

# NEGOTIATION SKILLS

# What is negotiation?

- Negotiation is a process by which two or more people (or groups) resolve an issue or arrive at a better outcome.
- It is a way to avoid arguing (conflicts) and come to an agreement with which both parties feel satisfied.
- In other words, negotiation is a means through which differences can be resolved without getting into a dispute.
- Negotiations involve some give and take. By negotiating, all involved parties try to avoid arguing but agree to reach some form of compromise.

# Negotiation Styles

**3 basic styles of negotiation – Red style, Blue style, Purple style.**

- **Red (Competitive/Distributive) Style** – This style of negotiation focuses on winning and maximizing personal gain. Therefore, it is considered intensely competitive. Negotiators using this style aim to achieve the best possible outcome for themselves, often at the expense of the other party. They tend to be assertive, direct, and may use aggressive tactics to push their position. They are more likely to take a "win-lose" approach, where their success is directly tied to the other party's failure.

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- **Blue (Collaborative/Cooperative) Style** – This style of negotiation focuses on finding mutually beneficial solutions by exploring the interests of both parties and working together. Collaborative or Blue Style negotiators prioritize open communication, trust-building, and problem-solving. It is a "win-win" approach where both sides feel they have gained something valuable. This style is beneficial for maintaining long-term relationship.
- **Purple (Compromising) Style** – This style of negotiation focuses on finding a middle ground and reaching a fair agreement, even if it doesn't fully satisfy either side. This often involves each party giving up something to reach a balanced solution. Negotiators using this style believe in “win-some, lose-some” (Give-Get) principle. This style is considered a fusion of Red style and Blue style.

# Negotiation Concepts

- **BATNA (Best Alternative to a Negotiated Agreement)**
  - coined by Roger Fisher and William Ury in 1981
  - it means the best you can do if your counterpart refuses to negotiate on terms acceptable to you
- **WATNA (Worst Alternative to a Negotiated Agreement)**
  - the leverage the other party has over you in the negotiation process and works better for your counterpart than you.
- **ZOPA (Zone of Possible Agreement)**
  - range of prices within which both parties may reach an agreement

# Three essentials of a negotiation:

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- Goals (quantitative and precise)
- BATNA (the alternative to the deal if you cannot come to an agreement)
- The reservation price (the walkaway point that you will not breach and which you cannot reveal at any cost)

# Stages of Negotiation

1. **Prepare:** Research both sides of the discussion, identify any possible trade-offs, determine your most-desired and least-desired possible outcomes. Also determine where, when, with whom, and under what time constraints the negotiations will take place.
2. **Exchange information:** Each side should be allowed to share their underlying interests and concerns uninterrupted, including what they aim to receive at the end of the negotiation and why they feel the way they do.
3. **Clarify:** Both sides should justify their claims and continue discussion in calm terms till the point of understanding, esp. in case of disagreement

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4. **Bargain and problem-solve:** Both sides begin a give-and-take at this stage. Offers and counter-offers are made. The goal of this step is to emerge with a win-win outcome—a positive course of action. Emotions should be kept in check during the bargaining process.
5. **Conclude and implement:** Once an acceptable solution has been agreed upon, both sides should thank each other for the discussion. They should outline the expectations of each party and ensure that the compromise will be implemented effectively. This step often includes a written contract and a follow-up to confirm the implementation is going smoothly.

# Negotiation Skills

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- Negotiation skills are the abilities and techniques used to effectively engage in discussions, find solutions to problems, and create agreements between parties with differing interests, values, or goals.
- These skills involve thorough preparation, effective communication, persuasion, understanding the other side's priorities, and adjusting approaches based on the context to reach the most favourable result.
- Skilled negotiators listen actively, manage emotions, present their ideas clearly, and find solutions that meet the needs of both parties.

# Strategy of negotiation

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- Defining the roles of those involved
- Understanding the value offered
- Considering the vantage point of your counterpart
- Checking in with yourself

## References

1. “Soft Skills” by Gajendra Singh Chauhan and Sangeeta Sharma
2. “Negotiation” by Savya Sachi