**Negotiation** is a process where two or more parties with different needs and goals discuss an issue to find a mutually acceptable solution. In business, negotiation skills are important in both informal day-to-day interactions and formal transactions such as negotiating conditions of sale, lease, service delivery, and other legal contracts.

A negotiation is a strategic discussion that resolves an issue in a way that both parties find acceptable. In a negotiation, each party tries to persuade the other to agree with his or her point of view.

In advance of the negotiation, participants learn as much as possible about the other party's position, what the strengths and weaknesses of that position are, and how to prepare to defend their positions and counter the arguments the other party will likely make.

Good negotiations contribute significantly to business success, as they:

* help you build better relationships
* deliver lasting, quality solutions - rather than poor short-term solutions that do not satisfy the needs of either party
* help you avoid future problems and conflicts.

Negotiating requires give and take. You should aim to create a courteous and constructive interaction that is a win-win for both parties. Ideally a successful negotiation is where you can make concessions that mean little to you, while giving something to the other party that means a lot to them. Your approach should foster goodwill, regardless of the differences in party interests.

A good negotiation leaves each party satisfied and ready to do business with each other again.

# **Negotiation skills**

Strong negotiators master written, verbal and non-verbal communication. They adopt a conscious, assertive approach to their communication.

Good negotiators are: flexible, creative, aware of themselves and others, good planners, honest, win-win oriented, good communicators.

**Assertive communication**

## During a negotiation, you may choose to use a passive, aggressive or assertive communication style. Using an assertive style will help increase your chances of negotiating successful outcomes for your business.

Passive communicators are inclined to use ambiguous language, adopt under-confident body language, and give in to demands too easily.

Aggressive communicators take a confrontational approach that tends to alienate other parties and destroy negotiations.

Assertive communicators, however, are both confident and considerate. These communicators are more likely to keep discussion going and facilitate mutually beneficial outcomes. They adopt a strong, steady tone of voice. They are factual, rather than emotional or critical. They describe their views, starting sentences with 'I', rather than direct criticisms starting with 'you'.

## **Tips for effective negotiation**

**Don't:**

* confuse negotiation with confrontation - you should remain calm, professional and patient
* become emotional - remember to stick to the issue, don't make it personal, and avoid becoming angry, hostile or frustrated
* blame the other party if you can´t achieve your desired outcome.

**Do:**

* be clear about what you are offering and what you need from the other party
* be prepared - think about what the other party needs from the deal, and take a comprehensive view of the situation
* be consistent with how you present your goals, expectations and objectives
* set guidelines for the discussion and ensure that you and the other party stick to them throughout the entire process
* use effective communication skills including positive body language
* prepare for compromise
* strive for mutually beneficial solutions
* consider whether you should seek legal advice
* ask plenty of questions
* pay attention to detail
* put things in writing.
* **models of negotiation:**

1. **Win Win Model -**In this model, each and every individual involved in negotiation wins. No body is at loss in this model and every one is benefited out of the negotiation. This is the most accepted model of negotiation.

Let us understand it with the help of an example:

Daniel wanted to buy a laptop but it was an expensive model. He went to the outlet and negotiated with the shopkeeper to lower the price. Initially the shopkeeper was reluctant but after several rounds of discussions and persuasion, he quoted a price best suited to him as well as Daniel. Daniel was extremely satisfied as he could now purchase the laptop without burning a hole in his pocket. The negotiation also benefited the store owner as he could earn his profits and also gained a loyal customer who would come again in future.

1. **Win Lose Model -**In this model one party wins and the other party loses. In such a model, after several rounds of discussions and negotiations, one party benefits while the party remains dissatisfied.

Please refer to the above example once again where Daniel wanted to buy a laptop. In this example, both Daniel and the store owner were benefited out of the deal. Let us suppose Daniel could not even afford the price quoted by the storeowner and requests him to further lower the price. If the store owner further lowers the price, he would not be able to earn his profits but Daniel would be very happy. Thus after the negotiation, Daniel would be satisfied but the shopkeeper wouldn’t. In a win lose model, both the two parties are not satisfied, only one of the two walks away with the benefit.

1. **Lose Lose Model -**As the name suggests, in this model, the outcome of negotiation is zero. No party is benefited out of this model.

Had Daniel not purchased the laptop after several rounds of negotiation, neither he nor the store owner would have got anything out of the deal. Daniel would return empty handed and the store owner would obviously not earn anything.

In this model, generally the two parties are not willing to accept each other’s views and are reluctant to compromise. No discussions help.

Let us understand the above three models with an example from the corporate world.

Mike got selected with a multinational firm of repute. He was called to negotiate his salary with Sara- the HR Head of the organization.

1. **RADPAC Model of Negotiation**

RADPAC Model of Negotiation is a widely used model of negotiation in corporates.

Let us understand it in detail

Every alphabet in this model signifies something:

R - Rapport  
A - Analysis  
D - Debate  
P - Propose  
A - Agreement  
C - Close

**R – Rapport:** As the name suggests, it signifies the relation between parties involved in negotiation. The parties involved in negotiation ideally should be comfortable with each other and share a good rapport with each other.

**A – Analysis:** One party must understand the second party well. It is important that the individual understand each other’s needs and interest. The shopkeeper must understand the customer’s needs and pocket, in the same way the customer mustn’t ignore the shopkeeper’s profits as well. People must listen to each other attentively.

**D – Debate:** Nothing can be achieved without discussions. This round includes discussing issues among the parties involved in negotiation. The pros and cons of an idea are evaluated in this round. People debate with each other and each one tries to convince the other. One must not lose his temper in this round but remain calm and composed.

1. **P – Propose:** Each individual proposes his best idea in this round. Each one tries his level best to come up with the best possible idea and reach to a conclusion acceptable by all.

**A – Agreement:** Individuals come to a conclusion at this stage and agree to the best possible alternative.

C - Close: The negotiation is complete and individuals return back satisfied.