

# Demolishing the urban legends of negotiation

By Ian Newall



## Urban legend 2:

### “Never make the first move”

Staring steely-eyed across the table waiting for the other guy to blink may be the stuff of movies but is not useful in real negotiations where you are trying to arrive at a workable agreement and a long-term relationship between buyer and supplier.

Our research has shown that, contrary to popular belief, skilled negotiators are willing to make the first move in order to get negotiations going, provided they get something in return.

Negotiations go through phases. Negotiators will set the stage for the negotiation, exchange information about the issues that they are to negotiate, if possible, discuss some of the options that are available before making any concrete proposals. This is when negotiations sometimes stall. Neither party wants to move, each reluctant to show weakness by acting first.

The skilled negotiator will have planned the opening position very carefully. In the case of a seller, that position will be high but credible. Too high and the other side may walk away or the seller will have to make large concessions that undermine credibility. Too low and subsequent moves are likely to cut into margins. The skilled negotiator will also know what the

scope for movement is on each issue as well as the relationships between each of the issues.

But, most important of all, the skilled negotiator will not give anything away without getting something in return. The first move is likely to sound something like: *“I’ll tell you what, if you can give us 15 day payment terms, we could reduce the unit price by £1.23”*.

In this way, a first move by one party becomes a first move by both because each is trading something with the other.

And remember that the best trade is where you exchange something that is easy for you but highly valued by the other side and vice versa.