

# Negotiation deconstructed

Analysing the process and making the best deal

Patrick Forsyth



PATRICK FORSYTH

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# **NEGOTIATION DECONSTRUCTED**

ANALYSING THE PROCESS AND  
MAKING THE BEST DEAL

Negotiation deconstructed: Analysing the process and making the best deal

1<sup>st</sup> edition

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# THE AUTHOR

Patrick Forsyth is a consultant, trainer and writer. He has worked with organisations large and small and in many different parts of the world. He is the author of many successful books on management, business and careers and prides himself on having a clear how-to style.

One reviewer (“Professional Marketing”) commented: *Patrick has a lucid and elegant style of writing which allows him to present information in a way that is organised, focused and easy to apply.*

In this series he is also the author of several titles including “Your boss: sorted!” and “How to get a pay rise”. His writing extends beyond business. He has had published humorous books (e.g. *Empty when half full*) and light-hearted travel writing: *First class at last!*, about a journey through South East Asia, and *Smile because it happened* about Thailand. His novel, *Long Overdue*, was published recently.

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# 1 INTRODUCTION: COPING WITH THE COMPLEXITY OF THE NEGOTIATION PROCESS

*If you want a guinea pig you start by asking for a pony.*

*Annabel, aged six, quoted on the internet.*

The youngster quoted above, my favourite phrase descriptive of the negotiation process, apparently has some inherent knowledge or insight into what makes it work. It may stand her in good stead in later life because negotiation – bargaining to put it simply – is used in so many different contexts in both private and organisational life.

Negotiation, the process of making a deal and agreeing the terms on which it is arranged, is an important, and ubiquitous, business skill. It is essentially:

- **An interactive communication skill**, one that must be deployed in many different circumstances and at every level of organisational life. It is a close partner of sales skills, it is as much used on the other side of the sales process, in purchasing, and may need to be utilised in a wide variety of business dealings from union negotiation to corporate take-over and merger arrangements
- **A career skill**, in the sense that it is one of those skills – along with a number of others including being able to present formally, write a good report and manage your time – that many (perhaps most) people working in an organisation need. These skills are necessary not only to deploy in doing a job successfully, but are needed if someone is to be seen as fully competent; excelling in these areas enhances the likelihood of career success. Negotiation may also be needed to obtain the best deal – and remuneration package – for yourself.

Good negotiators are in a strong position to make a good impression and a good deal.

## 1.1 A MEANS TO AN END

A great deal can be riding on the outcome of a negotiation. Success can make money, save time or secure your future (and your reputation). To negotiate and do so successfully is to deploy a technique that can work positively for you in a host of different ways. The overall deal you strike may be vital, and individual elements of it can be significant, perhaps very significant. For example, without a little negotiation regarding the delivery date for the manuscript for this work, I could not have taken it on and would have missed the opportunity that writing it provides for me.

The techniques of negotiation are many and varied. It needs the right approach, the right attitude and attention to a multitude of details on the way through. Like so many business skills it cannot be applied by rote, its use must be tailored – intelligently tailored – to the individual circumstances on a case by case basis. It has elements of being an adversarial process about it and it needs handling with care, individual techniques may be common sense in some ways, but they need deploying with some sensitivity. You can as easily find that someone is running rings around you as that you are tying up the deal of a lifetime.

In this work negotiation is explained and investigated. The way it works is spelt out and is illustrated by a case designed to both demonstrate the process in action and show how achieving excellence at it can be helped by planning and analysis. To jump us straight into the process, the case comes first. Overall the book shows that it is not only important to be able to negotiate, but to be able to plan and manage the process in order to increase the likelihood of achieving the outcome you want.

## 1.2 A PERSONAL NECESSITY

Finally here it should be said that negotiation is a front line skill. It puts those undertaking it in an exposed position. It may involve people within the same organisation or outside it; much negotiating is traditionally between supplier and buyer. Whatever the precise purpose of negotiation, it is affected by the increasingly dynamic and competitive world in which organisations operate. For example, buyers negotiating arrangements with suppliers have considerable power and there is always a competitor waiting in the wings to pick up the pieces if a supplier fails to make a deal that is acceptable. Such competitive pressure also exists internally within an organisation and can affect all sorts of negotiation.

However much it may be a skill that needs to be deployed widely around an organisation, and which therefore many people should aim to have as a technique in the armoury, it is certainly a high level one. Senior management and leaders of many kinds must be good negotiators. If the skill is one that “goes with the territory” for you, then there is real danger in failing to get to grips with it; and real opportunity for those who make it their stock in trade.



## 2 CASE STUDY: HOW NEGOTIATION WORKS

The following scenario (based on an exercise conducted in training) is designed to show negotiation in action. The analysis of what is going on sets the scene for the following chapters and illustrates the value of being highly aware of the process and how it works in order to deploy it successfully.

### 2.1 THE BACKGROUND

First some information to set the scene:

Pat, a freelance journalist, writes articles, company material and does some public relations work. Working partly from home her business is thriving; so much so that she has decided that the now aging equipment she has at home must give way to a more up-to-date computer and printer. After some research she has decided on the equipment that will suit her, and has asked a salesman from an IT equipment firm to visit her to discuss the quotation he has submitted. Writing mostly on business topics, and meeting with many business managers during her work, something about professional techniques has rubbed off on her and she is determined to get a good deal. Jean needs to be considered too: Jean helps Pat on a part-time basis. She will also use any new equipment, and must be able to do so productively and successfully. Being older she is a little wary of what she sees as “new-fangled stuff”, though she now deals well with the existing machine. Pat wants to keep her happy and plans to make sure that the change is something of which she will ultimately approve.

John is confident of a deal. John works for Computer Clobber. He is an experienced salesman. He understands the equipment he sells; he is keen to make a sale and knows he must strike a satisfactory deal if he is to get the business. Indeed, from his previous conversation with Pat, he believes that she likes the package of equipment he has recommended; he confidently expects to conclude the deal at the scheduled meeting. He looks forward to receiving his commission. Pat sees two tasks ahead. First, she needs to sit down with Jean and discuss the matter. She has three reasons for this:

- To make sure that Jean feels involved. If Jean thinks the new equipment is something she helped select, then she is more likely to accept the change.
- Pat wants to check if Jean can think of anything that may affect the need they have for the equipment and what it can do.
- She wants to try out some thoughts about her meeting with the salesman.

Two heads are better than one. Pat is sensible enough to realise she must sit down quietly and prepare for the meeting. John does this for a living; she feels she could easily be taken advantage of, but is determined to get a good deal. Thereafter, with Jean feeling better about the change and with some notes to work from at the meeting, she is ready for the next stage.

## 2.2 DETAILS

The case study describes a, perhaps over simplistic, commercial situation to provide us with an illustration; certainly the product involved is selected to be easily understood. Such a process would be essentially similar in a non-commercial environment or where any two people must negotiate. In this conversation the decision to purchase has been made, provided Pat can get the sort of deal she wants. If not, she would be prepared to talk to another supplier. Below is what each protagonist plans to get from the meeting.

- *Pat wants to keep costs down:* Pat has debated long and hard with herself about what she can afford. It is very important to her to have something good. She wants the larger and faster of the two printers she has checked out. Above all she would like to minimise the cost. Yet by going into the matter she has realised there are additional items such as extra software that could be worth obtaining as well. The specifications in the quote include two additional software packages as well as what is bundled with the deal. Finally, a small point: she is worried about being away from her desk for any training that may be necessary.
- *John is confident of a sale:* John believes he is close to an order. The equipment seems to be exactly what is wanted and he has offered a reasonable deal. He has some leeway on price, either in terms of a reduction or juggling with other elements of the package, but wants a profitable sale. He sees it as the last part of the sales process rather than a negotiation. He is mistaken in this view and therefore not as appropriately prepared as he should be.

## 2.3 LOOKING OUT FOR VARIABLES

Various elements are used as variables during the conversation. These include: the equipment itself, the software, delivery and installation, training, payment terms, price and discount and even publicity. The principle of analysing what you do after a meeting and seeing what lessons there may be for the future – things to build on and things to avoid – help accelerate your experience.

The principle of analysing what you do after a meeting and seeing what lessons there may be for the future – things to build on and things to avoid – help accelerate your experience.

*Note:* Comments appear in italics periodically about the conversation as it proceeds. There are numbers marking various stages; these link to a checklist later in the chapter.

## 2.4 THE EBB AND FLOW OF NEGOTIATION

Let's make them comfortable (though maybe in reality a sales person would not visit for such a prospect). Imagine that John (J) is sitting in Pat's (P) office. The initial pleasantries are over, Pat has organised them coffee, and John now takes the initiative and turns to the business of the day.

J You got your quote then?

P Yes, thanks very much.

J I hope you found it interesting. *J tests to discover her initial attitude*

P Yes, indeed. I am not sure it is exactly right and I am comparing it with some others, but it was certainly clear. (1) *She indicates that she is looking at other quotes and hints that they are also good, perhaps better*

J I see. In what way is ours not quite right? *He attempts to clarify her last remark*

P Technically I am sure it is quite good. I am not a technical person (2), of course, but you seem to have reflected my brief well enough and I have no quibbles with that. However, I am after a total system. Not just the computer itself, but the software, printer and things like training as well. I think it's these areas you need to have a closer look at. *She begins to soften up John*

J I see, perhaps you would tell me where you see any particular problem? *He seeks further clarification*

P I think there are several areas. Perhaps you can take them one at a time. (*P prefers to deal with one thing at a time and in the sequence of her choice. She starts with the other equipment*) Let's deal with the ancillary equipment first. In your quote you recommend the faster of the two laser printers you discussed. As you know I really want the faster printer rather than the more basic one if I can, and also a separate hard disc unit to give me secure back up for my files – well for everything. I would also like to have desk top publishing software on the computer, not least so that I can liaise with a colleague who creates material on that system and extend my work portfolio.

Now this will certainly do everything I want – a Rolls Royce job in fact – but that printer does make the whole package more than I really hoped to spend (3) (*She indicates that the total is too expensive*). I am not sure that the extra software is essential anyway. I could manage without it for a while longer. So what I suggest you do is that you let me have the desk top publishing software on loan long enough to get trained in its uses, test it out and see how it goes. (*P asks for a concession, trading something she now describes as of low importance to her: the extra software*)

J It is just the additional software that you want on that basis? (*J asks a clarifying question*)

P Yes. If I do want to keep it then it will postpone the payment for that element for just a while and that means I can go for the better printer. See what I mean? (*This was always her intention*)

J Yes, I do.

P It won't be difficult for you to arrange that (4) I'm sure, and if I decide in favour you will get payment for it anyway in, say, six months. (*P minimises the difficulty the point may make for him*)

J Okay, I suppose I can arrange that. I'm pretty sure you will want to keep it anyway. (*He concedes what appears to be a small point*)

- P *(P confirms the concession and turns to her second point – more about software)* I expect you're right. Good, that's fine. Let's turn now to the question of the other software I would like. I would ideally like the graphics package, and the one that will do my accounts as well as word processing and the usual bundle of stuff. Would you be able to include those at no extra charge? *(...and asks for a concession)* They are not very costly but I must keep the overall cost down, as I've said.
- J You didn't include those in the spec you gave me, – or did you? *(J begins to resist)*
- P No, I'm sorry. *(She apologises, but repeats the request)* I hadn't been through all the literature at the time, but I can see they would be useful. It would make your overall arrangements much more attractive. (5)
- J It is an extra cost for us, though. *(J continues to resist)*
- P Not very much in terms of the overall cost. *(P persists, minimising the effect involved)*
- J Well, perhaps not. I guess I could let you have those if you go ahead. *(He agrees, albeit reluctantly, to include the extra software)*
- P And you will deliver that along with everything else and include a run-down on them in the training I need for the additional (graphics and accounts) software? *(She adds a request for a further small related concession)*
- J Well I don't know, it will extend the training time and... *(J realises he has given away more than he thought)*
- P But they are not much good unless I can work them. I am sure I will pick it up fast and it won't extend the time to any real extent. *(P presses the point and minimises the difficulty – of time and cost)*
- J All right. *(He agrees)*
- P I appreciate that. Now, what next? Ah yes, the delivery and installation. *(P offers a small note of thanks and raises her third point: delivery and installation)*
- J Well, that should be straightforward. Is that the last point? *(J attempts to get the rest of her shopping list)*

- P Yes. (6) Well, apart from training but I am sure that's no problem. It's all included and you agreed to run me through the other software. (*P belittles what is described as the last point*)
- J Yes, okay. What about delivery? Here I suppose? (*Reassured J goes back to the third point*)
- P That's right. I've ordered one of those desk units to house everything. Once I know which quote I accept I can get that and away you go. Your people do install, don't they? I don't want a pile of boxes dumped on the doorstep.
- J Yes, of course. Delivery and installation are all included.
- P And you will take away all the boxes and packing? (*P asks for a small extra*)
- J We don't usually do that. Can't you leave them for the dustman? (*Again J resists*)



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- P The residents association is a bit strict about that sort of thing and the chairman lives next door. In fact, he wants to come and see what equipment I get. If you can get all the boxes taken away I can possibly recommend you. (7) I believe he is thinking of replacing and extending equipment for his firm. (*P hints at future business prospects as a lever to obtain the concession*)
- J I'm still not sure that I can arrange that. Our despatch manager is very strict.
- P See what you can do, will you? (*The point is left hanging but P has a nice case to make to whoever delivers, "He said he'd fix it"*)
- J Okay, I will. Now what about training? If you decide to go ahead today, then I can get a date in the diary for you to visit the training centre. (*J tries to move to the last point and explains what needs to be done*)
- P And you think a day will be enough even with the other software included? (*P checks details*)
- J Oh yes, certainly. How about the week after next? (*J goes for agreement*)
- P Hang on, I was hoping you could get your trainer to come here. Would that be possible? (*P introduces another request for another concession*)
- J It is certainly possible, but there would be an extra cost. (*This time J is determined to give nothing away*)
- P You remember I mentioned earlier the other quotes I have? (8)
- J Yes.
- J One of the differences is that they are both willing to do the training here. It means I don't have to leave my phone unattended. That's important to someone working on their own. If you schedule the date well ahead it would minimise the inconvenience. (*P makes him feel uncompetitive just at the stage when he believes that everything is agreed, and also minimises the problem*)
- J Even so, we have a clear scale of charges for in-house visits and with what I have already agreed... (*J resists*)

- P I see the problem but it would be a pity to fall out at this stage. Everything else seems fine. May I make a suggestion? (*P stresses the closeness to a firm order*)
- J What, exactly? (*J tries to clarify*)
- P I have been asked by one of the office equipment journals (she names a well-known one) to write a feature on the writers' use of computers. If I buy yours I shall have to use it as an example – after all it will be the only one I've got! (*P makes the request seem to have clear compensations – she sells it*) If I promise to mention your company by name, do you think your boss would agree to the training being done here? It would be such a help. At least ask him, he might like the idea. Right? (9)
- J I can certainly ask, it sounds a good swap to me. Will you leave it with me? (*J agrees – conditionally*)
- P Yes, of course. See what reaction you get.
- J Right. So you seem to be agreed. We let you have the additional software on six month's loan, and I will work on the training being done here.
- P And on getting all the boxes cleared away – yes?
- J That's right, I nearly forgot. Can you go ahead on that basis? (*J aims to wrap up the deal*)
- P Yes, I think we can...but there is just one small thing. Again this is included in the other quotes. That's insurance. (*P raises a new issue – a "small thing"*)
- J What do you mean? (*J queries it*)
- P They offer a free years insurance as part of the package.
- J On the same machine and costing?
- P Not exactly, I suppose, but similar. (*P concedes that it is not like for like*)
- J You have to look at the overall deal, you know. With the price we have quoted and the extras there is no possibility of my matching that. (*J gives a firm refusal*)



- P Well, I suppose I have to accept that. Even so it is a bit of a disappointment. Your company offers the best arrangements in many ways, but even with the items you have agreed it is still not the most competitive. I take it you do want the business? (*P suggests that she is in fact being very reasonable...and raises a price objection*)
- J Yes, indeed we do.
- P Perhaps you would consider adjusting the overall discount to make up for my having to fix and pay for insurance separately? (*P changes to a new suggestion to save her money*)
- J I believe our original price was very keen. We do, as I said, want the order, but I don't really have any more leeway over the discount. (*J resists*)
- P I'm sure your price is keen, but as I said it is not the most competitive. (*P again reminds him he is in competition with other suppliers – she pauses to prompt a response*)
- J What sort of difference are you talking about?
- P To really make everything you have said add up to the best deal all round, I suppose the discount would need to go up by seven and a half per cent or so. (*P puts some numbers in the ring*)
- J That's a lot of money, the margins on this kind of system are not so great. (*J resists again*)
- P How far could you go? (*But P squeezes him*)
- J Myself? I think with what you have already agreed I could not go beyond four per cent at this stage. That would be my limit.
- P And how far could your company go at the next stage? (10) (*P takes him literally assuming that there may be more to go for and checks for the limit*)
- J At this stage was just a turn of phrase. Four per cent would be the company's limit. (*J is wise to that*)
- P No good me calling your boss, you mean? (*It seems an offhand remark, but P is checking his status and authority*)

J No, I'm afraid not.

P But you can go to four per cent more discount?

J Yes, I can.

P I hoped you would go to seven and a half per cent to match the others completely, but let's see what you have agreed. You will include the second drive and invoice after six months for the desk top publishing package at the current price, you will include the other software and find out about the training and the boxes and reduce the price by another four per cent. (*Here P belittles his offer, but checks through what is agreed to be sure her suggestions are agreed*)

J Yes, that's it.

P On that basis, I think we do have a deal. Would you like another coffee while you sort out the paperwork? (*Still in the driving seat, P closes the conversation, ensuring that the paperwork is completed before J has any change of mind*).

With this conversation in mind, we can review the outcome.

## 2.5 READING THE DYNAMICS OF THE MEETING

Pat had thought about what she wanted. She had considered the process that was to be involved. She did not expect the meeting to go exactly as planned, but used the changing circumstances to feel her way through it. She had firm objectives, but had to deal with a dynamic situation as the other party, of course, had their own intentions.

There are still loose ends but the deal has improved markedly. It may be that Pat is depicted as doing too well (to make a point here!); though no doubt the salesman has still got a profitable deal. She handled it well and deserved to win the majority of points. She certainly did better than others, approaching the same process less well prepared, might have done. You might imagine she did better than John expected, he perhaps departed the meeting muttering about customers getting more demanding by the day.

## 2.6 ADDING UP THE SCORE

The outcome might be summarised as follows. John gets his order, of course, but Pat wins a number of concessions:

- Six months loan of the desk top publishing package, and later payment for it at the current price
- Two additional, free, pieces of software
- The boxes and packing taken away on delivery (perhaps)
- Training at her home, rather than at the training centre probably, including more training than was originally indicated. (She could have opted to make her order conditional on this)
- An additional four per cent discount.

She has not managed to get free insurance, and has offered collaboration on an article, and tacitly promised a recommendation to a friend. In fact, Pat has saved enough to finance the printer she really wanted and still come out ahead. She led the process and worked through systematically. She was prepared. She negotiated. John, on the other hand, emerges sadder but wiser. He has the order, it may even be reasonably profitable, but he is no doubt saying to himself, *If only...*

## 2.7 READING THE SIGNS

All negotiation will have a sub-text of hidden meaning. Some words disguise the true feeling, some can draw attention to the fact that all is not quite as it seems.

The numbers in the preceding text indicate some examples of this, and below are related to possible real meanings.

## 2.8 TEXT NUMBER

1. ...it was certainly clear. (*But not exactly right*)
2. I am not a technical person...(*You can handle me easily*)
3. ...does make the whole package more than I really hoped to spend... (*I may not buy unless I get a better deal*)
4. It won't be difficult for you... (*A little flattery...*)
5. ...make your overall arrangement much more attractive. (*Without it, it is less or not at all attractive*)
6. Yes. (*For the moment*)
7. ... I can possibly... (*Nothing promised. No degree of likelihood*)
8. Remember...the other quotes. (*I'm not decided yet; don't lose the order at this stage*)
9. He might like the idea. (*And thank you for it*)
10. ...at the next stage. (*Can anyone else in your organisation decide differently?*)

## 3 NEGOTIATION: MAKING THE BEST DEAL

The child's quotation featured at the start of the introduction sums up the concept of negotiating superbly and in this chapter we focus specifically on how this key communication skill can be made to work. The following defines the process and reviews both strategy and tactics showing how to plan and conduct successful negotiations and secure the deal you want

Negotiation is a complex process. At least it is complex in the sense that it is an interactive process that involves a multitude of techniques. Perhaps the greatest complexity is that of orchestrating the overall process, managing it within the context of a meeting. The purpose of negotiation is however clear.

### 3.1 A SPECIAL FORM OF COMMUNICATION

Negotiation is a special form of communication and is best defined in that context. Communication is the basic process, the flow of information between people that informs, instructs and more. More important here is *persuasive communication*. This is designed to produce agreement and action in another person; as such this may have a wealth of applications including selling where the agreement is to buy something (see XX).

When persuasion has worked and agreement is there, at least in principle, negotiation may take over. It is concerned with the relationship between two parties where the needs of both are largely in balance. It is the process of *bargaining* that arranges and agrees the basis on which agreement will be concluded – the terms and conditions under which the deal will be struck.

Consider two simple examples. In the classic case of wage bargaining, the employer wants to reach an agreement (to secure the workforce and keep the business running), and the employees want an agreement (so that the process of negotiating is over, and they can get on with earning at a new, improved, rate). This process of balance defines the process. In selling, the first stage is to get agreement – from the point of view of the seller *to get what they want* – but beyond that, negotiation is what *decides the “best deal”*. Thus if you are buying a car, say, then the things that need arrangement are all those making up the “package” which goes beyond just the car itself. Such factors may include: the finance, discounts, extras to be included with the car (air-conditioning, perhaps) that are not standard, delivery, trade in of an existing vehicle etc. The conversation will range around a possible point of agreement, from a starting point – *initial stance* – to the ultimate *point of balance*. To be clear: the initial stance is the starting point or first offer in a negotiation, one that is almost always pitched high, sometimes clearly unreasonably high. The point of balance is the point where the “deal” can be agreed by both parties, though it may not reflect the best hopes of either.

### 3.2 THE APPLICATION OF NEGOTIATION

The applications of negotiation are wide; they include being used:

- As part of the sales process (by both buyer and seller); ditto persuasion
- Between individuals for primarily personal reasons (e.g. negotiating a pay increase or remuneration package or “discussing” with your boss when you might go on holiday)
- In wage bargaining (as between an employer organisation and a union or staff group)
- In political circles (as in treaties between governments)
- Internationally (either between individuals or organisations in different countries or literally on a world-wide basis – like the recent talks about measures to combat global warming)
- In corporate affairs (takeovers, mergers and a variety of alliances and collaborations, sought or forced by circumstances)

It often involves a financial element (though it may not) and can involve two people or groups of people and take place at every level of an organisational hierarchy. Finally it may be momentary and minor – *if you can deputise for me at tomorrow’s meeting, I can give you a little longer on that deadline we spoke about*; but still need getting right.

### 3.3 THE NATURE OF NEGOTIATION

Negotiation is characterised by various factors:

- It is an interactive and balanced process and one where the outcome must, by definition, be agreeable to both parties (though that does not mean both parties will necessarily regard the outcome as ideal); this is usually referred to as the **win-win factor**. In win-win negotiation the best negotiating outcome is one in which both parties are satisfied and, while they may not have what they would regard as the ideal “best deal”, they do have an agreement with which they can feel comfortable, and one that allows a good working relationship to continue if necessary.
- An adversarial element is inherent within the process as each party vies to get the best deal that they can. Keep in mind sayings like that of Ashleigh Brilliant – *I always win. You always lose. What could be fairer than that?* This aspect must be kept in check, if it gets out of hand negotiations may deteriorate into slanging matches with both parties making demands to which neither will ever agree so that the whole process is stillborn.
- A major part of the process of bargaining is one of *trading*, in other words as the terms and conditions are discussed – the variables as they are called – they must be traded to create a balance on an *if I agree to this, you will need to let me have that* basis. More of this later.
- A fair amount of give and take is necessary, and the to and fro discussion takes time; negotiation cannot be rushed (this is particularly so in some cultures, for example in the east).
- A ritual element is involved, that is negotiation must be seen to be being done justice to the task it addresses; time is one element of this, as are a variety of procedural matters.

### 3.4 THREE KEY FACTORS

The process of negotiation involves juggling with three key factors: information, time and power. Consider these in turn:

- *Information*: the old saying that information is power is certainly true in negotiation. Both parties want to know as much as possible about the other – the person (or people), their needs, priorities, intention and approach. A better understanding on one side or the other allows a more accurate deployment of the skills and gives that side an incontrovertible advantage.

- *Time*: this is always a pressure and urgency and specific deadlines may be imposed on any situation, often coming from outside the control of the person negotiating. For example, someone's boss may be imposing tight timing (for reasons explained or unexplained). Similarly, circumstances may affect timing, for example in the way the publication of a company's annual accounts – announcing record results – might make concluding a pay deal ahead of the announcement a priority for management. On the other hand, time and timing is one of the raw materials of most negotiations and it is said, with some truth, that there has not been a deadline in history that was not negotiable.
- *Power*: many factors can add weight – power – to the ability to negotiate. The phrase about “having someone over a barrel” picks up this point, it means power is very much on one side. Power stems from two main areas:
  - *The power of precedent*: this is the equivalent of the “self-fulfilling prophecy” – we know something cannot be done because a certain past experience tells us so. The result? We avoid even raising an issue and the power moves to the other side. Negotiation demands an open mind, a thorough search for everything that might assist – taking a chance or a risk is part of the process and doing so and addressing every possibility regardless of precedent gives us power and improves the chances of success
  - *The power of legitimacy*: this is power projected by authority. Peoples' attitude to what can be negotiated comes, in part, from where and how they see something originate. For example, even something as simple as a form or a notice is often taken as gospel. Checking into a hotel, how many people do other than fill in the complete registration form? Very few, most take it as a given that it must be done, yet, in my experience, if you ask then often a few key details are sufficient. The point here is that the authority may be real or it may be *assumed or implied*. In other words power is intentionally invested in something to give it more power and make it weigh more heavily in the balance. This may be very minor. Someone says – *that would be against policy* – and suddenly someone else feels less able to challenge it. Even when both parties understand this, the principle still adds an additional element to discussions that, all the time, must assess the real power being brought to the table as the meeting proceeds. Thus a case has *legitimacy* if is supported by factual evidence; the better the evidence, the higher the legitimacy and the stronger the case. Additionally, power comes from the legitimacy of factual evidence.


### 3.5 A CONSTRUCTIVE PROCESS

It is now worth looking at things from the other side and considering what negotiation is not. It is not an argument. A complaint makes a good example. Say your fridge is acting like a microwave oven and you go into the shop that supplied it to state your grievance. That is not negotiating either. It may produce an apology, but what you want is action. There are numbers of things that could be done (ranging from swapping it for a new machine today no questions asked, to getting in touch with the manufacturer, the latter implying a delay of indeterminate length). The mix of action, timing, recompense etc. needs negotiating.


So negotiation demands that proposals are made and discussed. In the simple example above, negotiation can fail not because it is done badly but because it is avoided and not done at all. The situation is then likely to turn acrimonious and argument is all that ensues.

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At the end of the day all the parties to negotiation need to understand its nature. It may be adversarial, but we are aiming at a mutually agreeable outcome – what has already been referred to as a *win-win outcome*. If one party goes headlong for the best deal regardless, the likelihood is that they will push the other into a corner and that they will feel unable to agree to anything; the negotiation stalls. If both parties accept that some compromise is necessary, then the outcome is likely to be better for both. Thus negotiation is about seeking common ground, relating to the other person and their concerns, participating in to and fro debate, but not insisting on a totally rigid agenda. It means asking questions – and *listening* to the answers, disclosing information (to some extent), openly stating a point of view, building a relationship and treating the other person with respect.

Negotiation must aim throughout at agreement and actively act to avoid stalemate. If persuasion answers the question *will this person agree?* – then negotiation must address the question *on what basis will this person agree?*

Above all, understanding and utilising negotiation requires:

- A basis of sound, effective communications skills (because negotiation is a specialist form of communications)
- An understanding of the role of negotiation (because it is almost always part of a broader picture, for instance one that starts with persuasion)
- The ability to orchestrate a plethora of techniques and relate what is done to the particular meeting and circumstances (in other words this is not something that can be applied by rote)
- A sensitivity to the people involved as what is done must be based on an understanding of them and their needs.

Already we see that negotiation, a specialist form of personal communication, and one that often goes hand in hand with selling, can secure a deal, obtain the best financial outcome and provide the basis of good business and personal relationships; but it must be done right.

Next we set out an overview of how negotiation works, and review this in two main sections: first looking at the process, then at the tactics it involves.

## 4 NEGOTIATION: THE PROCESS OF MAKING THE RIGHT DEAL

Let us be clear. Negotiation and persuasion are different things. They are certainly interrelated: successful persuasion gains agreement to action (to agree a purchase, perhaps), negotiation is concerned with identifying, arranging and agreeing the terms and conditions that accompany agreement. Thus persuasion and agreement must logically come first. People do not waste time negotiating about something that they have no interest in. That is not to say that prior agreement is always openly stated, it may well not be – and in this way persuasive communication and negotiation merge with an imprecise line between them.

Negotiation is a very particular process, characterised in a number of ways.

- First it is complex. The complexity comes from the need to orchestrate a many faceted process rather than because of anything individually intellectually taxing. But you need to be quick on your feet as it were to keep all the necessary balls in the air, and always see the broad picture while concentrating on individual details.
- Secondly, while negotiation is not to be treated as an argument (if it is, then an impasse usually results), it *is* adversarial. Both parties involved want the best deal they can obtain. Yet compromise is essential: stick out for a perfect deal and the other party may walk away. Give way too easily and you may well regret what is then agreed. Both must be satisfied with what they do agree (the win-win option).
- Thirdly, there is a ritual aspect to negotiation. It is a process that needs to be gone through. It takes time. There is to and fro debate, and a mutually agreeable solution needs to be seen to be being sought out, as well as actually taking place. Too much haste, a rush for agreement or a take it or leave it approach can fail less because the deal it offers is unacceptable, more because the other party does not feel that the process is being taken seriously. People look for hidden meaning, believe that something better must be possible and again the outcome can be stalemate.

Because of these factors the best negotiators are at pains to take the broad view, to understand the other person's point of view and what they are trying to achieve and why. Because the process of negotiation deals with a complex mix of issues and motivations, the way this is handled, not least the confidence with which it is seen to be handled, is important. The negotiator who seems confident, has an ability to deal with all the issues logically and to manage the overall process as well as picking up the detail, commands respect. How do you get on top of it all to this extent? Well, apart from having a clear understanding of the process, the key is preparation. It stands repeating: successful negotiating does not just happen; it is rarely possible to "wing it". Negotiation is not something most of us can make up as we go along. Remember the well-known saying of Abraham Lincoln: *If I had nine hours to cut down a tree, I would spend six of them sharpening my axe.*

#### 4.1 FIRST THINGS FIRST

Successful negotiation begins with preparation. The rule here is simple. Do it. Preparation may only be a grand term for the age-old advice that it is best to engage the brain before the mouth, and it may take only a few minutes. Of course, at the other end of the scale it may mean sitting round the table with a few colleagues thrashing out exactly how to proceed with something. Whatever the necessary scale the rule is that it should always happen.

It is particularly important to have clear **objectives**. That is having a clear specification – the *result* you want from the negotiation spelt out: what it is, its timing etc.

If it is said simply that, "we want the best deal possible" this provides nothing tangible with which to work. There is all the difference in the world between an author saying, "Let's see if the editor will pay me more for my next piece of text" and setting out "to obtain a ten per cent increase in the fee". Planning should be designed to produce the equivalent of a route map, something that helps shape the meeting. You know you cannot anticipate everything. With people it is just not possible to predict exactly what will happen. Your plan should, however, provide both an ideal route forward and a basis that will assist you if things do not go exactly to plan.

A final point here may also encourage you to spend a moment in preparation. You need not only to be prepared, but also to *appear* well prepared. If it is obvious you are not, if it seems you are unfamiliar with the issues – and more so if this is so – then it is more likely someone will run rings round you.

Preparation is the foundation to success and insurance against being outclassed.

Bearing all this in mind, it is logical that the choice of who will undertake negotiation in particular circumstances can also be important, just as it makes a difference who will do best given a sales role for instance.

## 4.2 THE CORE ELEMENT

The core of the negotiation process revolves around what are called **variables**: those factors that can be varied and arranged in different ways to create different potential deals. Thus in negotiating price for example, the price itself is clearly a variable, but discussion may involve associated matters such as payment terms, extras (e.g. with a product such might range from delivery to service arrangements to credit) and other factors such as timing and staffing; and more.

The overall rules here include:

- Aiming High – going for the best deal possible
- Discovering the full list of variables the other person has in mind
- Treating *everything* as a potential variable
- Dealing with detail within the total picture (rather than one point at a time without reference to others)

Your use of the variables must increase the power from which you deal. You can use them in various ways. You can prompt attention by offering reward: something you are prepared to give. Conversely you can offer punishment: by flagging your intention to withhold something. Your case is strengthened, given power – or legitimacy in the jargon, by being linked to authority or supported by factual evidence. Similarly the use of **bogeys**: that is red herrings, elements that are apparently a significant part of the negotiation, which are only introduced to distract or confuse the issue. They are peripheral factors included only to distract or seek sympathy (e.g. statements such as – *that's beyond our control*) aiming to stop questioning in its tracks regardless of its truth and thus acting to add power.

You have to rank the variables, both in preparation, and during the negotiation when realistically some fine-tuning may be necessary. There will be, at the very least, some things that are:

- Essential: you cannot agree any deal without these points being part of it
- Ideal: what you intend to achieve (and the priorities, because there may be more of these than it is realistic to achieve)
- Tradable: in other words those things that you are prepared to give away to help create a workable deal.

The concept of **trading variables**, the process of deciding how factors are decided and agreed in relationship to each party to the negotiation, is key to the whole process of negotiation. It is important never to give anything away.

**Concessions**, a variable that is offered to the other party (usually in a way that balances the total picture), as part of the to and fro process of agreeing a total arrangement of variables must be traded. For example an external consultant might say – *we can certainly make sure all rail travel cost is second class, but we do need to add a little to the fees for the time taken.*

Overall, the variables are exactly that: variable. Imagine a balance – negotiating parties are weighing up the deal they will, or hope to, get – with each variable represented by a block shape. As the negotiation proceeds, the shape of each, and thus the overall balance, changes until each side represents what someone can accept, with one probably a better deal than the other.

In this trading, the value of every concession must be maximised when you give it – and minimised when you accept it, so that the trading drives the balance in the direction you want. Thus saying:

*I suppose I could do that, though it will make more work, but okay*, makes it seem that what you are agreeing is worth more than perhaps it actually is. While saying: *I would never normally do this*, implies that you are making an exception in their favour. Similarly saying: *Well, I suppose if I do that you won't need to...* amplifies the effect that the concession seems to have for them.

Clearly the way such things are said, perhaps incorporating a degree of exaggeration, in turn affects their reception.

It is similar with how you minimise the other parties' concessions. These can be:

- Dismissed – *Fine, now next...*
- Belittled – *Well, that's a small point out of the way*
- Amortised – *I suppose that saves a little each month*
- Taken for granted – *I would certainly expect that.*

Or, in fact, treated in any way to reduce them in power by the way they are accepted and referred to during the discussion.

So, the discussion has to be planned, directed and controlled. The confidence displayed during it is a significant factor (and links back to preparation). You must be clear about what you want to achieve. If you utilise every possible aspect of the discussion and treat everything as a variable, and deploy appropriate techniques to balance the whole picture and arrive at where you want to be (or somewhere close) – then you will be able to achieve a reasonable outcome. Remember the win-win scenario. The job is not to take people to the cleaners. If you are only prepared to agree something that is weighted heavily in your favour, then negotiation may break down and no agreement at all may be concluded. Sometimes you need to be prepared for this. There is often a minimum arrangement below which you are unprepared to go, and sometimes walking away rather than agreeing something you are not prepared to live with is the right decision.

Sometimes even if you have someone over the proverbial barrel a widely skewed deal is best avoided. You need to think long term. What will screwing them into the ground make you look like? What are the future consequences of forced agreement? What may happen next time when you do not have quite so much strength to bring to the party?

### 4.3 TECHNIQUES TO ADD POWER

Describing the process thus far has omitted one important aspect, and that is the individual techniques that can be brought to bear. A confident negotiator may use a number of ploys to enhance what they do. Some are simple. For example, the use of silence, which many find embarrassing, to make a point or prompt a comment. Too often someone will ask something like how important is this to you? They wait a moment and then continue – *well, I'm sure it must be an important factor, now let's...* They produce no real impact and, more important, no information by so doing, indeed silence may be joined by embarrassment. Wait. You can wait a long time if necessary (count to yourself to try this, you may well find that the pause that worries you and makes you feel you must continue speaking if they will not is only a few seconds; it just seems long). But using – really using – silence is one particularly significant ploy in negotiating.

This kind of element – negotiating tricks of the trade if you will – can enhance the process, turning a routine discussion into one that moves purposefully towards achieving your objectives. It is to this we turn next.

## 5 NEGOTIATION: THE TACTICS OF NEGOTIATING: KEY TECHNIQUES

Next we review ways of bringing control and power to what you do in aiming to strike a deal.

That negotiation is a complex process, certainly in the sense that there are many things to work at together if you are to make it go well, is clear. It was noted earlier that at its core it is an adversarial process, though balance is important and the concept of a “win-win” deal that both parties can walk away from with some satisfaction is important. Much of what must be done revolves around the trading of variables – a process of “if you will do this I will do that” – which must take place for an acceptable balance to be reached. Such is often prompted by **What if questions**, that is a specific aspect of negotiation, the process where adjustments are made by making suggestions that offer new ways of rebalancing matters – *What if...I do this and you then accept (or do) that*. Complex negotiations involve a good deal of this.

On the way, techniques and the careful deployment of various behavioural factors (with everything assisted by judicious preparation) can make or break your success.

With clear objectives in mind and an overall plan you can begin discussions. An agenda is sensible for any complex meeting. There is some merit in being the one that suggests one, albeit as something helpful to both parties. If you say something like: *We might find it best to...* followed by an outline of how you want things to run (though *not*, of course, stating it as helpful to you) this sets the scene. Though it must be born in mind that this has something of the “laying all the cards on the table” feel to it, so you may want to judge its precision and comprehensiveness carefully to allow you some flexibility.

With discussions under way, a variety of techniques can be used. None may be a magic formula, but together they add substance to how you are able to work. Being prepared to hold a silence (as mentioned earlier) is a good example. Other such devices include:

- *Keeping track*: never lose the thread or your grip on the cumulative details, it helps to summarise regularly and to make notes as the meeting progresses
- *Being seen to be reasonable*: you can keep the perception of your attitude and of progress to date positive simply by the tone of voice and phrases you adopt: *that's a good point – good idea, let's do that, it should work well*

- *Reading between the lines*: nothing may be quite what it seems – or sounds – and you need to watch for “danger phrases” from the other side, e.g. *that’s everything* (meaning “everything – for now, but there are more demands to come”), *right, that’s good all round* (“and especially good for me”)
- *Focusing on the arrangements*: if you want a deal, then you must proceed as if there is potentially one to be had, making it sound as if you may not proceed at all casts doubt on the whole process
- *Concentrating*: keep thinking and run the conversation to allow this, building in pauses if necessary, e.g. say *Let me think about that* and pause, make a telephone call – whatever. But never be rushed ahead on an ill-considered basis
- *Considering matters in the round throughout*: be careful not to go for final agreement only to find out that the other party is still introducing new issues; there is a particular danger in agreeing to parts of the proposition one by one and then finding you are left with nothing to bargain with towards the end
- *Always regarding timing as a variable*: deadlines, duration and every other aspect of time are almost always negotiable
- *Always questioning what is described as fixed*: what seem like constraints can often be made into variables and included in the trading.

Any such list (and it could well be extended) quickly makes the point about the juggling trick that negotiation usually presents. The principles are individually straightforward, but there are a fair number of them so the orchestration of the whole process needs skill and benefits from practice. It is important therefore to keep control. Containing emotions if necessary, and certainly remaining neutral, organised, not being rushed and being prepared to question matters as they are introduced, is vital.

Overall you should aim to – *run the kind of meeting you want, and create one that the other party will see as business-like and acceptable.*

The list above makes clear both the complexities of negotiation and the opportunity presented by attention to detail. One element of technique overlooked can affect things drastically. Consider a buying/purchasing situation (particularly one of some complexity and high value – such as might take place as a construction firm sought to purchase machinery and parts). If either party is dilatory in taking notes, then two things may happen. First, they may miss some detail and, proceeding without it, make less good arrangements than might otherwise be the case. Or, secondly, if they check, they get the detail but the other person now knows something new about them – that they are not concentrating or managing the detail as well as they might – this alone may give them added confidence and allow them to score points that they would not do otherwise.



It makes the point that a key word to apply to the negotiation process is *fragile*.

Details matter, of course both ways, one person's slip up is another's opportunity. The link here with preparation is again clear. Being well organised, having thought it through and having a handle on how you will orchestrate all the different, and often disparate factors, is crucial. And it is not only the details to be negotiated that must be born in mind; so too must the process. Consider a classic historic example: In Britain's famous "winter of discontent" when the miners went on strike – it was, as much as anything, Sir Edward Heath's refusal to negotiate, making a "take it or leave it offer" and refusing discussion that created ill-feeling and extended the strike. The union, not unreasonably, simply did not believe him – that is not how negotiation works – they conducted themselves on the basis that it could not be the final offer. Result deadlock.

Negotiation works best between professionals, when both parties accept the need for the process and take it seriously.

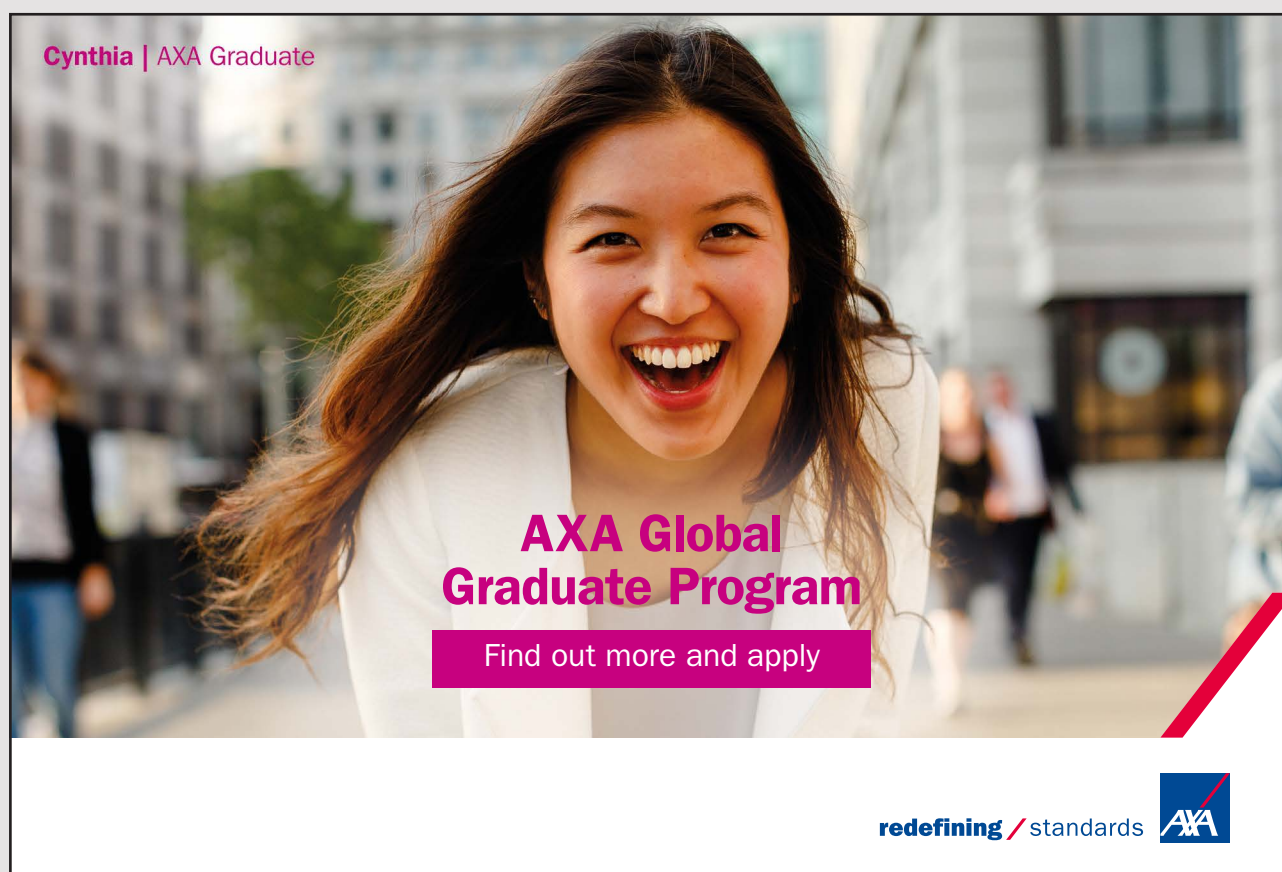
Remember that any confidence and professionalism you project will position you as someone to be respected, and that in turn may prevent certain more outrageous demands even being voiced. For instance, refusing to get hung up on something (even though it is, for you, a key issue), but rather being prepared to bypass it – *to avoid getting bogged down, let's leave that, it's not so important, if we discuss so and so next we can pick it up later* – can impress. And so too can remembering to slot it in later, picking it up at an appropriate point (though the other party may hope it has been forgotten) and dealing with it in a different way to avoid stalemate.

## 5.1 INTERPERSONAL BEHAVIOUR

The thoughts above, keeping control, with emotion under wraps and so on, bring us naturally to the behavioural factors involved. Again there are many, but the following are selected to give a feel of how they affect matters:

- *Disguised motivation*: consider spelling out your true meaning and asking others to do the same. It is possible to have so much double guessing going on – *why are they asking that?* – that no one knows what is happening
- *Advance warning*: the above can be helped by what many refer to as clear "**signposting**", that is the technique of flagging ahead something of what is to come describing either the topic or the nature of the next comment. For instance, this latter might be as simple as starting something *For example...* making it clear that it is one amongst several options.


- This is best done positively – *It might help meet the timing considerations if...* so that it is clear why a suggestion is being made. Negative signs ahead of a counter argument are often just a cue for the other person to stop listening as they begin to marshal their response – *I'm not letting them get away with that, I'll suggest...*
- *Tactics to disrupt*: it should be recognised that not only is all fair in love and war, but that negotiation can be regarded as coming into this category also. Some – many – things are done to throw you (and you may want to act similarly). Examples include throwing out a smokescreen of many demands with the intention of getting agreement to one key one hidden amongst others that are, in fact, less important. Or the use of flattery or coercion, a (contrived) outburst of anger, disbelief or outrage, pretended misunderstanding, playing for time (or imposing an unrealistic deadline on discussions), and more.
- *Giving nothing away*: meant here in the sense of poker playing impassiveness. If you sound firm, you must look firm – even if you are wondering what on earth you can do next. There is a link here with body language, which, while something of an uncertain science, may be worth a little study.



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On the other hand, rather than disrupting, some points need to be powerfully made and are in the nature of attack. If this is the case then it is important not to allow people to be put on their guard. This may be easily done, perhaps out of sheer politeness, with a circumspect statement like – *look, I'm sorry to insist but this really is something I must handle carefully*. There are things about which we must be much more direct – *It is impossible for me to go that far*. Full stop.

## 5.2 KEEPING ON TRACK

Negotiation is just a special form of communication. So all the rules of good communication apply if negotiation is to be successful, and some of them are key.

Taking the need for clarity as read (if not always faultlessly achieved!), perhaps two are key. They go together and are listening and asking questions.

- **Questioning:** successful negotiators never try to proceed on the basis of hunch or assumption. If something is said that might be ambiguous, then they check it. Whether it is better to do this head on or obliquely is a question for individual circumstances, and both will have their place. But, one way or another, negotiation must proceed on the basis of clear understanding. Ask. Use open questions (i.e. those which cannot be answered “yes” or “no”) as these are most often best at obtaining information quickly and precisely. Get people talking. Pursue their real meaning and feelings, if necessary with a series of linked questions and build what you discover into the plan you have made, adjusting how you implement it and fine-tuning as you go.
- **Listening** is equally important. The great danger is to allow your mind to wander, albeit constructively, as you think ahead, when in fact this is not useful unless you have first picked up every detail and every nuance of what is said. There is no harm in being thought of as someone who misses nothing, whether on or between the lines. People are more careful if they think they are negotiating with someone who is confident and professional. Listening seems obvious, yet needs working at, and because it makes a real difference some consideration of how you can make sure it is effective is worthwhile (see Chapter 6).

As the variables are juggled to and fro, remember that there will be an intention behind everything said and done. If, early on, someone repeatedly says that some element of the discussion is not negotiable it could mean just that. Or it could mean they hope to persuade you not to seek to use it as a variable even in a small way, even though they would be prepared to do so if pushed. If so, then a good tactic is to leave it on one side, gain agreement on other issues and establish a rapport with them before going back to test just how strong the resolve about it is in the face of an attractive agreement developing. If someone reacts with shock, horror and surprise to a suggestion, you may have genuinely taken them unawares. Just as likely they hope to agree a rapid concession on the back of their exaggerated response. If so, then ignoring the tenure of the first response, and asking for a more considered comment might provide a better basis on which to move forward.

Such ploys and responses are the nuts and bolts of negotiating. Their permutations are virtually endless. But whatever form they take, they are better dealt with from the firm foundation of a considered understanding of the negotiation process and how it works. For some people in business, one aspect of the profile of an individual may well be how they are seen as negotiators. Again this can take many forms. It might be the admin department, seemingly with no feel for commercial details, securing an especially keen deal with a supplier. It might be the sales person boosting profitability with a keen deal. Or it might be an accountant who, impressing a client with the apparently effortless professionalism with which they strike a deal on their behalf and in their presence, raises their profile sufficiently to prompt the client to allow them to act on their behalf again on other issues. In many different circumstances negotiation can achieve a variety of different things – both corporate and personal.

Overall, the key things to remember are that you must:

- *Cope with the complexity:* and this means having a sound understanding of how the process works
- *Manage the discussion:* and this means taking time to prepare and keeping a steady hand on the tiller as it were throughout the discussion
- *Focus on the other party throughout:* because everything about what you do needs to be based on as good an understanding of the other parties' needs, style and tactics as you can discover (both before and during discussion).

### 5.3 THE SCOPE OF NEGOTIATION

To negotiate successfully you must see the process in the round, take a broad view and continue to do so throughout the process. This means you must have a good grasp of the principles that are involved, for it is that which allows you the opportunity to orchestrate and fine-tune the process as you proceed. Small adjustments as you progress can make all the difference.

Negotiation is a big topic, so here are two checklists designed to encapsulate the essentials that make the process work in practice so much as space permits.

#### **Checklist 1:** *Summarising the principles*

1. Definition: negotiation is about bargaining to reach a mutually agreeable outcome. This is the win-win concept.
2. Never neglect your preparation. Have a clear plan but remain flexible.
3. Participants must regard each other as equals. Mutual respect is essential to both conduct and outcome.
4. There is a need to abide by the rules. Negotiation is about discussion, rather than debate. There is little place for overt one-upmanship or domination, yet each must fight their corner.
5. Put your cards on the table, at least on major issues. Do not pretend powers or state intentions that are untrue.
6. Patience is a key characteristic of the good negotiator. Take your time; do not rush discussion or decision-making. Delay is better than a poor outcome.
7. Empathy is vital. Put yourself in the others shoes. See things objectively from their point of view.
8. State clear objectives. Being open early on about overall intentions can save groping in the dark.
9. Avoid confrontation. Do not get into a corner you cannot get out of. Avoid rows and showdowns, but stand firm and keep calm.
10. Treat disagreement carefully. Act as devil's advocate, apparently looking at the case from the other's viewpoint, to avoid a confrontational style prompting disagreement.
11. Deal with concessions progressively. Where concessions have to be made, make them unwillingly and one at a time – and trade them.
12. Do not let perfection be the enemy of the good. An outcome that is one hundred per cent what you want is rarely an option. Be realistic; do not waste time and effort seeking something out of reach.
13. Use openness but not comprehensively. Declaring your plans and intentions may be useful to the discussion. You may want to keep hidden the motivation behind them.

14. Stick with your objectives. Set your sights high and settle as high as possible. Know when to drop the whole thing rather than agree a totally inappropriate deal.
15. Keep up your guard. Maintain your stamina, bide your time. The other party may persevere for hours to see when you will crack.
16. Remain professional. For example, respect confidences that are given in the course of negotiations. Such consideration builds relationships and may help you next time.
17. Never underestimate people. A velvet glove may be disguising an iron fist.
18. End positively. Neither party will get exactly what they want, but if the deal is agreeable emphasise this at the end.

**Checklist 2:** *Summarising the tactics*

Like any interactive skill, negotiating is dependent on a plethora of factors. The following are picked to provide a top ten of things likely to be most useful. You might like to compose your own list, see how it varies and make sure it reflects exactly the kind of negotiating you do and the kind of people it pits you against.

1. Select the right starting point. Your plan should make it easy for you to take the initiative and quickly get onto your agenda.
2. Aim high, then the trading moves you less far from what you regard as a good position.
3. Do not make your feelings obvious. There is an element of bluff. If your face and body language say, “this is minor” as you respond to something major you will do better.
4. Use silence. Some things demand no reaction at all.
5. Watch for early difficulty. Let a rapport and momentum build up before you tackle contentious issues.
6. Do not exaggerate facts. They can be verified and exaggeration causes problems later.
7. Communicate clearly. Remember the need for understanding as a foundation to the whole process.
8. Be seen to go with the other person’s way of doing things, at least to some degree and particularly if you are on their ground.
9. Do not push too hard. There is usually a line beyond which the outcome is not a better deal, but complete breakdown.
10. When negotiation is finished, stop. Once agreement is reached, clear, agreed and perhaps noted, move on to other matters. Otherwise people say, *I’ve have been thinking...*and you are back to square one.

The importance of different factors like these depends on the nature of the negotiation. Something full of complex technical or financial details poses different problems from something simpler.

Finally, you should note a few things to avoid. You will only excel if you never:

1. Over-react if responses are negative; the other person is at pains not to say how excellent every point is
2. Allow yourself to become over-emotional, unpleasant, provocative or insulting; a planned and controlled display of emotion may be useful, but you must know what you are doing
3. Agree to something you do not want; in many situations there is a minimal deal, which your plan should identify, below which it is better to walk away.

Sometimes one key factor influences things disproportionately. For example, a sponsorship deal was once being negotiated by a famous American sportsman with a sports clothing manufacturer. His face would be used in promotion, he would make some appearances and they would pay him well during the period that the deal ran. He wanted more money than the company wanted to pay. They wanted an agreement fast to use the arrangement in a new product launch, already scheduled. By agreeing to the man's face being used in this one-off campaign, for a reasonable fee, while overall negotiations continued, the sport's agent put the man in a very strong position – as the launch broke and his face appeared across the nation the company realised that they either had to agree terms or explain to the public why he was no longer “the face of the product”. Smart agent? Or perhaps a lapse of concentration by the company people fronting the negotiation? No matter, the interaction of timing and money were instrumental in settling the deal.

This kind of situation is just as common in less high profile business situations. Again it emphasises the need for preparation and keeping track of things as negotiation proceeds and above all doing so in an organised way.

Every negotiating situation you face can teach you something: what works well, what should be avoided, what best fits your style. The detail is important. Sometimes what makes the difference between success and failure is small and seemingly insignificant. One phrase, even one gesture may make such a difference. If all the details are right, the whole will be more likely to work well.

Negotiation, or rather well handled negotiation, can be very useful. When push comes to shove, a considered and careful – indeed watchful – approach, systematically applied is probably best; and remember the saying attributed to Lord Hore-Belisha: *When a man tells me he is going to put all his cards on the table, I always look up his sleeve.* This sentiment should be regarded as good advice by any good negotiator.

### **Summary of key issues**

Overall the key issues are that:

- Negotiation is the process of making a deal and agreeing the terms on which it is arranged.
- It involves juggling information, time and power.
- The primary aim is usually an agreement acceptable to both parties.
- The key process within negotiating is trading variables.
- The nature of the process means that the details are important, and sound preparation and careful deployment of the many techniques are what makes it work.



## 6 AFTERWORD: TEN STEPS TO MAKING NEGOTIATION WORK

*You don't get what you deserve, you get what you negotiate.*

Anon

As much of the rest of this work has shown, negotiating effectively needs the understanding and deployment of a range of techniques. Further, much of what makes it successful is in the details and in the sensitivity with which the process is approached. Given the dynamic nature of this interactive skill it is impossible to restrict comment to ten areas as if they are all that matters, but this is not the intention.

So, here we review ten key areas, some of them leading inevitably to others, which while not together forming a panacea, help highlight key issues and together summarise something of the nature of the process and its tactics. The first is not only important but there is logic in putting it first.

### 6.1 PREPARATION

With a process with the complexity of negotiation, it is not surprising that preparation is key. Early on it accelerates the value of experience, and beyond that it acts to create a valuable foundation to the actual negotiation that follows. In one sense, preparation is no more than respect for the old premise that it is best to open your mind before you open your mouth.

Thus, preparation may consist of a few quiet minutes just before you step into a meeting. Alternatively it may consist of sitting down for a couple of hours with colleagues to thrash out the best tactics to adopt; and everything in between. It can be stretched to include rehearsal, a meeting to actually run through what you want to happen, rather as you would rehearse an important presentation. So:

- Give preparation adequate time (and in a hectic life that also means starting far enough in advance)
- Involve the right people (because they will be involved in the meeting, or just because they can help)
- Assemble and analyse the necessary information (and take key facts to the meeting).

Preparation should not assume you can then ensure that everything will proceed exactly as planned, planning is as much to help fine tune what is being done when circumstances do take an unforeseen turn. Experience may reduce the time preparation takes; it does not however negate it. Remember too the saying attributed to (many) a famous golfer: *The more that I practice my game, the more good luck I seem to have*. Never reject preparation as unnecessary, never skimp it in terms of time and effort. It is too late when you come out of a meeting that has not gone well saying – *if only I had...*

## 6.2 COMMUNICATE CLEARLY

Like preparation the best way to describe this is as a foundation to success. Your communications within a complex negotiation situation need to be absolutely clear. There is a power that flows directly from sheer clarity and good description. People:

- *Understand*: this speaks for itself, but it also means misunderstandings are avoided and it helps ensure that the meeting stays tightly on its real agenda
- *Are impressed*: clarity gives favourable impressions of authority, certainty and confidence – all of which add to the power you bring to the table.

In addition, clarity about the meeting itself – setting a clear agenda and so on – direct the proceedings and help make it possible for you to take a lead, which in turn helps get you where you want to go.

Clarity stems from preparation, clear thinking and analysis; and from experience. It is worth working at. The last thing you want at the end of the day is to achieve agreement, only to find it retracted later because someone says that *they were not clear what it was they were agreeing to*. Insisting at that stage can mean you are never trusted again; it is a position to avoid.

## 6.3 LOOK THE PART

This may seem obvious but it can have a considerable effect on the outcome of negotiating. A sensible view of the literal aspect of this is clearly prudent, you need to be “smartly turned out” and that needs to be interpreted in light of the circumstances. For example, for a man it might mean a business suit in many contexts, something less formal on occasion and a shirt and tie in a country with a hot climate. Women have more choices to make but the principles to apply are similar.

More important is that certain details give specific impressions, for instance if you are seen as:

- *Well prepared*, then people give what you say greater weight
- *Well organised*, has a similar effect
- *Confident*, this can have a major impact on the credibility of what you say, especially the belief in your insistence that you *can do no more*
- *Professional*, again a whole raft of characteristics may contribute to this from being experienced, expert or approachable to something like just appearing not to be rushed and again the case you make will engender more consideration if they person making it is seen in the right light.

The point here is that something can be done to make any such characteristic more visible where this might help, and sometimes this might become a useful exaggeration. Of course what is said is important, but much judgement comes from visual signals and it is wise therefore to use them.

## 6.4 RESPECT THE PEOPLE

Negotiation is a cut and thrust process. It *has* an adversarial aspect to it and everyone involved is very much aware of this. While it may be important to take a tough line, to be firm and to insist, this is always more acceptable if the overall tenure of a meeting is kept essentially courteous.

Show that you understand other peoples' point of view. Be seen to find out what it is, to note details that are important to them and to refer to this during the meeting. Be prepared to apologise, to flatter, to ask opinion and to show respect (in some cases perhaps, whether you feel it is deserved or not!).

Apart from wanting to maintain normal courtesies in what can sometimes be a difficult situation, showing respect can help your case. If you have to take a strong line there is a danger that it can be seen simply as an unreasonable attack; as such the automatic response is a rebuff. If the strong line comes from someone who is clearly expressing respect for others and their views, then it is more likely to be taken seriously, considered and perhaps agreed.

## 6.5 AIM HIGH

No apology for including some of the key techniques referred to before in this list (especially in Section 6 The state of the art). This is undoubtedly the most important. Indeed it conditions much about your whole approach. Aim high. Start by considering, in your planning, what this means. Think about what might be possible, think about what would really be best for you – and go for that. Remember that there are no doubt a list of variables – perhaps a long list – and that what you hope to agree is a mix of them all. Consider what the best position in all areas is – and go for that.

Negotiation is about to and fro argument, and about compromise, but it is very easy for compromise to become a foregone conclusion. You can always trade down from an initial stance, but it is very difficult to trade up. Once a meeting is underway and your starting point is on the table, you cannot offer another starting point.

Starting as you mean to go on is an inherent part of aiming high.

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## 6.6 GET THEIR SHOPPING LIST

This rule links to the fact that you need to negotiate a package. If you agree parts of a deal individually, then you reduce your ability to vary the package because more and more of it is fixed. Something may seem straightforward in isolation. You are happy to agree it, yet suddenly you come to other points that you want to negotiate about, and there is nothing left with which to trade.

The principle here is simple. You need to find out the full list of what the other party needs to agree. Then you must not allow parts, possibly in fact important parts, to be picked off and secured one at a time, as a preliminary to hitting you with major demands at a stage where your options are limited.

## 6.7 KEEP SEARCHING FOR VARIABLES

Variables can be listed as part of your preparation; listed and prioritised. Even a thorough job at that stage can leave things out. *Everything* is negotiable, *everything* is potentially a variable – and this includes things that have specifically been excluded by one party or the other. You may have said something is unchangeable and then decide that you need the power shifting a little would give you.

Certainly you need to question what the other party means. Does – *that's it, I definitely cannot go any further on this* – mean what it says, or only that they hope they will not need to negotiate further about something? Questions, or a challenge, may be necessary to find out. The search for possible variables and different mixes in their respective priority must continue throughout the whole process. As the process demands more compromise from someone then they may have to accept that things they hoped could be regarded as fixed, will have to be regarded as variables. And that some variables may need to be more variable than was the original intention

Keep any open mind, keep searching and assume everything is always a potential variable.

## 6.8 UTILISE THE TECHNIQUES

Your success in negotiations is less likely to come from some clever ploy or one display of power. It comes through the details. There is a good deal to keep in mind during a negotiation, and the situation becomes more complicated as negotiations proceed. You can influence matters in a hundred different ways, but they need to be appropriate ways.

The good negotiator deploys a range of techniques, so they need to be familiar with them and able to make the best use of them. But it is not a question of blasting the other party with a hail of techniques, they need using with surgical precision. Just when is it appropriate to be silent, or to show unequivocally that you are adamant?

Negotiation must never be allowed to take place on “automatic pilot” as it were. Every move must be considered, and this applies as much to *how* you do things as to *what* you do. Techniques must be made to work for you and the way to do this is on a case by case basis – one that reflects what is right for this person, this meeting and this moment of this meeting.

## 6.9 MANAGE AND CONTROL THE PROCESS

Certainly overall orchestration is a major overall key issue. It is all too easy to find that the concentration that is necessary to deal with the immediate situation, can result in your taking you eye off the ball in terms of the total game plan.

You need to take every possible action to help yourself stand back and work with the full picture.

### For example:

- Make notes
- Summarise regularly to recap (and *always* if you feel yourself getting lost; you do not need to say why)
- Keep as much of an eye on the broad picture as on the needs of the moment
- Keep your objectives and the desired outcome clearly in mind
- Be prepared to take whatever action is necessary to keep on top of the situation (e.g. to pause and take stock) despite how you think it may look (in fact such action almost always simply increases the level of confidence you project)

If you approach this aspect of the process consciously, note what helps you, and allow positive habits to become established, then your experience and competence will build positively and quickly.

## 6.10 BE EVER ON YOUR GUARD

Never relax for a single second. Even when things are going well, when events seem to be following your plan accurately, when one agreement is following another – be wary. Do not your attempts to read between the lines in such circumstances and do not assume that the positive path will continue. If you assume anything at all, assume that there is danger, reversal or surprise just round the corner and be ready for it.

Remember that *both* parties are doing their best to meet their own objectives and that the other person is just as likely to be playing a long game as to be a pushover. It is not over until it is over, and it is often late in the day that things come out of the woodwork and change what looked like, until that moment, a straightforward agreement.

Finally under this last heading, remember the words accredited to Lord Hore-Belisha: *When a man tells me he is going to put all his cards on the table, I always look up his sleeve.* It is good advice. Similarly when contractual matters are involved – *The big print giveth, and the fine print taketh away* (J. Fulton Sheen).

As was said, by focussing on the ten points above it is not intended to devalue any other point, and it should be remembered that successful negotiation is a matter of getting many details right together. The first step to making it work is to understand the principles and something of the techniques and how to deploy them. With that in mind you need a conscious approach so that you make your experience build fast and note what works well for you to strengthen your negotiating ability in the future.

## In the beginning

In case you are left with any doubt that negotiation, and the details of it, matter I will end with the story of the first negotiation in history (taken from *Hook your audience*, a sourcebook about using quips and quotes in presentations, published by Bookshaker):

In the Garden of Eden Adam is comfortable, but lonely. He calls out to God telling him how he feels and God's voice replies from the heavens: *"I have the perfect solution, I can create woman for you"*. Adam is pleased to hear there is a solution, but asks: *"What's a woman, Lord?"*.

*"Woman will be my greatest creation", says God, "she will be intelligent, caring, sensitive, and her beauty will surpass anything on Earth. She will understand your every mood, care for you in every way, and she will make you happier than you can imagine. She will be the perfect partner for you. But there will be cost". "She certainly sounds wonderful" said Adam, "- but what will the cost be exactly?". "Well" said God "Let's say an arm, a leg and your right ear"*.

Despite the promised return, Adam is not very happy about this. He ponders the arrangement for some time, finally saying, *"I think that's really too much to ask – what would I get for, say, just one rib?"*.

And the rest, as they say, is history.