

Hone Your Business Negotiation Skills

Negotiation is an essential part of running a business. This worksheet can help you improve your communication skills to achieve desired outcomes for both parties during a negotiation.

Pre-work: Reflect on your current business relationships and prepare to discuss them with your coach. Before your coaching session, complete Sections 1, 2 and 3.

SECTION 1: IDENTIFY YOUR POTENTIAL NEGOTIATION PARTIES

As a business owner, you negotiate daily to maintain and grow your business. Identify the parties with whom you conduct negotiations.

CUSTOMERS: Current and potential

- *Negotiate prices, terms, scope and conditions to make sales and build relationships.*

EMPLOYEES: Full-time, part-time and contractors

- *Negotiate salaries, benefits, schedules and job duties to attract and retain top talent.*

VENDORS/SUPPLIERS: Manufacturers, product suppliers, wholesalers/distributors, marketing/technology/professional service providers

- *Negotiate prices and terms of service to yield the most value for your business and grow your bottom line.*

LENDERS/INVESTORS: Banks, CDFIs, credit unions, SBA lenders, venture capitalists, angel investors, friends, family and others

- *Negotiate terms for financing or raising capital that allow you to grow your business while managing costs.*

OTHER:

SECTION 2: REFLECT ON A PRIOR NEGOTIATION

Think about the last negotiation that had a positive outcome for you. Which of the following topics did you research or prepare before the negotiation?

Goals for yourself coming out of the negotiation	Where you found common ground; where you were willing to compromise
How your goals might impact the negotiating party	A framework for the negotiation
Your desired outcome vs. your negotiating party's desired outcome	Packaged offers that addressed a combination of issues for both parties
The benefits of your goal to yourself and the negotiating party	A well-practiced offer pitch

SECTION 3: IDENTIFY A FUTURE NEGOTIATION AND YOUR DESIRED OUTCOMES

Select one current relationship where you have an upcoming negotiation.

Name the party with whom you want to negotiate:
Name the topic(s) that you want to negotiate:
Name your desired outcome of the negotiation:

Action plan: Review Sections 4 and 5 to plan to prepare for an upcoming negotiation.

SECTION 4: PLAN THE NEGOTIATION

In addition to understanding your negotiation topics and desired outcomes, the best preparation will include anticipating the same for the other party. Use the framework below to help you prepare.

Negotiation topic:	
ISSUES Think about your goals, and how what you're proposing may impact the other party.	For you: For them:
DESIRED OUTCOMES Outline what's most important to each of you.	For you: For them:
BENEFITS OF DESIRED OUTCOMES Provide an overview for what each of you might gain.	For you: For them:
BEST ALTERNATIVES Consider where you're willing to compromise, and vice versa.	For you: For them:

SECTION 5: IMPLEMENT BEST PRACTICES

With a better understanding of your negotiation partner's perspective, review and consider the best practices below as you plan your negotiation, focusing on areas of compromise.

Best practices	Action items
Plan an optimal meeting environment, eliminating any possible distractions	<ul style="list-style-type: none"> • Arrange a meeting in person; if not possible, schedule a virtual meeting with cameras on • Choose a quiet location • Silence your phone and close your laptop
Make the first offer in the negotiation and acknowledge their potential concerns	<ul style="list-style-type: none"> • This research shows that going first has better outcomes • Plan and practice your first offer • Acknowledge their issue(s)/want(s) first in the offer • When communicating your issue(s)/want(s), frame them around how your negotiating partner can help you
Set a tone of working together	<ul style="list-style-type: none"> • Present the negotiation as a problem you're trying to solve together • Maintain a win-win mindset • Use communal language: "we" vs. "me"
Be firm but respectful	<ul style="list-style-type: none"> • Maintain positive language: "I appreciate your effort/perspective, but..." • Remain calm throughout the discussion
Practice active listening	<ul style="list-style-type: none"> • Make direct eye contact • Provide and listen to non-verbal cues (smile/nod when appropriate) • Don't interrupt, but ask clarifying questions if needed • Repeat essential understandings from them
Document the negotiation	<ul style="list-style-type: none"> • Document and share agreement points in writing afterward for confirmation
Plan when and how to walk away	<ul style="list-style-type: none"> • Identify the minimum outcome or package you're willing to accept • If it's clear that you will not reach that outcome, politely end the discussion, highlighting your key differences • Preserve the relationship by expressing appreciation for their time and effort and, if appropriate, suggest continued communication
Reflect on learnings from the negotiation	<ul style="list-style-type: none"> • Document what went well and what could be improved • Apply these learnings to future negotiations

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