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5 Tips for Being a Better Negotiator

Turn contract-term discussions into more effective, less stressful conversations.

By Katie Navarra

Americans dislike talking about money. A 2014 Wells Fargo survey revealed that nearly half of us said personal finances are the most challenging topic to discuss with others. Respondents ranked death, politics, religion, taxes and personal health as less difficult topics of conversation.

Although finances are agonizing to talk about, monetary concerns often consume an individual's thoughts. The same Wells Fargo study revealed that two in five Americans consider money the biggest stressor in their lives and that a third of them lose sleep due to worrying about money.

Despite the discomfort, it's not a topic that can be ignored. Practice owners and employees have a vested interest in financial discussions. The practice owner must address salary and benefits for long-term employees and new associates from the standpoint of overall business success. Conversely, associates have to be prepared to counter if an offer isn't viable.

"Often, contract negotiations are adversarial, because it's so uncomfortable for us to talk about money," said Andrew R. Clark, DVM, MBA.

Ultimately, the two parties must find a middle ground or part ways. "In other countries, negotiations are fundamental to their way of life," said Denise Farris, a Kansas-based attorney and horse enthusiast. "In the United States, we have been socialized away from negotiations, making it an uncomfortable process."

For veterinarians, the discomfort of financial conversations is twofold; it's a difficult part of our country's culture, and it's intrinsic to a veterinarian's chosen career to care more about the outcomes than the payments.

"Veterinarians are fixers and helpers, so it is hard for them to ask for things themselves," Farris added.

Contract negotiations don't have to be fraught with emotions. Clark and Farris offer five tips for making your next experience less stressful and successful.

1. Have the Right Attitude

Traditionally, contract negotiations are viewed as battles with a win-or-lose outcome. This adds to the anxiety and stress inherent in discussions about money. "I think it's more productive to approach the negotiation process as a conversation," Clark said.

Word choice matters. For instance, the word "investor" has a different connotation than the word "owner." " 'Investor' infers that the individual is committed to making the business successful, whereas the word 'owner' has connotations of power and authority," Clark said.

When an associate is negotiating as a new hire, or a veteran is looking for a raise, the words he or she chooses in responding to an offer are critical. "They cannot appear ungrateful," Clark said. "If an associate doesn't value a benefit, the first response should be to validate the offer. Then, they can delicately ask if one benefit may be substituted for another."

It's also important to recognize that negotiations can be dramatic. One party might start high and the other might begin low so that in the end, a middle ground is found. "Understand that both sides might be a little dramatic in their approach in terms of what they are asking for," Farris said.

2. Acknowledge Currency

Currency is more than money. It might be time, prestige, continuing education or something else. They key to contract negotiations is that one person might value one type of currency more than another.

Traditionally, veterinary practices offer retirement, continuing education and health insurance benefits. But that is not

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necessarily what all associates want or what all veterinary practices have to offer.

"I know one practice that pays a really high salary, but offers no benefits," Clark said. "Another practice runs their benefits like a university (i.e., they are really good) and pays nearly 40% in extra benefits.

"Some of these are inexpensive benefits that you can budget for that can go a long way with employees," he added.

3. Make a List

Prior to beginning a negotiation, write a list of goals. "Include all the things you hope to gain out of the process and things you hope to avoid," Farris said. Then review the list. Star the items that are non-negotiable and place an "X" next to those items on which you are flexible.

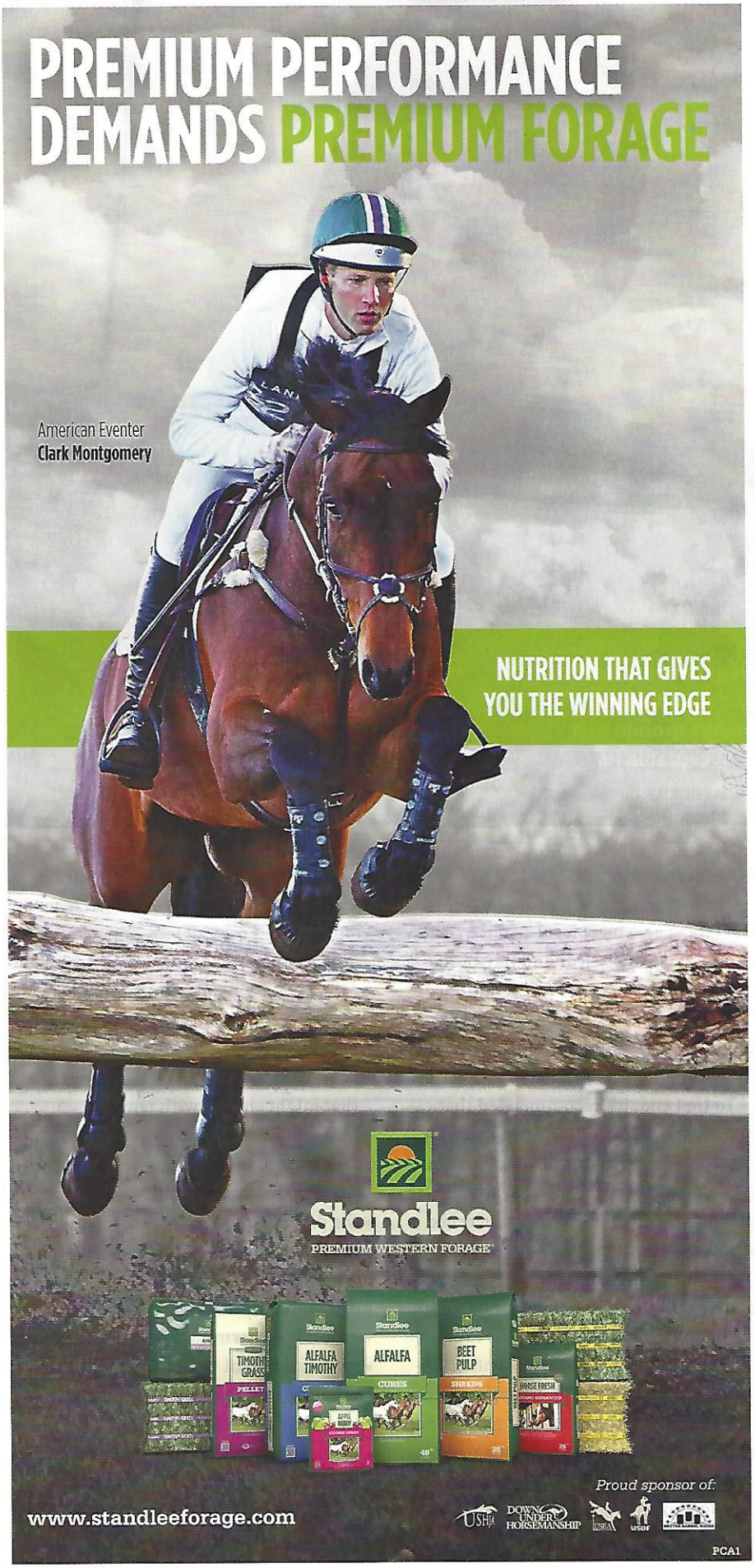
"Don't be afraid to walk away from the negotiating table," said Farris. "Give it 24-48 hours before you think the decision is over. Quite often, the other party will come back, having determined they can move a little more than they thought."

4. Contract Considerations

Regardless of where you're sitting at the negotiating table, it's important to know a few contract basics. Farris highlights four basic elements that all contracts must contain to be a legally binding document. The contract should include:

- identification of the parties to be bound by the contract and their signatures
- the date
- the subject matter
- the legal consideration—in other words, the price, expectations, promise, etc.

"If any of those items are missing, there is the possibility that the contract



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is not enforceable," she said.

The language used within the contract must also meet legal criteria. "The contract has to be clear and free of vague or ambiguous terms," Farris continued. "Any ambiguity, either intentional or unintentional, falls back on the drafter of the contract."

To that end, it's recommended that practice owners drafting or revising an employment contract seek legal assistance. Associates also can ask for an attorney to review a contract if they are concerned with any conditions.

Preparing a formal contract reduces the potential for legal issues and allows both parties to understand the terms to which they are agreeing. A written contract reduces misinterpretation. It gives both parties a chance to have in writing what they believe to be the key parts of the negotiations. "Then they can identify and work through any misunderstandings before the contract is signed," Farris said.

A well-written employment contract clearly identifies what is expected from an employee and provides an associate with guidance on how specific processes and procedures are handled in the practice.

Farris recommended including items such as:

- beginning salary and benefits, and how that might change with tenure
- how continuing education expenses, including travel, are handled (paid by the practice or associate?)
- the performance review process timeline, and what an associate can do if he or she doesn't agree with the review
- disciplinary processes
- grounds for termination
- identification of what is deemed practice property that must be turned in at the end of employment
- confidentiality as it pertains to client records, treatment information, etc.
- definitions of the associate's scope of responsibility, including what that person can/cannot do without a superior present

5. Be Reasonable

Do your research. Talk to other people in the industry, and find out what the expectations are in terms of performance and compensation. If you're a practice owner, talk with your peers and ask what they expect of associates or office staff, and the salary or benefits they think are reasonable. Similarly, if you're an associate, find out what others in your geographic region are earning and what type of responsibilities they have agreed to. Both parties should have a basic understanding of the state's employment laws.

Farris pointed out that non-compete or non-solicitation agreements are one area on which both parties need to agree. Often, state laws stipulate that non-competes must be limited in time and geography. So when you're drafting or reviewing a proposed contract, know your state's laws.

Take-Home Message

Remember what you are trying to accomplish with a contract and how much you're willing to pay and/or accept to make the partnership work. You might have to be willing to give up something in order to make the agreement work. Know what can be sacrificed and what the breaking point is in ending the negotiation process. These are all important considerations, and they can evolve or change over time.

Ultimately, negotiations are about finding a middle ground that is acceptable to both parties. Be prepared to have a conversation rather than going to battle, and perhaps you'll find that the process includes banter rather than adversity.

Above all else, take your time, and allow the other party the time that he or she needs to consider the proposal. If someone tries to rush you into a decision, that could be a red flag that the deal is not all it is promised to be. EM