

How to Negotiate

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Co-authored by **Jessica Notini, JD**  and **37 contributors**

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Negotiating is a normal part of life, especially in the business world. It can be intimidating and uncomfortable if you're not used to it, but the good news is that anyone can learn how to be a strong and effective negotiator. If you're not sure where to start, don't worry—this article will walk you through everything you need to know to start negotiating and getting what you want (or at least a fair compromise).

Method 1

Method 1 of 2: Essential Negotiation Tips



1 **Open at your maximum sustainable position (the most you can logically argue for).** Ask for what you want, and then some. Starting high is important because you'll most likely be negotiated to a lower level. If your opening offer is too close to your breaking point, then you will not have enough bargaining range to concede to the other party as a way of giving satisfaction.

- On the other hand, you also want to avoid making an outrageous opening offer since doing so may create a "chilling effect" in which the opening party quickly loses motivation to continue negotiations with you. Your opening offer should be much greater than the minimum you'll accept, but close to the most reasonable maximum amount the other person may pay or accept.^[1]
- Are you worried about insulting them, especially if making a very low offer to buy something? Remember that this is business, and if they don't like your offer, they can always counter-offer. **Be bold.** If you don't take advantage of them, remember that they'll take advantage of you. The act of negotiation is mutually and beneficially taking advantage of each other.



2 Do your research ahead of time and bring proof. If you're **negotiating a salary** and you've researched how much people in equivalent positions get paid in your area, print out those statistics and have them handy. If you're buying a car and you know the other dealer will sell you the same car for \$200 less, tell them so. Tell them the name of the dealer and salesman. The threat of losing business or opportunity, even if it's not a serious one, can make people compromise.



3 Take your time before you accept or decline an offer. When the other party makes a proposal, don't reply immediately. Instead use your body language to indicate that you're not satisfied. This will make the other person feel uncomfortable and insecure and often force them to come up with a better offer to fill the silence.^[2]



4 Ask for something that's valuable to you but doesn't cost them much. Having both parties feel like they're on the winning side of the negotiation is a good thing. And contrary to popular perception, negotiation doesn't have to be a zero-sum game. If you're smart, you can get creative with what you ask for.

- Let's say you're doing business with a **winery**, and they want to pay you \$100 to perform there. You want \$150. Why not suggest that they pay you \$100 and give you a \$75 bottle of wine? It's worth \$75 to you because that's how much you'd have to pay to buy it, but it costs them much less to produce that bottle.
- Or, you can ask them for a 5% or 10% discount on all their wine. Assuming you buy wine regularly anyway, you'll save money, and they'll still make money from your purchases (just not as much).



5 Offer or request extras. Can you sweeten the deal in any way, or ask for something to sweeten the deal? Extras or perks can be cheap to provide but push the deal closer to the "sweet" territory.

- Sometimes, but not always, offering lots of small incentives, as opposed to one larger incentive, can make it seem like you're giving away more when in fact you're not. Be aware of this, both in giving away incentives and in receiving them.



6 Offer to pay up front. An up-front payment is always desirable to a seller, especially in situations where most people do not pay up front (we're looking at you, [car dealerships](#)). As the buyer, you can also offer to buy in bulk, paying in advance for a certain number of products or services, in exchange for a discount.

- One tactic is to come into the negotiation with a pre-written check; ask to buy the product or service for that amount, and tell them that's your final offer. They may accept it, since the lure of an immediate payment is hard to resist.
- Finally, paying in cash rather than with a check or credit card can be a useful negotiation tool because it reduces risk to the seller (e.g. check bouncing, credit card declined).



7 Never give away without getting something in return. If you give something away "for free," you're implicitly telling the other person that you think your bargaining position is weak. Smart bargainers will smell blood and swarm you like sharks in water.^[3]



8 Always hold back a closer or two. A closer is a fact or argument you can use when you sense the other side is close to a deal but needs that final push. If you are a broker and your client is going to buy this week whether this seller is willing or not, that is a great deal closer: your client has a time constraint that she'll want to meet, and you can persuade her why meeting that time constraint is important.^[4]



9 Don't let personal hangups sidetrack the negotiations. Too often, negotiations are sidetracked because one party takes an issue personally and doesn't let go of it, reversing any progress made in the initial stages of the negotiation. Try not to take the process of negotiation personally, letting it offend your ego or your sense of worth. If the person you're negotiating with is rude, overly aggressive, or abusive, know that you can walk away at any time.

Method 2 of 2: Anticipating Negotiation Tactics



1 Decide on your break-even point. In financial terms, this is the lowest amount or cheapest price you will accept in the deal. In non-financial terms, this is the "worst-case scenario" you are willing to accept before walking away from the negotiating table. Not knowing your break-even point can leave you accepting a deal that is not in your best interest.^[5]

- If you are representing someone else in a negotiation, get your client's agreement for a target deal in writing *beforehand*. Otherwise, when you negotiate deal, and they decide that they don't like it after all, your credibility is the one that takes the hit. Proper preparation can avoid this from happening.



2 Know what you're worth. Is what you're offering hard to come by, or is it a dime a dozen? If what you have is rare or noteworthy, you have the better bargaining position. How much does the other party need you? If they need you more than you need them, you have the better position, and can afford to ask for more. If, however, you need them more than they need you, how can you give yourself an edge?^[6]

- A hostage negotiator, for example, isn't offering anything special, and needs the hostages more than the abductor needs the hostages. For this reason, being a hostage negotiator is very hard. In order to compensate for these deficiencies, the negotiator must be good at making small concessions seem big, and turn emotional promises into valuable weapons.
- A rare gem vendor, on the other hand, has something that is rarely found in the world. She doesn't need a particular person's money — only the highest amount of money, if she's a good negotiator — but people want her particular gem. This puts her in excellent position to extract extra value from the people she's negotiating with.



3 Never feel rushed. Don't underestimate your ability to negotiate for what you want by simply outlasting someone else. If you have patience, use it. If you lack patience, gain it. What often happens in negotiations is that people get tired and accept a position that they wouldn't ordinarily accept because they're tired of negotiating. If you can outlast someone by staying at the table longer, chances are you'll get more of what you want.^[7]



4 Plan how you will structure your proposals. Your proposals are what you offer to the other person. A negotiation is a series of exchanges, where one person offers a proposal and the other person counter-proposes. The structure of your proposals can spell success or lead to disaster.^[8]

- If you're negotiating someone else's life, your proposals need to be reasonable right off the bat; you don't want to risk someone's life. The downside of starting off aggressive is just too much.
- If, however, you're negotiating your starting salary, it pays to start off asking for more than you expect to get. If the employer agrees, you've gotten more than you asked for; if the employer negotiates you down to a lower salary, you're heightening the impression that you're being "bled," thereby increasing your chances of securing a better final salary.



5 Be ready to walk away. You know what your break-even point is, and you know if that's not what you're getting. Be willing to walk out the door if that's the case. You might find that the other party will call you back, but you should feel happy with your efforts if they don't.



Expert Q&A

Question

What are the tactics of negotiation?



Jessica Notini, JD
Negotiation & Mediation Coach
Expert Answer

Make sure you understand exactly what you're asking for and why you're asking for it before entering negotiations. For example, you may want a salary increase of \$20,000 because the cost of living in your area is rising and you want to be recognized for your contributions to your company. Also, take time to think about the other party's interests too before you start negotiating so you're more prepared for their counter offer.

Helpful 4 Not Helpful 0

Question

How do I negotiate to win?



Community Answer

Don't give up. Make the person feel that they need the object that you have. Be enthusiastic about it to make it feel like the deal works to the other person's advantage.

Helpful 28 Not Helpful 5

Question

How do I negotiate with the client?



Community Answer

You need to know what the client wants and likes. Think of negotiation like a compromise between what you want and what the client wants.

Helpful 8 Not Helpful 0

Question

How do I negotiate for a salon and spa franchisee business?



Community Answer

First, it is important to ask and to be self confident. Then, you can apply the skills which are presented in this article.

Helpful 9 Not Helpful 1

Question

How do I negotiate with my girlfriend to go to bed together?



Community Answer

It's not a negotiation; she'll do so if and when she's ready, and pressuring her will only be counterproductive. Mutual respect will improve your relationship, especially if you want it to last.

Helpful 17 Not Helpful 4



Tips

- Watch your body language - a skilled negotiator will pick up on non-verbal signals which may give away your true feelings.
- If they surprise you with a very appealing offer, don't let on that you expected something less favorable.
- Avoid soft exposing language when making your proposal. E.g. "the price is -about- £100" or "I'm looking for £100". Be firm in your proposals - "The price is £100." or "I'll give you £100."
- Never negotiate after receiving an unscheduled phone call. They're ready but you are not. State that you are not currently able to talk and ask to reschedule. This will give you time to plan ahead about responses to questions and to perform simple research.
- Preparation is 90% of negotiation. Gather as much information about the deal as you possibly can, evaluate all the key variables, and understand which concessions you can trade.
- Even when you are unsure, speak with authority, speaking louder than usual and giving the impression that you have done this many times before will close deals

with people who are not experienced.

- Always carry out a thorough check on the negotiating partner. Gather enough information about them to give you an idea of their most possible acceptable offers. Build on that information while negotiating.
- If someone is totally unreasonable, don't negotiate. Tell them to keep you in mind if they come down in price (or whatever). Negotiating when they are way out of line starts you out at way too weak a position.
- Use tools to reduce miscommunication and increase transparency. Online tools, including simple graph creators can be very useful in negotiations.



Warnings

- Never talk about their figure or price, as this subconsciously validates it- always talk about your figure instead.
- Acrimony is a deal killer. People will refuse deals just because they are in a bad mood. This is why divorces drag on for years. Avoid hostility at all costs. Even if there has been hostility in the past, start each contact upbeat, positive, don't hold a grudge.
- If it is for a job, do not get too greedy or you will be fired - worse than the previous wage.

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About This Article



Co-authored by:

Jessica Notini, JD

Negotiation & Mediation
Coach

This article was co-authored by **Jessica Notini, JD**. Jessica Notini is a Negotiation and Mediation Coach practicing in California and internationally in many Latin countries. She is also a Lecturer at Stanford Law School and an Adjunct Professor at Boalt School of Law, Hastings College of the Law, and Mills College's MBA Program. She is the past Chair of the California State Bar Alternative Dispute Resolution Committee, served as the President of the Association for Dispute Resolution of Northern California (formerly NCMA), and was a member of the Board of Directors for the Mediation Society of San Francisco. She was recognized for her leadership and years of dedication with the California Dispute Resolution Council's 2012 Don Weckstein Award. She has a BA in Psychology from Wesleyan University and a JD from the University of Michigan. This article has been viewed 475,459 times.

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