

# Negotiation: How to Be Effective

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The art of successful negotiation is not as random or difficult as it might seem at first glance. Most negotiations end up with both sides receiving something of value as well as giving up something valuable in return. It has been said that the best negotiated outcomes occur when both parties walk away a bit disappointed or just a little bit happy. The goal of this short primer is to give some hints as to how to get a slightly better deal than the other party most of the time. There are several points to remember to be able to achieve such an outcome frequently. (*J Hand Surg Am.* 2017;42(1):53–56. Copyright © 2017 by the American Society for Surgery of the Hand. All rights reserved.)

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## THE PROCESS

Before one starts any negotiation process, **preparation and data gathering** are essential. Your ability to affect the outcome depends, in large part, on how you can structure your argument with facts and figures. **Trading information** with the opposite party making the most of your points and arguments while listening carefully to the other viewpoint (often provides a “look inside” what is important to the other party). **Bargaining** face to face is extremely important to continually gauge what the other party really wants or needs and assessing what you may need to give up to achieve agreement. In addition, a face-to-face discussion allows quick changes of course in tactics if the situation requires such movement to achieve success. **Final agreement** with a commitment by each party to close the deal.

## NEGOTIATING STYLE

Each person has a negotiating style, and understanding your personal style is important to realize your advantages and limitations. It is always important to remember that “winning” one negotiation by

crushing your opponent will likely have the other party unwilling to deal with you in the future, especially if they feel they have been taken advantage of unfairly. One never knows when your own position will be weak in some future negotiation and you want to make sure good will remains, even if your outcome is slightly better than the other parties’ result. In some situations, one can be completely certain that the negotiation is a “one-time event” such as buying an object you will only need once in a decade or lifetime. In this case, one can be more aggressive than usual because the odds of having a future negotiation with the same party are substantially reduced. However, if there is a reasonable chance that you may have future dealings with an individual or organization, be very mindful not to become overly aggressive in your goals and objectives. For example, if you happen to want to collect art and are buying a painting and you are just starting, it is highly probable that you will need the dealer’s good will for advice and will buy multiple paintings over time. Bargaining in this scenario (and occasionally even walking away from a deal) sets the relationship that you expect good value for your money. Yet, you will certainly want to be fair and careful to build and maintain an ongoing relationship with the dealer over time. And never gloat or celebrate—you will be a very lonely winner (Fig. 1).

Whereas our personalities are fairly set by adulthood, one can learn to migrate on the chart by **practice**. The best way to become a good negotiator is to practice often in real situations. Start with small issues and work to move toward the “cross hairs” on

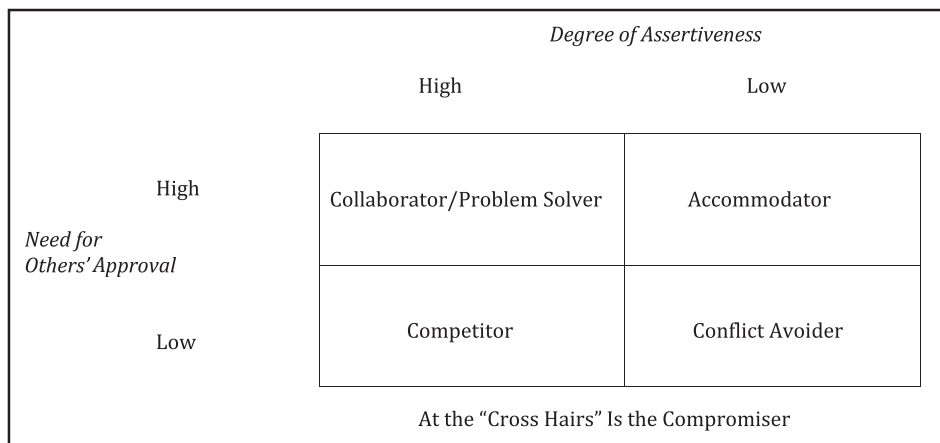
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**FIGURE 1:** The personality of a negotiator.

the chart. Repetition will help you become comfortable in migrating toward a style that may not be natural for you. When we were small children, our negotiating skills were stunningly sophisticated; we knew the “buttons” to push on our parents that made them give in. Each of us has the traits on the chart, although as adults we may have forgotten how to utilize them.

### THE BASIC ITEMS OF IMPORTANCE

1. **Plan and prepare:** The willingness to invest the time in this step is crucial to a successful outcome. Having objective data to bolster your position is very difficult to refute.
2. **High expectations:** Always set a higher bar to start than you may believe you can achieve. Otherwise, you may start lower than the point where your opponent may have been willing to go. Give yourself some room by starting high and believe that you can achieve most of your goals.
3. **Other party to make the first offer:** It is always best to ask the other party to start the process with a first offer, especially if they are the seller. Sometimes, this starting point from them is lower than you would have expected, allowing you plenty of room to get a great deal finalized. This method will allow you to gauge how far apart the 2 sides are and where to open your argument to have the largest effect on the final result. Often this approach means that you need to speak first; otherwise, your opponent may ask you to provide the first offer (very bad if you are the “buyer”; not knowing their “ask” range may cause you to offer far more than where they would have started the negotiation). A general conversation that leads to the question of “what do you want?” or “how much are you willing to pay?” will not allow the other party to start that process. If, somehow, you get asked to make the first offer (eg, “what are you willing to sell that item for?”), defer the question by changing the subject (“before we get into specifics, I’d like some clarity on . . .”) and then after the answer, ask the first-offer question in reverse again to the other party.
4. **Always bargain at least a little:** If you do not, the other side may feel they gave too much away. This method also gives you some sense of how much you can push the other party. If concessions come quickly without much effort, maybe there is quite a bit of room to get a better deal. And no matter what, keep calm with a straight face.
5. **Listen carefully:** One can find out a lot of information from the other party by truly listening to what they are saying, which provides clues on what matters to them most and least. Some parties will essentially tell you what they need before they realize they have.
6. **Know your subject matter:** There is no substitute for knowing the facts and data of what you are negotiating about. It provides perspective and confidence.
7. **Verbal skills:** The ability to speak clearly and confidently in opening comments or in rebuttal to the other sides’ arguments is critical to establishing your “status” in the negotiation.
8. **Be confident:** But not arrogant.
9. **The “anchor” effect:** Be careful to get the “anchor” of the negotiation placed correctly early on. This item seems like it goes against letting the other side make the first offer (item #3 earlier) but that does not have to be the case. The anchor is the important concrete starting event. It can be a dollar figure, as when one is

trying to buy a painting from an art dealer, or another event of consequence. If the other side speaks first in general terms, you may get a sense of where their anchor is and plant your anchor before they do. On occasion, the other party may be aggressive and start by setting their anchor firmly to make you negotiate from that point. Human nature is to not vary too far off that initial anchor point for fear of alienating the other party. If it is unreasonable or simply not where you want to be (as in the case of a dollar figure), immediately work quickly to move the “anchor” elsewhere. This could involve saying “well, that certainly won’t work; we are far too apart. To start a productive discussion, we need to start . . .” or “I think we should start at \_\_\_\_ or we will have little possibility of getting any agreement.” In a case of a dramatic disparity in starting points and when you have alternatives, it can be best to politely “walk away” and seed doubt in the other party for a few days or weeks. This approach also depends on how desirable the other party’s item is to you and other third parties; if they hold something of universal value, time may not work in your favor.

## LEVERAGE

The party that worries the least about losing a “deal” in the negotiation has the most leverage and, conversely, the party that has the most to lose has the least leverage. Work to reduce your “items at risk” and your ability to take an alternative course BEFORE you start any negotiation. A fine example is when interviewing for your first medical job after training. Try to get several options available to you BEFORE you go to your first job interview. This approach will give you confidence (“we have other options”) and will allow you to discuss the job from a position of strength. The potential employer will probably figure out whether or not you have other options and is far more likely to be accommodating if they understand you are not desperate. Even your past history can put you at a potential advantage or disadvantage. For example, if you went to undergraduate, medical school, and residency all in the same city or state, a potential employer also in that state might believe they have some advantage over you because you seem to want to stay in that area; dispel that impression right away by stating, for example, that you are looking for the right position and might like to see

another part of the country while acknowledging that you like the city/state. Conversely, the employer might feel pressured because they may assume that you are also interviewing with local competitors and that they should “grab you first.” What you say will go a long way to setting the stage, so speak carefully after listening to the employer first.

Leverage may be based as much on perception by the other party as on any reality. Play your cards correctly to avoid giving away any clues to what is critically important for you to achieve in the negotiation. Leverage is also fluid; it can change quickly during a negotiation, so you have to remain on your toes at all times and listen to the other parties’ comments. Always compare your situation to that of the opposing team. Do not worry about some ideal of the “correct” outcome. In the end, you are negotiating in real time for a local issue or item only. It really does not matter what a similar deal made 6 months ago or what salary another friend made. The deal is always local. Lastly, leverage is the most important outcome predictor; always try to improve your leverage before you start the process.

## EXPANDING INTERESTS

Good negotiators create value for both sides rather than splitting the pie into smaller pieces. Always look for ways to expand the pie during negotiations because this will give you far greater leeway in coming to a deal. Look for shared interests between the parties that can be foundations of expanding the pie, allowing further benefit for both sides. Compatible interests can also provide benefit. These are items that are not critical to either party but can act to enhance a deal because they do not conflict either.

## TRADE-OFFS

Every negotiation will require trade-offs for success. Be prepared to know what you will give up to get something in return. Make big gifts on little issues and make little gifts on big issues. The big issues to you should drive what items you are willing to relinquish. Be careful to watch the opponent for false moves (bluffing) in order to get you to give something you do not want to give. Leverage again will prevent this problem from arising often. In trade-offs, use phrases like “if you can provide \_\_\_\_, then we can give up \_\_\_\_.” Statements such as these can allow you to judge what will be required to get what you really want. To avoid big trade-offs, look for interests that are not

conflicting and use those to enhance the pie in order to preserve what you really need.

### **LASTLY**

Setting clear outcomes or goals, asking good questions to probe the other party, and being calm and without rush will provide the correct setting. Time is often an unseen component. If you can afford plenty of time and the other party cannot, take your time. If you cannot afford to wait too long for a deal, move the discussions along but never display impatience or pressure. Prepare and then prepare again. Preparation will give you the ammunition needed to influence the speed and cadence of the negotiation.

### **ACKNOWLEDGMENTS**

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### **SUGGESTED READINGS**

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