Negotiation is at the heart of what entrepreneurs do. Whether you are a young inventor or seasoned entrepreneur, an avid fan of ABC’s Shark Tank or even a venture capitalist on the other side of the table, mastering the art of negotiation is fundamental to you and your organization’s success.

New ventures have crashed and burned because those involved did not pay sufficient attention to the negotiation process. If you have a great idea and solid business plan, don’t fail to launch it because you were unprepared to negotiate.

Avoid these six mistakes entrepreneurs make and bring your product, business, or idea to life:

1. You think you are only negotiating financial value

   Do not focus exclusively on the financial value and risk missing the 360-degree view of your product or business. Focusing on money alone can sacrifice the long-term working relationship with the other side. **It is better to focus on building trust and goodwill, especially early on in the negotiating process,** as it will more likely to lead to a successful deal and fruitful future with your negotiating partner.

2. You fail to see the other side

   Negotiation involves multiple parties with competing and complementary interests. **Take the time to do your research and learn about your investors.** If you are too preoccupied with your own interests, you may fail to see the different sides’ perspective on financial value, timelines or logistics. Carefully consider what questions you need to ask to really understand their interests, and which of the many items on a deal sheet are most important to each party and why.

   In *Good for You, Great for Me* (2014), Larry Susskind, professor of the upcoming online course *Entrepreneurial Negotiations: The MIT Way,* recommends you ask yourself one critical question: How can you meet all of your interests and their interests over time?

   You will ultimately do better if you help your counterparts do better, not worse. If you strive to meet interests on all sides, you can reach a deal that makes the proverbial pie as large as you can and avoids creating a win lose situation. When everyone ultimately benefits, this creates the longer-term goodwill to ensure continued success.

3. You under-invest in value creation

   To attract others to your work, you must invest in creating value. **Take time to understand the value that other people will assign to your product or business – not just the value that it has to you.** Take off the blinders by interviewing colleagues in the marketplace to better understand how your product or business fits within a greater ecosystem, and why someone would be interested in investing.
Susskind’s course draws from hundreds of case study negotiations. By recording people in the midst of negotiation and having them reflect afterwards, entrepreneurs often see how they fall into the trap of issue-by-issue negotiation, overly focusing on who is going to be victorious on each item.

Instead, engage in side-by-side “inventing without committing,” a recommendation Professor Susskind cites from the 1981 classic Getting to Yes by Roger Fisher and William Ury. By investing time in working with the other side’s interests and needs, you can create more value through mutually advantageous trades together.

4. You treat negotiation as a one-off rather than a long-term relationship

Building a good working relationship is equally as important as making a deal. When you think longer term, you focus on building trust among your partners, even as you try to pursue your own interests as avidly as you can. Negotiation is ultimately about being prepared to work with people.

5. You let emotions rule

Be wary of falling prey to cognitive bias. Allowing your emotions and ego to rule can cause you to mistrust authenticity or react carelessly. Social psychologist Lee Ross of Stanford University warns that being too suspicious of the other party can cause you to misread people’s intention, causing what he terms “reactive devaluation.” Instead of hearing a venture capitalist praise your product, you may think he or she is trying to trick you and weaken your negotiation defenses. Biased thinking can take control, making you unable to hear what is really being said.

Though emotion can help you persuasively make a case, emotions can also take hold of the situation. Sometimes using intermediary agents to negotiate on behalf of the parties helps to investigate a zone of possible agreement, “the trading zone” as Susskind calls it, and allows both sides to get past their emotional responses and work towards a deal.

6. You lack a strategy for dealing with uncertainty

You must prepare for dealing with forecasts of an uncertain future. Construct various ‘what if’ packages, based on what you need, probing what they want, and how each of you see the market forecast and investment value. Formulating contingent agreements from the beginning can help bring each side from a standstill to making an agreement based on each side’s market forecasts.
In the online MIT Professional Education course *Entrepreneurial Negotiations: The MIT Way*, you will practice a variety of negotiation scenarios where you will be put in the position of founder or venture capitalist, learning to negotiate from all sides. We especially encourage you to take the course with someone you know so that you can continue practicing together offline. The more you practice negotiation, the better you will become at dealing with the unexpected.

**Practice Makes Master**

Save 10% on MIT’s new online course: *Entrepreneurial Negotiations: The MIT Way*

By downloading this kit, you’ve set yourself on a path to success. But remember, the only way to truly master the skill of negotiation is through practice. We encourage you to join Prof. Larry Susskind in MIT’s new online course, *Entrepreneurial Negotiations: The MIT Way*. Save 10% with code **ENX10**.

How does this online course bring the "hands-on" approach to learning that makes MIT unique? You’ll take part in interactive activities including negotiation role-play simulations and online discussion forums. You will also hear from entrepreneurs on their failure stories, and how they negotiated their way to success.

Learn more and register [here](#). Course starts on October 24.

Remember to use code **ENX10** at checkout!

**About Professor Larry Susskind**

Lawrence Susskind is Professor at MIT; Co-Founder of the inter-university Program on Negotiation (PON) at Harvard Law School; Founder of the Consensus Building Institute; and author of the new book, *Good for You, Great for Me: Finding the Trading Zone and Winning at Win-Win Negotiation*.

In addition to serving as a negotiation mentor for several generations of MIT students, Larry helped to develop PON’s Advanced Negotiation Master Class. He has provided negotiation training to more than 30,000 individuals across the information technology, biotech, oil and gas, telecommunications, real estate, food and beverage, and pharmaceutical industries. He has also served as negotiation advisor to public-private partnerships in Africa, Latin America, Asia, Europe and North America. He is the founder of the Consensus Building Institute, which provides negotiation training and dispute resolution services to private companies, agencies and organizations all over the world.