

Influence and Negotiation Skills

Tips for Closing Successful Negotiation

Lecture 10

College of Entrepreneurship and Innovation
Code ENT623

Prepared by
Dr. Bothaina Mahmoud Fouad

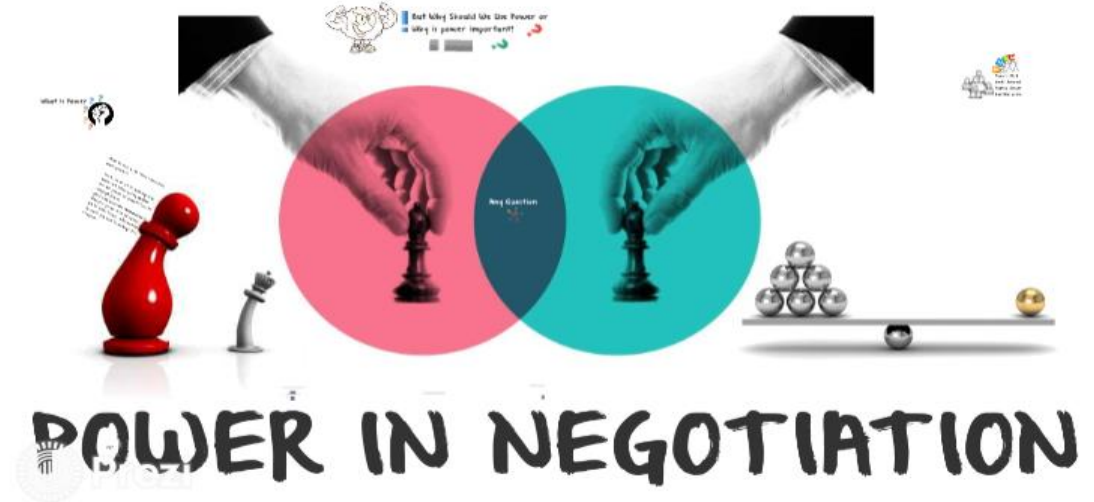
The main points:

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



Our Learning Outcomes

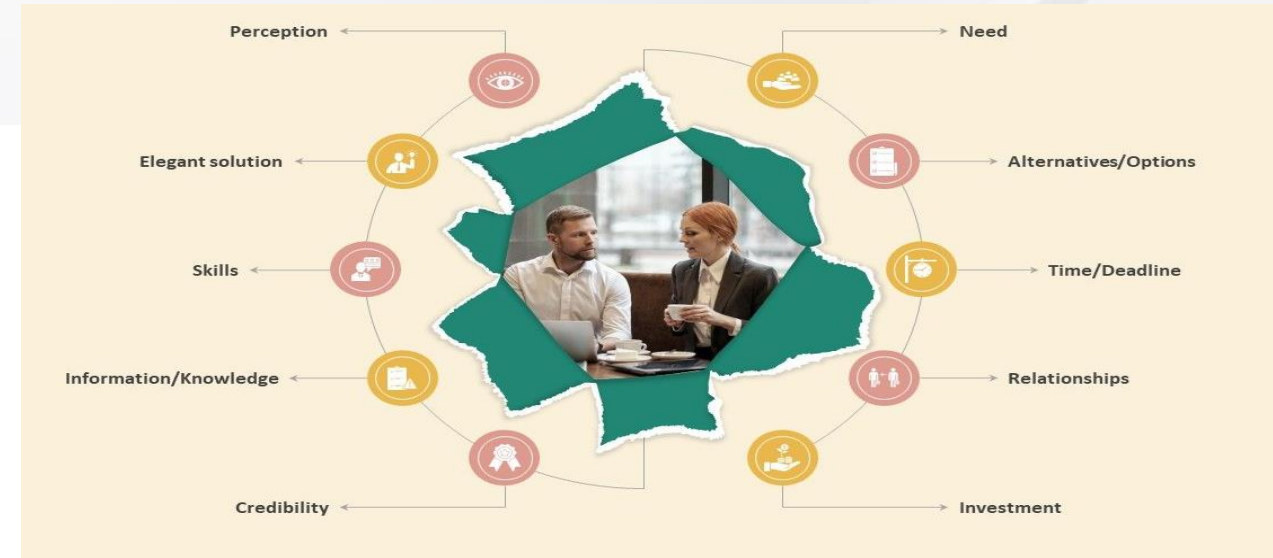
Negotiation power stems from various sources that influence a party's ability to achieve their desired outcomes.



Sources of Negotiation Power

Need power

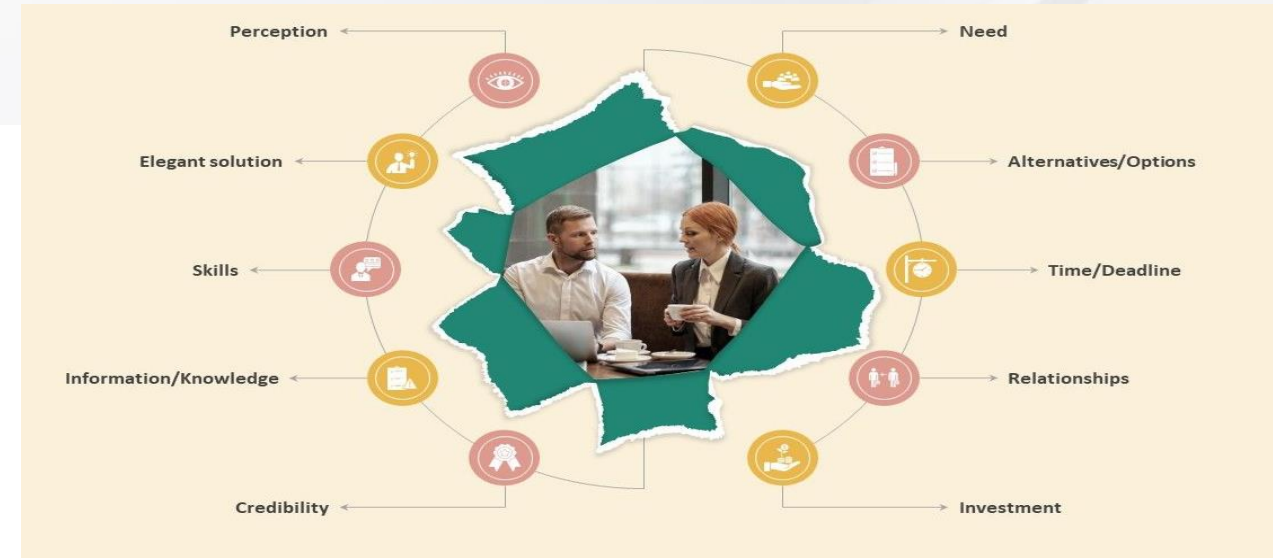
It refers to the perceived importance or urgency that one party has for reaching an agreement compared to the other party. When a party has a greater need or dependency on reaching an agreement, they are said to have higher need power.



Sources of Negotiation Power

Alternatives / Options power

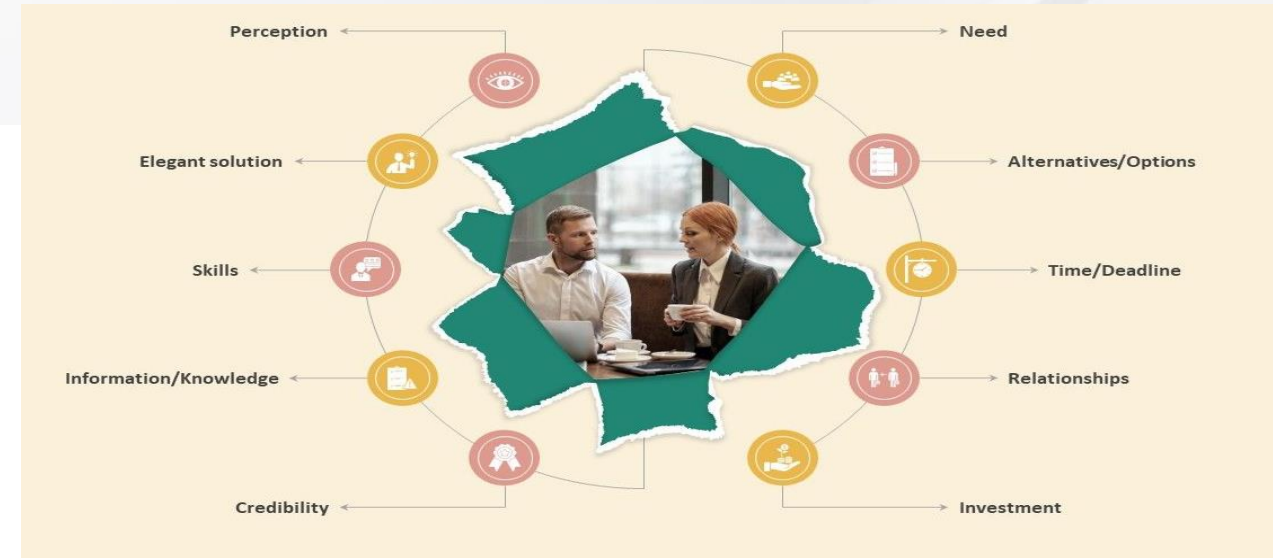
The ability to walk away from a negotiation and pursue alternative options can significantly enhance negotiation power. If you have attractive alternatives, you are less dependent on reaching an agreement and can negotiate from a position of strength.



Sources of Negotiation Power

Timing Power

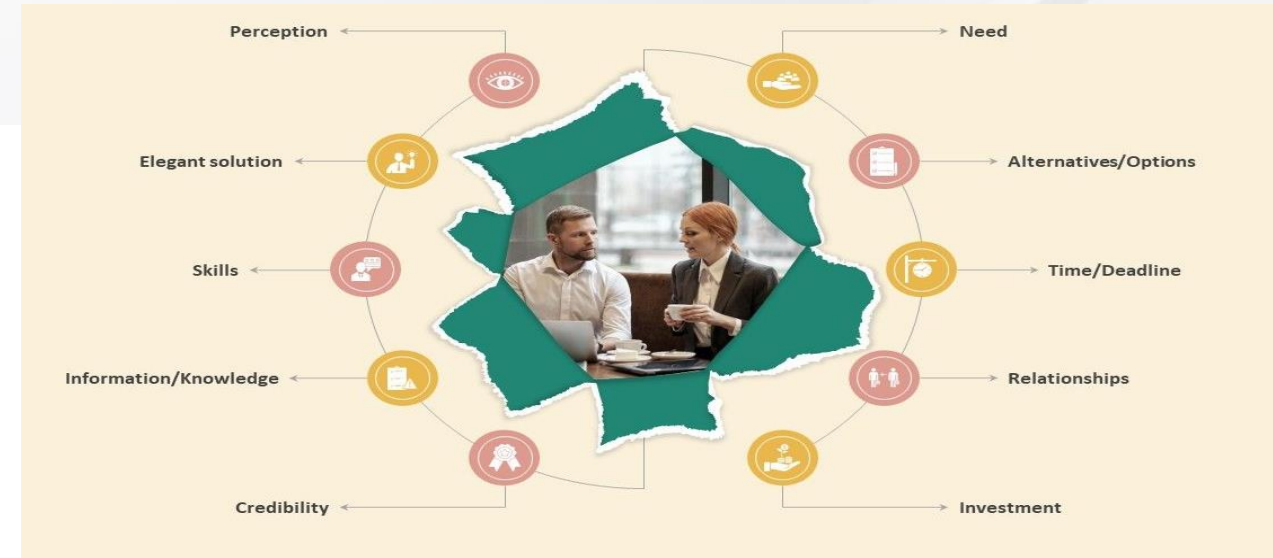
The timing of a negotiation can affect your negotiation power. For example, being the first to make an offer or initiating a negotiation when the other party is in need or under time pressure can give you an advantage.



Sources of Negotiation Power

Relationships and Networks power

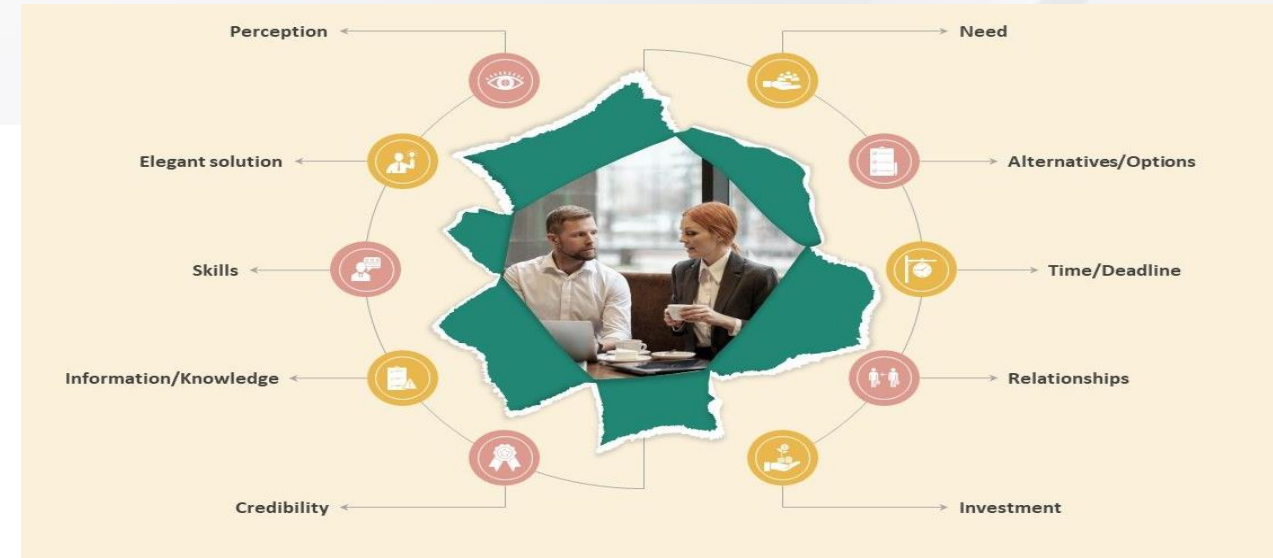
Having strong relationships within the industry or relevant networks can provide valuable support and information, increasing your negotiation power. Building alliances or partnerships can also enhance your position.



Sources of Negotiation Power

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.

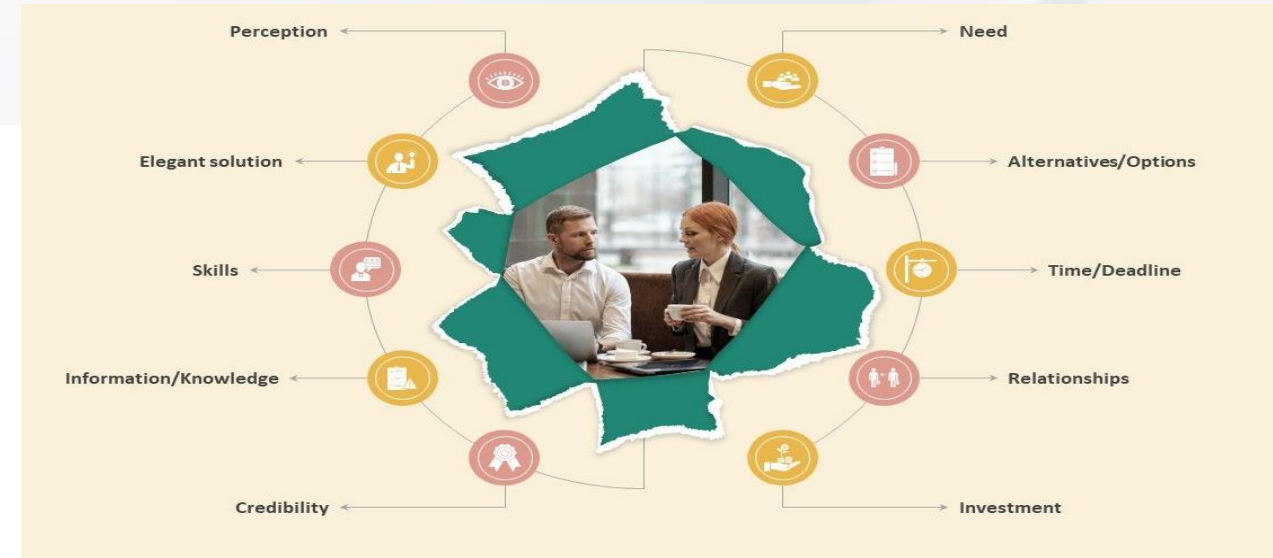


Sources of Negotiation Power

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.

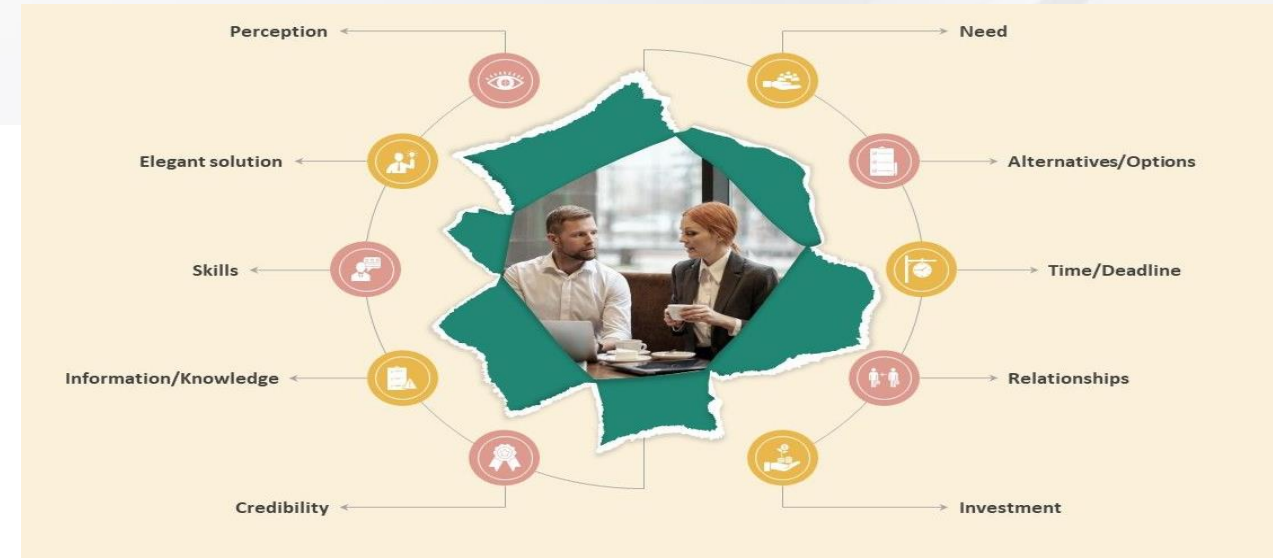


Sources of Negotiation Power

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.

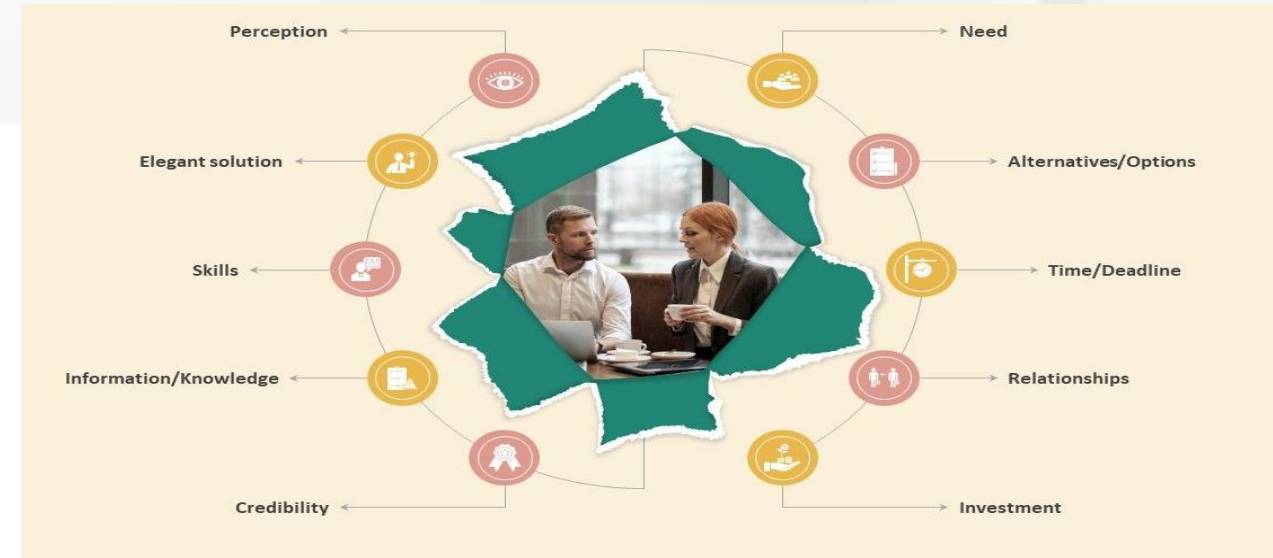
Power based on the accumulation and presentation of data along with the acknowledgment of that accumulation or expertise by the counterparty.



Sources of Negotiation Power

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.



Sources of Negotiation Power

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



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.



Negotiation ground rules

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



Negotiation ground rules

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.



Negotiation ground rules

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



Negotiation ground rules

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.



Negotiation ground rules

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.



Negotiation ground rules

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.



Negotiation ground rules

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.



Negotiation ground rules

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.



Negotiation ground rules

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.



Negotiation ground rules

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.



Negotiation ground rules

Emotional control is crucial in negotiation, allowing you to stay focused on your goals, understand your counterpart's perspective, and make rational decisions. By managing your emotions, you can avoid impulsive reactions, build rapport, and ultimately achieve more favorable outcomes.



**Emotional Control
in Negotiation**



Emotional control in negotiation is crucial for achieving positive outcomes. By managing your own emotions and being attuned to those of your counterpart, you can navigate challenging situations, build rapport, and reach mutually beneficial agreements. Failing to manage emotions can lead to irrational decisions, damaged relationships, and missed opportunities

Why is Emotional Control Important in Negotiation?

Improved Decision-Making: When emotions are controlled, negotiators can make more rational and strategic decisions, leading to better outcomes.

Stronger Relationships: By demonstrating empathy and understanding, negotiators can build trust and rapport with their counterparts, fostering long-term relationships.

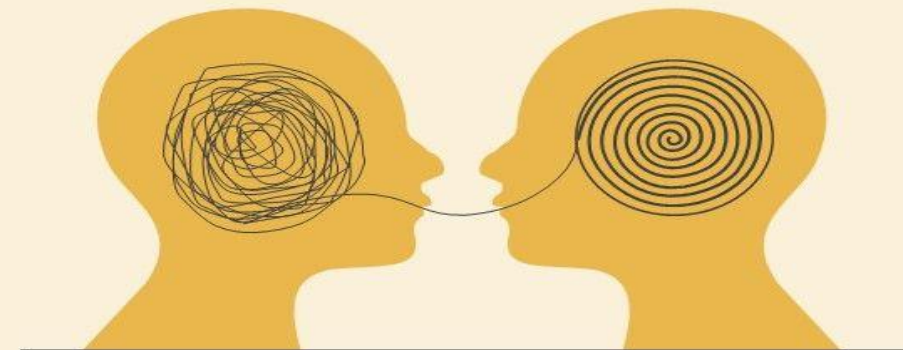
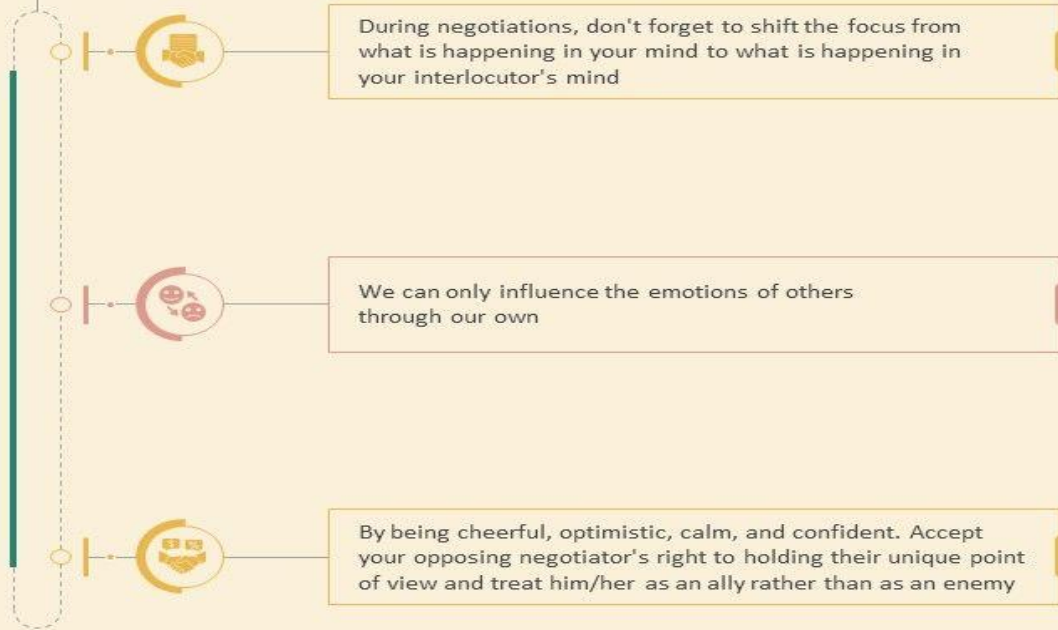
Effective Communication: Emotional intelligence allows negotiators to better understand and respond to the needs and concerns of their counterparts, leading to clearer communication and more productive discussions.

Increased Value Creation: By understanding the emotional landscape of the negotiation, negotiators can identify opportunities for mutual gain and create value for all parties involved.

Reduced Conflict: Emotional control helps to de-escalate tense situations and prevent conflicts from spiraling out of control, leading to more positive and constructive negotiations.

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



Strategies for Managing Emotions in Negotiation:

Prepare Mentally: Anticipate potential emotional triggers and develop strategies to manage them before they escalate.

Stay Detached: Avoid becoming overly invested in the outcome of a single negotiation, maintaining a broader perspective.

Acknowledge and Validate: Recognize and validate your own emotions and those of your counterpart, creating a space for understanding and empathy.

Reframe the Situation: Instead of reacting emotionally to a perceived threat, reframe it as a source of valuable information.

Seek Support: Venting to a trusted friend or colleague beforehand can help defuse potential triggers.

Use Emotions Strategically: While emotional control is key, you can also use emotional expressions to your advantage, conveying information and building rapport.

Practice Active Listening: Pay close attention to your counterpart's words and non-verbal cues to better understand their perspective and emotional state.

Be Mindful of Body Language: Be aware of your own body language and how it might be interpreted by your counterpart.

Know Your BATNA: Always be aware of your Best Alternative to a Negotiated Agreement (BATNA) to maintain leverage and avoid making concessions out of desperation.

Take Breaks: If emotions become overwhelming, take a short break to regain composure and perspective.

Closing a deal in negotiation involves securing a final stage and final agreement of the negotiation process that satisfies all parties involved. It's the culmination of the negotiation process, requiring effective communication, addressing concerns, and reaching a consensus on the terms. This often involves overcoming final objections and solidifying a mutually beneficial outcome.

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



Closing the deal

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



Closing the deal

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.



Closing the deal

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.



Closing the deal

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.



Closing the deal

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.



Closing the deal

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



Closing the deal



**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.



Successful negotiation is an essential skill for entrepreneurs



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.

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