

Negotiation

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What is negotiation?

Negotiation is a form of consultation. It concerns issues in which both parties have an interest, but on which agreement has yet to be reached. There are at least two interested parties who want something from each other, but not necessarily on the same terms. The intention is to reach agreement through consultation. Selling is therefore not the same as negotiation.

The subject of a negotiation can be a product, project, service or job. It can involve a work of art or performance, an order, the publication of music or a book, a salary or the fee for a freelance contract. There are always different points to be negotiated, such as time or money. Whatever the differences in subjects or issues, the negotiating process always passes through the same general phases.

Many starters find negotiation difficult. But it is essential to dare to negotiate. The other party will usually appreciate a good, active contract negotiation. Because you also present yourself and your working methods. What you 'concede' to each other concerns not only the quality of your work, but also whether you can work well together: whether you and your negotiating partner 'click'.

Phases in the negotiation process

The negotiation process consists of different phases. Depending on your situation, one phase will take more time and effort than another. Sometimes, all phases after the preparatory phase can be completed in just one meeting. At other times, they can take months. In practice, the phases are rarely as separate as they are presented here:

Preparation Introduction Making Negotiation Making proposals agreements

Phase 1: Preparation

Good preparation is a key success factor for a negotiation. 'Knowledge is power' here. Gather all the background information and factual material that you can in order to strengthen your own position and define that of the other party. Try to find out what the usual prices or agreements are in similar situations, or what the other party might be used to paying etc.

One situation will provide more scope for negotiation than another. Find out as much as you can about what is and is not possible, and prepare for this:

Your position and expectations

- Decide what you are aiming for, your ideal and your minimum acceptable outcome. Make sure that all three are very clear to you.
- Try to imagine which of your wishes might lead to differences of opinion, and what the potential solutions might be.
- Decide the points on which you are willing to make concessions.
- If you don't reach agreement this time, think of how you can come out of the negotiation as well as possible and how to keep options open for the future.



The other person's position and expectations

- Think of the interests at stake and what your role could be.
- Why are you holding this meeting? Do you have competition?
- Which arguments will the other party be sensitive to?
- On which points do you expect relatively easy concessions?
- When do you think the other person will regard the negotiation as a success?

The negotiating situation

You may not always be able to influence the negotiating situation, but again, it can help to think about this in advance:

- Is it an informal meeting, or is a professional presentation expected?
- Is the purpose of the meeting clear and agreed?
- What is your negotiating partner's role in the organisation, and what are their decision-making powers?
- The location: is the meeting being held on neutral ground, or at the location of one of the parties?
- The time: is there time pressure, or when will a decision follow?

Phase 2: Introductions

At an initial meeting, the negotiators are introduced and/or set the tone for the rest of the negotiation. Discuss common interests and the intention to reach agreement. Also make sure that the purpose of the meeting and the procedure for the rest of the negotiation are agreed. Then you know when a decision will be made and when you yourself have to decide on certain points.

Always enter the talks on an equal basis as far as possible, even if you have the feeling that the other party has far more 'power' than you. After all, the principle of the meeting is that you both want something from each other.

Phase 3: Exchanging proposals

After the introduction, you exchange proposals. Formulate your own input clearly and respond as well as you can to any questions. Ask questions if the other person's proposal is not clear. Also leave scope to develop ideas.

Once the proposals are clear, you can define the differences for yourself. Assess these before you make concessions. In that way, you avoid saying 'Yes' too soon, only to think later that you should have negotiated some issues better. There is nothing wrong with a difference of opinion as long as you keep things professional.

Phase 4: Negotiation

Negotiation is a question of give and take. If there is no difference between the opening move and the final outcome, there is nothing to negotiate. In most cases, you will negotiate several issues so that you have enough 'change'.

These could be:

- Money: in the form of a sale price, commission, share, fee or salary.
- Costs: materials, working space, insurance, promotion or travel expenses.
- Copyright: who will be the owner, who can exploit the product, are one-off products involved?
- Planning: will you benefit from flexibility or do you prefer certain dates or times?
- Support/co-operation: will you receive help in performing your assignment? Will you be working together with certain people?
- Final result: reach clear agreement on what you will (not) do or organize
- The future: will there be follow-up orders, or can you provide maintenance for a fee? Can this deal mean something for your career in other ways?



Phase 5: Making agreements

The best negotiations lead to a 'win-win' deal. If you come out of a negotiation with the feeling that you still need to gain something during the partnership, it was not a good negotiation. If you have doubts, it is best to ask for a 'cooling-off' period. In many cases, that is possible. Sometimes you can make a better assessment of a final offer if you sleep on it.

Finally, make sure that all agreements are put on paper and are communicated clearly. That makes it easier for both sides to carry out the agreements. Inform everyone concerned if necessary and make adjustments if anything threatens to go wrong. This is the best start for any future negotiation.

Negotiation in practice

What is reasonable?

The scope for negotiation may be large or small, but in practice, it is always limited – by the available budgets, for instance, or by legal requirements or custom and practice.

Quite apart from what is customary, what do you think is reasonable? You decide what you are asking for, but make sure that you justify your proposal well. You do not have to give away all your calculations, but strong arguments will help to convince the other side. Don't forget to mention other aspects, apart from the most concrete financial proposals.

It is important to stay informed about customary agreements and amounts. Regularly ask colleagues what they earn, or what they charge and why. Don't do this only before a negotiation, but make a habit of it. Ask sectoral organisations whether there are guidelines for hourly rates, for example. If you are negotiating services rather than products, check whether there are collective labour agreements (cao) for your sector and what they say. Even if you are not formally covered by a cao, it can tell you what is customary.

If, despite good arguments, you get no further than the minimum outcome acceptable to you, be clear and positive about your motivation. Don't moan, but say you accept because, for instance, you enjoy the work or want to gain experience. If you present your deal as a once-only concession, it will be easier for you to go back to your former targets in later negotiations.

Negotiating style

The result of a negotiation can be satisfactory to both sides for different reasons. It is not just about the content, but also about the negotiating process.

Within the limits of the scope for negotiation, your own attitude influences the result. During the negotiating process, you continually make choices about your behaviour. The trick is to always make the choice that best suits the goals and the other person. The tone you set, the tactics you use and the behavioural choices you make all have an impact. Also remember that body language says a great deal. Particularly if you are not an experienced negotiator, choose behaviour and tactics that you are comfortable with.

Choose your behaviour consciously, or in any event, be aware of it. Is your behaviour co-operative or challenging, for instance? Are you trusting or suspicious? Do you tend to be co-operative or prefer to fight? Do you give in easily or are you persistent, are you open or reserved, formal or informal, flexible or rigid, etc.

You can also use (more or less likeable) negotiating tactics at different points in the process. These could include threatening to pull out, using humour, appealing to emotions, stalling for time, bringing in competition, setting deadlines, splitting the difference, etc.

The more often that you negotiate, the better you will be able to influence the process. This is important. You may have negotiated your business goals well, but if the process or partnership was



difficult, there will be little chance of follow-up. The same applies in reverse: if you cannot reach agreement but the meeting was enjoyable, there is a better chance that you will come to a deal in the future.

More information

On <u>BeroepKunstenaar.nl</u> you will find more information about doing business and important skills like networking and presenting yourself.