

# Negotiate With Traction

To keep your wheels from spinning, avoid **key** pitfalls

**D**uring the cold months of winter, most farmers do work that's critical to their operations' long-term survival—negotiations. While many of these sessions run smoothly, sooner or later most operations hit icy spots on the road to compromise.

Consider these negotiation problems taken from real life.

- Several of your landlords are 85 years old or older. None of them wants to sign an agreement giving you an option to buy when he or she dies.
- A foreign professional buys a small plot you have always farmed. Immediately, he wants exorbitant rent. Even worse, he assumes you are a peasant, not a successful businessperson.
- A large corn processor who has done business with you for years is ratcheting down acreage in your area. Even though you are the firm's "best grower," your acreage is cut back. This contract is worth an extra \$80,000 to you. Should you move acreage to an expanding processor or confront your long-term buyer?
- Your partner's wife is unhappy with the farm workload. So your partner (and relative) is cutting back, leaving you with more to do. Now your own spouse is unhappy, and you're not so happy, either.

"Unfortunately, these situations won't fix themselves on their own," says Lance Woodbury, negotiation expert and mediator with Kennedy and Coe, Wichita, Kan.

The good news, Woodbury adds, is that you don't have to spin your wheels when you hit these icy patches. You can keep your traction if you are aware of certain negotiating pitfalls:

*Failing to prepare.* Do you know your goals and negotiating positions going into the discussion? "Make sure you have a grasp of the issues that will allow you to know what a good agreement looks like," says Woodbury.

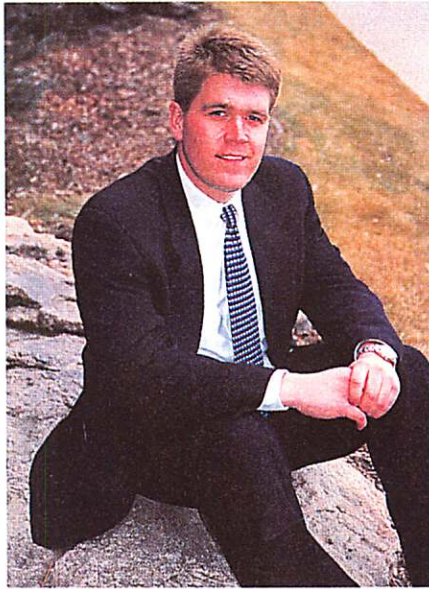


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Even the most skilled negotiator can slip up during the heat of bargaining, says Lance Woodbury, with Kennedy and Coe, Wichita, Kan. But your bargaining can be win-win if you remember main points.

*Negotiating for the heck of it.* Sometimes, farmers whose margins turn on nickels and dimes negotiate too much. Is the relationship with your landlord, supplier or banker worth disrupting? "Consider what will happen if you don't reach a new agreement," says Woodbury. "Is the current situation something you really can't live with?"

*Ignoring the "invisibles."* Some issues are clear—price, volume, delivery dates. Others are unseen, but just as critical. Was the negotiation done in a friendly environment? Did you make the other party feel defensive or foolish, apply too much pressure?

*Getting caught up in "winning."* Sometimes producers forget why they even wanted something, says Woodbury.

So how do these principles apply to the real-life problems mentioned earlier? First, if you have elderly landlords, you need to develop stronger relationships with them—on *their* terms. Identify why the landlords don't want to give you the option to buy and explain to them your reasons for wanting the provision.

One farmer who had a cultural barrier with his landlord solved it by opening another line of communication outside the negotiation. "I mentioned that when I was in graduate school, I knew many students from his country," says the producer. "Suddenly, he saw me in a new light."

*David vs. Goliath.* If you are a farmer facing an acreage cutback by a processor, you are in a tough spot. Big companies aren't always willing to negotiate with individuals. But, adds Woodbury, "consider the worst-case scenario and whether you have anything to lose by opening communication. If it won't hurt, you should go ahead."

In the case of the troubled family partnership, members should discuss the needs of the family and business. A family vacation might remove some pressure. The spouse may have ill feelings for other reasons.

"In all these situations you won't know if you can improve things until you sit down and talk about it," says Woodbury. "Win-win negotiation is all about communication." ■

By *Laura Sands*