

How to Use Leverage to Negotiate

By
Mariette Edwards

I heard a story recently about a real estate developer who wanted to buy a large piece of property owned by a 70 something year old gentlemen. The developer had an upscale shopping center planned for the property and was quite anxious to acquire it. He made several offers but the old gentlemen would not budge. He just wasn't interested in selling. Then the developer had an idea. If the owner wasn't interested in money, what else might induce him to sell? That's when he sat down with the property owner and learned more about him. He quickly realized that this old gentleman was more interested in leaving something behind for the next generation than in the money the property could bring. His desire for a legacy gave the developer a strategy that could create a win for both of them. He suggested that the new shopping center be named after this individual. Knowing what the other party wanted gave him leverage. They quickly reached a deal!

Never assume a deal is only about the money. Information creates leverage. Leverage keeps the ball in motion. Spend some time learning about what the other party really wants. It will accelerate the negotiation process and contribute to both sides feeling satisfied with the outcome. A client told me recently that she wanted her employer to lay her off with a \$5K severance package. That would give her enough money to meet her expenses for a few months while she looked for another job. I asked her if her company was downsizing or encouraging resignations by offering severance packages. She said, "No". In fact, she might even be promoted based on recent performance. "How could the company benefit from such a deal?" I asked her. "Where's your leverage?" If she was someone they wanted to just go away without causing them any problems, she might have been able to leverage that to negotiate a good deal for herself. The truth is she just wants them to give her the money so she can pursue other interests. Until she has something to leverage, the chances for a deal are zero.

Leverage is also about time and timing. If time is a factor, never let the other party know it. Leverage shifts to he who has the most time. If you're in the job market, the best time to negotiate salary is after you get the offer. Once they want you, power shifts in your direction. You have leverage.

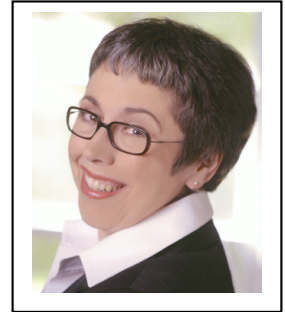
Detachment from the outcome is another kind of leverage. The most powerful party in any negotiation is the one who doesn't need the deal. Always be willing to walk away. That's the ultimate leverage.

###

Mariette Edwards is a business and career strategist, consultant, speaker and writer. Mariette publishes Star Maker, a free monthly on-line newsletter dedicated to professional success. Visit her web site at www.starmakercoaching.com for more information.

<mailto:mariette@starmakercoaching.com>

www.starmakercoaching.com



©Copyright 2001-2004 Mariette Edwards All rights reserved

This article may be copied or reprinted provided nothing is changed including copyright and contact information.