

On Negotiations

Dr. Nick Demos

Negotiations - The basics

Negotiation Skills Quiz

1

Most workers are too nervous to negotiate for more responsibility, their own staff, a higher salary, or to transfer to a new location.

T or F

2

The best negotiation strategy is to avoid compromise at all costs. Remember, the famous saying is "winner take all."

T or F

3

Negotiating is a long-term process, not a one-time event.

T or F

4

You should be able to anticipate everything that is discussed in your annual performance review, and how people will evaluate the job you're doing.

T or F

5

When asking your manager for more responsibility, a raise or a promotion, the most important thing to discuss is why you deserve it.

T or F

1) Negotiation in every human activity

Climate Change Negotiation Skills: Training for LDC Negotiators

27 – 31 July 2015, Bangkok

This training event on “Climate Change Negotiation Skills for LDC Negotiators” is the first of several to be delivered over the course of 2015 and 2016 as part of the UNDP/UNEP global programme to build capacity of LDCs to effectively participate in intergovernmental climate change processes. The training is designed by UNITAR in collaboration with UNDP and IIED, and is funded through the Global Environment Facility (GEF).

The training will take place in Bangkok from the 27th to the 31st of July 2015 and it will be conducted in English and French. The objectives are: 1) to strengthen the technical capacity of LDCs to participate effectively in intergovernmental climate change negotiation processes and 2) to develop skills that can support national delegations as well as the wider LDC negotiating group to actively engage with the forthcoming development of a new international agreement on climate change.



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Negotiation Power



 **McGLINCHEY STAFFORD**

Women's Initiative Network

Pearls of Wisdom

NEGOTIATION BOOTCAMP

Recent One?



**I'D SAY THE NEGOTIATIONS WENT MUCH BETTER
THAN EXPECTED**



**BEDTIME WAS PUSHED BACK 10
MINUTES**



2) What is Negotiation?





Negotiation

Negotiation is usually considered as a compromise to settle an argument or issue to benefit ourselves as much as possible.



Key Points

- 
- Negotiation is not a game
 - Negotiation is a critical life skill
 - Negotiation is a give and take process
 - Negotiation does not end with the agreement

Negotiation – What is it?

'The process by which we search for the terms to obtain what we want from somebody who wants something from us'

Gavin Kennedy

'Negotiation is an explicit voluntary traded exchange between people who want something from each other'

Gavin Kennedy

To negotiate is to trade something we have for something we want.

Anon

Confer with others to reach a compromise or agreement.

Concise Oxford Dictionary



NEGOTIATION



DISCUSSION



SKILL

DEAL

- 1.
- 2.
- 3.

COMPROMISE



AGREEMENT



BUSINESS



Why Negotiate?

Gavin Kennedy in his book *The New Negotiating Edge* says..



'Animals do not negotiate. They use violence or the threat of violence to get what they want, whether it be food, a mate or territory.'

Have you ever seen 2 dogs negotiate over a bone?

'Trade is the human foundation of human civilisation. It is what makes humans different from animals.'

'Negotiation is anathema to tyrants, who usually want something for nothing and do not recognise a need for another person's voluntary consent before they get what they want'

- Success in negotiation is directly related to the amount and kind of preparation preceding the negotiation.
- The ability to walk away or select another alternative to a negotiated agreement puts a negotiator in a very strong position.
- Even when two sides are far apart on major issues, there are always things they can agree upon.
- Meaningful negotiation involves conflicts. The person who has a strong need to be liked, or who tends to avoid conflict, is likely to be at a disadvantage.

A Simple Example:

- Two agents: A and B
- Agent B wants to buy a bicycle from agent A
- Start:

agent A	150
agent B	50
- What next:

agent A	?
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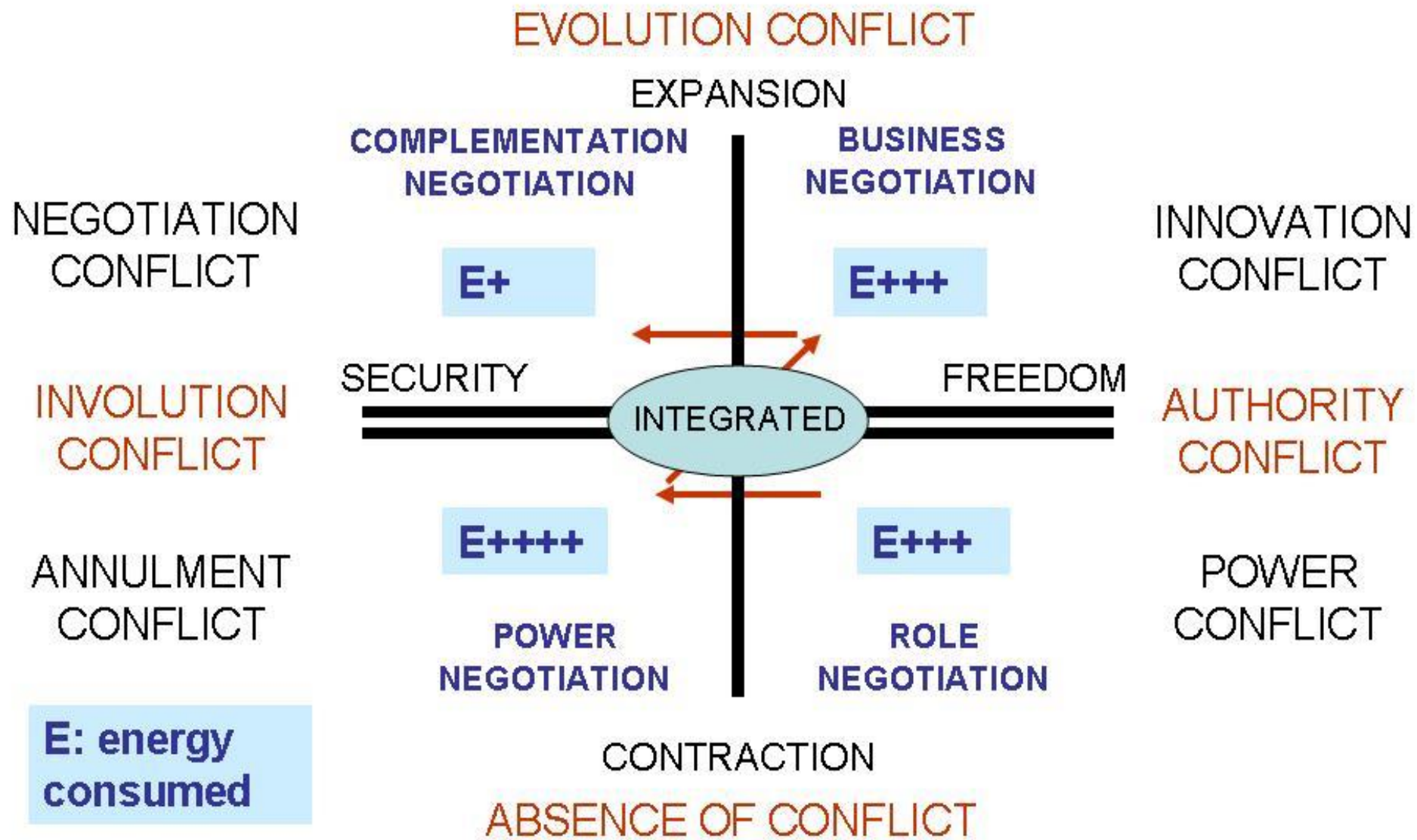
What is the basis for your next step?

- Previous bid of yourself and the other agent
(e.g., monotonic concession protocol)
- How bad is it to raise your bid?
(e.g., how much can you afford)
- How bad is it when the transaction does not succeed?
(e.g., are there alternatives)
- Do you have information about a normal price?
(e.g., estimation of the value on the free market)
- How reasonable are you willing to be with respect to the other agent? (e.g., is it a friend of yours)

Integrative Negotiation

- In Integrative Negotiation, parties cooperate to achieve maximize benefits by integrating their interests into an agreement. This is also known as a win-win negotiation.
- The key questions is: **“How can the resource best be utilized?”**
- Integrative negotiations tend to occur in following situations:
 - Structuring of complex long-term Strategic Relationships or other collaborations.
 - When the deal involves many financial and non-financial terms.
- In an integrative negotiation,, there are many items and issues to be negotiated, and the goal of each side is to “create” as much value as possible for itself and the other side.

Unicist Ontology of Negotiation



Benefits of Negotiation

The following are some of the benefits of negotiations:



Good negotiations help you to gain better control in business as well as personal situations.



They help you to identify and understand you're as well as the other parties' interests and also understand the differences between both.



It helps to reach a 'Win-Win' Solution, which is mutually beneficial to all the parties involved in a negotiation.



Good negotiations also help to improve interpersonal relationships.

3) Is Negotiation?

Static or **Dynamic**

Linear or **Multidimensional**

Active or **Inactive**

Pathetic or **Apathetic**

Negotiation for Increasing Salary

IMPLEMENTING AN EFFECTIVE RAISE

or SALARY NEGOTIATION STRATEGY

- 1 **GET** in the right mind-set.
- 2 **PREPARE** for the negotiation early.
- 3 **GATHER** information to prove your case.
- 4 **PROVIDE** fact-based, quantifiable data.
- 5 **COMMUNICATE** a persuasive argument.
- 6 **LEARN** the secrets to negotiating the highest amount.
- 7 **REALIZE** the dos and don'ts of negotiation.
- 8 **NEGOTIATE** the best offer.
- 9 **CONSIDER** the impact before accepting an offer.
- 10 **DON'T FORGET TO FOLLOW-UP.**



Managerial Negotiations

<u>Types</u>	<u>Parties Involved</u>	<u>Examples</u>
Day-to-day/ Managerial Negotiations	1. Different levels of Management 2. In between colleagues 3. Trade unions 4. Legal advisers	1. Negotiation for pay, terms and working conditions. 2. Description of the job and fixation of responsibility. 3. Increasing productivity.

Negotiation in Sales



Sales and Negotiation

**Milestone
Skills
Management
Training**

Nine Sales Process

Sales Mindset

Keys to an Effective
Communication in Sales

Prospecting and Assessing
Customer's Needs

Understanding the Buyer's
Language

Essential Steps in Presentation

Meeting Objections

Building Rapport



Negotiation in Business

Your Company

Your Counterpart

Variable	Starting Point	Negotiation Scope	Effect of Change of Condition	Negotiation Scope	Effect of Change of Condition
Price	\$1,500,000	\$1,500,000 down to \$1,350,000	-\$150,000		
Payment Conditions	10 days net	60 days net	at 10 percent interest: -\$21,000		
Delivery Time	1st of August	1st of September	+\$60,000		
Guarantee	1 Year	2 Years	Increased risk costs go up by \$25,000		
Technical Specification	Upon request	Alternative 1: incorporate more Alternative 2: remove demand	Alt. 1: -\$10,000 Alt. 2: +\$80,000		

CRISIS

Negotiation

SKILLS SHEET

Active Listening Skills

Emotional label

"You sound like..."
"It seems..." "I hear..."

Reflect/Mirror

Repeat the last few words

Paraphrase

"Let me get this right..."
"So what you're saying is..."

Open-ended Questions

What happened today?
Tell me more about _____

Summarize

Include emotional label,
use when you feel stuck

Minimal Encouragers

"mmm" "uh-huh" "I see"
"Really" "Yeah"

Effective Pauses

Use prior to speaking
Encourages the person
to continue speaking

"I" Messages

I feel _____ when you _____
because _____

SLOW DOWN

The process

Positive
TONE
Assertive

Be
CALM
Your actions
are contagious

C.P.R.

Charisma

Ability to have a positive
influence & have subject
reappraise situation.
Need rapport first.

Professionalism

Be confident & prepared.
Know your skills & how to
properly use them.

Rapport

Use active listening, be
attentive, possess empathy.
Positive, non-judging,
respect.

Identify Emotions

Fear Sadness Anger Shame

Reduce threat,
uncertainty.
Police are there
to help.

Not alone, Help
is available.

Refocus subject
away from target.

Acknowledge
difficulty;
Counter feeling of
being cut-off.

Saving Face?

Mad

Angry
Furious
Outraged
Cheated
Annoyed

Hurt

Betrayed
Despair
Helpless
Abandoned
Pain/Suffering

Ashamed

Humiliated
Embarrassed
Isolated
Vulnerable
Trapped

Your

* Thoughts
* Body
Language
* Tone
are connected

Sad

Crushed
Defeated
Dejected
Down
Deflated

Afraid

Fear
Frightened
Threatened
Nervous
Worried

* Express concern for needs
* Talk through deadlines
* Be non-judging with
voice tone & words
* Avoid "no" "never"

NEGOTIATION

process handshake
corporate governing partnership goods contract purpose
defining
communication discussion
agreement professional
exchange cooperation
team office communicate objective business
deal information teamwork work involves
agents terms meeting

4) Characteristics / Traits of Negotiators

Know what you want

1

BE CONFIDENT

Confidence is something most people develop over time, usually as a result of experience or success. Don't confuse confidence with arrogance though.

2

DO YOUR HOMEWORK

Understand what the other party most values in terms of the outcome of a negotiation—it may be something non-economic that is easy for you to give them and score you big points towards getting what you want.

3

DEFINE YOUR OWN GOALS

You should always walk into a negotiation knowing your end goal.

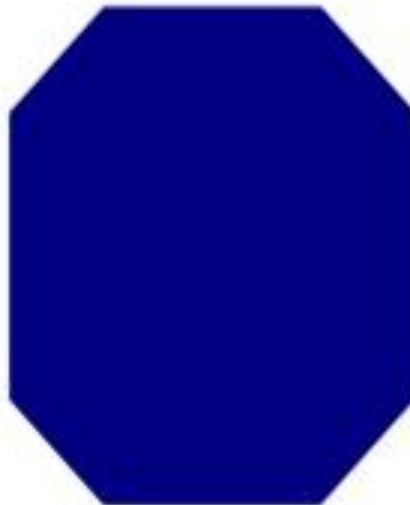
Control emotional behavior - Mood

Gavin Kennedy (The New Negotiating Edge) describes 3 types of behaviour that we can display and encounter when in a negotiating situation

RED



BLUE

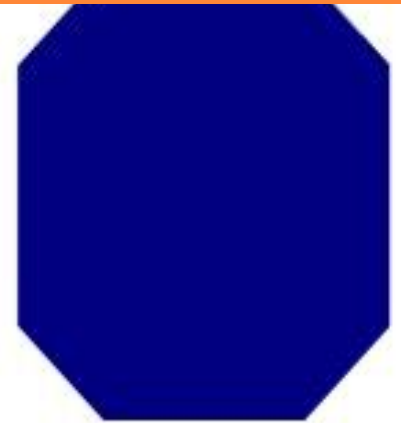


PURPLE



Choose

BLUE Behaviour



- Win win approach
- Cooperation
- Trusting
- Pacifying
- Relational
- Giving

Kennedy talks of a 'behavioural dilemma', do you cooperate (blue) or defect (red)?

Can you trust the other person? And to what extent? Trusting someone involves risk, on the one hand being too trusting is naïve and on the other, not trusting at all can create deceitful behaviour.

The answer is to merge blue and red behaviour into purple.

HEY!
WHAT GIVES?

LISTEN UP! NO
CHARACTER BUILDER
UNTIL I GET MY
+4 AVENGER



I WILL NOT HOLD THE WI-FI HOSTAGE.

Eye Contact

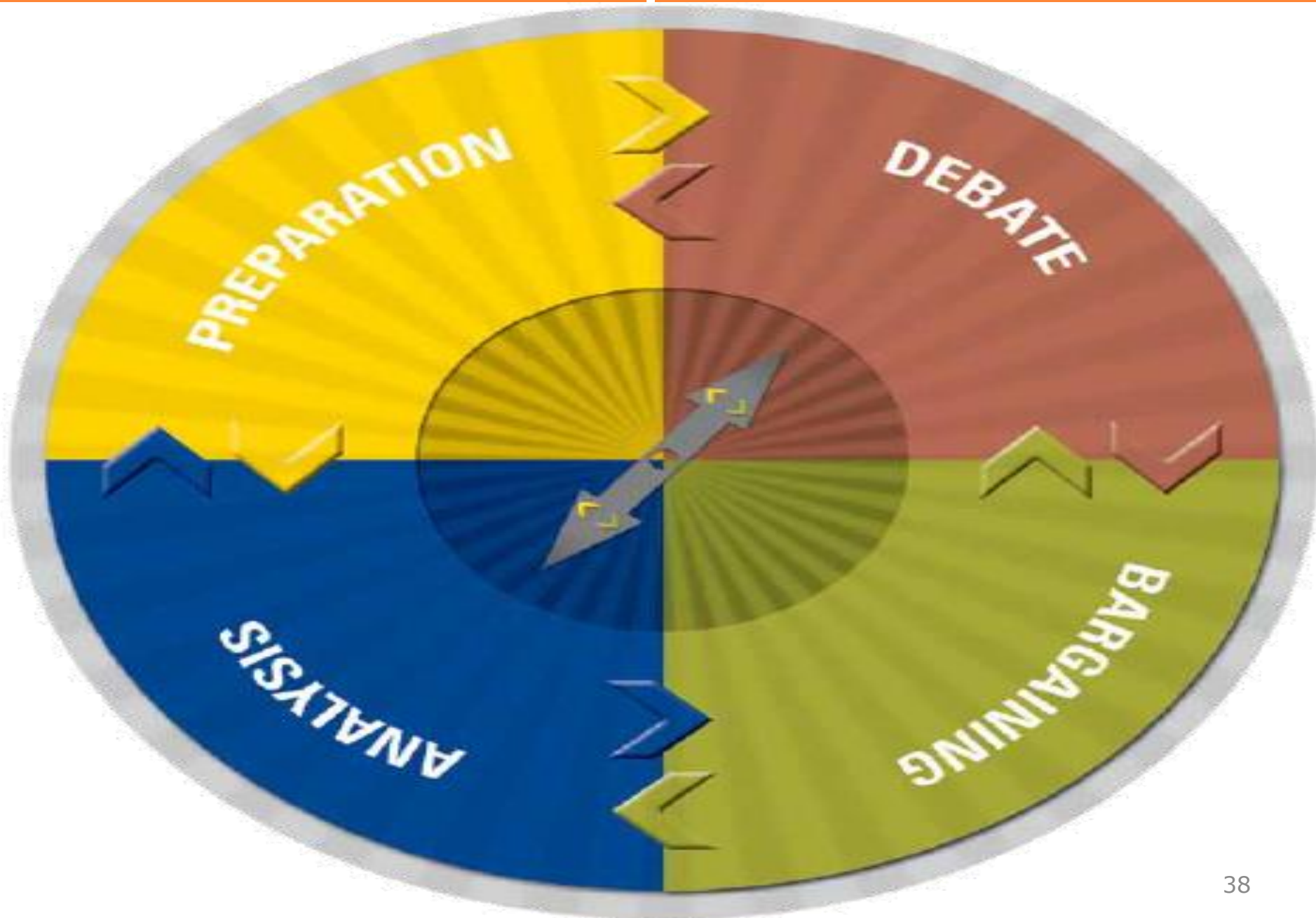


After winning the stare down contest, he knew the negotiation would go his way.

Listen



Prepare



Successful Negotiation

1.

- Positive Attitude

2.

- Knowledge of Negotiation process

3.

- An understanding of people

4.

- A grasp of people

5.

- Creativity

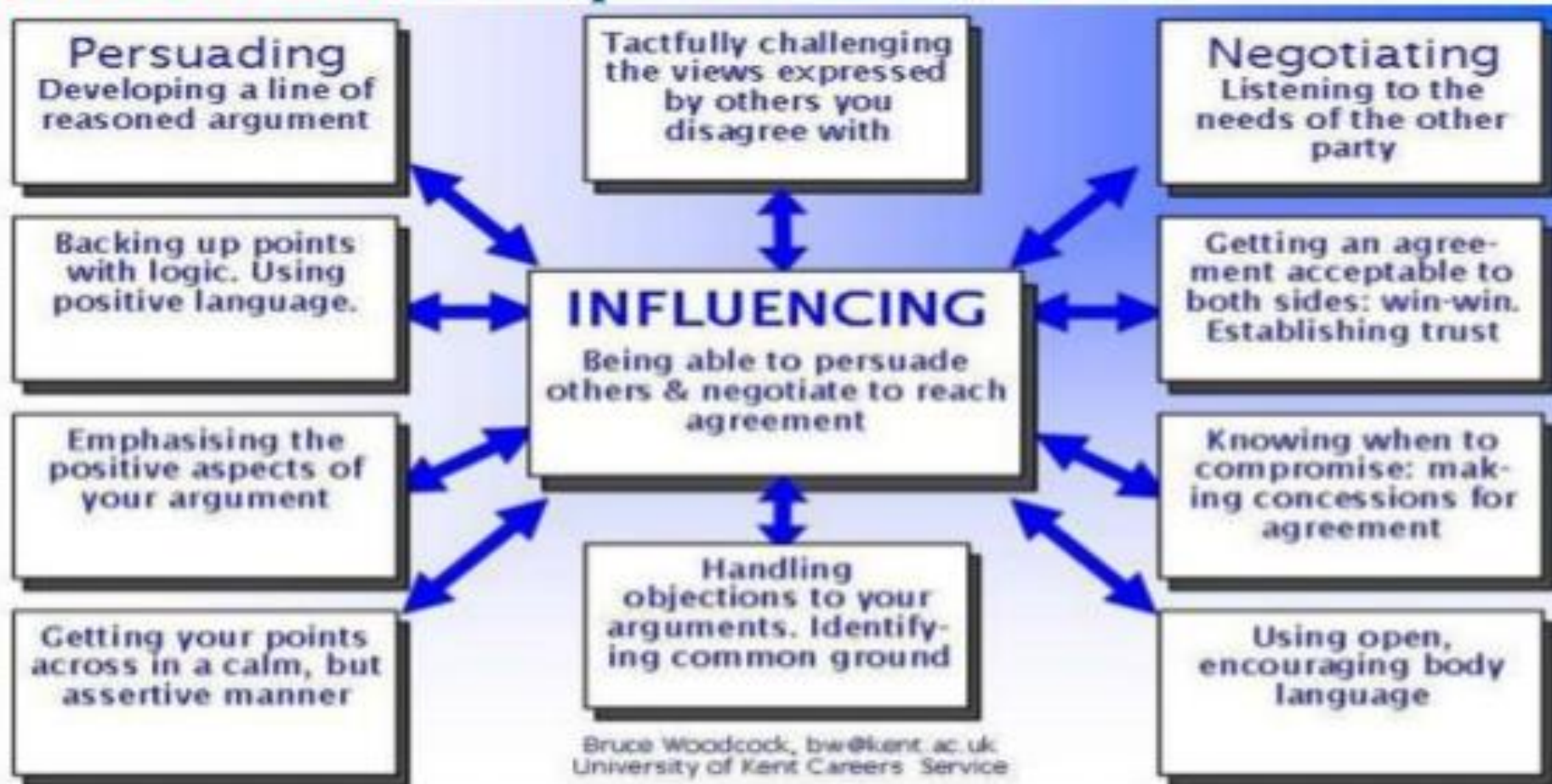


Persuade & Influence

PERSUADING involves being able to convince others to take appropriate action.

NEGOTIATING involves being able to discuss and reach a mutually satisfactory agreement.

INFLUENCING encompasses both of these.



Stoic - Detached



Negotiation Skills & Confidentiality

Top producing agents negotiate well because, unlike most buyers and sellers, they can remove themselves from the emotional aspects of the transaction and because they are skilled. It's part of their job description.

Try to.....

Good Practice

- ✓ Actively listen
- ✓ Question for clarification
- ✓ Summarising
- ✓ Test commitment
- ✓ Seeking & giving information
- ✓ Encourage two way conversation
- ✓ State and plan your proposal – then summarise
- ✓ Use the 'if youthen we'll' principle

Avoid

- ✗ Interrupting
- ✗ Attacking
- ✗ Blaming
- ✗ Talking too much
- ✗ Sarcasm
- ✗ Threats
- ✗ Taking it personally
- ✗ Closed body language

Long Term View

Negotiating And Long-term Relationships

Good negotiators are the people who understand

- how to build key relationships
- how to identify what people need
- how to give them what they need and
- how to get what they want in return, all

in a way that seems effortless.



Multi – Multi Task

Building rapport
with others

Developing
questioning &
listening skills

Coping with
different
negotiation styles

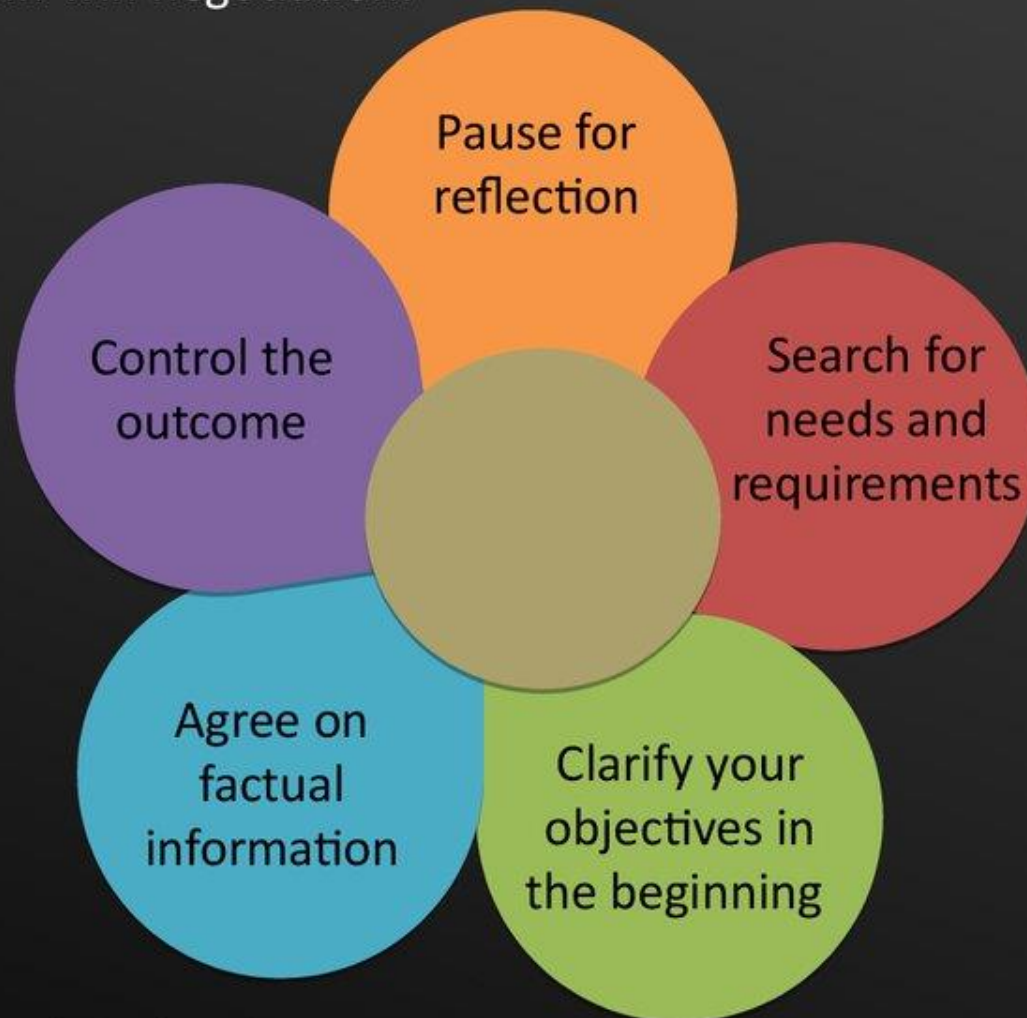


Trading options
rather than making
concessions

Defining your
bottom line & ideal
outcome

Critical Concepts of Win-Win Negotiation

The following are the five most critical concepts that you should keep in mind for a win-win negotiation:



Let's look at each in detail.

Attributes of a Good Negotiator



Successful negotiators have a variety of traits that help them achieve their aims. These traits are not innate and it is easily possible, with practice, to learn how to be a good negotiator yourself.

Useful attributes of an effective negotiator include:

- The ability to remain calm under pressure.
- Good communication skills.
- Good product knowledge.
- Effective planning skills.
- Initiative.
- Determination to achieve aims.
- Persistence.
- Positivity.
- Open-mindedness and patience.
- Decisiveness.
- The ability to create a good rapport.

Tips to Improve Negotiating Skills

The negotiator must be in
SHAPE

Sincere / Sensitive

Honest / Humorous

Attentive / Articulate

Proficient

Enthusiastic / Emphatic

Effectiveness of Influence Tactics

EFFECTIVE



- Rational persuasion
- Emotional/inspirational appeals
- Consultation
- Exchange

EFFECTIVE FOR SOME



- Ingratiating/liking tactics
- Coalition formation

INEFFECTIVE



- Authority
- Pressure

Note: All more effective with interest-based approach – what's in it for them?

Distributive vs. Integrative Negotiations

Distributive



Short term

Win / Lose

Individual gain

Opposed

Single issue

Integrative



Long term

Win / Win

Joint gain

Congruent

Multiple issues

Relationship

Outcome

Motivation

Goals

Issues

Cross Functional Team Skills

Designate a facilitator

Agree on a super-ordinate (team) goal

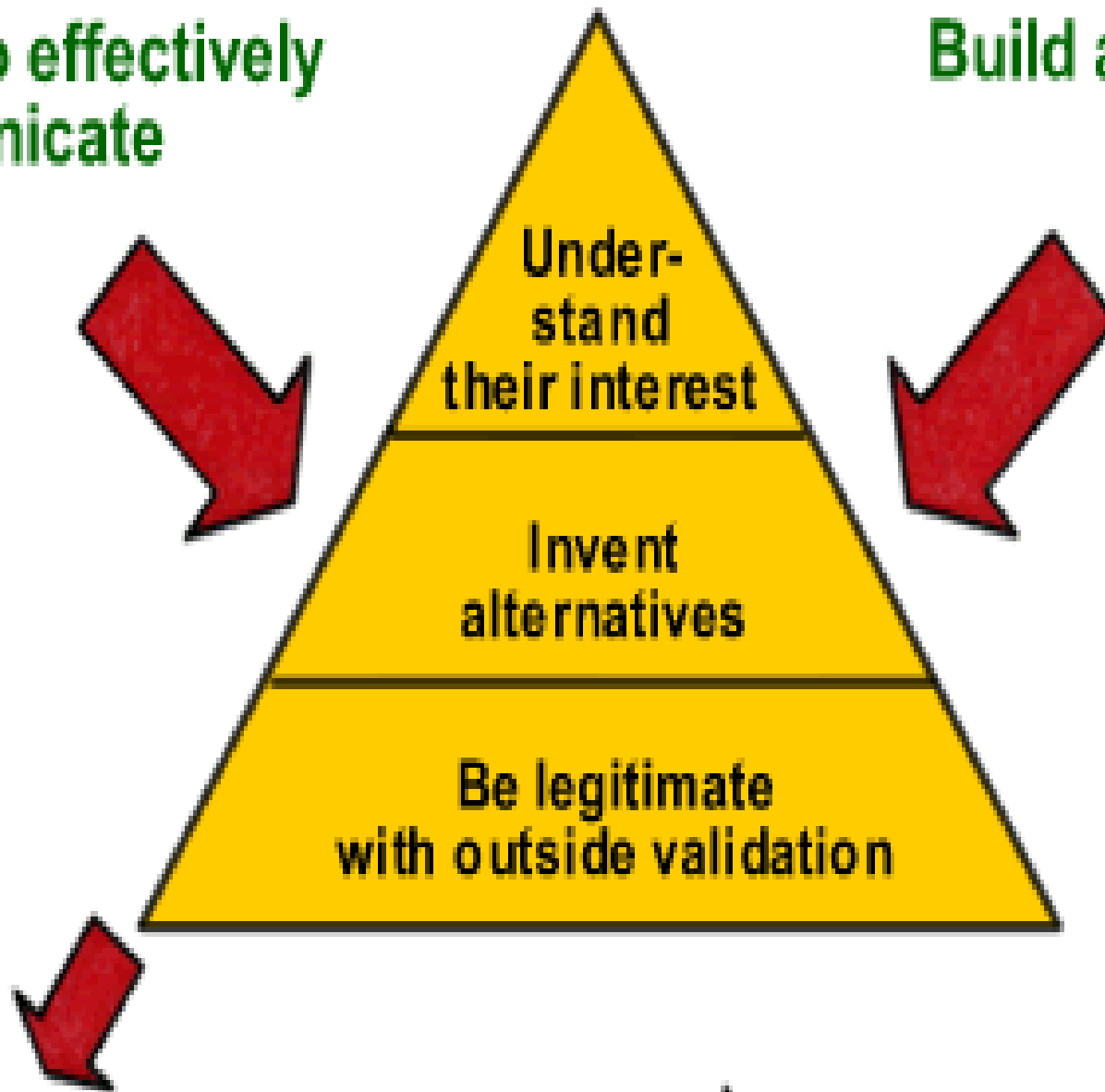
Utilize visual matrices (issues and facts)

Seek a consensus agreement



Learn to effectively
communicate

Build a relationship



What's your BATNA?



Commit to the result



Mastering Negotiation Skills



Cooperators and Competitors:

- There are two general types of negotiators:
 - Cooperators
 - Competitors
- Competitors enter negotiations expecting the other party to compete, and to compete with everyone.
- Cooperators will cooperate with other cooperators and compete with competitors

Competitors:

- Competitors believe that all negotiations are competitive and that the world contains only competitors because all the people they negotiate with compete (either they were natural competitors, or they were cooperators who have adapted and compete rather than being taken advantage of).

Cooperators:

- Cooperators understand that negotiations may be cooperative or competitive and recognize that there are both cooperators and competitors in the world.

Y: Do you think so?

I: Yes, you seem to be very interested in the money aspect of this job.

Y: The job to be filled requires excellent negotiation skills. I am demonstrating that I have those skills. Later, when I work for you, I will fight and negotiate just as firmly on your behalf.

Continued Principles:

- Avoid bluffing.
- You will be more efficient if you stick to the truth for several reasons:
 - The very fact that you use only true information makes you feel more comfortable and secure, which make the interview easier.
 - Bluffing, lies, or exaggeration can hamper the otherwise good negotiation tactics at your disposal.
 - When checking is done after the interview, your integrity and good faith are proven and you benefit.

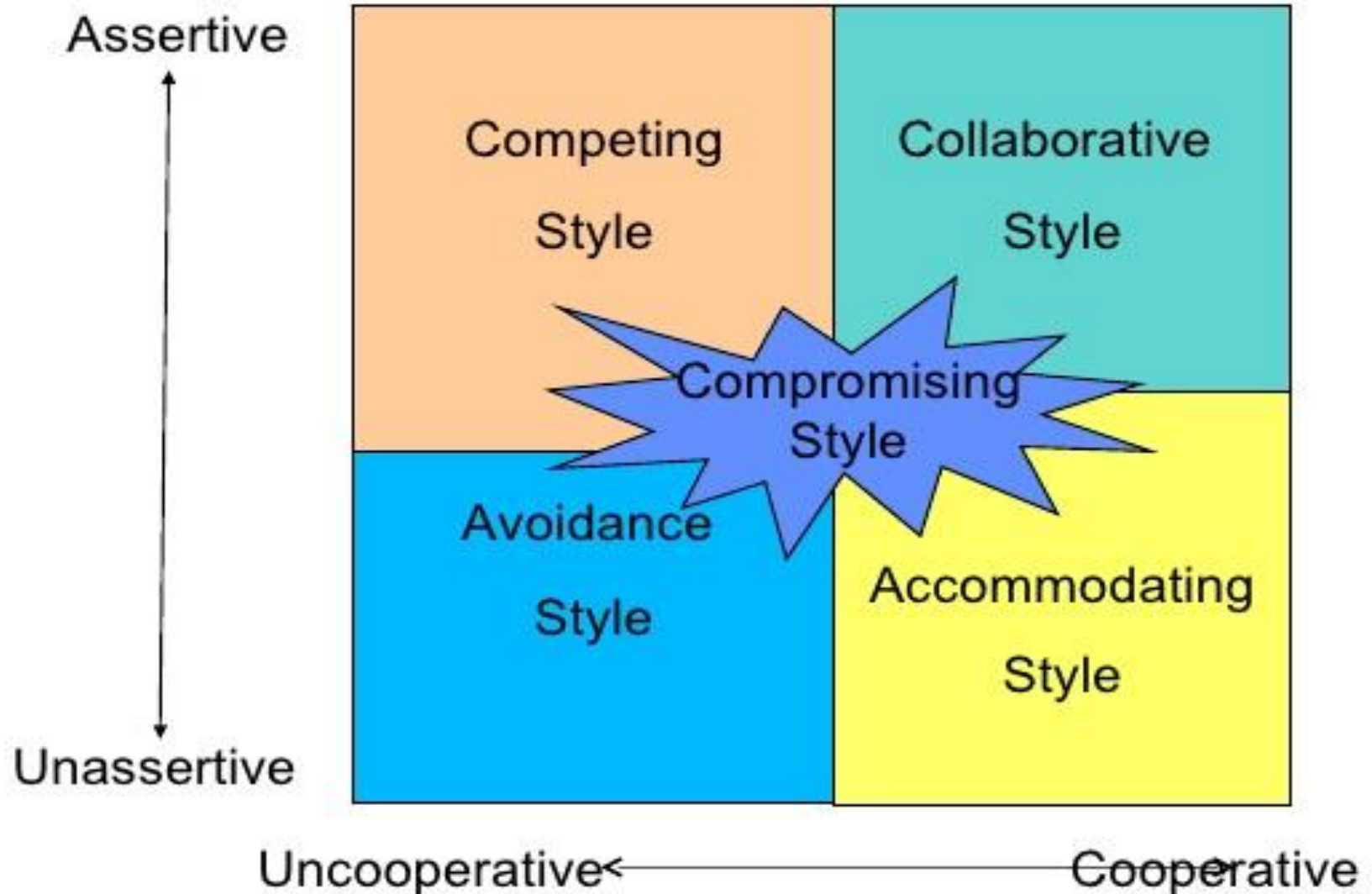
Get It In Writing

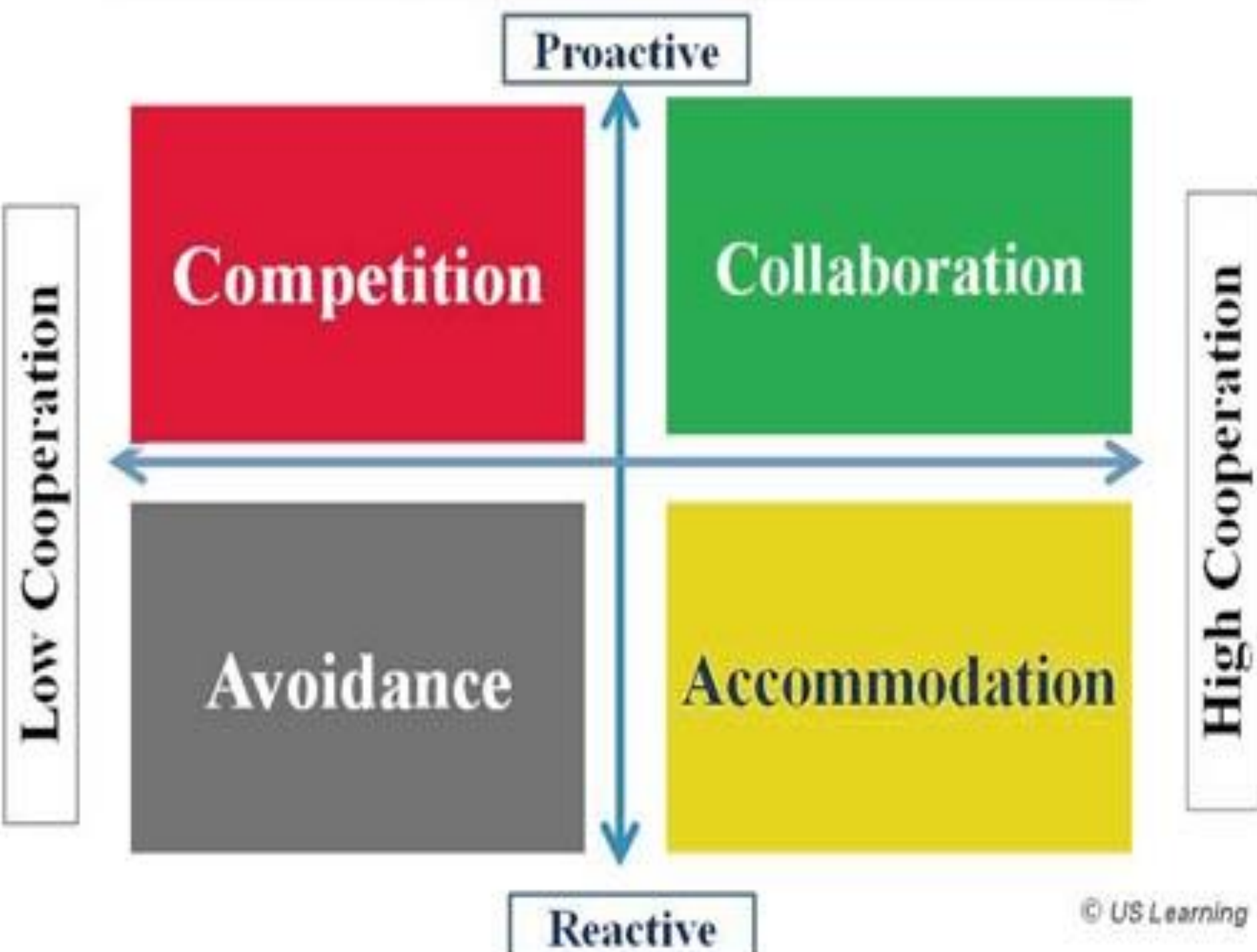
Accepting a firm job offer together with a salary proposal can be done either verbally or in writing. However, a confirmation in writing is a must in the following four cases:

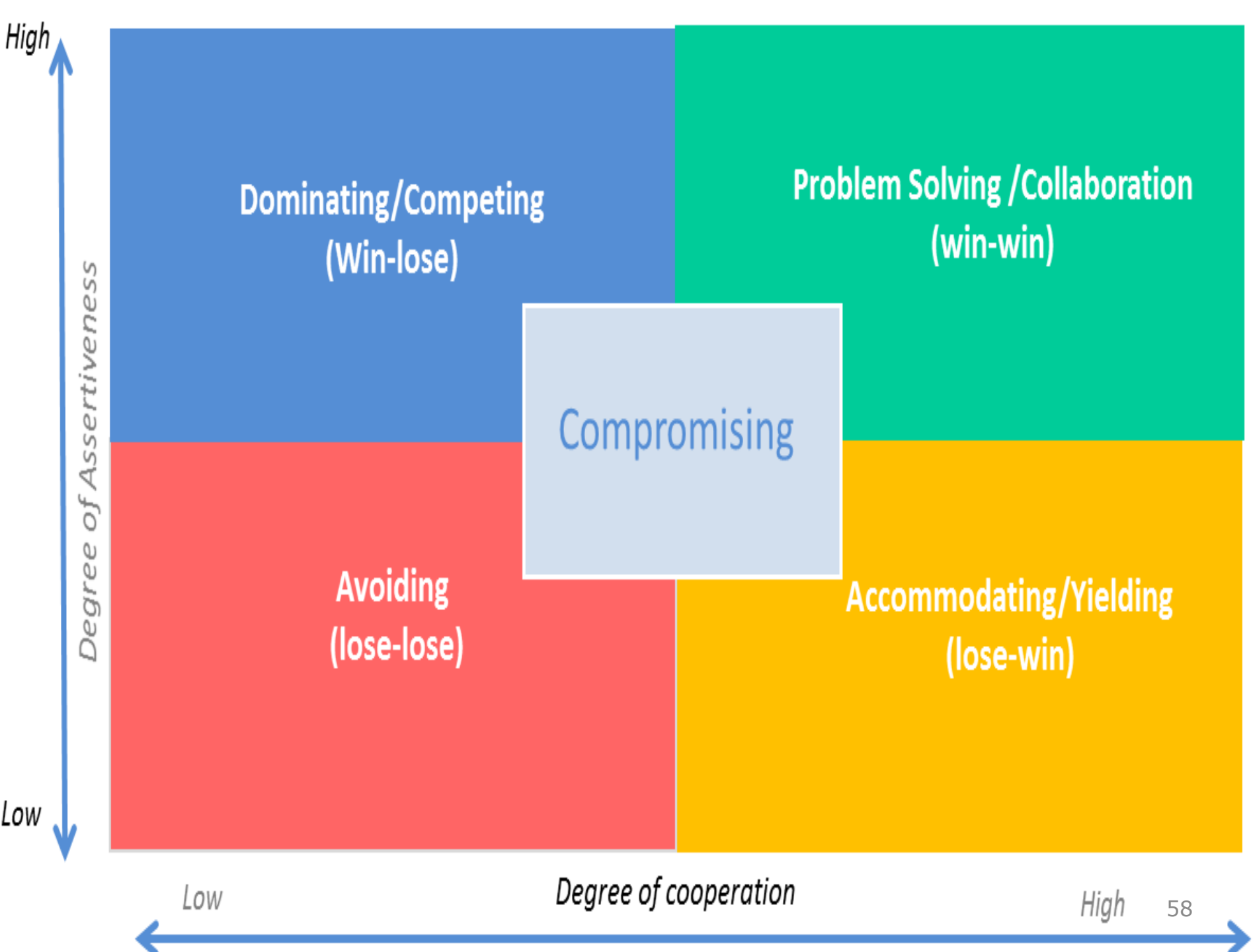
- If you have some sort of negative intuition or feeling about your interviewer and have doubts about the value of his word;
- If the promises made to you seem too numerous or generous to be given without something more being demanded of you some time down the road;
- If the salary formula is complex (due to adjustment, commissions, etc..), or if you think the salary has not been stated clearly or not negotiated thoroughly;

5) Negotiation types & styles

Negotiating Style







Impact of Negotiating Style





I win

You lose



I win

You win



I lose

You lose



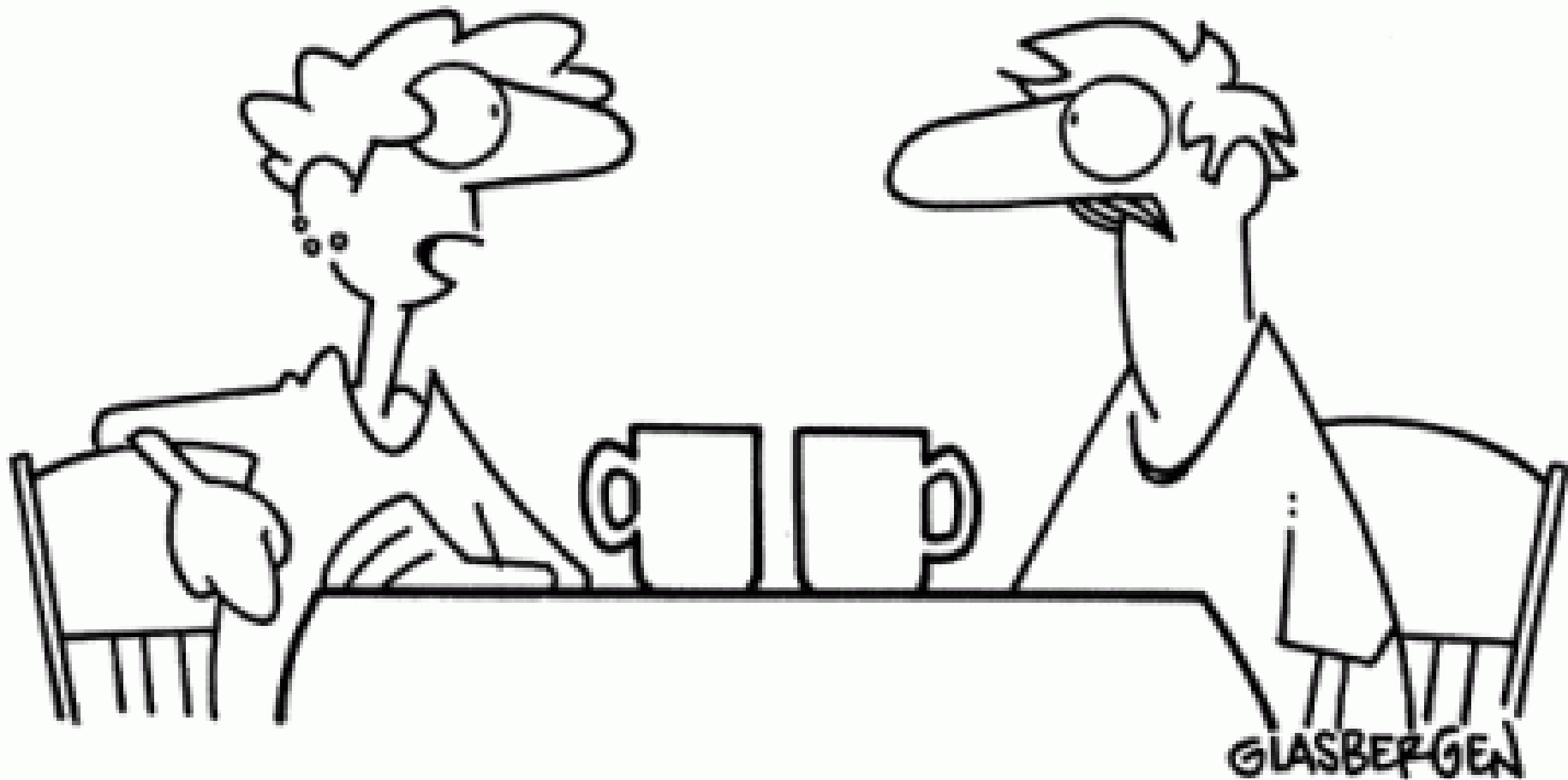
I lose

You win



6) Negotiation Objectives & Outcomes

Compromise



**“Let’s compromise. You do everything I say
and I’ll say everything you do.”**

Concern for Substance

High
Moderate
Low

Defeat

*Be a winner
at any cost*

Collaborate

*Creatively problem
solve so both
parties win*

Compromise

Split the difference

*Take what-
ever you can get*

*Build friendly
relationships*

Withdraw

Accommodate

Low

Moderate

High

Concern for Relationship

Ideal / Conventional Paradigm

Effective

NEGOTIATION

Skills



Balance

The Art of NEGOTIATION



Junior Chamber International Cyprus

Des
Tel: 782 683

Negotiation Skills &



CONFLICT

Credibility



Strong - Stronger

Negotiating Strength Matrix

Must Win!

Desire
How badly do you want it?

Weak	Moderate
Walk Away!	Strong

Not at all

Not Much

Time

How much time do you have?

A Lot

		Bargaining	Problem-Solving	Communicative action
1.	Certainty ^N / environment		Uncertainty, unpredictability	Lack of knowledge, uncertain situations and new problems
2.	Level of politicization ^{N,E}	High	Low	Low
3.	Shared lifeworld ^N and network characteristics ^E	Not necessary (conflict is more assumable) Loose/thin network	Fairly strong shared lifeworld and dense network	Strongly shared lifeworld
4.	Type of issues ^N or policy ^E	National interests, constituent and redistributive	Distributive and regulatory	Complex and technical
5.	Characteristics of actors ^N	Tough, state representatives	(Technical) experts, cooperation	Open for persuasion, technical experts
6.	Interests	Self-interests	Common interests	Common interests
7.	Stage in the decision- making process ^E	Actual decision-making	Early stage, day-to-day negotiations	Early stage

7) Negotiation Process

4 Stages of Negotiation

Prepare

- Assess objectives - yours and theirs
- Decide on areas of possible flexibility
- Plan approach and sequence of events

Discuss

- Exchange positions and issues
- Create a positive working climate
- Listen carefully and question thoroughly

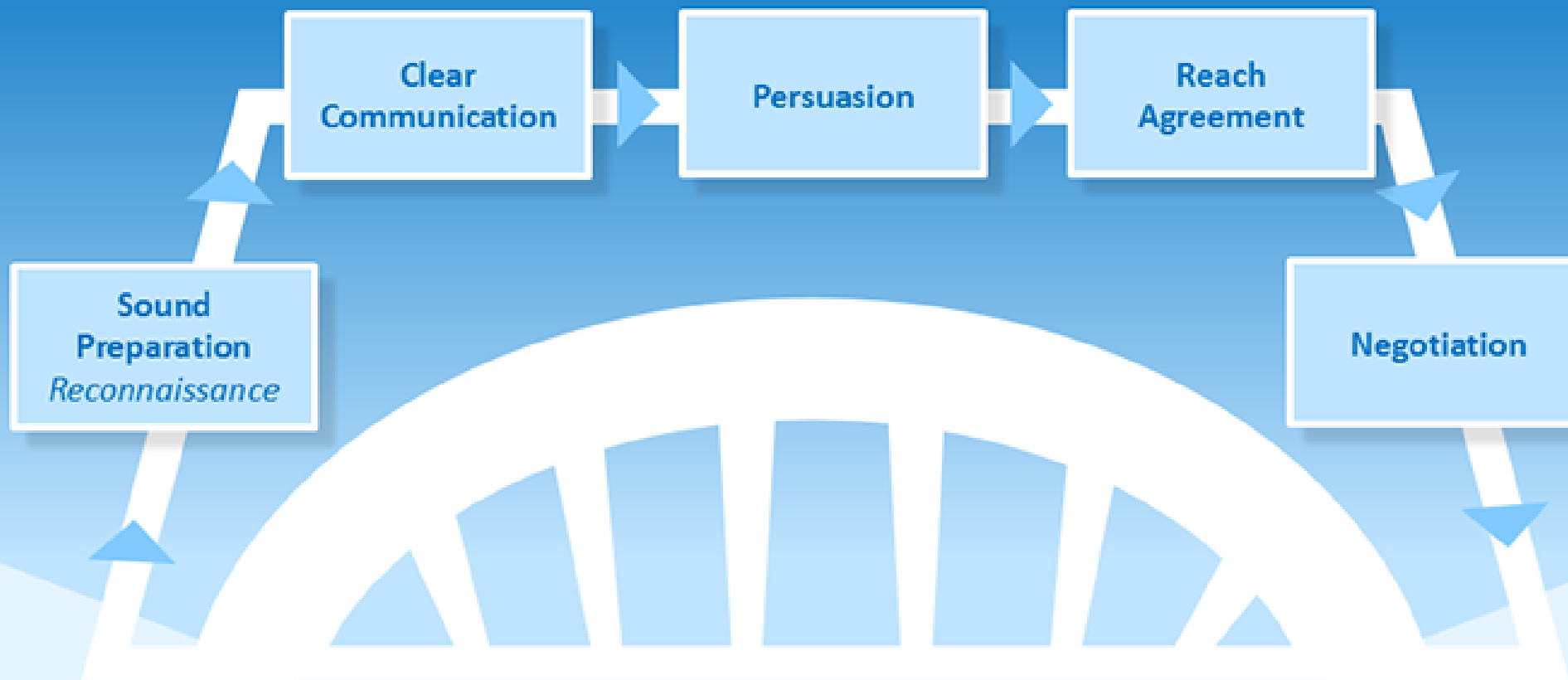
Propose

- Specify what you want
- Seek compromise - get a win/win if possible
- Remember optimum and fallback positions

Bargain

- Ask for what you want - modify if you need
- Don't concede without exchanging
- Reiterate the value of your solution





5 STAGES of negotiation



PHASE 1

- Determining value
- Setting goals and anchoring
- Preparing for negotiations
- Avoiding the winner's curse

PHASE 2

- Integrative bargaining
- Building trust
- Relationships and self-assessment
- Multi-issue negotiations

PHASE 3

- Ethics in negotiations
- Risk and complex deals
- Negotiating as a team
- Dealing with agreement bias

PHASE 4

- Multi-party negotiations
- Looking for hidden agendas
- Building, maintaining and blocking coalitions
- Keeping hubris in check

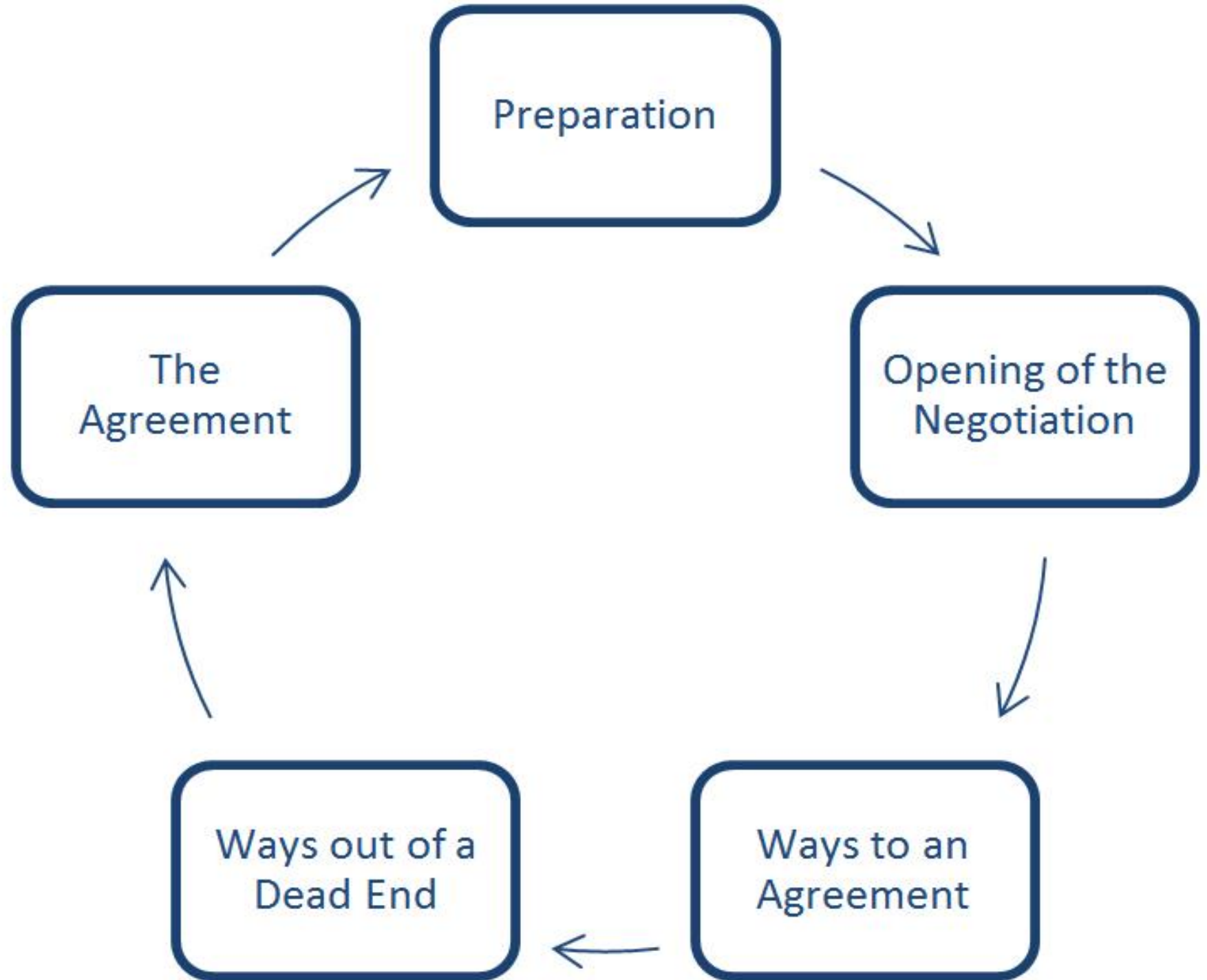
Preparation

Opening of the
Negotiation

The
Agreement

Ways to an
Agreement

Ways out of a
Dead End



Traditional Negotiation



Negotiation calls on all of the skills of conflict resolution.

- be hard on the problem
- be soft on the person
- focus on needs, not positions
- emphasise common ground
- be inventive about options
- make clear arguments

Phase 3

Plan review
Set timeframe
Develop action plan
Form agreements

Phase 2

Select Options
Generate Options
Educate on needs and perspectives
Build rapport

Phase 1

Prepare Environment
Become Clear on Outcome
Research
Map

Procedural

Psychological /
Relationship

Substantive

Source: The Conflict Resolution Network, P O Box 1016 CHATSWOOD NSW 2057 Australia

The Negotiating Process

- | | | |
|------------|-----------|---|
| Step One | - Prepare | <i>What do you want?</i> |
| Step Two | - Debate | <i>What do they want?</i> |
| Step Three | - Propose | <i>What wants can we trade?</i> |
| Step Four | - Bargain | <i>What wants will we trade?</i> |
| Step Five | - Agree! | |

**SUBJECT MATTER OF
NEGOTIATION**



**ESTABLISH
OBJECTIVES**

**REVIEW
ASSUMPTIONS**

**RESEARCH
FACTS**

DEFINE ISSUES

**DECIDE
POSITION**

**RECONSIDER
NEEDS**

**DETERMINE STRATEGY
(& TACTICS)**

rehearsal

NEGOTIATE

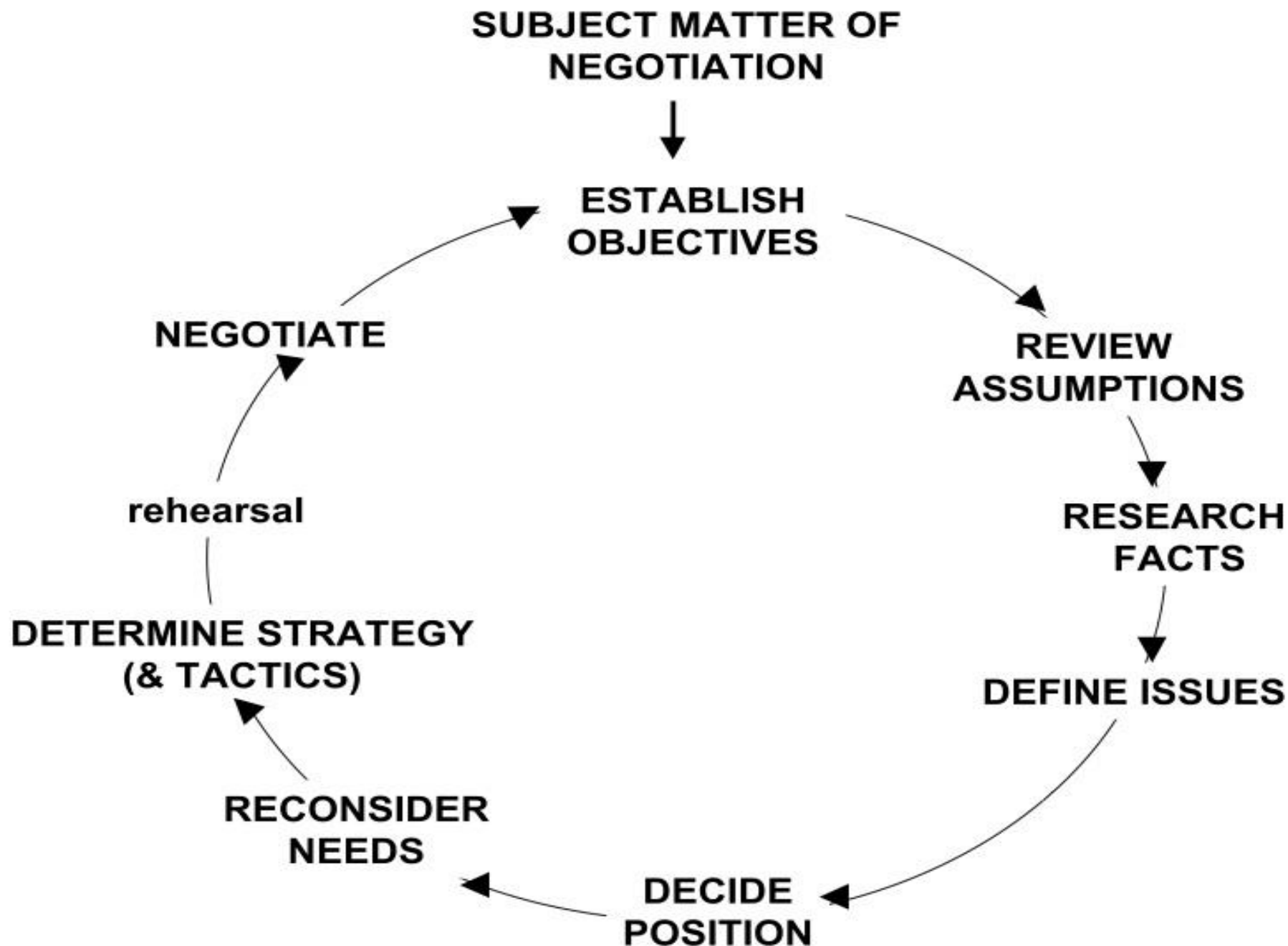
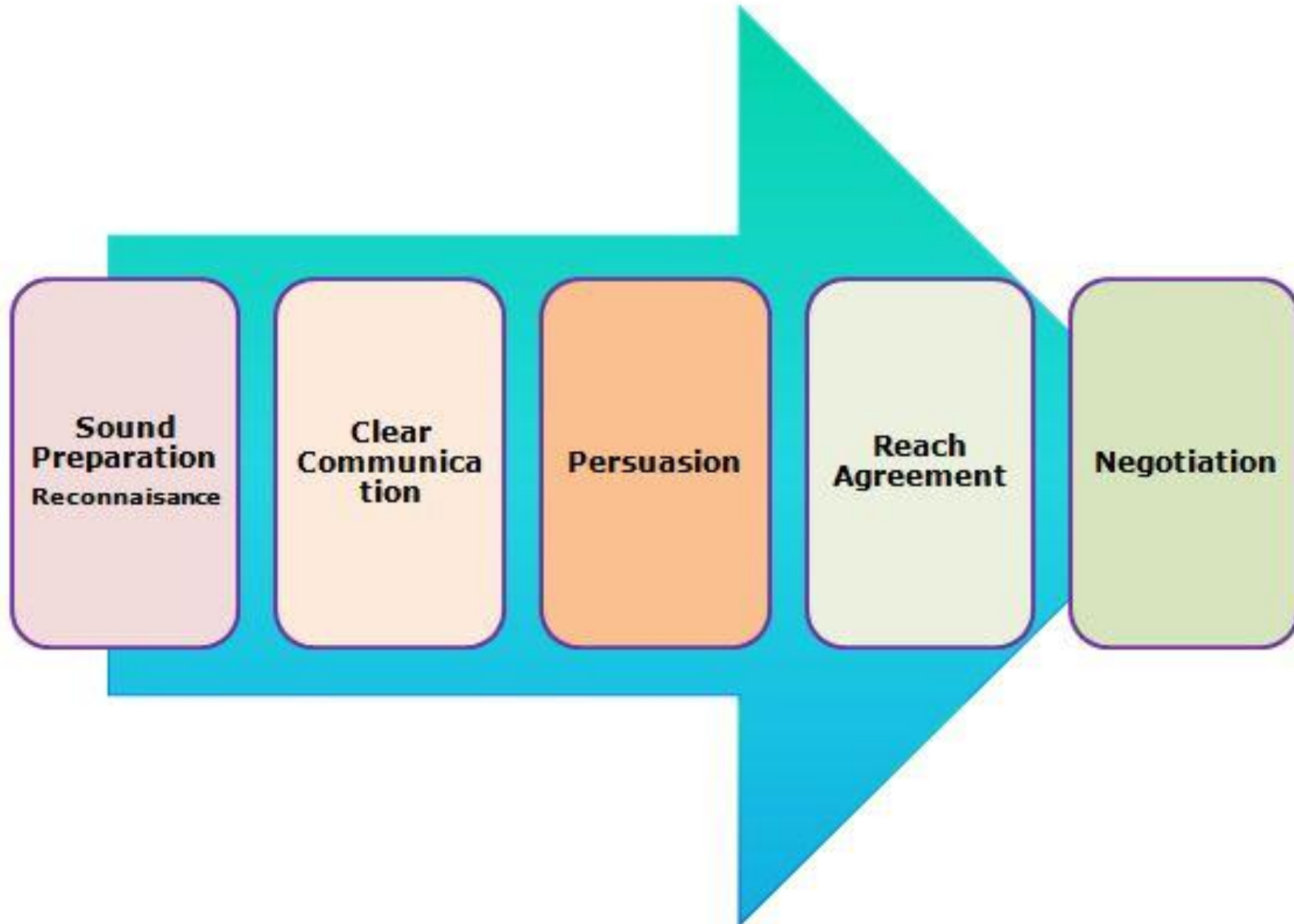


Figure 1: The Negotiation Process



Four Stages of Negotiation



From Shell, Richard. *Bargaining for Advantage: Negotiation Strategies for Reasonable People* (Penguin 1999)

NEGOTIATION PROCESS

THE FIVE STEPS



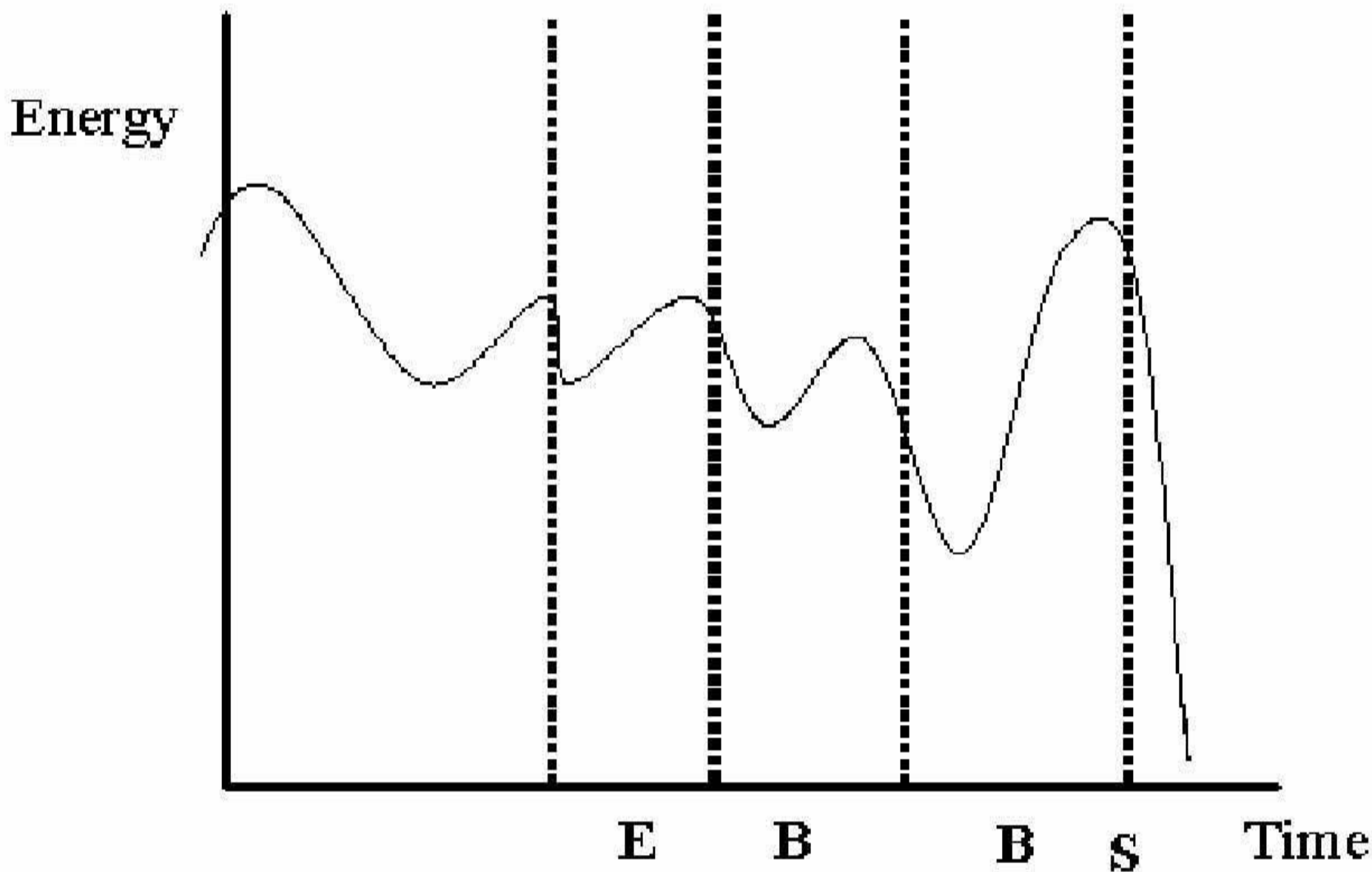


Figure 3.1: Phases of a negotiation

8) Negotiation Skills



"Negotiating is a real art. And a great negotiator is like a great surgeon. They're very, very rare. You don't see it often."

*Donald Trump
in "The Men Who
Built America"*

Don't leave
opportunities
on the table.

Negotiation Skills





Negotiation Skill

Negotiating Skills

Failing Negotiation

Initial commitment may be based on incomplete information
Negotiation may be based on false assumption

People communicate using their mind & body through the use of emotion.

Misunderstandings can arise because of stereotyping.

Tension is caused by emotions which can then lead to stress & anxiety.

Listen actively with empathy to reduce the perceived threat and try to show acceptance and understanding.

If everyone ignores the pinch then a crunch can be just around the corner.

The relationship may suffer as a consequence.

The secret of success is to look for the pinch before it becomes a crunch.



Skills that shape your Personality.

Negotiation Skills.

Speaking.

You cannot have one skill work without the other. --
You cannot have a good understanding without good speaking or listening. Negotiation should begin with a clear concise explanation of the problem. Shared concerns rather than individual issues should be the focus of the negotiation.

The negotiation process will be most effective when people take time to think through what they have to deal with.



Negotiating Skills

Barriers to Listening

Dialogue of the deal - Both sides within a discussion, intent on making their own point, may fail to listen to each other.

Experience - The parties may have had bad experiences of negotiations in the past.

Familiarity - Can be a crucial disabler when negotiating.

Skim Listening - Picking up on key words and missing vital parts of the conversation.

Attention span – Are you focused or distracted?



Negotiating Skills

Influencing is not about :

- Forcing your point of view on others
- Nagging until they agree
- Giving in to someone
- Bargaining
- A debate



It is about

- Dealing with others assertively
- Speaking with knowledge and confidence
- Listening to their point of view
- Appreciating the differences
- Showing respect

Negotiating Skills

Pull Levers

Questioning :

Have a questioning strategy –

USE:

Hypothetical questions

Defining questions

Probing questions



The aim is to use effective questioning skills to

Help build rapport

Obtain accurate information

Obtain other people's opinion

When I look back at all my relationships with potential clients I realize, how much opportunities I missed only because of my lack of negotiation skills. These skills are often related to the ability to be flexible and express information in a variety of ways.

Here are some things I have learned from my mistakes:

- I met a lot of people in my life who don't have a clear understanding of what they sell, but they sell it perfectly. I suppose it happens because **they are great communicators**. They know who they are, what they are capable of doing and what they want. In practice it means that **they are able to describe the rules, they play the "game" with their customers**.

- If something went wrong, **it's not a good idea to be in a hurry to pin a label on someone** just because you disagree with him/her. There are no good or bad clients and translators. **There are only people who find each other in the crowd**. And there are different segments of the market with different interests and behaviors. Sometimes, we just need to let each other go and move on to what else is in the market for us.

- **Be honest with yourself and the others.** (I am not the first one who says this and not the last.) Tell the truth about your abilities and experience. The simple fact is that **you can't give more than you have**. Tell the truth and in most cases it will be enough.

- I was brought up in the Soviet educational system which told me that *"The public benefit is more important than the personal benefit."* And it took me years to really understand that this postulate has nothing to do with the business.

Yes, business is not all about getting profits, . . . but actually it is. If you read the definition of "business" you will see that it is (mostly) a privately owned organization *"formed to earn profit to increase the wealth of its owner."*

The reason I am telling you all this is because I learned something from this - Namely: **Talk about your rates early. Don't put off the question of how much your services cost.** The sooner you discuss it with your potential customers or clients, the easier it will be for both of you to find a solution.

- **Stop blaming others**, even if it's not always easy. **We are all at different stages of our development coming from all kinds of different backgrounds.** Some are better off, others are not. It is the question of ethics.



Negotiating Skills

Power In Negotiation

Negotiation assumes a “certain equality” between parties

Negotiation refers to obtaining something of value that someone else has. The focus is upon mutual benefit.

Differing power bases can lead into fighting behaviours.

Parties do test each others strengths and probe into just how dependant they are on each other. A balance of power is essential if negotiations are to be successful.

Negotiating Skills Agenda

1. Negotiating Mixer Exercise
2. Negotiating challenges for a PM
3. Negotiating Skills for a PM
 - Pre Negotiating Planning Phase
 - Understanding key motivators
 - Handling Emotions
 - Negotiating around Fixed Positions
4. Practice Win-Win Negotiations
5. Exercises and Constructive Feedback
6. Negotiation Resources
7. Questions

Negotiating Skills

Stages to Successful Negotiation

- Exchange information
- Assess Wants, Needs, Information
- Find the middle ground which is fair & reasonable to both
- Firm up a mutually agreeable solution

Recognise these stages, work towards them.
Use the notes in this course to help future
Negotiations. Create a learning log – a simple diary will do.
Assess every negotiation you are involved in.
What went well? What could be better?
What will you do differently next time?



Negotiating Skills

Why is influencing important?

Flatter organisation structures need it to be effective.

Lean is mean – more stress is prevalent in current organisations.

The rise of the customer – the customer is not always right, but it is our job to make them 'feel' right.

Working across organisations – it's the only positive way forward.

The demise of traditional authority – all employees have a vested interest in the future success of any company/organisation.

Start by visualizing
possible gains,
not losses

Practice
negotiating

Be prepared
to compromise

Negotiation Skills

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graph TD; A((Negotiation Skills)) --> B[Start by visualizing possible gains, not losses]; A --> C[Practice negotiating]; A --> D[Determine strategy accordingly to type of negotiation]; A --> E[Be flexible and sincere]; A --> F[Learn to "read" the other party's needs]; A --> G[Be prepared to compromise];
```

Learn to "read"
the other party's
needs

Be flexible
and sincere

Determine strategy
accordingly to type of
negotiation

5 TIPS TO WIN ANY NEGOTIATION

No matter how much you may hate to negotiate yourself into a deal — or even out of one — negotiating is a very legitimate business skill to acquire. Based on psychological research, here are some tips that will help you to get what you want.

1

Focus on the first 5 minutes

In a study published in the Journal of Applied Sciences, the first 5 minutes of a negotiation can predict the negotiated outcome. During these minutes, the other



Negotiation skills.....

Fisher and Ury define negotiations as “Back and forth communication to reach agreement where some interests are shared and some interests are opposed. “ Getting to Yes”

NEGOTIATION SKILLS

March 31 - April 3, 2015

Rausing
Executive
Development
Centre
LUMS

Managers negotiate every day and the results have substantial impact on their performances. To be effective, managers need to deal with negotiation situations in a systematic and organized manner. This programme has been designed to specifically enhance your confidence and ability at the negotiating table to gain strategic advantage. Through experiential tools, lectures and interactive analysis, you will learn to change the way you view and evaluate action alternatives in competitive situations.

Benefits

- Learn the essentials of negotiations in varied business contexts
- Understand how negotiating strategies are planned and implemented to optimize performance for self and others
- Gain a deeper understanding of distributive (win/lose) and integrative (win/win) negotiation tactics
- Learn effective tactics & strategies to resolve negotiating deadlocks
- Improve ability while negotiating in groups and as individuals

Who Should Attend

The programme is effective in developing and sharpening negotiation skills at the senior and middle management levels. Therefore directors, general managers and managers from different functional areas such as marketing, finance, human resource management, production etc, are encouraged to apply.

APPLY AT: <http://redc.lums.edu.pk/calendar.php>

Negotiating Skills

What is influencing?

Achieving a result that meets the legitimate needs of both sides

Achieving long lasting results

Improving the relationship of the people involved

Legitimate is the important word here.
Needs must be legitimate if influencing is to be successful.

For influencing to be effective it has to be sustainable.

Negotiating Skills

Negotiation occurs when there is something of value that you wish to attain

- Need is the negotiators starting point
- Need is also the weakness that can be exploited
- Negotiation is also a process that is of benefit to all parties



Negotiation Skills Checklist

<http://www.neilurquhart.com>

	Questions	Yes
1	In negotiations, do people often take advantage of you?	
2	Do you struggle to have difficult conversations?	
3	Do you win negotiations but struggle to maintain business relationships?	
4	Do you let others win negotiations because you are uncomfortable with conflict?	
5	Do you avoid talking about price until the end?	
6	Do you avoid talking about difficult issues until the end?	
7	You know how to respond when, early in the negotiation, the other party says "let's skip the haggling, just give me your best price"	
8	You know how to cope with there being another decision-maker who is not present	
9	Do you know how to deal with delaying tactics?	
10	You know the difference between positions and interests in a negotiation	
11	Can you handle an aggressive negotiator?	
12	You know how to avoid "buyer's remorse" (when the buyer cancels the sale some time after you've agreed it)	

Negotiation skills

Three key elements of negotiation

Listening

- Attentively
- Acceptably
- Assistingly
- Alertly
- Actively
- Respectfully

Observing

- Fully
- Tactfully
- Empathetically
- Objectively

Telling

- By using simple, non-threatening words
- By saying and using words that the listener wants to hear
- By avoiding objection words
- By using visual materials
- By being accurate and complete
- By being considerate



depositphotos

Negotiation Skills



Negotiation is a dialogue between two or more people or parties, intended to reach an understanding, resolve point of difference.

Gain advantage in outcome of dialogue, to produce an agreement upon courses of action, to bargain for individual or collective advantage, to craft outcomes to satisfy various interests of two people/parties involved in negotiation process.

Negotiation is a process where each party involved in negotiating tries to gain an advantage for themselves by the end of the process. Negotiation is intended to aim at compromise.

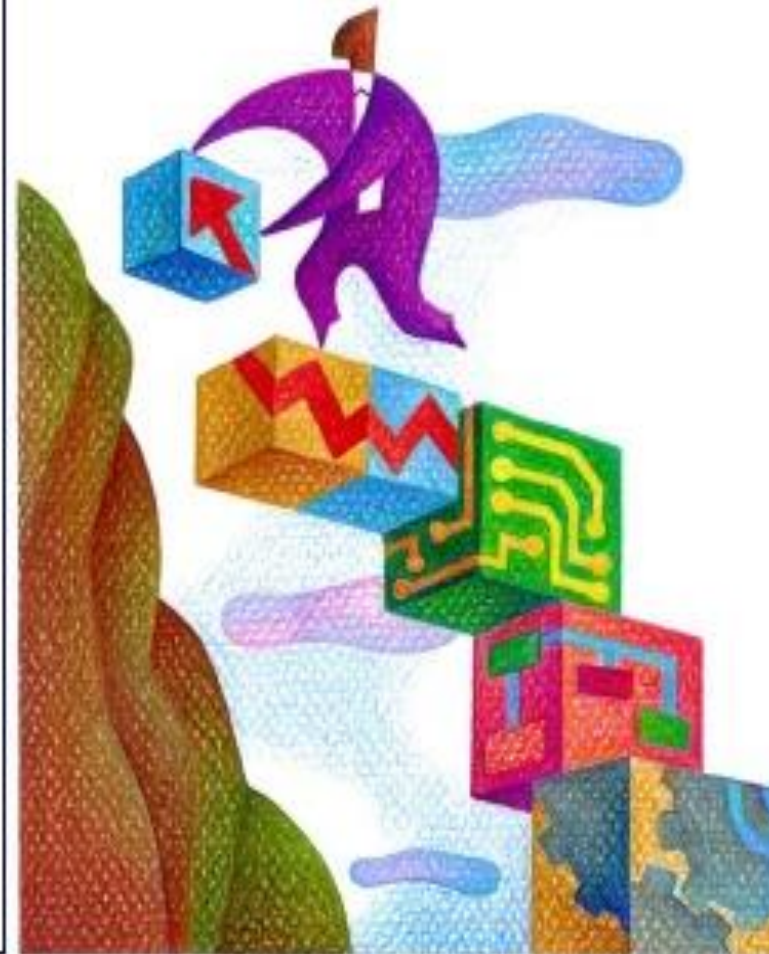
Negotiation occurs in business, non-profit organizations, government branches, legal proceedings, among nations and in personal situations such as marriage, divorce, parenting, and everyday life.

Professional negotiators are often specialized, such as union negotiators, leverage buyout negotiators, peace negotiators, hostage negotiators, or may work under other titles, such as diplomats, legislators or brokers.

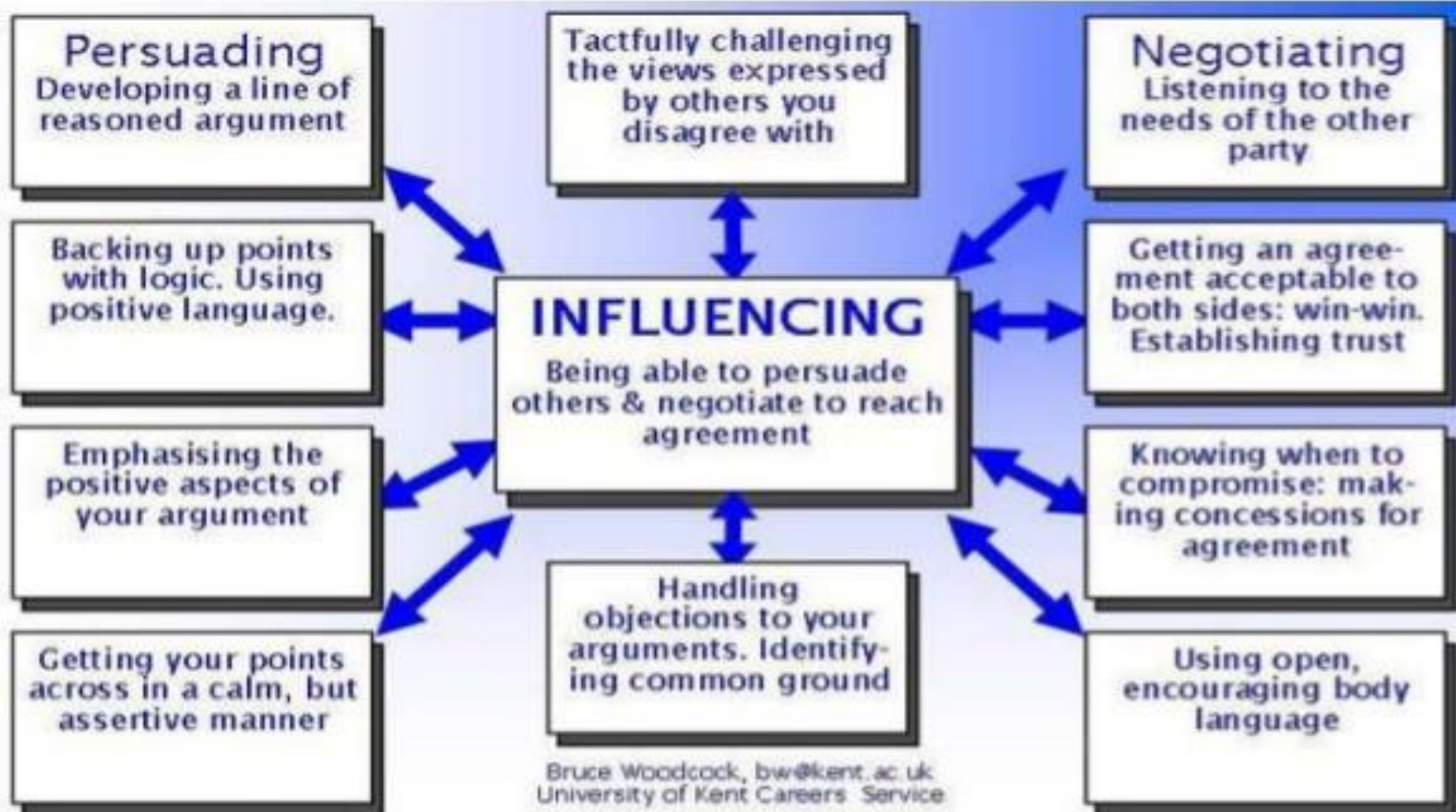
Negotiating Skills

Effective Negotiation

- Is an important communication skill
- Reaches the agreement that best meets both sides requirements
- Should be conducted in a professional manner
- Be a solid foundation on which to build future relationships



NEGOTIATION SKILLS



Negotiating Skills

The Levers Of Influence

Pull Skills

Creating rapport
Authentic listening
Skilful questioning

These **Pull** techniques also involve the effective use of non-verbal communication.



Creating rapport :

Posture

Voice – Tone & Volume

Gesture

Eye Contact

Facial expressions

How we occupy our space

Consider carefully how you want to build the relationship with someone who you will be negotiating with.



Negotiating Skills

Identifying Possible Outcomes

Write down all your objectives

Put them in order of priority

Identify issues that are open to compromise

Identify those that are not

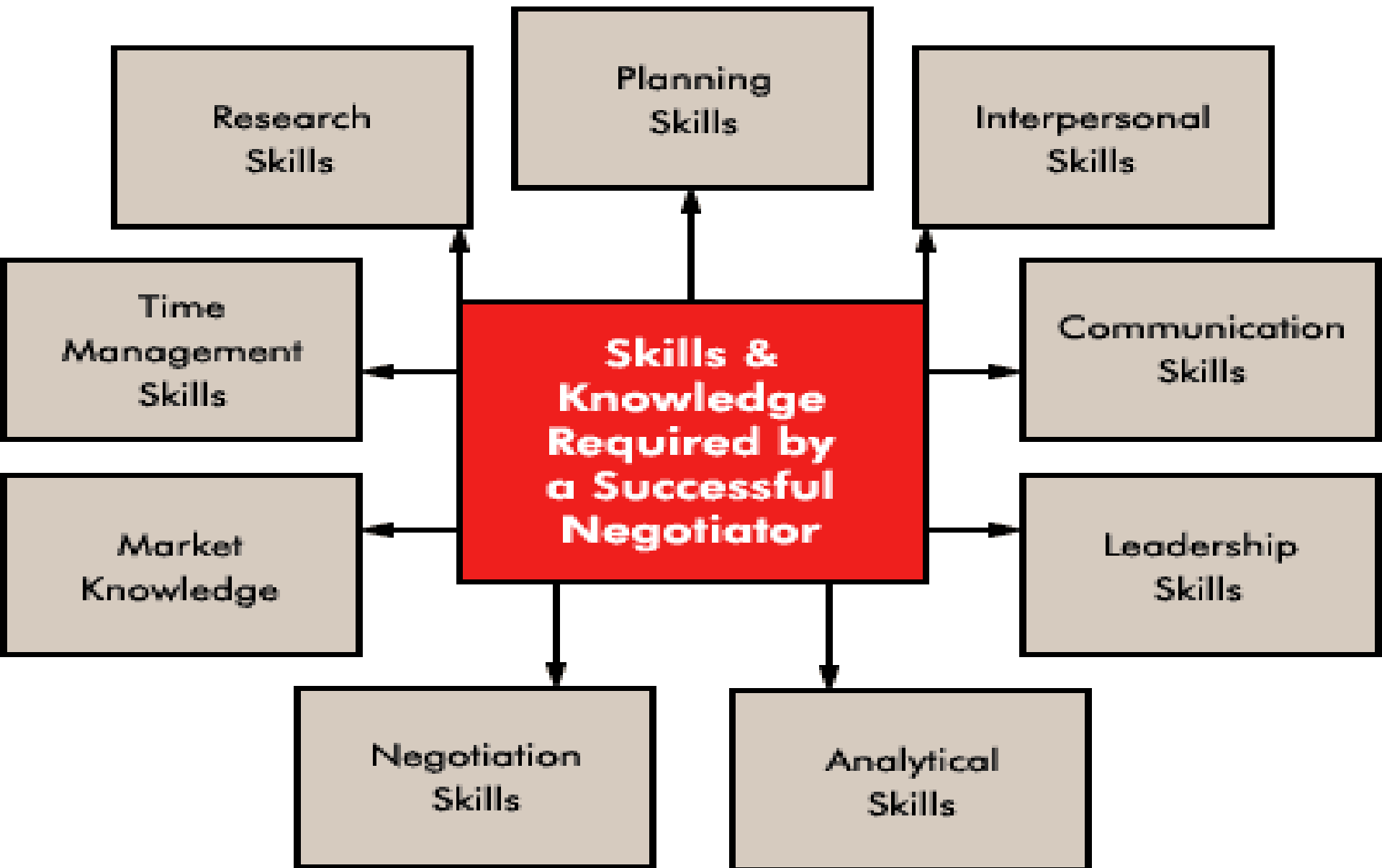
Classifying Priorities

Those that are desirable

Those that are acceptable

Those that are the minimum you/the organisation require

Negotiation Skills





Negotiating Skills

Traditional Negotiation

Has two sides

Is a form of warfare

Has opposing objectives

Has a short sighted approach

Formal Negotiation

Favours the party with the strongest power base
Limits the likelihood of informal talks
Emphasises the letter of agreement

Informal Negotiation

Emphasises the relationship between the two parties
Encourages the spirit of any agreement reached

**Customer
WIN**



**Company
WIN**



**BATNA
Negotiation
Skill**

Negotiating Skills

Recognising Assertiveness

Effective body language – how would you describe this?
Use assertive language – what is considered assertive language?

Never become emotional
Angry
Resentful
Frustrated



Responding
Not
Reacting

“Behaviour breeds behaviour”
Keep the temperature low
Stay detached
Show respect

Negotiation Skills



My father said: "You must never try to make all the money that's in a deal. Let the other fellow make some money too, because if you have a reputation for always making all the money, you won't have many deals."

J. Paul Getty

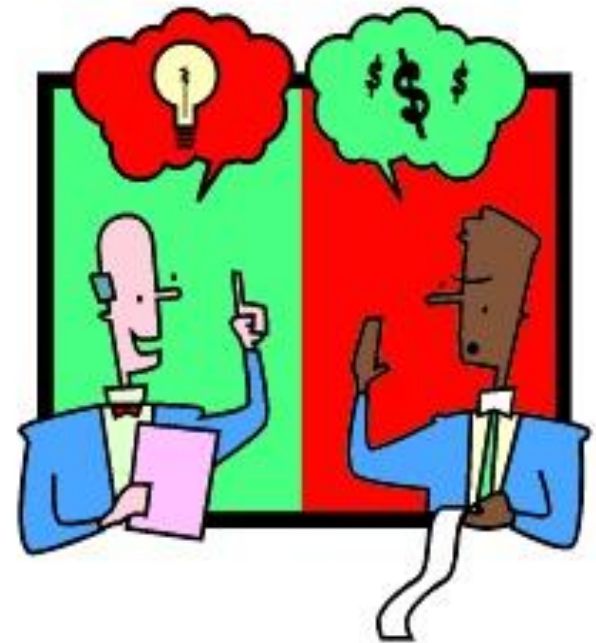
Negotiating Skills

Ineffective Negotiation is about:

- Non mutual benefit
- Compromising for no return
- Playing games

Think of a time when a negotiation has not been successful.

Can you identify what went wrong?



When you have purchased
a house or a car –
Did you negotiate terms?
Were you successful?

Negotiating Skills

Modern Negotiation - Benefits

Enables strategic alliances to be built

Emphasises partnerships

Builds relationships

Is effective long term



Outcomes From Negotiation

Need to achieve the objective set

Be of benefit to all parties

Ensuring a WIN/WIN situation

Negotiation Skills



I win
You lose



I win
You win

I lose
You lose



I lose
You win

Negotiating Skills

Approaches to Resolve Conflict



Skilful listening to improve understanding



Assertion skills



Influence by using interpersonal skills



Emphasise issues, break up large issues



Make careful note of actions decided

Facilitation – Helping people communicate with one another.

Conciliation or mediation – Working towards resolving an issue whilst remaining independent. **Advocacy** – negotiating on behalf of one party.



Negotiation Skills

*Enhance Your Negotiating Effectiveness
with Campeau Learning Inc.*

We ALL negotiate, ALL the time! The number one most common mistake is that people don't realize when they are negotiating.

The game has changed and the highly interdependent nature of the information age demands a new set of competencies to achieve success. Negotiating skills are becoming more important day by day.

The faster the rate of change, the greater the need to Negotiate... everyone is challenged to constantly update agreements, strategies, priorities, policies, procedures, systems, teams, work roles, life roles and more.

Four Crucial Questions:

- ❖ How effective of a negotiator are you?
- ❖ What are your strengths and weaknesses as a negotiator?
- ❖ What is your lack of skill in this area costing you?
- ❖ What do you intend to do about it?

Negotiating isn't just about sales – you need a realistic and effective approach to master all the on-going relationships you have – both at work and in life.

Join Greg for a powerful and interactive workshop, focused on achieving negotiation mastery, confidence for your work and success for your path in life. Take this crucial first step and learn the art of negotiation skills with Greg, a trusted professional development leader since 1991.

Negotiation Skills

“Techniques for Creating Win/Win Agreements”



Whether you're buying or selling, whether it's about money, time, commitment, or cooperation, being skilled at negotiating can be crucial to your success. In this fast-paced, customized, interactive workshop, you will gain proven real world negotiating methods to help you create “Win/Win Agreements” and achieve your goals. Topics include:

- ◆ Knowing what your boundaries are, 27 key questions to ask yourself.
- ◆ How to be persuasive using the 14 forms of proof.
- ◆ What to make concessions on, when, and how.
- ◆ Identifying and protecting yourself from over 30 manipulative tactics.
- ◆ Establishing the perceived advantage of doing business with you, and the loss of not doing business with you.
- ◆ Creating a checklist to move the transaction to a productive closing.
- ◆ How to handle objections to your proposal.
- ◆ How to handle questions, and how you can defuse negative ones.
- ◆ Creating an effective attitude and mindset: beliefs about negotiation, self, product, company, competition, and customers.
- ◆ How to establish your goals for each transaction that gets you the desired results.
- ◆ How to manage your emotions and stay focused.
- ◆ Setting and getting agreement on the presentation agenda.
- ◆ How to use future pacing to aid agreement, and to eliminate buyer's remorse.
- ◆ Using questions to uncover and know the buyer's/seller's criteria for satisfaction.
- ◆ Employing the language of success, eliminating ineffective wording.
- ◆ How you can get, and break, rapport, crucial for your success.

By attending this program, you'll gain lifelong tools and techniques that you can use immediately, that benefit you in both your personal and professional lives!

NEGOTIATION SKILLS

What is negotiation?

The process of making joint decisions when the parties involved have different preferences.

Workplace disagreements arise over a variety of matters.

a. **Substance goals**-Outcomes that relate to content issues.

b. **Relationship goals** -Outcomes that relate to how well people involved in the negotiations and any constituencies they represent are able to work with one another once the process is concluded

3. Effective negotiation-

Occurs when substance issues are resolved and working relationships are maintained or improved.

Criteria for an effective negotiation.

1. Quality.

2. Harmony.

3. Efficiency.

Wise Negotiation DOs and DON'Ts

Achieve Desired Results Amicably



DON'Ts

Don't see it as a contest

Don't bargain over positions

Don't attack people

Don't focus on differences

Don't search for the one right solution

DOs

See is as a joint effort, think Win-Win

Solve a problem jointly

Attack the problem

Focus on common interests

Be creative, brainstorm jointly multiple options to choose from

Negotiation Skills and Tips

Listening skills

- Listen carefully and observe the other side's behavior.
- Poor listeners miss opportunities!

Analytical Skills

Analytical Skills are basic for problem-solving situations.

Be professional and control your emotions.

A loss of control could cause you to think irrationally, to lose negotiations and can lead to unfavorable results.

Communication skills

To succeed in business negotiations, you have to communicate clearly and effectively.



Be patient and respect the other side

- Always be respectful to your opponent. Be patient even if the other side is not. Your behavior during business negotiations make impressions.
- Keep calm. Use tact and diplomacy.
- One of the aims of negotiations is to make good business relationships.

Problem-solving skills

It is very important to have the ability to identify the problem and to find the way to solve the problem.

Persuasive skills

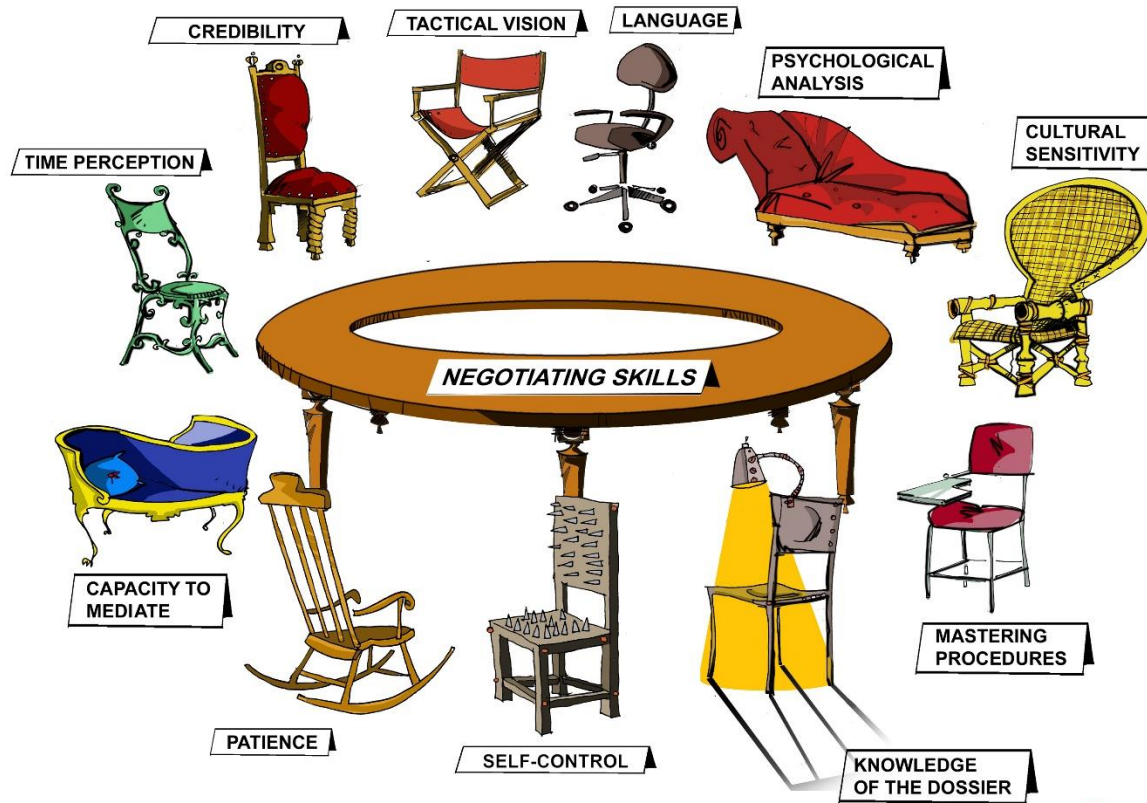
Use both verbal and nonverbal persuasion and influencing skills.

Negotiating Skills

**To provide you with the skills
to plan & implement successful negotiation**

At the end of the course you will appreciate how to:

- Establish objectives to be achieved by negotiation.
- Identify a range of outcomes from the desired ideal to the ultimate acceptable fall back position.
- Use interpersonal skills to influence others in both informal and formal situations to achieve your objectives.

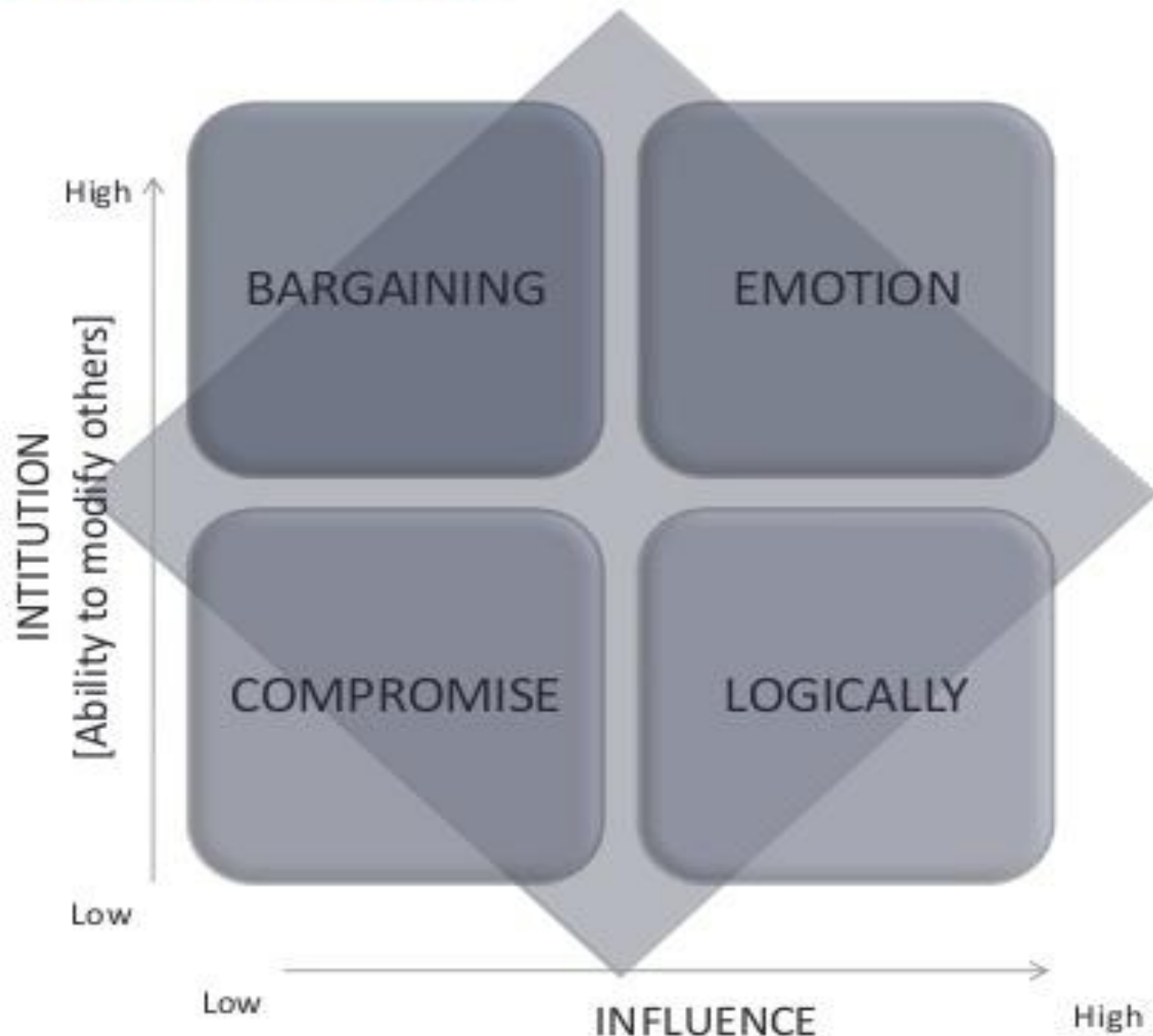


Concept: Baldi Illustration: Veljašević



9) Negotiation Strategies

Negotiation Strategy



Negotiation Strategies

- **Integrative Negotiation vs. Distributive**
- **Rational Negotiation**
- Silence Management
- Risk Management (information)
- Missing man
- Flattery
- Deadline
- Delay
- Good cop and bad cop

NEGOTIATION STRATEGIES

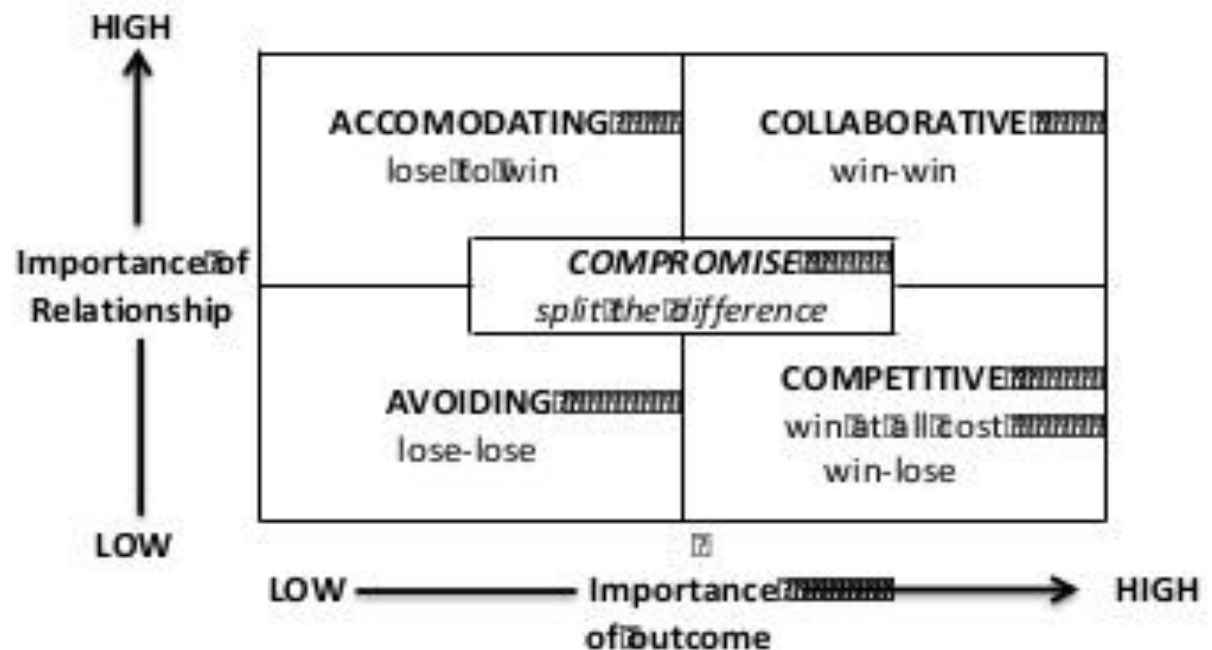
- **Strategy** is the overall approach for conducting the negotiation.
- **Tactics** are particular actions used to implement a strategy.



	Demand	Offer	Threat
Who?	Who is to make decision	Who benefit if the decision is made	Who get hurt if the decision is not made
What?	Exactly what decision is desired	If the decision is made what benefit / costs can be expected	If the decision is not made what risk / potential benefits can be expected
When?	By what time does the decision have to be made	When if ever will the benefit of making the decision occur?	How soon will the consequences of not making the decision be felt
Why?	What makes this a right, proper & lawful decision?	What makes these consequences fair & legitimate	What make these consequences fair & legitimate

5 STRATEGIES

- AVOIDING (lose-lose)
- ACCOMODATING (lose to win)
- COMPETITIVE (win-lose)
- COLLABORATIVE (win-win)
- COMPROMISING (split the difference)



Negotiation Strategies



Strategy

Good Guy/Bad Guy

The good guy / bad guy is an internationally used strategy. One member of a team takes a hard line approach while other member is friendly and easy to deal with. When bad guy steps out for a few minutes, the good guy offers the deal that under the circumstances seems too good to refuse. Bad guys usually comprise spouses, lawyers etc.

Approach



Based on your experience on the field, how would you act out the good guy/bad guy strategy to your favour?

Negotiation Strategies



- **Keep It Light**
- You never want to let negotiations become too tense. Always feel free to smile and inject some humour in the conversation.
- Lightening up the mood can ingratiate you with your prospect while also conveying your negotiating strength.
- If you do not appear to be taking the negotiation as a do or die affair, your prospect may conclude that you are ready to move on if s/he does not cooperate and based on that s/he may decide to be cooperative.

NEGOTIATION STRATEGIES

Win-win strategy: This strategy seeks mutual benefit; it uses a cooperative rather than a competitive approach to finding a solution. People with a win-win paradigm are empathic listeners; they try to see and understand the problem from the other person's perspective.

Win-Lose: This strategy uses a competitive approach to finding a solution; each negotiator is most concerned with his or her own needs.

Lose-win: A negotiator using this strategy submits to the other person and ignores his or her own needs.

Lose-Lose: This strategy uses an 'if I go down, you are going down with me' approach.

Win: This strategy occurs when negotiators are only concerned about getting their own needs met and winning.

Win-win or no deal: This strategy takes into account everyone's needs. The negotiator is not happy until everyone wins.



Negotiation Tactics & Ploys 3

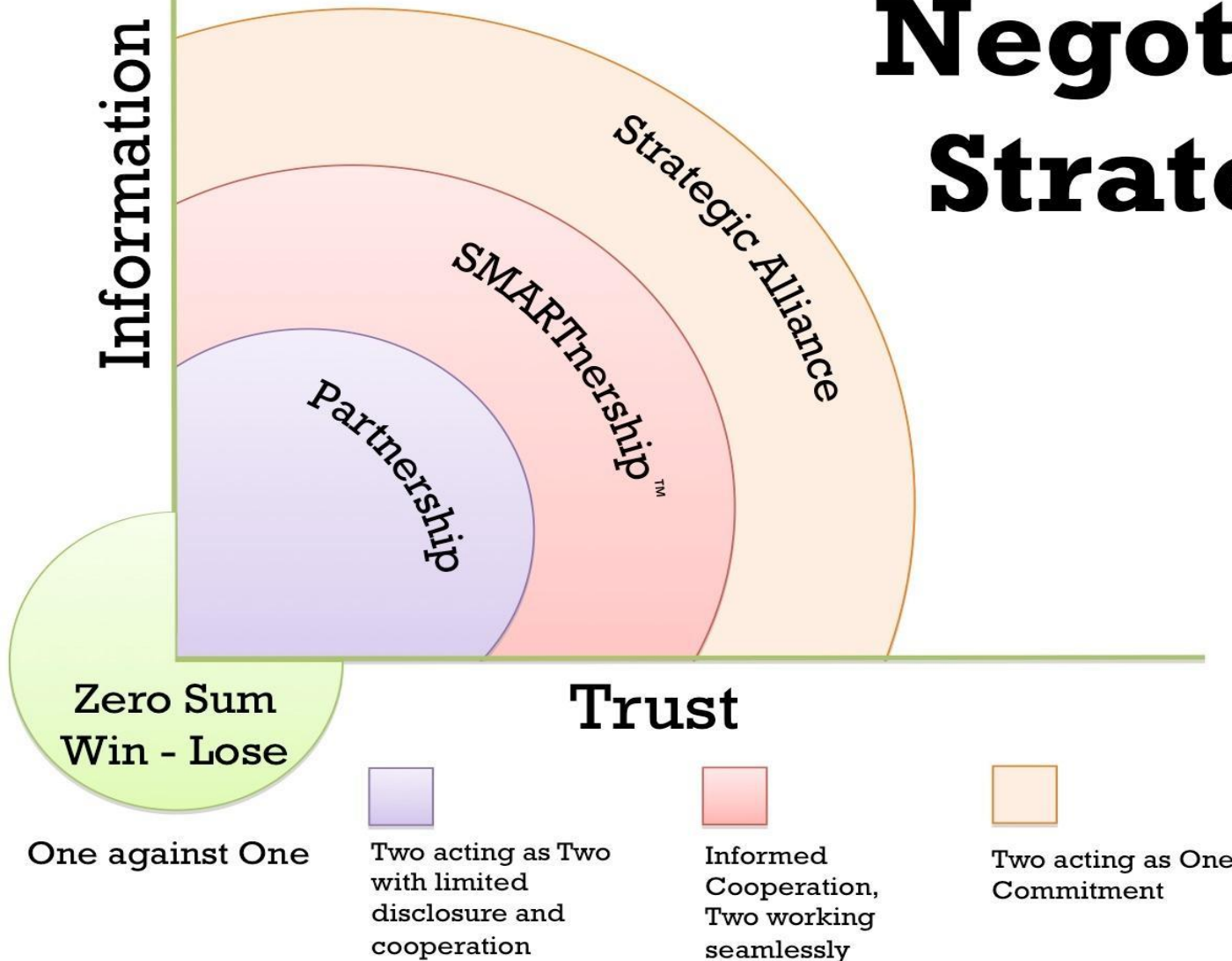
- ✓ **Nibbling:** Demanding for little things one after the other so much that a lot would be collected. For example, "Bring a pen.....and a piece of paper.....oh! Just come with cold water."
- ✓ **Red Herring:** Set-up a false trail to mislead the other party and keep him away from what you intend to hide. For example, "the seller of a second-hand car tells a prospect to inspect its interior, emphasizing it's the only part that require refurbishing. Meanwhile, the engine had developed a fault which would become noticeable to a layman only after the vehicle must have been driven for some months."
- ✓ **Trial Balloon:** This involves putting forward a suggestion as ultimate solution, and see if the other party would accept it. For example, "Let's install this particular software in your firm, I think it would improve your performance."
- ✓ **Russian Front:** On deciding what to offer to the other party, present it as a second option after telling them about the first option which would be described to evoke repulsion. For example, "The AG9T is a big engine that demands crane to move it and its cost of usage is very high; the AB4X is computerized, finer, portable and its life cycle cost is very low."

NEGOTIATION STRATEGIES

Table 1: Negotiating strategies

Type	Layman terms	Relationship priority	Outcome priority
Avoiding	Lose-lose	Low	Low
Accommodating	Lose to win	High	Low
Competing	Win-lose	Low	High
Collaborating	Win-win	High	High
Compromising	Split the difference	Combination used in a variety of situations	

Negotiation Strategies



WHAT ARE THE DIFFERENT STRATEGIES INVOLVED IN NEGOTIATION?

Distributive negotiation.

- Focuses on positions staked out or declared by the
- conflicting parties.
- Parties try to claim certain portions of the existing pie.

Integrative negotiation.

- Sometimes called principled negotiation.
- Focuses on the merits of the issues.
- Parties try to enlarge the available pie.

Gaining truly integrative agreements rests on:

- Supportive attitudes.
- Constructive behaviors.
- Good information.

Supportive attitudes.

-Integrative agreements require that each party must:

- Approach the negotiation with a willingness to trust the other party.
- Convey a willingness to share information with the other party.
- Show a willingness to ask concrete questions of the other party.



