism. This includes active listening, refraining from personal attacks, and valuing diverse perspectives.

2. Open Communication

Encourage open and honest communication among all parties.
Create an atmosphere where participants feel comfortable expressing their thoughts, concerns, and interests without fear of judgment or retaliation

3. Use active listening

Encourage participants to listen attentively to others' viewpoints, ask clarifying questions, and paraphrase to ensure understanding.

Listening actively to stakeholders is an important part of effective engagement. Listen to their needs and concerns, and show that you are genuinely interested in their opinions.

4. Transparency

Promote transparency by sharing relevant information openly and honestly. Strive for clarity and accuracy in presenting facts, data, and proposals to ensure all parties are well-informed

5. Focus on Interests

Encourage parties to focus on their underlying interests instead of rigid positions. By understanding each other's interests, it becomes easier to explore creative solutions that meet the needs of all parties.

6. Constructive Problem-Solving

Foster a problem-solving mindset where participants work collaboratively to find mutually beneficial solutions. Encourage the exploration of different options and alternatives to address the interests of all parties involved.

7. Be willing to compromise and Flexibility

Encourage parties to be open to making concessions and finding middle ground to reach an agreement that satisfies the interests of all parties.

Be prepared to compromise on less important issues in order to reach a mutually beneficial agreement. This can help to build trust and maintain relationships over the long term.

8. Time Management

Agree upon time management guidelines to ensure efficient use of time during the negotiation process. Establish clear timeframes for discussions, breaks, and decision-making to keep the negotiation on track.

9. Confidentiality

Establish guidelines for maintaining confidentiality, especially when sensitive or proprietary information is being shared. Ensure that all parties understand the need to protect confidential information disclosed during the negotiation.

10. Be creative

Engagement often involves finding creative solutions that meet the needs of all parties. Be open to exploring new and innovative approaches, and look for win-win solutions that create value for all parties.

11. Build relationships and follow up your deal

Building relationships with stakeholders is critical to successful engagement. Focus on building trust and rapport with stakeholders, and look for opportunities to create value for both parties.

Once an agreement has been reached, follow up with stakeholders to ensure that both parties are meeting their obligations. This can help to build trust and maintain relationships over the long term.

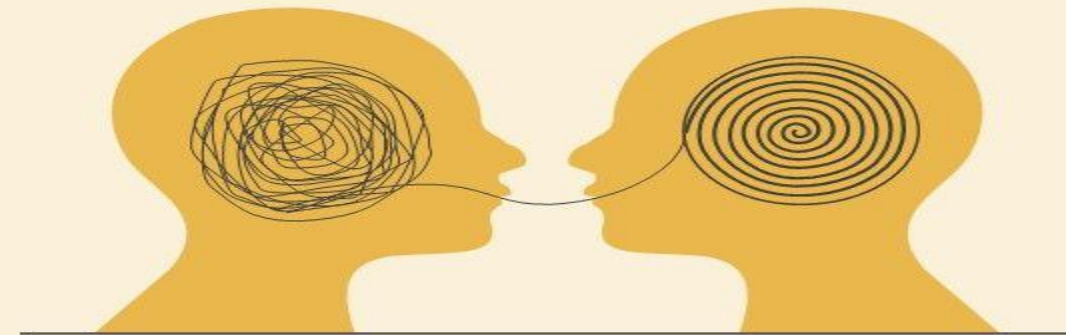
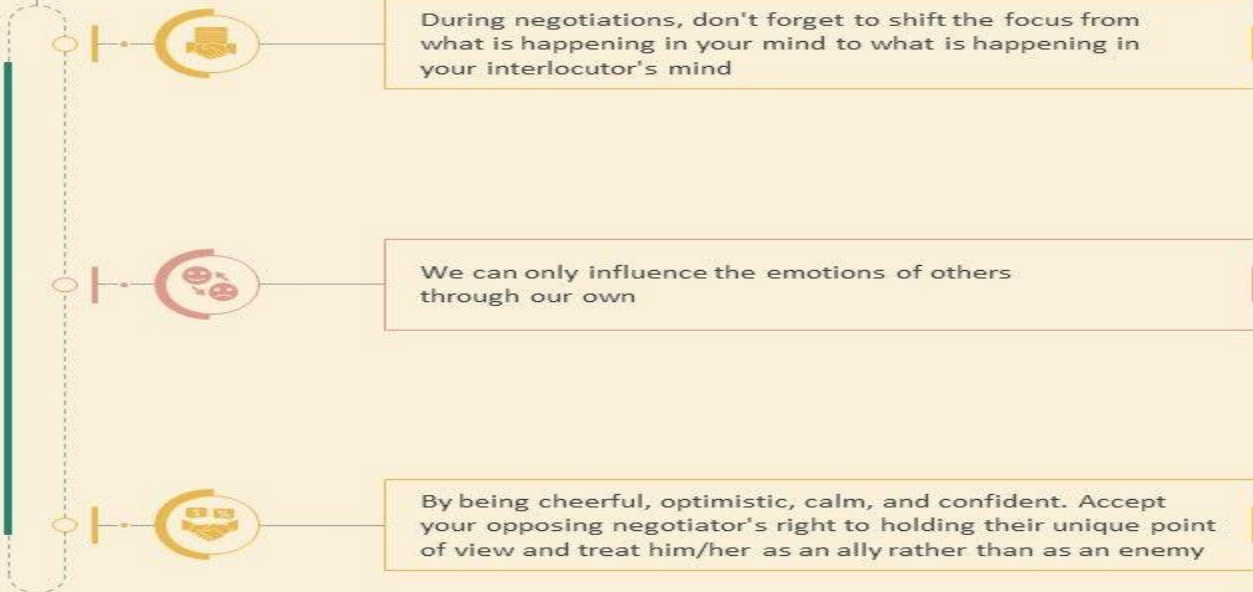
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Emotional Control in Negotiation



Emotional Control in Negotiation

? How our Emotions Impact Negotiations



Emotional Control in Negotiation



How to Control your Emotions

- 01 ▶ Differentiate relations and business
- 02 ▶ Prepare yourself and write thing down
- 03 ▶ Always be ready for manipulations
- 04 ▶ Get ready for tough negotiations



Closing the Deal



Closing the deal

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04

Closing the Deal

It refers to the final stage of the negotiation process where both parties come to an agreement on the terms and conditions and formally commit to the deal.

Here are some strategies to effectively close the deal in a negotiation:



Summarize and Confirm:

Begin by summarizing the key points of agreement and confirm that both parties are aligned on the terms and conditions. This helps ensure that there is a shared understanding of the deal before moving forward



Address Remaining Concerns:

Check if there are any outstanding concerns or unresolved issues that need to be addressed before finalizing the deal. Work collaboratively to find solutions or compromises that satisfy both parties' interests.



Create a Win-Win Scenario:

Emphasize the mutual benefits and value that both parties will gain from the deal. Highlight how the agreement aligns with their respective goals and objectives, creating a win-win situation.



Overcome Objections:

Be prepared to handle any objections or reservations that the other party may have. Anticipate their concerns and address them with compelling arguments or additional information to alleviate their doubts.



Obtain Signatures:

Arrange for the signing of the finalized agreement by authorized representatives of each party. This can be done physically or electronically, depending on the preferred method of signing.

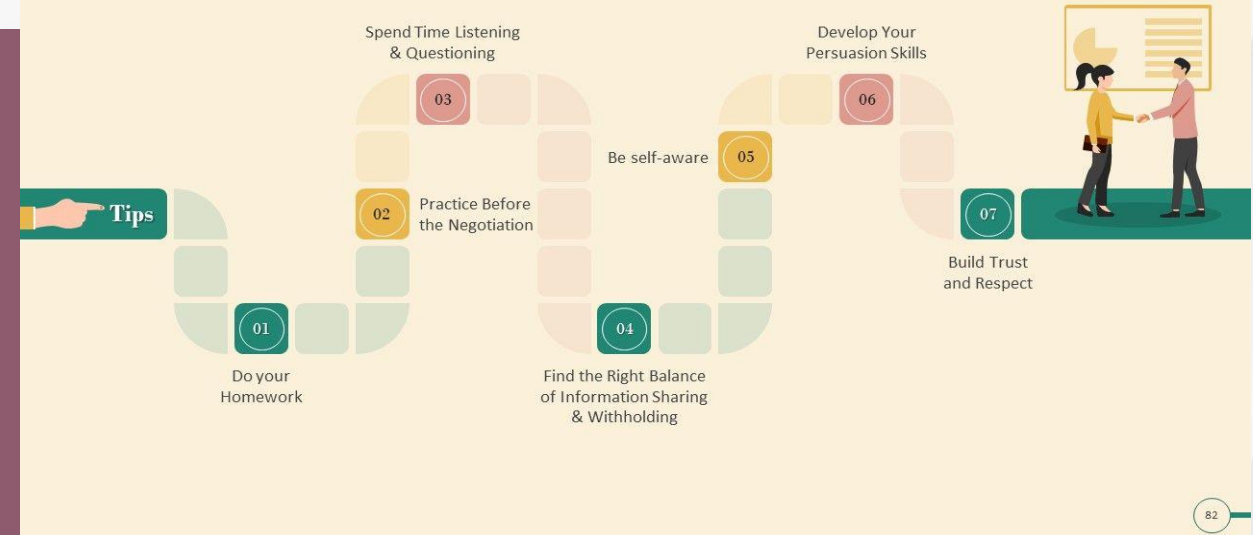


Celebrate and Build Rapport:

As the deal is closed, take a moment to acknowledge the achievement and express appreciation for the collaboration. Use this opportunity to strengthen the relationship with the other party and lay the foundation for future partnerships

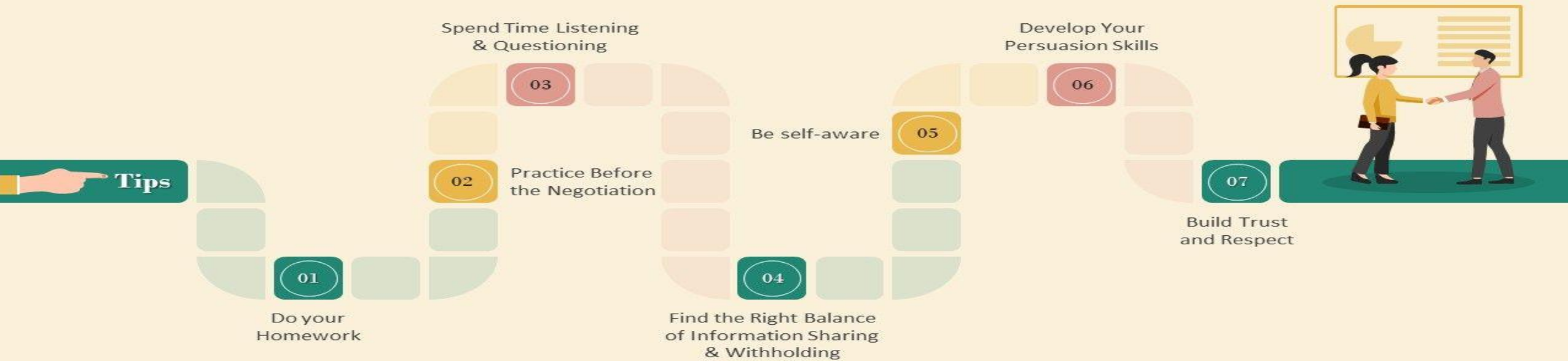
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Negotiation Tips



Negotiation Tips

Negotiation Tips



Negotiation Tips - Do Your Homework



Recognize what is essential to the other negotiating party and what you can offer that they will truly value. Negotiating from a position of knowledge is much easier than negotiating from a position of guesswork



The danger of using guesswork in a sales negotiation is that you will almost always underestimate yourself or your product as it is easy to sell cheap

Negotiation Tips - Practice Before the Negotiation



While entering into a negotiation, plan and prepare for potential objections that are sure to arise. Practice in front of a mirror, so that you don't hear your own words for the first time in the meeting



Negotiation Tips - Spend Time Listening and Questioning

If a person requires additional information from the other party during negotiations, it is time to stop talking and start listening



According to research, critical thinking leads to effective questioning. Remaining silent and listening intently will undoubtedly assist you in obtaining information

Negotiation Tips - Find the Right Balance of Information Sharing and Withholding



The prospect of sharing details with a negotiating counterpart can be frightening – it can force the other party counterpart into a position of strength the negotiation table that you did not intend



If you reveal too much, the other party may conclude that you're desperate for any deal. There's also the risk of disclosing confidential information that your adversary could later use, against you.



Sharing information can add value to negotiation, but sharing too much can harm your bargaining position



Negotiation Tips - Be Self-aware



▷ Recognize that people from varying cultures may approach negotiation through their own belief lens.



▷ Some cultures take a process-focused linear approach with little small talk, while others are warmer and more emotional.



Negotiation Tips - Develop Your Persuasion Skills

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Persuasion is an important skill to learn if you want to negotiate successfully

02



One should be able to persuade others to accept your point of view and should also be able to convince others to change their minds

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This can be accomplished with the intelligent use of authority, storytelling, metaphors, and humor in some cultures

Negotiation Tips - Build Trust and Respect



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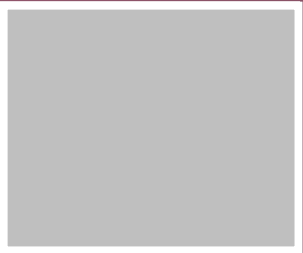
Building Trust and Respect is critical for developing long-term business relationships and includes overcoming cognitive biases



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These include shunning the tendency to blame others for factors beyond their control (accuser bias) and focusing on aspects outside your control to explain your behavior while ignoring factors within your power (excuser bias)

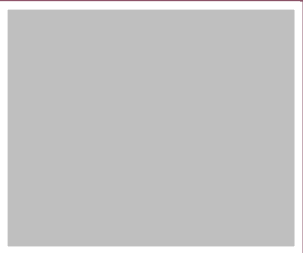




Successful negotiation is an essential skill for entrepreneurs

1. Securing Funding:

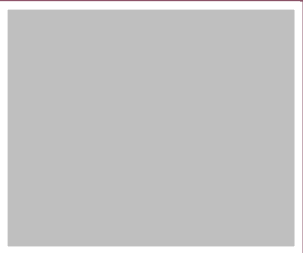
Entrepreneurs often need to negotiate with investors, venture capitalists, or financial institutions to secure funding for their business. Effective negotiation skills can help entrepreneurs present their business case, negotiate favorable investment terms, and secure the necessary capital to fuel their growth.



Successful negotiation is an essential skill for entrepreneurs

2. Partnerships and Collaborations:

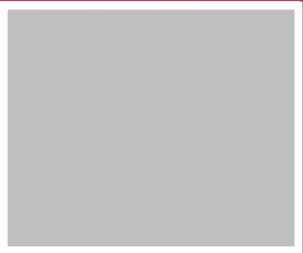
Negotiation plays a vital role in forming partnerships and collaborations with other businesses. Entrepreneurs negotiate deals and agreements with suppliers, distributors, strategic partners, and other stakeholders to establish mutually beneficial relationships that can help drive business growth



Successful negotiation is an essential skill for entrepreneurs

3. Sales and Contracts:

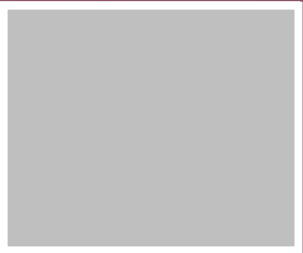
Negotiation is a fundamental aspect of sales and contract agreements. Entrepreneurs negotiate with prospective clients or customers to secure sales contracts, determine pricing, and establish terms and conditions that meet both parties' needs. Strong negotiation skills can help entrepreneurs win profitable deals and establish long-term customer relationships



Successful negotiation is an essential skill for entrepreneurs

4. Hiring and Human Resources:

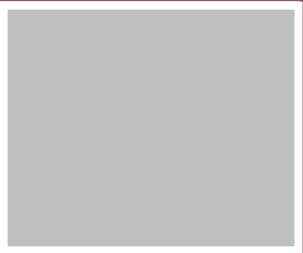
Entrepreneurs often negotiate with potential employees during the hiring process to attract top talent and secure the best fit for their business. Negotiating compensation packages, benefits, and other employment terms becomes critical in attracting and retaining skilled staff.



Successful negotiation is an essential skill for entrepreneurs

5. Supplier and Vendor Relationships:

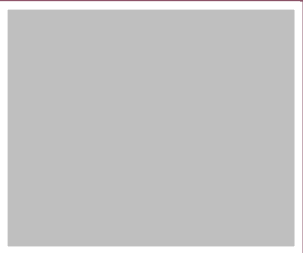
Negotiating with suppliers and vendors is crucial for entrepreneurs to secure favorable pricing, payment terms, and quality standards. Effective negotiation skills can help entrepreneurs establish mutually beneficial relationships that drive cost savings, efficiency, and reliability in the supply chain.



Successful negotiation is an essential skill for entrepreneurs

6. Resolving Disputes and Contracts:

Entrepreneurs may encounter disputes or conflicts with clients, partners, or other stakeholders. Negotiation skills enable entrepreneurs to navigate these situations, find common ground, and reach mutually acceptable resolutions, potentially avoiding costly legal battles.

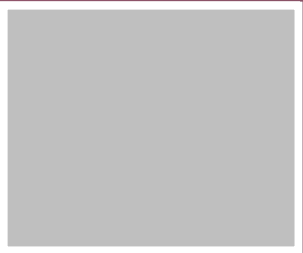


Successful negotiation is an essential skill for entrepreneurs

7. Business Development and Expansion:

Entrepreneurs negotiate when expanding their business through mergers, acquisitions, or entering new markets.

Negotiating with potential acquisition targets, joint venture partners, or licensing agreements can significantly impact the success of these endeavors.



Successful negotiation is an essential skill for entrepreneurs

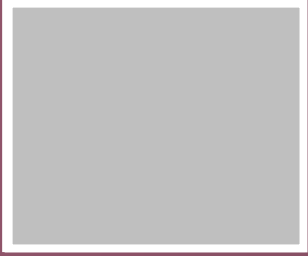
8. Risk Mitigation:

Negotiation skills can help entrepreneurs mitigate risks by negotiating favorable terms in contracts, such as liability limitations, indemnification clauses, and dispute resolution mechanisms. Effective negotiation can provide entrepreneurs with greater protection and minimize potential risks.



Conclusion

Developing strong negotiation skills is an ongoing process. Entrepreneurs should invest in learning negotiation techniques, understanding different negotiation styles, and practicing effective communication and problem-solving. By mastering negotiation, entrepreneurs can enhance their ability to navigate challenges, seize opportunities, and build successful businesses.



Conclusion

By using these negotiation and influencing strategies and techniques, entrepreneurs can engage with stakeholders successfully and build strong, lasting relationships that benefit all parties involved.



Thank You