

## PART II

### Negotiation Skills

*Negotiation is the process involving the ability to listen, analyse and take the right steps*

# Introduction

- We all negotiate all the time
- No training can guarantee success in any particular negotiating setting, but everyone can improve their negotiating skills to increase the probability of successful outcomes
- *Objective of this Capacity Building Session is to provide the participants with indications on which analytical and practical skills would need to be further developed to become a strong negotiator*

# Negotiating with 8 Golden Steps

- *Preparation is one in the most important and overlooked aspects of negotiation*
- *Neglecting this crucial component can result in a bad deal or a failed agreement*
- *People never plan to fail, but they often fail to plan*
- *Success is the science of tried and tested methodology*
- *Successful negotiations are no different*

*To illuminate your way to  
the  
negotiating table, here are*

*Eight Golden Steps*

*which will guide your way  
in planning your approach*

# Step 1 – Understanding the Purpose of Negotiation

- *First, prioritise and rank your needs or objectives.  
Second, prioritise needs and objectives for your  
counterpart*

## Step 2 - Invent Solution Scenarios

- *Once you understand your and your counterpart's priority objectives you can determine potential areas of mutual agreement*
- *Find the basis for finding a compromise. Alternatively, consider prospects to trade off as concessions. You need not re-invent the wheel*

## Step 3 - Establish the Alternatives

- *As part of the planning process, compare the potential advantages of a negotiated solution to those alternatives available without negotiating.*
- *A good negotiator knows that there is a bottom-line*
- *Keeping this possibility in mind, ponder over your own Best Alternative to a Negotiated Agreement (BATNA) which is the fall back position, should talks fail*

## Step 4 - Give Your BATNA Some Strength

- *The stronger you can make your BATNA, the stronger are your alternatives. It must be seen as an ongoing process. Anything you can do to strengthen your alternatives empowers your position at the table. BATNA is NOT static*

## Step 5 - Who's the Big Cheese?

- *Be fully aware of what decision-making authority you bring to the table*
- *By ensuring that the authority levels of the people who represent the other side are understood, you will have the proper knowledge to adjust your strategy accordingly*

# Step 6 - What Do You Know About Them?

- *Information is power, but ignorance is a miserable excuse*

# Step 7 - Don't Let the Tree Branch Break

- *Be prepared to open your mind to new opportunities*
- *The negotiation process is not a straight line from A to B*
- *The negotiation process is not a straight line from A to B*
- *Keep your mind open to face any potential changes that might spring out at you, when you least expect it*

## Step 8 - Know Your Realistic Standard or Criteria

- *A durable business relationship with a partner will not survive the test of time if one of the partners feels they have been pressured into making a disadvantageous deal.*
- *If you are going to make a proposal, it is essential you determine realistic standards or criteria to form the basis of the proposal.*
- *Remember to consider developing a realistic standard or criteria that can be applied to both sides' proposals*

*Our style of negotiation  
can define whether we grind  
into a deadlock, or create value and  
an enduring relationships  
So what do you do when your needs  
are incompatible and your path to  
agreement starts to fade?*

Negotiation process fully depends on the language we use, word we can or cannot listen to. The same about understanding what is between the lines and much more..

# Negotiation Conflict Situations

- *"Conflict situations" occur when the needs of two or more negotiators appear to be incompatible or opposite*
- *Negotiate for satisfying your own needs to meet your own goals*
- *Negotiate for satisfying your relationship with the other party,*

# Understanding the Five Conflict Negotiation Styles

*Five profiles of dealing with conflict negotiations:*

- Compete (I win – You lose)
- Accommodate (I Lose - You Win)
- Avoid (I Lose - You Lose)
- Compromise (I Lose / Win Some - You Lose / Win Some)
- Collaborate (I Win - You Win)

# Understanding the Five Conflict Negotiation Styles

- Which negotiation styles are likely to reward you with the biggest profit prizes?
- This question can only be answered by you.

# 1. Compete (I win - You lose)

## *When to use?*

- *When you need to act or get results quickly*

## *What is the Danger?*

- *In a power imbalance negotiation, high competitive behaviour is very likely to lead to deadlock, which will get you nowhere.*

## *Self Defense*

- *The most important thing to remember is: Don't Cave In! Appeasing competitive negotiators doesn't create goodwill, it just creates requests for more concessions*
- *Restate your position firmly using strong language (not 'we would like' or 'want', but rather: 'we require' or 'need') and never reward bullies*

## 2. Accommodate (I Lose - You Win)

- The opposite of “compete”

### *When to use?*

- *When you or your company are at fault, repairing the relationship is critical, If you are in a very weak position then sometimes your best option is to give in gracefully.*

### *What is the Danger?*

- *Giving away value early in the negotiation can leave you with a poor hand to play in the rest of the negotiation*
- *Remember to ask the value of your concession before making your concession.*

## 2. Accommodate (I Lose - You Win)

### *Self Defense*

- *When someone is offering you a gift at the negotiation table, do you humbly accept their generosity?*
- *Be careful, as they may be a proverbial 'Greek Gift'*
- *Make sure you don't give back something of higher value in return*

### 3. Avoid (I Lose - You Lose)

- *“Passive aggressive”. People who use this style really dislike conflict*
- *The avoid style can be a typical reaction to high compete negotiators*

#### *When to use?*

- *When the value of investing time to resolve the conflict outweighs the benefit, or if the issue under negotiation is trivial to both parties*
- *If there is a lot of emotion in a negotiation, the most pragmatic alternative is suggest a timeout of 15-20 minutes*

### 3. Avoid (I Lose - You Lose)

#### *What is the Danger?*

- *Whoever has the greater urgency will usually end up with the short end of the avoidance stick*
- *Be careful about what information you reveal about the urgency of your need.*
- *When communication channels are cut off, leave the other side to fill in the blanks*
- *Mutual resentment is likely to build up, leading to frosty impersonal relationships*

## 3. Avoid (I Lose - You Lose)

### *Self Defense*

- *Set clear expectations of timing early on in your negotiations*
- *If the other party is applying an avoid style, understand their decision making process and levels of responsibility. This can assist you in invalidating their reasons for avoiding.*
- *If you have a good enough relationship, then agree a process on resolving differences*

## 4. Compromise (I Lose / Win Some - You Lose / Win Some)

- Compromising often involves splitting the difference, usually resulting in an end position of about half way between both parties' opening positions
- What compromising ignores is that the people that take the most extreme positions tend to get more of what is on offer.

## 4. Compromise (I Lose / Win Some - You Lose / Win Some)

*When to use?*

- When you are pushed for time, or when you have nothing left to offer, and this is the only way to seal the deal
- Meeting half way reduces strain on the relationship, but usually leaves precious gold on the table

## 4. Compromise (I Lose / Win Some - You Lose / Win Some)

### *What is the Danger?*

- When you use compromising as an excuse for not preparing properly.
- If you make concessions within your position with no strong rationale, the other party may assume that you are going to continue to make more concessions, and appeal to you using weak rationale.
- Whichever negotiator starts with the more ambitious opening position wins the compromise.
- If you get known for being a compromise styled negotiator, look out!

## 4. Compromise (I Lose / Win Some - You Lose / Win Some)

### Self Defense

- *Only retreat within your position when you have a solid rationale for doing so, and when you are being rewarded in another way,*
- *If the other side starts with an extreme opening position, be sure to quickly bring them back to reality, or counter balance with your own extreme position.*
- *Extreme positions can result in more deadlocks*

## 5. Collaborate (I Win - You Win)

- "Win/Win" is about making sure both parties have their needs met, and as much mutual value as can be created is created.
- Too many buyers are stretched and under tremendous time pressure, so temptation to compromise rather than invest time in collaborating wins out.
- Referred to as 'expanding the pie', collaborative negotiators are willing to invest more time and energy in finding innovative solutions

## 5. Collaborate (I Win - You Win)

*When to use?*

- *If a relationship is important to you, and if your market reputation is important*
- *If there is a large amount of money at stake, then you are best advised to think about all the ways in which you can build a more trusting collaborative working relationship*

## 5. Collaborate (I Win - You Win)

### *What is the Danger?*

- Be careful not to collaborate with competitive style negotiators, unless they agree to and live up to your agreed rules of collaboration.
- When you share information you need to make sure that you share information at the same level of detail
- Collaboration requires more time and needs to be at the right level

## 5. Collaborate (I Win - You Win)

### *Self Defense*

- A wise procurement manager will be careful to not investing too much time, or give any time, unless there is value.
- Your time is short, so be careful who you collaborate with

# Conclusion

**Before you negotiate, stop and ask yourself:**

- \* What is my preferred style of negotiation?
- \* Which of these 5 styles best describes your business client or vendor negotiation relationship?
  
- Work through your list of goals in your concession strategy, and decide which issues are best to: compete, collaborate, compete, avoid, compromise, accommodate.
- Remember that seldom there is an escape from having to use a competitive style
- So, think carefully about which point in the negotiation you need to switch to competing.

# Detecting Lies in Negotiations

Negotiators often don't say everything they are thinking. Sometimes they hold back or distort information to avoid being exploited by other party

# How do you spot this?

- When you are under pressure this is even worse
- Those skilled in human observation, can teach us a number of strategies for distinguishing lie from truth.

# 1. Be completely aware of all behaviours

- Eye-balling is used to conceal a lie, due to the popular belief that looking away shields a lie

## 2. Listen, all the time

- The verbal content of the conversation is frequently the best indicator of attempted deception and key behaviours

## 3. Look for anomalies

- One of the best ways for a layman to pick up half truths is to watch for inconsistencies or anomalies.
- Was their behaviour consistent? Ensure that you compare their suspicious behaviour to how they behave normally.
- Invest in the relationship first and not talk business too soon..
- They may not be lying. However, it's up to you to uncover the reason for their behaviour change.

## 4. Ask the right questions

- The truth of an ultimatum is tested by whether the person making it is willing to consider alternatives. It's up to you to float them

# Business Negotiation Metaphors

*Metaphors can provide clues to how a negotiator might view the business negotiation*

*Through a better understanding of the use of metaphors, during negotiations you will be able to gain further insight of the other party when you unravel the words*

*"A good metaphor is something even the police should keep an eye on"*

*Words can have a powerful impact. The manner in which words are applied in a business negotiation can make or break the deal*

# 1. Metaphors as an Emotional Mirror

- *Metaphors mirror our emotional perspectives, the conscious perspective and, more importantly, the unconscious perspective.*
- *Additionally, the use of metaphors provides a means to discern not just what they said, but also what they intended to say!*
- *This will guide you in how you should respond, react, or when necessary, to intervene in conflict management.*

## 2. How Metaphors Reflect a Negotiation Relationship

- If one negotiating party is using a '*combat*' connotation, it means it sees the negotiation process in terms of either *win or lose*.
- A combative approach may also influence him to apply unethical tactics against you.
- As a negotiator, you might need to change the mood of the dispute by *making a truce or ceasefire*.
- Prompt the opponents into a different mindset
- If one party says *we have been fighting over this for weeks*, reply that the dispute does appear to be *well choreographed*, and suggest a collaborative mentality instead of an attitude of *us versus them*.

### 3. How Metaphors Affect the Negotiation Process

- The use of metaphors in business can provide a clue about the negotiation style being employed by one or both parties and how they can result in negotiation conflicts

# Negative Metaphors

- *War metaphors* could mean “anything goes”.
- *Poker metaphors* could suggest the use of “bluffing” in their tactics, *Games metaphors* suggest that some negotiators view a negotiation like a chess game. Chess players don't play for a draw if they can avoid it: they want to win!
- *Mountain climbing metaphors* suggest an uphill struggle all the way

# Positive Metaphors

Suggest a collaborative approach:

- "mending fences"
- "building bridges"
- "hammering out our differences"
- "working through our problem"

## *4. Metaphors as a Self-Reflection*

- Ask yourself what metaphors you like to use during the business negotiation
- Metaphors can be used to disclose your intent

## *5. Conclusion*

- Language is everything
- Business metaphors you employ in your negotiations can influence how either party is perceived by the other