**Negotiation Prep Guide**

The preparation stage of negotiation is, without a doubt, the most important step in the process. Why? Negotiation is an incredibly stressful event. When you are stressed, your body produces the stress hormone called cortisol. Cortisol makes it difficult to think clearly. Because of this, in negotiations, when we need to be incredibly clear minded, we are poisoned by a stress hormone that prevents us from thinking clearly. This is why it is important to *pre-think* as much of the negotiation as possible.

Competence breeds confidence. Go into every negotiation with the legitimate confidence that you know as much as possible on the subject and the requisite humility to learn more from the other side through listening. You are able to perform at a much higher level when you have a thorough understanding of all of the relevant information. When I prepare for a negotiation, no matter how seemingly insignificant the negotiation may be, my goal is to gather considerably more information than is necessary. I typically only utilize approximately 30% of the information that I've gathered in the actual negotiation but I have that other 70% at the back of my mind throughout the conversation ready to go if necessary. **The more information you have, the better positioned you are to make competent statements and ask relevant questions.**

This guide will give you a step-by-step approach to preparation. Remember, competence leads to confidence. The more you prepare, the more confident you will be during the conversation.

**Be Curious**

Knowledge is power. The first step in any negotiation is to gather as much information as you can on the person with whom you are negotiating and the situation as a whole.

*Answer the following questions as you prepare before the negotiation:*

* With whom am I negotiating?
* What are their goals?
* What are my goals?
* How can I solve their problems?
* How can they solve my problems?
* What is valuable to them?
* What is valuable to me?
* What do they like?
* What don't they like?
* What motivates them?
* What is their background (professional, educational, religious, ethnic, familial, etc.)?
* Why are we having this conversation?
* What are the relevant numbers?
* What is my goal in this negotiation?
* What are the barriers to agreement?

Your goal is to know as much as possible before the negotiation begins. However, it is impossible to know everything there is to know about the person and the situation. That is why it's important to create an exhaustive list of open ended questions that you can ask during the conversation to fill any gaps in information that exist.

*Write a list of open-ended questions that you will use during the negotiation.*

1.

2.

3.

4.

5.

6.

7.

8.

9.

10.

Write significantly more questions than you think you will have the opportunity to ask during the conversation. Remember, your goal is to get them to talk as much as possible. The more they talk, the more you learn.

**Understand Your Options**

It is important for you to know what you will do if you don't get a deal; this is known as your best alternative to a negotiated agreement. In most scenarios, there is life beyond this specific deal. Having a firm understanding of your options will alleviate pressure because you know this is not a make or break situation.

*Write down your top three back-up options if you are unable to reach an agreement in this negotiation.*

1.

2.

3.

It is also important to know that there are often a number of potential acceptable deal structures in each negotiation. For example, if you are a consultant you could create a number of packages with different price points before the negotiation. Then during the negotiation as you ask more questions and get a better understanding of the situation, you can offer packages that fit their needs and their budget.

*Write down as many acceptable agreements as you can come up with.*

First Option:

Second Option:

Third Option:

Fourth Option:

Fifth Option:

Order them in terms of preference from most preferable to least preferable. For entrepreneurs, this would most likely be a list of packages starting with the most expensive package down to the least expensive package.

**Practice Your “No”**

People often forget that “no deal” is an acceptable outcome in negotiation. Not all deals are meant to be made. Negotiation is the art of deal discovery, not the art of the deal creation. This should alleviate pressure because you no longer will feel forced to make a deal.

*Write down your bottom line. What is the lowest or highest you're willing to go in in this negotiation?*

One important thing to keep in mind with your bottom line is that you should be aware of the bottom line throughout the negotiation but you *should not* focus on it. Think of the bottom line like the out of bounds line in sports. A coach will make a play with the goal of scoring, not the goal of avoiding the out of bounds line. However, the coach will always keep those boundaries in mind as she draws up the play.

Why is this important? You will naturally start to drift toward your focus. If you focus on the bottom line throughout your negotiation, you will start to notice that your questions and statements will start to lead the conversation closer to your bottom line instead of toward your goal.

If the negotiation gets to a point where you do not believe the deal is realistic, you need to say no. Although it is only two letters, sometimes it is the hardest thing to say.

*Write out how you will say no if the time comes:*

If saying no is difficult for you I would suggest listening to (or reading) my podcast/blog episode [“Forget Yes. How Do I Say No?,”](https://www.linkedin.com/pulse/forget-yes-how-do-i-say-kwame-christian-esq-m-a-?trk=mp-reader-card) where I break down how you can say no while strengthening the relationship.

**Final Thoughts**

If this works for you, shoot us an email and let us know, write a review on the [iTunes podcast page](https://itunes.apple.com/us/podcast/negotiation-for-entrepreneuers/id1101679010?mt=2), and/or connect with us on LinkedIn. We would love to hear of your success!

Also, if you found this helpful, please share this with your friends. Our goal is to teach the art of negotiation to as many people as possible so please spread the love! That would help us, it would help your friends, and would make you look like an all-star.