

Chapter 4 – Negotiation: the art and the science

Every budding entrepreneur I meet wants to pull off the perfect deal. Nobody wants to feel that they could have done better. It rankles. And it doesn't matter how successful or wealthy you are, that feeling of irritation is universal.

The objective of this chapter is to ensure you can close the deal and get what you need – easy to say and difficult to do. At the heart of it all is an attitude of composure. You've got to have ice in your veins, hold your nerve and not rush to impulsive decisions you'll regret later. I've got tactics to share with you that work – and have worked in practice for me – in various situations.

Let's start with some real-life examples of how the big boys do it. Billionaires are some of the toughest negotiators around – it's in their blood. I learned about negotiation at the feet of a master: Alan Bond, one of Australia's most colourful and popular entrepreneurs, who, as we have learned, started as a sign-writer and became a billionaire. Along with his right hand man, Peter Beckwith, he was formidable. Virgin were no slouches either. Richard Branson might have a soft cuddly exterior, but he is one of the hardest and canniest negotiators around. I need to make you a formidable negotiator too.

"Why?" I hear you say. "I'm just a start-up, not quite a billionaire yet, so how does this apply to me?" Well, let me tell you, you are going to have to get up to speed because a start-up is essentially just a series of negotiations. You will need to negotiate with employees, suppliers and customers. And it is critical that you get this right; otherwise you won't survive.

The great news is that everything I learned from my billionaire masters is applicable to a start-up although, admittedly, you have considerably fewer bargaining chips if you're a start-up. I have developed a powerful approach to negotiation that ensures that you get what you need at every stage of growth.

Firstly, I will introduce you to the 'four legs of the negotiation table'. These are the four prerequisites essential to any successful negotiation, but I have designed them with your position as a start-up specifically in mind. The next two steps are the 'science' and the 'art'. The science will ensure that you are well prepared and don't make basic errors. The art is a series of highly effective negotiating tactics that will ensure you get what you need. Put all these together and you will inevitably be successful. Be warned, though, that a lot of what you read in this chapter sounds Machiavellian and ruthless. However, remember that you're fighting for your very survival. I will show you that ultimately all parties to a negotiation must win – or no-one wins.

So, let me set the scene. Imagine a smoky saloon bar. There's a crowd of guys sitting around a green baize-covered card table. They are playing poker. The atmosphere is tense. Their expressions are frozen. Nobody wants to lose the game because the side of his mouth twitched. Body language speaks louder than words. It's a scene you see in hundreds of movies, but it's the one that always springs to my mind whenever I enter into negotiations. This is the part where you horse trade, your preparation already done. I love the atmosphere, the game-playing and the late nights. There's an adrenaline rush from negotiations. It doesn't matter if the deals are big or small, there's a buzz. But let me tell you about one of the truly big ones. [example not included]