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# 5 Rules of Effective Negotiating

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## Introduction

Opportunities to negotiate arise everyday—at home, at work, when you're with your friends, and even with yourself. Sometimes they are small, like how many bites your kids should take of the spinach they don't like, or whether to buy that new set of golf clubs or keep using the ones you have. There are other occasions where the negotiation can be very impactful, like purchasing a car or asking your boss for a raise. In these situations, it is usually better approach the negotiation after ample preparation. This white paper will discuss five rules for negotiating that can help make the transaction more pleasant for everyone involved and better your chances at getting what you want.

## Rule #1 – Always Ask

You never know what you can get—not unless you ask for it. This rule covers everything you want, and everything you think you may want. So many of us do not get what we deserve simply because we do not ask. Because of this, negotiation should be thought of as one of the most-used tools in your life. We negotiate daily for the things that we want and need.

## Rule #2 – Know What You Want

It is difficult to have a successful negotiation if you don't know what you want out of it. Are you attempting to get something? Get rid of something? Once you have considered the possible outcomes, you can decide how you will respond if it does not end up in your favor. Just as you should know what you want, you should also know what you don't want. What is totally unacceptable, your deal breaker? Having a clear vision of the desired final outcome on this mutual agreement will make it easier for you as you work your way through the negotiating process.

## Rule #3 – Prepare for the Type of Negotiating You Will Be Doing

Les Brown said, "It is better to be prepared for an opportunity and not have one, than to have an opportunity and not be prepared." Understanding the different types of negotiations will determine how much preparation you will need. There are five types of negotiations and understanding them will determine how much preparation you will need.

## Impromptu

Spontaneous negotiations simply occur. Often the person initiating the discussion is prepared, knows what to do, and how to convince the other person, who may not be as well prepared because the negotiation wasn't anticipated (i.e., boss and subordinate).

## Informal

Informal negotiation occurs at every meeting and can involve friends, colleagues, peers, immediate supervisor, and staff.

## Formal

Formal negotiation occurs when both parties expect to negotiate and have time to prepare for the negotiation.

## One-of-a-Kind

One-of-a-kind negotiations are situations such as buying a car or an item at a garage sale: both parties attempt to maximize their positions at the expense of the other. This negotiation is known as bargaining and is often confrontational and positional. One-of-a-kind negotiations can be impromptu, informal, or formal.

## Ongoing Relationship

Ongoing relationship negotiations are situations such as a marriage or working for your manager. Here, both parties must be concerned not only with the tactical issues, but also must constantly be aware of the longer-term (strategic) implications of living or working together into the future. These ongoing relationships are more cooperative and have a greater atmosphere of trust and concern for the relationship as well as solutions. Ongoing relationship negotiations can be impromptu, informal, or formal.

Preparation is essential, especially in informal and formal negotiations. When seeking a raise or promotion, you must do your research. Have you kept a list or folder on all of your accomplishments for the year? Don't think that your boss remembers everything that you do. Most of you are so good that your boss has no idea how you keep pulling rabbits out of your hat—but you get it done.

Do you have copies of any positive e-mails or letters from staff, peers, or internal or external customers? Did you research the salary range for your position outside of your firm? A site such as [www.cbsalary.com](http://www.cbsalary.com) (part of [www.careerbuilder.com](http://www.careerbuilder.com)) offers a salary calculator that is customizable to your city, experience, and education. That calculator will give you the low, average, and high salary range of your position in your city and that of the national average.

## Rule #4 – Understand Cultural Differences

What culture you were raised in may make a difference in your outlook on negotiation. Many people born in the United States are used to a "pre-packaged" society. Most of us go into a store and accept the marked prices. Have you ever gone into a Home Depot and tried to negotiate for a better price on a new refrigerator? Why not? It can be done; all you have to do is ask and present your case. You never know, they may be willing to

negotiate. In many European and Latin cultures, negotiation is expected. Ask for “complimentary upgrades” on flights or hotel rooms. You do not have to be a frequent flier, just ask. Ask for a “complimentary waiver” on the luggage fees. Just because you are not used to asking for what you want, does not make it rude when you do. Don’t wait until you are outside of the United States to practice – start now.

## Rule #5 – Practice, Practice, Practice

Negotiation is a skill, which means it can be learned by anyone. It may not happen immediately; some practice might be needed. Put aside cultural biases and start. Practice everywhere, at the restaurant, at the dollar store, at the airlines. Doing so will get you in the habit of asking. If you ask someone who does not have the “authority” to approve such a request, ask to speak to the person who does, and ask them for what you want. When they say “no,” find out why not. Always smile, keep an even voice, don’t make threats, and thank them for their time and explanation. Practice at home by doing what kids do. They ask you once, twice, and again. The next day they come and repeat their request. You don’t always give in, but they know the odds are in their favor if they don’t accept the first “no.” Be committed to the win-win. You are not going in for the kill. You are going in to reach a mutual agreement on solving a common problem.

## Reviewing the Rules

Let’s review one of the key areas where we should use negotiations – your career.

What are the benefits to you when you negotiate at work?

- Better work load (i.e., more or less responsibilities)
- Clear, defined goals and objectives
- Promotions
- Higher salary

The consequences to not negotiating at work are the opposite of the benefits. So, if you know the benefits and consequences, why might you not negotiate more often? Number one reason: fear of confrontation.

What is the number one area that most people do not negotiate at work? Salary. When you do not negotiate for your salary every year, you earn your salary by default, meaning you get whatever they decide to give you. If your employee handbook does not specifically state, “Salary negotiations are strictly prohibited,” you should plan to negotiate each year. It is understood that some salaries have ranges (example: first tier manager might make between \$30k and \$36k). But, that does not prohibit you from negotiating to the top of your range.

In order to get to that higher tier, you need to sit down with your manager and ask what you need to do to get there. Ask to work together to outline a specific plan and how long it will take in order to reach that tier. You may discover that you need certification in a particular area that will take you less than six months to achieve. If you are already at the top, it is time to plan what steps you need to take in order to get to that next level. You may need to take on more responsibilities, more training, or earn a new certification.

If the company or economy dictates that salary increases are not available, you can negotiate for something else that you may find valuable. Negotiate for more time off, flex time during the slow season or company-paid lunches during weekend overtime for the team. Negotiating for your salary each year, whether you get a salary increase, or something in lieu of it, shows one thing. It shows that you put value on you and the talent that you bring to the company.

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## About the Author

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