Prepare to Negotiate Your Salary (Or Anything): Crash Course Business - Soft Skills #7

Crash Course: Business - Soft Skills
https://youtube.com/watch?v=UTsK8LdDqbU
https://nerdfighteria.info/v/UTsK8LdDqbU

Life's all about give and take: compromising over takeout choices, trying for a different curfew, haggling at a market or over the price of a car. So whether or not you consider yourself a businessperson, you've led a **negotiation**. And the first step to any good negotiation is **preparation**. You don't want to head blindly into important decision-making. Reverend H.K. Williams said it best: **by failing to prepare, you're preparing to fail.**" See, if we hadn't done our research to prepare, we would've accidentally attributed that to Benjamin Franklin.

But you're not going to fail. Because you're awesome at what you do. And we're awesome at what we do. So we're here to help you prep by showing you how to **set goals, ask the right questions,** and **think outside the box** a bit. I'm Evelyn from the Internets, and this is Crash Course Business: Soft Skills.

[intro]

Before we get started, let's clear up a few things. Lay some ground rules, if you will. Negotiation involves two or more people- we'll focus on two here- that have opposing interests and something the other person wants. There's no such thing as a single-party negotiation. You can argue with yourself over buying that pair of glitter Balenciaga boots that Michelle Obama wore, but you're not negotiating. You're just indecisive. Possibly irresponsible.

Let's say two people are trying to split a hundred lemons and they each want sixty. Maybe it won't come to an all-out duel, but who knows how serious these lemon people are. Jokes aside, though, negotiation is not about 'winning,' or doing better than someone else. Negotiation is about solving **perceived conflict**. It's playing nice with others and finding collaborative solutions by communicating your needs and interests. You still advocate for yourself. Don't let someone just take your lemons or pie you in the face with a lemon chess. But you avoid hostility and find a solution that helps the other person out.

So take that 100 lemon situation. The two people might chat and figure out that one person wants sixty lemon rinds for their bakery, and the other wants juice from sixty lemons for their lemonade stand. There's not really a problem. There's a solution where both people can get what they need. Or if you want a clean kitchen but your roommate has midterms, you might do more dishes this week in exchange for a week off when you're swamped.

To make sure everyone walks away from a negotiation with their needs met, you need to **prepare**. And the first step in preparation is understanding what your **goal** is. Clear goal, full hearts, can't lose. I mean, we just talked about how negotiations don't really have a winner or loser, but Friday Night Lights is just so good.

Think about exactly what's important to you, because your goal might not be as cut and dry as you think. Like, let's say you're moving to a new city and need to commute for work. Your goal probably isn't to buy any car as cheap as possible, because, uh, there's some real junk on Craigslist. Your goal is to find transportation that meets your needs in the most cost-effective way. That difference is subtle. But it helps you focus on what matters. And what matters is readiness, cost, and quality. So a cheap car is one way of getting to your ultimate goal: effective transportation.

If you only think about one limited goal, like the price of a used car, you'll end up conducting a purely **distributive negotiation**. And that can limit your solutions. A distributive negotiation might involve haggling with a car seller to drop the price by $150. Just, like, going back and forth saying numbers. You'll have more options if you focus on complex goals and conduct an **integrative negotiation**. Instead of bargaining over $150, integrative negotiations let you get creative. Maybe you let a seller charge $100 more for a car, but only if they get the oil changed and get you a Jiffy Lube coupon book. Now, everyone's happy. The seller earns a bit more and you save time.

But in every negotiation, integrative or otherwise, you're going to need to make **trade-offs**. Ideally, you'd reach your **target goal**, which is the most you think you can get from a situation. Something that meets all of your needs, with a cherry on top.

So let's say you're arriving in this new city soon. And remember, your ultimate goal is cheap, good, and readily available transportation. Your target might be an immediately drive-able car for a really good price- say, $4200, if the used cars you're looking at average around $4600. You should rank what's important to you in a definitive list, so you know what you can **concede** and still meet your ultimate goal. Are you willing to spend a bit more money for a sooner pickup date? Would you give up a couple of features, like seat warmers, if it meant saving dough? Must it really be a 1981 DeLorean DMC-12?

Knowing how much you're willing to concede depends on what **alternatives** you have. Alternatives set your **resistance point**, or the worst possible deal you'll accept in a negotiation. So in the case of negotiating to buy a used car, an alternative can be anything that meets your ultimate goal of transportation, like using the metro or taking an Uber everywhere. If your alternative is terrible, and you'll be walking to work in the snow, your resistance point will be lower. You really need a car, and your power to walk away from a negotiation is limited. And if your alternative is amazing, like a free shuttle provided by your job in the freezing cold winter months, your resistance point will be higher. If you can put up with the shuttle's kind-of-irregular schedule, you can take time to make a deal for that Volkswagon Bug of your dreams.

Basically, alternatives give you more power, or **leverage**, in a negotiation. They give you time to consider your options, keeping you from giving up too much, and let you walk away comfortably if you can't beat your alternatives. And walking away is not a failure. It might just mean the deal wasn't meant to be. It wasn't your time. They weren't ready for you.

Usually, you've got more leverage than you might think, especially when you have a job offer. They want your talent and your skills for a reason. So never be afraid to negotiate your salary, especially if you're a woman or a person of color. Negotiating doesn't make you aggressive. It makes you smart.

To see how you'd prep for a salary negotiation, let's go to the Thought Bubble:

You're a fresh graduate from a quirky community college. And you've got a job offer from a cool virtual reality startup called Dreamatorium Enterprises. They've got great health benefits, an awesome office, and you're excited to flex your creative muscles. Plus, you'll have the chance to network with some up-and-coming industry leaders.

But you've also got an offer from Hawthorne Industries, a company into town that makes wet wipes. You've heard a few iffy things about Hawthorne's upper management, and the work isn't as exciting, but they're offering you $5000 more per year for your salary. And in a place like Greendale, Colorado, that can go a long way.

You really want the startup job, so you're thinking about giving up the extra pay. But you've got more leverage than you think, so prepare to negotiate.

Greendale's not a booming tech town, so applications for

Dreamatorium haven't exactly been rolling in. So they don't have many alternative candidates, which gives you a bit more power. And you can point out that they won't need to pay for you to relocate. They'll save a lot on expensive training and certification courses, since you already know how to use specialized art software. You used it to design your school's flag and create short films. Plus, after doing industry research, you know the salary they're offering you is a bit below average, so they might have room to move up.

Your strengths look great, and you've also thought about what you're willing to give up, like three days vacation, a premium parking spot, and the signing bonus they offered you. So when you walk into that negotiation, you're ready to help them see the full benefits of hiring you and get that salary bump.

Thanks, Thought Bubble!

To prepare for negotiation, you don't just need to have your goals figured out. You need to flip the script and know your enemy- or collaborator. What are their goals, target, and the issues they're going to prioritize? **If you understand what they're trying to achieve, you may be able to move away from distributive negotiations and create integrative solutions that help you both win.**

Maybe you own a burger restaurant and are ordering from a new beef supplier who's trying to get their name out there. So, in exchange for a 10% discount, you could promote them at the food festival you're working next weekend.

Think about what questions you can ask to help you identify their goals. But don't be so blatantly obvious and straight-up ask what their resistance point is. It's a little tacky. Instead, you could ask, "What other options are you consider?" to get a handle on their alternatives, and sort of extrapolate from there. Questions like, "Oh, so you just want the lemon rinds?" "How important is picking up the car right away?", or "What are you currently doing to market your beef?" can help you figure out their priorities and find ways to create value for everyone. They'll probably be asking you similar questions too, so remember your goals and think about how you'll want to answer.

And **if you can help it, it's best to negotiate in person**. Sometimes you can't, but the hierarchy goes: video calls, then phone calls, then emails. Basically, the more personal, the better. Remember **emotional influence**? It's easier to get a read on someone's intentions if you can get a feel for their personality. It's easier for them to ignore your wants and needs when you're separated by a computer screen. That's partially why cyberbullying is so widespread. Not okay, people.

Really, it all comes down to **trust**. People are more willing to find solutions if they trust that you're looking out for their interests as well. When there's no trust, it's like a villain negotiating with the hero in an action movie. Everyone's on edge, and no one's thinking of creative ways to get out of Nakatomi Plaza.

Sure, no matter what, your business negotiation will probably be lower-stakes than that. But with a bit of time and effort, you'll have built up a reputation as a master negotiator who follows through and is willing to work with people for win-win situations.

We've done all we can to prepare you to prepare. And if you take away nothing else, remember:

1) If you can help it, **negotiation is about collaboration and finding creative solutions so everyone wins.**
2) Clear goal, full hearts, can't lose. **Goals can help you think of creative solutions** that target what you really want.
3) **You may need to make concessions**, but be aware of what you can use as leverage.
4) **Prepare ahead of time** by thinking about the other person's needs and what questions you will ask or be asked.

And next time, we'll talk about how to jump in and **conduct a negotiation**.

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