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Career Challenge

You Can Pay a High Price for Neglecting Your Negotiating Skills.

Even those wary of confrontation can improve outcomes by taking the time to practice a few strategies.

When a book packager offered Leslie Whitaker \$12,400 in 1993 to ghostwrite "The Beardstown Ladies' Common Sense Investment Guide: How We Beat the Stock Market and How You Can Too," Whitaker leaped at the chance. Only when the book became a New York Times bestseller—then hovered on the list for three months—did Whitaker realize she blew a potentially lucrative deal.

"It just hits you in the face," she said. "I was like, 'Oh my God, you have got to learn how to negotiate.'"

The Oak Park, Ill., writer sought consolation from fellow scribe Elizabeth Austin. Austin confided that she, too, was a neophyte in the art of deal-making. She had her own horror story to tell.

Austin had become smitten with a house for sale and had quickly offered its full asking price. Later, she learned she'd paid 20% above market value.

"Doing homework [about a house's worth] had seemed like a chore," Austin said. "Negotiations made me so nervous, I'd just put it all out of my head. Or I'd think of worst-case scenarios."

Whitaker and Austin decided to improve their deal-making skills by learning all they could about negotiating. They interviewed skilled deal makers, researched the topic and eventually wrote "The Good Girl's Guide to Negotiating" (Little, Brown & Co., 2001). In the book's introduction, Whitaker writes, "There's nothing like making a bad deal to inspire you to do better the next time."

Only a few pinstriped sharks love to negotiate tough deals. Yet everyone—employees, managers, entrepreneurs and job hunters—must bargain. Some people, however,

become "negotia-phobes," habitually avoiding conflict by quickly ceding to others' demands.

"They think, 'They'll never give me what I want, so I won't even ask for it,'" said Ed Brodow, a Monterey, Calif.-based consultant and the author of "Negotiate with Confidence" (American Media Publishing, 1996).

Those with low self-esteem may spend their careers undervaluing their worth, accepting low salaries without complaint. People pleasers may sacrifice their own needs in order to win adversaries' approval.

Yet negotiating need not be painful. It's a skill that can be learned.

First, understand that negotiating is a business transaction. You mustn't take it personally. Skilled deal makers understand this; they keep their emotions in check. This allows them to better assess their opponents' position and strategize.

Before negotiations start, learn all you can about the organization and individual with whom you'll be dealing. Investigate their needs, motivations, strengths, weaknesses and goals.

At the same time, do an honest self-assessment. How can you help them? What is your value to them? Why would you be the best person for this role?

"I call this the 'Golden Rule of Negotiating,'" said Roger Volkema, associate professor of management at American University and author of "The Negotiation Toolkit: How to Get Exactly What You Want in Any Business or Personal Situation" (Amacom, 1999). "People will not negotiate with you unless they believe you can help them or hurt them."

Keep in mind that statements of self-interest will weaken your position. For example, don't tell an employer you need a \$60,000 salary to support a large family or pay a hulking mortgage. Instead, demonstrate that your skills, experience and education more than qualify you for that compensation.

Consider role-playing with friends to strengthen your bargaining skills. During the first rehearsal, play yourself. This will help you clarify your goals. In a second rehearsal, be the other party. That may give you more insight into their needs and objectives and help you anticipate rebuttals and objections, Brodow said.

When dealing with experienced bargainers such as human resources representatives who engage in scores of similar negotiations, consider doing a "pattern interrupt."

Gain their attention and respect by presenting yourself quite differently from other applicants, said Joel Block, chief executive of Sharefax Corp., a business development firm in Agoura Hills. But if you believe you'll be up against a truly powerful deal maker who's likely to overwhelm you, consider hiring an agent to represent you in the negotiations, Volkema said.

View each new bargaining situation as an opportunity to improve your negotiating skills. This is what authors Whitaker and Austin do.

"I am much stronger and more thoughtful now," Austin said. Recently, she negotiated a sweet deal for a new Mazda MPV van: \$3,000 below its sticker price, with 2.8% financing.

"Every time I do this, I get a little better at it," she said.

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