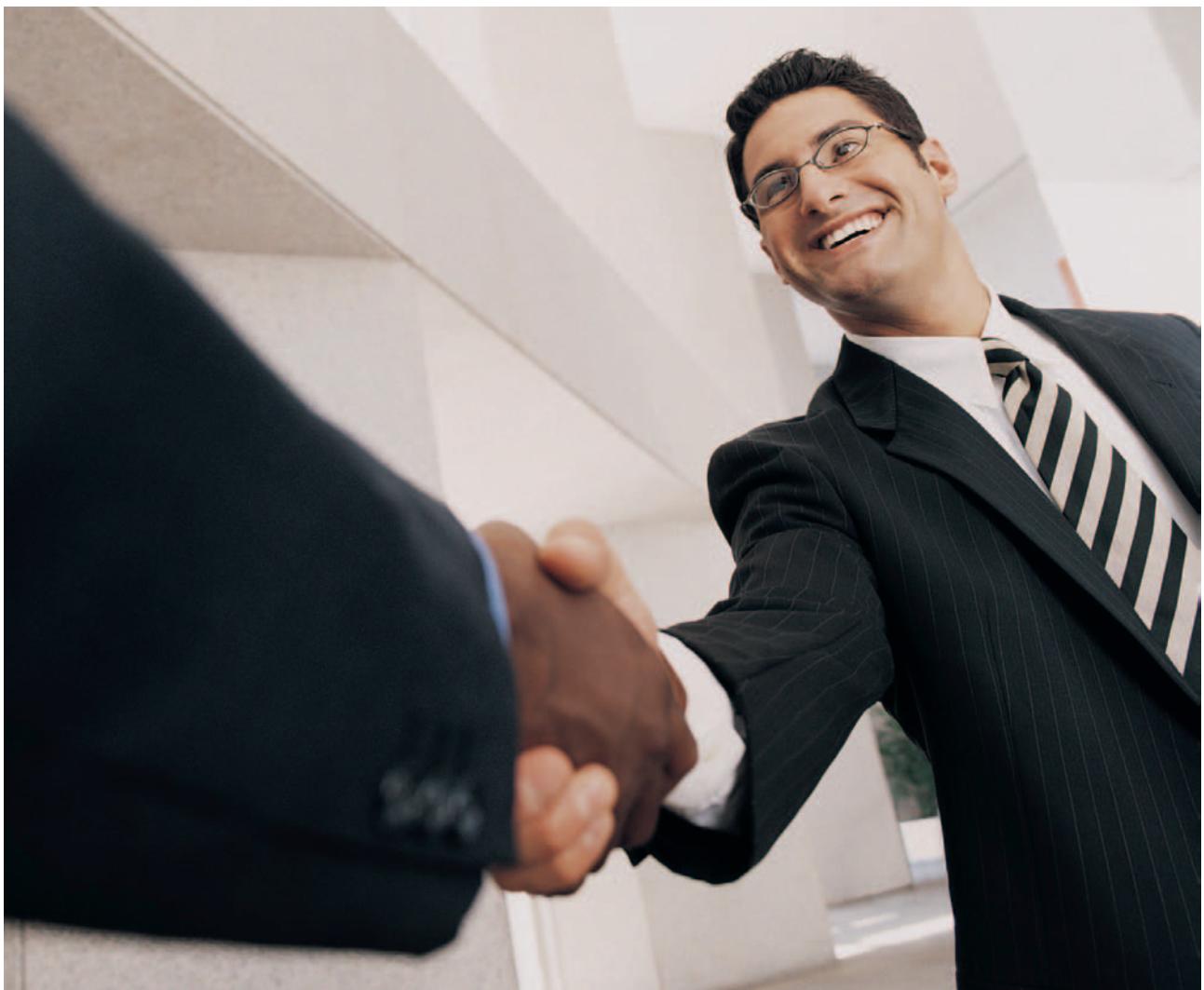


Rapid Skill-Builder®

Negotiating Skills



Like communication or listening, negotiating is a skill we use almost every day of our lives. We negotiate to:

- **Bargain** on the price of a product or a service.
- **Settle differences** in a dispute situation.
- **Determine or make a contract**, either formally or informally.
- **Agree on a goal** or an outcome.
- **Arrive at comfortable terms** so we can work together or co-operate.
- **Find a compromise** of some sort.

All of these negotiating situations have one thing in common. They require two or more people to communicate with one another and reach a *deal* of some sort (even though we sometimes fail to do this!). Negotiation is a special kind of communication because it uses a number of tactics and methods that are not usually part of normal everyday conversation or discussion. It is also a communication *method* that can be applied to every aspect of our lives, not just in the world of work.

▼ Determine

A weekend trip to an outdoor market offers prime opportunities to learn and practice negotiating skills. Few of us expect to do any prior thinking or preparation for the bargaining process. Instead we think that if something catches our eye, we will buy it only if the marked price is acceptable. If you really want the item, you can attempt to negotiate the price. However, if you aren't an expert negotiator, lack of prior thought can put you at a considerable disadvantage. Remember, the stallholder is probably used to haggling with amateur negotiators.

As this example shows, negotiation skills can be used in many situations. However, preparation is always a key to success.

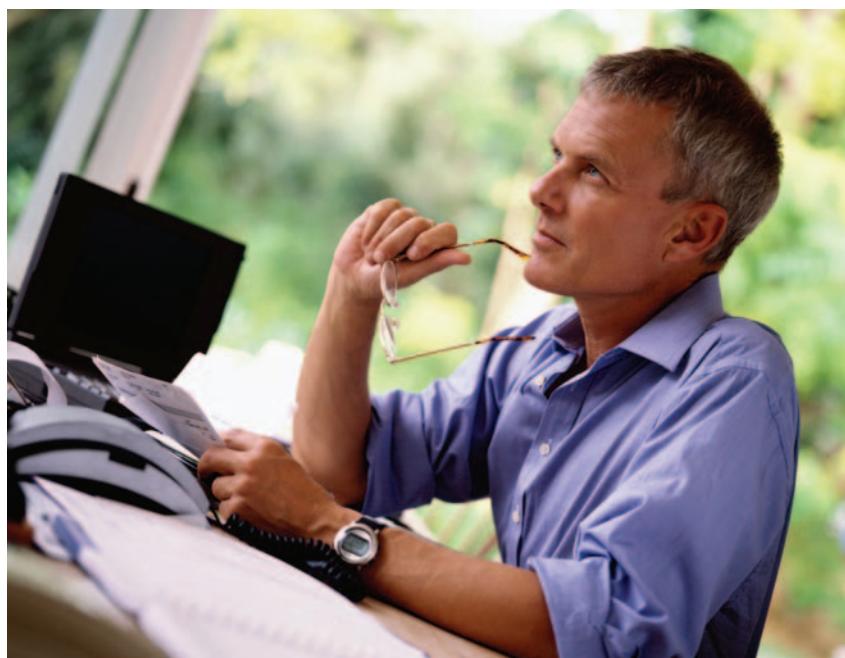
In an important negotiation, give yourself time to reflect and ideally write down the outcomes or goals that you are realistically seeking.

Writing down your negotiation goals provides:

- **a succinct and tangible framework for your goals**
- **an opportunity to review whether your goals are realistic, and how you might achieve them.**

It will also help you determine:

- What you **must** achieve as a minimum, if any kind of deal is to be agreed to by you.
- What you **should** achieve – what you'd like to achieve if you possibly can (there might be some trading flexibility).
- What is **nice to** achieve – optional extras that would be welcome if you are fortunate or skilled enough to get them at no cost to your **must** or **should** items. In some cases, these are offered up as negotiation loss leaders (or items that you are prepared to give up in order to win more important negotiating goals).



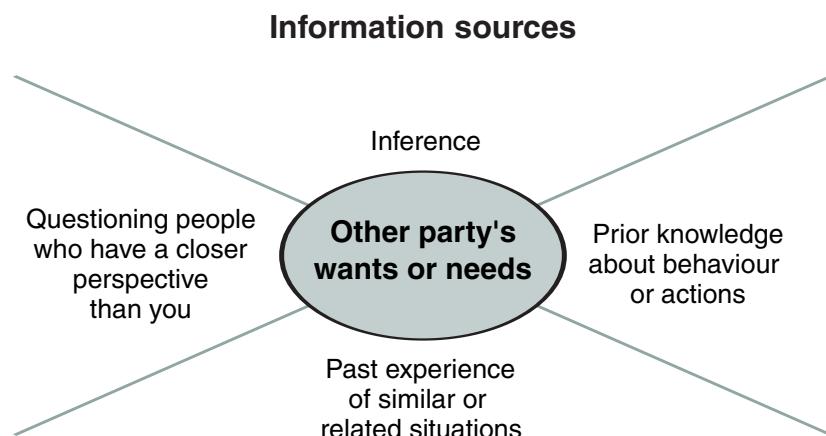
▼ Assess

One of the golden rules of effective negotiation is:

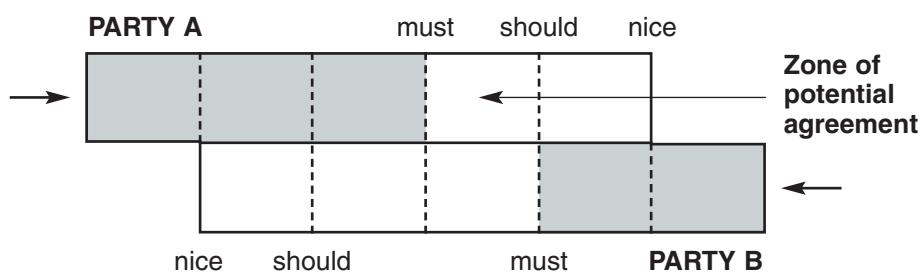
“Always anticipate what the other party is thinking or wants.”

Many people assume that effective anticipation comes about because of luck or guesswork. However, it is far more common for good anticipation to be based on sound and careful research and a common-sense prediction of what the other negotiating party might want or need – in other words, “putting yourself in the other person’s shoes.”

It is important to gather as much background information on what the other party might be seeking as you can. This is likely to come from four main sources:



Once information has been gathered, your “clean” transaction-type negotiations should aim for a joint, non-coerced resolution where both parties achieve as close to their “must haves” as possible. This is likely to require compromise by both parties and is illustrated as follows:



The diagram on the previous page illustrates that party A's ambitions or goals are greater than party B's. This creates a potentially very narrow band between the two "must have" or "bottom-line" positions. Although this diagram oversimplifies the process, what you need to do at this stage is try and determine what the "must have" items are likely to be for the other party.

Ironically, much of the negotiation process is concerned with guessing or estimating what the other party wants. This is one of the ways in which negotiating discussions differ from "normal" conversation or plain communication. This hidden realm of trying to predict or anticipate is an accepted part of the process that can't be talked about explicitly. Instead, it must be gently explored, obliquely referred to, and probed with care, so that neither side loses the advantage that such secrecy provides.

Even in a relatively clean negotiating transaction or process, the list of needs or wants from both parties can be long and quite complex. Buying a new house is a good example: overall size, number of rooms, closets, appliances, furnishings, location, décor, garden space, storage, garages, neighbours, schools, and many other factors can all be configured in many complex ways in the buyer's mind.

In most negotiations, it is also critical to assess which are the major issues.

Major issues are different from **must haves**. Must haves tend to relate to minimums or bottom lines – for example, "I must have this or I walk away" – a sort of final line in the sand. Major issues might not be deal breakers, but they can carry significant or even disproportionate weight in the mind of one party. To use the house-buying example again, a new kitchen can account for 50-60 per cent of the decision to purchase in a list of 25 wants or needs. Clearly, if these major issues can be discovered and met, a lot of concessions are possible on other items.

Other needs or wants will be minor, or relatively unimportant. Effective negotiators will always have minor items on their list. They may exaggerate the importance of some of them so they look as if they are offering plenty of concessions. Legal contracts are often full of clauses relating to quite minor issues, also helping to allow changes in any negotiation.

The purpose of determining potential major and minor issues is to try to:

- **discover the relative VALUE of needs and wants**
- **find potential areas of commonality or agreement.**

This allows for early trading or concessions, which can simplify the negotiating ground considerably and sometimes even lead to a win/win agreement before any formal negotiation has taken place.



▼ Build

Whether the negotiation itself is intended to last for two minutes or two hours, it is important that you approach it in the same calm and measured way. A vast number of negotiations fail because the attitude in the beginning was poor or negative. This can include:

- **Anger/hostility**
- **Vindictiveness**
- **Annoyance**
- **Impatience**
- **Distraction/lack of attention**

Poor attitudes often lead to a complete disrespect not only for the other person in terms of common courtesy, but also for the negotiation process itself which may be seen as not worth the effort. In the end, it is up to both parties to maintain the proper attitude and behaviour, and to hold each other accountable for showing open respect for the other party and what he/she is trying to achieve. Many people who have been involved in management/union negotiations know that **any hostile behaviour must disappear in order for real and practical progress of any sort to be made.**

Even if their state of mind is calm and ready, many negotiators make the mistake of opening the conversation with a hostile or controversial statement, thus destroying any chance of empathy. One real example of this was heard in a management/union negotiation when a management representative opened with this observation: "We all know that shop floor people are pretty lazy." Not surprisingly, it took a long time after this provocative remark for the negotiation to move forward.

Neutral opening statements always help to build rapport because you are avoiding controversial issues and looking for common ground, however trivial. Remarks about the weather, sports, upcoming vacations, or even general health and wellbeing are the most common examples of neutral subjects. Even better, light inoffensive humour can work wonders in settling down any nervous expectation.

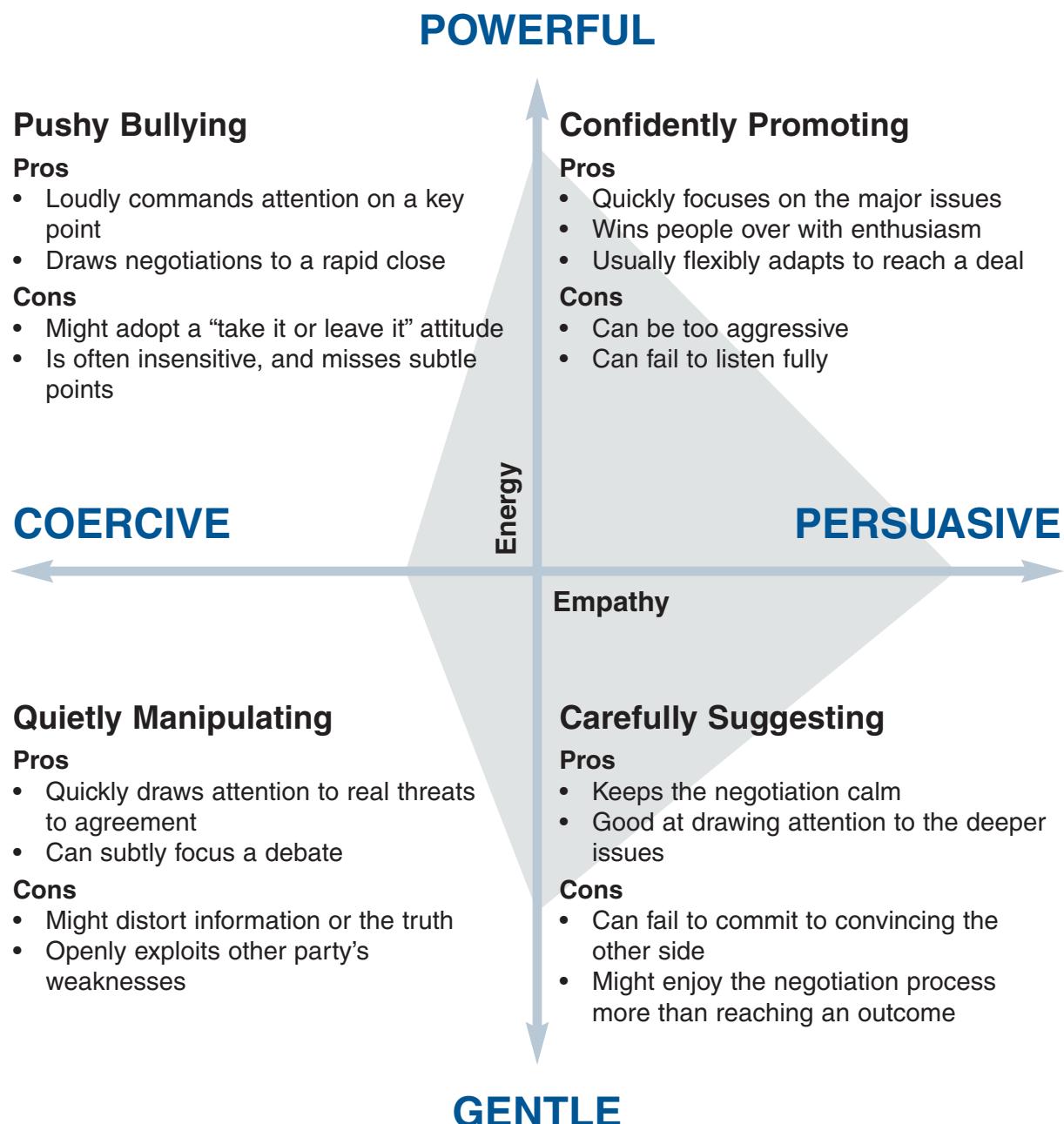
The model on the following page depicts four styles of communicating that are used in negotiations. The vertical axis describes the level of energy the negotiator can choose to adopt. It usually relates to "verbal energy" in terms of speaking (when the voice is louder, more enthusiastic, and faster), but also has non-verbal characteristics such as leaning forward, gesturing, etc.

The horizontal axis relates to the level of empathy that is chosen by the negotiator. This runs from coercive to persuasive.

The four styles result from intersecting these two axes. General pros and cons for each style are provided. Every one of these four styles can be adopted to different degrees in a single negotiation, to reflect the particular phase of the negotiation or as a response to information given by the other party.



Four “Communicating Styles” Used in Negotiating



Note: The shaded area illustrates how much of each quadrant is generally used by the most effective negotiators. However, each negotiation will require a slightly different emphasis, according to the circumstances.

▼ Trade

As suggested earlier, much of the negotiation process is about determining the value or worth of a particular outcome. If this is pretty clear and the transaction volume is high, there is no need for negotiation at all. However, such clarity is rare, therefore the negotiating parties must try to evaluate and prioritise what they want, and guess what the other party wants in return.

When negotiating, **everything we have to offer has a value**. In other words, even the most trivial of items or points should be seen to have some value. This value can't just be based on your own perception, as it may mean a lot more to the other party. Your research will provide clues.

The key bargaining rule is "**Never make a gift of any concession**." In other words, **give nothing away for nothing**. In addition, you need to adopt a reluctant conceding style – act as if everything that you trade is valuable and must be met with something of equal value or worth.

In language terms, the best trading approach to take is to use "if, then" to make offers and suggestions as often as possible:

- **"If I accept the marks and scratches on the product, then will you give me a two-year warranty?"**
- **"If I agree to a lower price by 15 per cent, then can you commit to another similar-sized order in six month's time?"**

In bartering or trading, your ultimate goal is to maximise the value of any concession that you make ("**I wouldn't do that normally, but with a lot more work on my part, I suppose I could...**"), while at the same time, minimise the value of concessions offered by the other party ("**Well, I suppose that is at least a little progress in the right direction**").

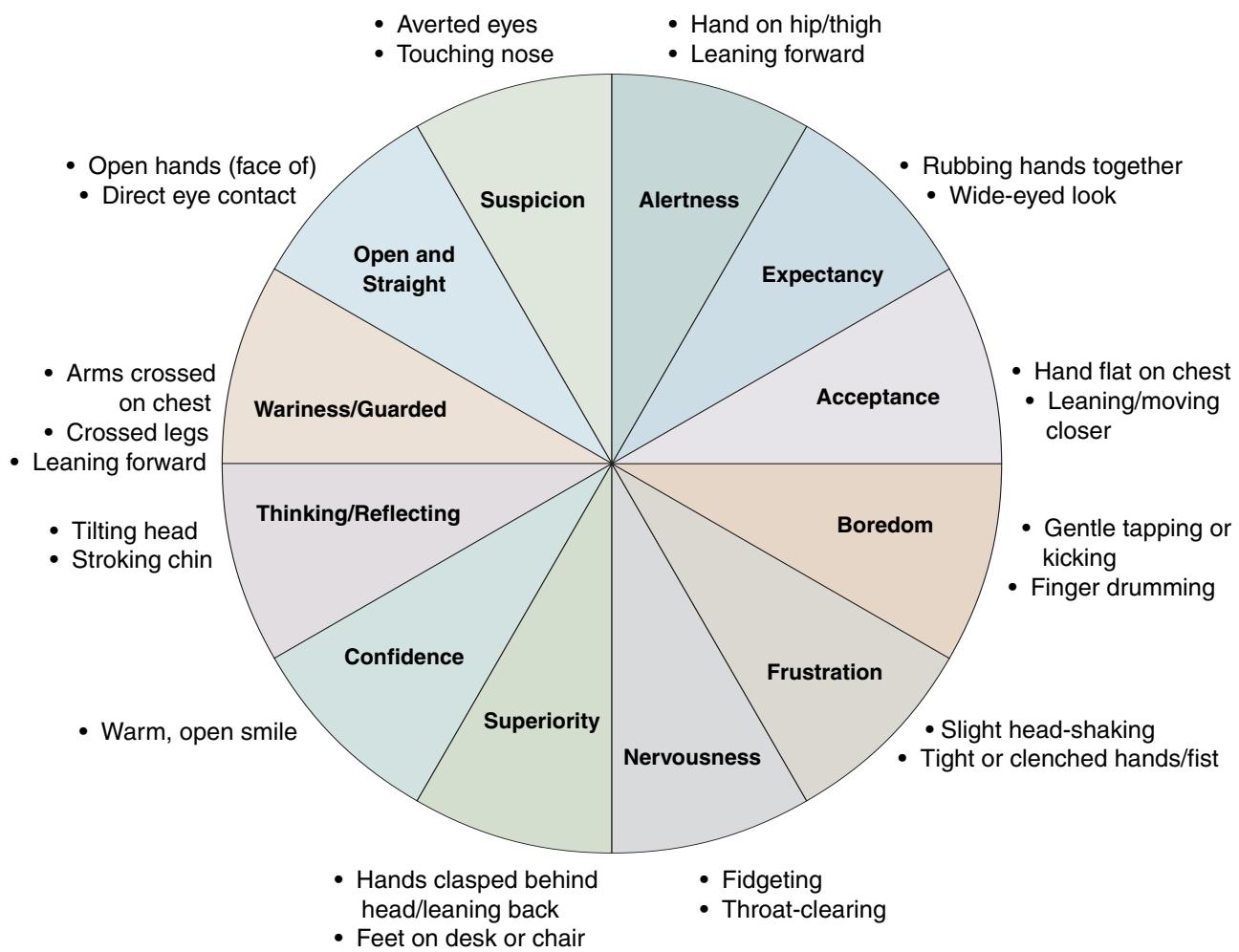
This isn't always an easy approach to take, and it will require high levels of credibility. You cannot reveal everything that is important to you, and not every concession offered by the other side is trivial or worthless. Strike a careful balance between the two and always recognise that any trading or exchanging process is a two-way street; both sides must make some kind of offer.



▼ Probe

Apart from words, look out for body language, as well as behavioural traits. At the same time, guard your own behaviour as the other party will also be watching you to see what your body language might inadvertently reveal.

The chart below provides some guidance on what to look for.



Always remember that experienced negotiators are probably able to fake their body language. Look for other clues wherever you can; such as the words they use and how they use them. Although it is easy to fake body language to gain a negotiating advantage, it is extremely hard to match words and body language at the same time. Looking for inconsistencies will help you discover what they really mean.

The Art of Questioning

It has been said that **the art of good communication lies in the ability to ask questions and to listen carefully.** This is almost entirely true of the negotiating process, whether you are trying to negotiate with a five-year-old in a few minutes or a 50-year-old for a few hours. In other words, your success is more likely to depend on how much you understand or learn from the discussion, rather than how brilliantly persuasive you are.

Summarising the discussion is a useful technique to keep control of the negotiation, but it is particularly useful as a negotiation draws closer to what looks like its final conclusion. Summarising allows you to move slowly to the careful question mode as a way of testing your understanding.

Asking good questions is an art that requires considerable practice. However, there are three basic rules that are useful to remember when asking questions:

- **Phrase questions with great care**
- **Use open questions that do not allow for yes/no or single-word answers**
- **Listen carefully to responses so you can probe with the next question.**

This final rule is extremely important (and often poorly implemented by negotiators). Probing questions should be asked in order to gather information and levers that can move the negotiation forward. Probing questions will usually ask:

- **Can you explain?**
- **Can you tell me more about...?**
- **How can this work?**
- **Why do you feel that way?**

All these questions are to get the other party talking and revealing more information.

Even if your probing is effective, it will count for nothing unless you are tuned in to the responses. Being tuned in means doing **active** rather than **passive** listening. Most listening is passive: we listen broadly, but we let our mind wander, guess what is going to be said, become distracted, etc. Active listening, on the other hand, involves a much higher level of concentration and focus, and a direct attempt not to become distracted. In this mode, you avoid making presumptions about what the other party probably means or assumptions about what they are likely to say. In simple terms, **your ears are open and ready to learn something, which could be to your advantage (and perhaps the other party's).**



Negotiating Ploys

People use negotiating ploys as they shift and adapt their negotiating position. As you move toward a potential agreement, there are eight negotiating response tactics that can be used by either side to gain advantages or to win a final concession before the close. Which one you use will depend on the situation.

Response Tactic	Description	Examples
1. Role Play	The negotiator adopts one or many different roles, which are acted out to confuse, distract, or even impress.	Plays happy-go-lucky, gangster, cowboy, comedian, etc.
2. Moving the Goal Posts	The negotiator changes the whole subject or negotiating ground to something that is more useful to him/her.	"Yes, we can talk about all that later – didn't you say you could get me tickets to the big game next week?"
3. Rope-a-Dope	The negotiator feigns weakness and inferiority to tease out all the key arguments from the other side before moving in with his/her points.	"I have no answer to that point. Is there anything else that just makes my position worse?"
4. Variable Pressure	The negotiator varies the pace and pressure of the discussion to evoke a better response from the other side.	Plays "good guy" one minute and "bad guy" the next.
5. Poor Me	The negotiator tries to evoke sympathy or concern from the other side by playing up any special situational disadvantages (and hopes to reduce pressure to get the other side to give up).	"If I give it to you for that price, my family will never forgive me – it's our vacation money for the kids."
6. Mr or Ms Angry	The negotiator deliberately over-reacts with annoyance or anger to a remark or statement made by the other side, and won't calm down.	"You what? How dare you insult me with such a remark – what game are you playing?"
7. Silly Question	The negotiator knowingly asks a silly question to slow things down, stall for time, or distract the other side.	"I wonder what the Martians would think if they could hear us now?"
8. No Way Out	The negotiator suggests or pretends that he/she cannot make a concession or move any further due to immense constraints.	"Sorry, I'm caught between a rock and a hard place – I don't have any options on this."

▼ Confirm

If you have been summarising what has been said or agreed throughout the negotiating process, summing up will be a simple and logical final step. Even if you haven't, it is imperative to clearly confirm the final deal.

To do this, describe the agreement in three ways:

- **Use simple and clear language**
- **Cover every point step-by-step**
- **Get tangible confirmation (in writing) that the other side agree.**

This isn't the time to try and "slip" something small which wasn't previously agreed to into the list (it will break trust and possibly send the whole debate back to the beginning). However, **it is the time to be firm, clear, and confident. Leave no room for misunderstanding or confusion.**

Once agreement has been confirmed, the parties should ideally plan next steps or implementation issues. This is important, because the deeds or the actions that result from the agreement are usually much more important than the words of the agreement.

Finally, when the negotiation is over, however short and simple it was, take time to stop and reflect on the strengths and weaknesses of your approach and performance. Make notes on what worked well and which areas you need to develop in, and then refer back to this booklet for ideas on how to further build your skills.

Remember to use the template on the following page to prepare next time you will be involved in a negotiation.



Negotiating Skill Building Template

