



7 Negotiating Tips When Buying or Selling a Business

A person buying or selling a business needs the temperament and correct negotiation skills to successfully close the deal. It used to be that people think you are a good negotiator if you push for what you want and you get it. This mentality is passé. Today, deals are made by parties willing to find solutions to their differences. The two parties at the negotiation table are not adversaries. They do not attack one other, but rather they address the issues at hand.

Here are some Business Negotiation Strategies:

1. Prepare in advance.

Prior to beginning negotiations, study the business and the market trends through trade / industry publications, trade events and networks, and consult with those in the same line of business. Knowing the industry statistics and analysis of the business arms you with information you might need to back up your offer or counter other proposals. You can demonstrate that you know what you are talking about and you cannot be misled.

2. Listen to the other party.

Give the other party your attention and the time to say what is on their mind. You should refrain from making assumptions. You can gauge the other party's reaction and emotion to key issues so you can later respond accordingly. The information you gather forms the basis for your questions later.

3. Kindness and diplomacy will go a long way.

Be genuinely kind and interested. As the saying goes, "It is easier to attract bees with honey than with vinegar." Kindness is an advantage in business negotiations. You gain credibility as well as the trust and empathy of the other party when you are reasonable, straight forward, fair and polite.

4. Be flexible and open to options.

Have an open mind by not setting strict parameters from the start. Be open to options that may bridge seemingly wide disagreements or differences. Your attitude and willingness to be creative during the business negotiation can go a long way towards a successful transaction. Give away a concession but make sure you also get something in return.

5. Let the other party go first.

Avoid going first on the price if you can. Knowing the other person's starting point before you give yours is an advantage. This enables you to adjust your aim. You can refuse to start negotiations if the price is unacceptable. If you do, the other party may be forced to at least re-think his or her offer before you start business negotiations.

6. Do not be a bully.

Being a demanding person with the attitude of a bully turns the other party off. Your know-it-all comments may be insulting or rude. It is okay to be tough in some aspects of the negotiation, but you have to choose your priorities. Be forthright when you present your bid. Proceed gently and amiably.



7. Keep notes of the transaction.

To reduce misunderstandings of what was discussed or agreed upon, a well-documented transaction record is in your best interest. Every major agreement or obligation of the parties should be recorded in clear language, signed or initialed, and dated for future reference.

The best chances for successful negotiations come when the two parties like one other. Be honest and truthful about your situation. There should be no room for ambiguities or evasiveness. Be patient, open and creative in finding solutions to any disagreement. It is a successful negotiation that gets the deal done. Are you ready to apply these business negotiation strategies?
