LESSON 7 - Negotiating Successfully

Entrepreneurs must negotiate with suppliers, potential customers and employees. Entrepreneurs must at several times negotiate with suppliers to ensure lower prices, provide a better payment period or better business relations. The last requirement to be able to negotiate is to have different goals between the two parties. Consider the 3 most common entities with which an entrepreneur can negotiate:

**Suppliers:** Entrepreneur wants to achieve a lower purchase price, while the supplier wants to achieve a higher price.

**Buyers:** Entrepreneur wants to achieve a higher price, while the buyer wants to achieve a lower cost.

**Employees:** Entrepreneur wants to pay based on performance, while employees want to have higher salary.

These are simple examples of different goals. However, in the reality the goals are much more complex, and they are affected with many more factors depending on the conditions and types of negotiations.

Negotiation process is not a battle between two sides in which one is always the enemy of the other. Should your potential customers in the negotiation process be seen as an enemy? Surely, the answer is No. More positive approach is when the parties see each other as future partners. This will ensure a greater likelihood of reaching a final agreement. First we need to start with preparation for negotiation before the start of a negotiation process. If you are better prepared, the chances for success of the negotiations will be larger. Below are tips to negotiate successfully in business:

1. Set clear negotiation goals
2. Specify the limits
3. Study the other side with which you will negotiate
4. Put yourself in the position of the other side
5. Make sure that in the proposed version of the offer is covered everything that you want
6. Make sure that the original version of the offer is not too much radical
7. Show willingness to negotiate
8. Listen carefully
9. Ask for the opinion on key elements of the offer
10. Follow and assess