



TOP TEN NEGOTIATION MISTAKES and How to Stop Making Them

by Alan Ovson

People consistently make the same mistakes when negotiating. Recognizing and overcoming these mistakes is a big part of preparing for any negotiation.

According to our research of over 500 negotiators, these are the Top Ten Negotiation Mistakes:

1. **Negotiating With the Wrong People:** Does the person you're negotiating with have the authority to close the deal? If not, you could be wasting valuable time and effort. Ask – before the negotiation – who the best person to talk to is. This crucial piece of information will have a huge impact on your negotiation strategies.
2. **Poorly Managing Information:** Don't ever forget: information is king! The more information you have, the better negotiator you will be. And, gathering information from different sources (the internet, newspapers, trade journals, other people) will give you a broader perspective to negotiate from. It's crucial to have a way to gather, manage and organize this information and have it available quickly and easily. Keep good records! Make sure you have a system in place for writing down pertinent information given to you. Having this information readily available can turn a losing negotiation into a winning one.
3. **Not Managing Others' Expectations:** You need to let the other side know early on in the negotiation what you can and can't do for them. For instance, if you've been told by your boss that you absolutely cannot change pricing, let the person you're negotiating with know that you're not there to discuss price. You're there to discuss other terms and service you can provide. Make sure the other side doesn't get upset late in the negotiation because they were expecting to discuss something you're not authorized to discuss. Likewise, you need to understand their expectations too. If they expect too much and don't get it, they will be disappointed. If their expectations are too high, try to lower them.

4. **Not Setting High Enough Goals and Targets:** Don't let limitations in your own thinking tip the balance in the negotiation before it's even happened! If you feel like you shouldn't or can't "ask for more," figure out why. It may be a lack of self-confidence or not understanding the other side. While you're preparing for the negotiation, see what you can find out about the other side. Do your research: If they have the ability to close a \$10 million deal, and you're asking for \$500,000, you may not be asking for enough. Confident negotiators recognize that they can lower their offers more easily than raising them – and always negotiate at the top of their limits.
5. **Focusing on Price Instead of Value:** Don't get hung up on price. Price is not the most important issue if you are truly solving their problems. If your customer hasn't yet asked about price, don't bring it up first—unless you are absolutely certain that you beat ALL of your competitors' prices for a comparable good or service.
6. **Not Uncovering the Other Side's Real Needs:** People seldom reveal their actual needs when you first talk to them. Sometimes, this is because what they want overshadows what they need, and they themselves are not sure of the difference. People must fulfill their needs and, in order to help them define their needs, you need to ask specific questions to uncover exactly what those needs are. If you can understand their needs and fulfill them, you will build a long-term relationship, and you can also help fulfill their wants.
7. **Getting Emotional:** If you take the negotiation personally, or let the other side jangle your nerves, your emotions will cloud your judgment. Don't put the focus on you. Focus on the outcome you want from the negotiation and the best strategies for achieving that outcome. Keep your mental focus outward toward this outcome. Acknowledge your feelings, but don't let them take over the negotiation.
8. **No Closing or Concession Strategy:** Concessions are the language of negotiation. Most deals fall apart after the two sides have spent considerable time and energy agreeing on the most important issues. It's the nitty-gritty issues late in the process that kill many negotiations. If you plan your concessions ahead of time, you can create concessions that seem like they have value for the other side, but cost you little. And, you can ask for things which seem like they will cost the other side very little, but will give you more of what you want. When it comes to the deal-breaking end of the negotiation, you will be prepared to trade concessions by giving up very little and asking for a lot more.



9. **Not Reinforcing Value:** Make sure you talk about the benefits the customer will receive from your product or service. Focus on the problems you are solving for them. The real value you are offering is making these problems go away. They need to know that your offer will actually help them. Be able to define and “frame” what the benefits are clearly so that the other side clearly understands how your product or service can help them at the deepest levels.

10. **Over-committing or Failing to Coordinate Resources:** Make sure you have the authorization to commit the resources of other areas of your organization. Before you make such a commitment, check with the other department. It’s fine, in the middle of a negotiation, to tell the other side, “I need to check before I can okay your request.” This timeout from the negotiations can actually be an advantage to you, as you can not only check about the specific resource you want to commit, but also develop alternatives to offer.

Notice that most of these Top Ten Negotiation Mistakes are a mismanagement of power. Feeling powerful in your communications is unbelievably important while negotiating. Here are some ways these mistakes affect your power:

- Not setting high goals for yourself and getting emotional during a negotiation both reveal that you don’t feel powerful enough to get what you truly want.
- Negotiating without a concession strategy, not finding out what the other side needs, and failing to manage their expectations all put you in a weak position when you work on important details.
- Over-committing resources and poorly managing information give power to the person you’re negotiating with. You’ll give too much away in the negotiation if you aren’t in control of your resources and information.

Remember: You don’t get what you want. You get what you negotiate!

Contact Ovson Communications today for information on how you can bring Alan Ovson and his expert negotiation advice to your next meeting.

Just for contacting Ovson Communications, we’ll send you a FREE copy of Alan Ovson’s 9-page Negotiation Quick Guide.