Negotiating Skills to Reach a Deal
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Delegates Workbook
Facilitated by Itukisa (Pty) Ltd.

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# Negotiating Skills to Reach a Deal

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Session 1: Introduction to the Negotiation Process

When we hear the word “negotiation” most of us think of typical movie scene where high-powered deals are hammered out: a powerful business man taking down the opposition, a peace accord in the Middle East, or a salary increase for steel workers. The atmosphere is tense, the players are tough, and the stakes are high.

In reality we all are negotiators. We have to negotiate every day with family, friends, colleagues, or clients. We negotiate with our spouse about where to go for dinner. We negotiate with our child about bedtime, TV time, and allowances. We negotiate with our clients on fees.

How would you define negotiation?

What other words might we use instead of “negotiate”?

Any method of negotiation may be fairly judged by three criteria:

- It should produce a wise agreement if agreement is possible.
- It should be efficient.
- It should improve or at least not damage the relationship between the parties.

Negotiation is not about confrontation, it is about achieving a shared outcome. In the process both parties give something in order to receive the best possible outcome. Shared solutions must work in practice. You have to be open and honest, if not, the relationship might be harmed, and trust is damaged.
Some Definitions on Negotiation:

Oxford Dictionary:

**Pronunciation:** /nɪɡəˈʃɪəjən/ (ə)n/

**Noun**

[mass noun]

- 1 (also negotiations) discussion aimed at reaching an agreement: a worldwide ban is currently under negotiation negotiations between unions and employers.

Negotiation is any activity that influences another person. Here's how a number of leading thinkers define the topic:

- Negotiating is the process of getting the best terms once the other side starts to act on their interest.

On Negotiating by Mark H. McCormack

- ... negotiating is... a means of achieving one's goals in every relationship regardless of the circumstances.

The Art of Negotiating by Gerard I. Nierenberg

- Negotiation is a field of knowledge and endeavour that focuses on gaining the favour of people from whom we want things.

You Can Negotiate Anything by Herb Cohen

- Negotiation is a basic means of getting what you want from others.

Getting to Yes by Roger Fisher & William Ury
Terminology Used in Negotiations

You may have been able to define the following elements involved in Negotiation:

**Negotiator**

Is the person doing the negotiating and this refers to him from his own point of view.

**Opposer**

Is the other person negotiating with the negotiator? Hence, you are the negotiator from your point of view, while someone else is the opposer. From my point of view, I am the negotiator while you are the opposer.

NB: There is no connotation of “Good” or “Bad” with reference to the negotiator and opposer. There are merely two people who hold different POSITIONS or views of the ISSUE.

**Issue**

Is the thing being negotiated? It might be the price, the commodity, the delivery date of the commodity or the discount to be allowed. Most negotiation situations involve more than one issue. For example, when purchasing, say, a property, issues being considered might include, the property itself, the price, contents which might be included or excluded from the sale, date of vacation and occupation, date of payment, terms of payment, retention and future actions by either the purchaser or the seller. Participants will normally agree what the issues are to be. One participant may reject the proposed issues of the other.

**Climate**

Is the quality of the relationship of the negotiators. This may be friendly or hostile, cooperative or uncooperative, close or distant. The parties will create climates according to the results they wish to achieve, and how they view the advantages they could derive from a particular climate. Normally a close relationship is preferable to a distant one. Climates can be changed during a negotiation.

**Position**

Is the view the negotiator adopts towards the issue. The negotiator will presumably adopt the opposite position towards an issue from his opposer. For example, the seller would adopt a position towards what he was selling as having a high value. The buyer would consider the value to be low. Positions can be changed during a negotiation.

**Agenda**

Is the list of issues to be negotiated? It is normal for an agenda to be written by one party and submitted for approval of the other. The other is obliged to accept or reject the proposal. If he rejects it, it is incumbent upon him to submit a new proposed agenda to the other for approval. The sequence of issues on the agenda (the sequence in which they will be addressed during the negotiations) is also significant, and will be a consideration in the acceptance or rejection of the proposals.

**Concessions**

Are advantages that can be offered by one party in the negotiation to the other as inducements to reach an agreement on an issue?
Strategies and tactics

Are the ploys that the parties in the negotiation intend using to induce their opposer to agree to what they want for themselves? There are many strategies that may be used in negotiation. Most have been given names to describe them, and experienced negotiators usually refer to them by name.

Principal

Person for whom another acts as an agent. The Principal must be consulted before a deal can be closed.

Mandate

Commission to act for another. A person can perform a service/ negotiate in respect of what has specifically been committed to him/her.

Venue

Is the place at which the parties in the negotiation agree to meet to conduct the sessions. The possibilities are basically three: on home ground; on the opposer’s ground; on neutral ground. Sub-sets of neutral grounds can be considered as friendly territory (where the venue is on the premises of a party friendly to you) or hostile territory (where the venue is on the premises of a party friendly towards your opposer). The choice of venue can in itself be the subject of negotiation.

Leverage

The term ‘leverage’ means the principle of using a small advantage (even a perceived advantage) to gain a larger benefit. Agreements are expressed as: what one party is willing to give up and the other party is willing to pay. Each party wants to appear as if they are bringing more value to the table than the other party.

Deadlock

Is the situation where parties for reasons of not being able to reach agreements, cannot continue the negotiation process. The only possible way ahead in a deadlock situation is the recourse to arbitration or mediation.

Impasse

Is the situation in which the negotiation process is basically progressing well, but there is one, or maybe two items which cannot be resolved to the mutual satisfaction of those parties. It is advisable then for the party to keep the issue in abeyance until all other issues have been resolved.

BATNA

BATNA is the acronym for "Best Alternative to a Negotiated Agreement." Knowing your BATNA means knowing what you will do or what will happen if you do not reach agreement in the negotiation.

E.g. your staff member is negotiating with you about time off and you fail to reach an agreement. Your BATNA may be to refer them to HR. Your BATNA will seldom be an ideal solution, but knowing your BATNA allows you to be clear about your bottom line.

Knowing your options outside of the negotiation is a direct function of preparation.

Without a plan you risk agreeing to something worse than what you may have done on your own.
**Bottom line real maximum – buyer; real-minimum – seller i.e. “Point beyond which you cannot go”**

“Your reservation price (also referred to as your "walk-away") is the least favourable point at which you would accept a deal.”

This is your **Bottom line** or **Must have**. An example is that there is a minimum monetary amount that you would be willing to do a day’s work for. A reservation price does not always have a rand value. Perhaps there is a minimum time frame for completing a project.

**Pitch**

The initial offer is usually high for the seller and low for the buyer. This is accepted practice and parties negotiate from there.

**Favoured outcomes**

The price/ settlement/ terms you **hope** to get looking **realistically** at the situation and the market price.

**Settlement point**

The price or terms finally agreed upon.

**Negotiation range**

This is the area between your asking price and your real maximum/ minimum. You should decide this in advance or make sure you have the mandate from your principal to negotiate up to / down to a specific position.

**ZOPA**

The "**Zone of Possible Agreement**" is the area in which a deal can take place. Each party’s reservation price determines one end of the ZOPA. The ZOPA itself exists (if at all) in the overlap between these high and low limits. That is, between the parties’ real maxima and real minima. (Reservation prices).

For example: You are the seller of a house. Your bottom line (real minimum) is:

- R100,000. You will not accept any less.

A potential buyer is willing to pay no more than R110,000. (His/her real maximum).

In this example, the ZOPA is between R100,000 and R110,000. You can see that in this situation an agreement can be reached, because there is a ZOPA. If, however, the buyer is only willing to go to a maximum of R90,000, there is no ZOPA. No agreement is possible.
**Individual Exercise**

**Negotiating Planning Sheet**

What is the scenario you want to focus on?

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Who is involved?

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Describe the current situation – what do you want from this negotiation?

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What are you willing to give in order to get what you want?

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<tr>
<td>Issues</td>
<td>OUTCOMES</td>
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<td>Realistic</td>
<td>Acceptable</td>
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Importance of Interpersonal Skills

Interpersonal skills require that we are aware of our own behaviour and those of our counterparts in the negotiations. The four basic styles of behaviour gives an indication of how people react and respond to situations, and what the person likes and dislikes in his/her own response to situations. For example and analytical person likes structure, guidelines and clearly defined goals, and dislikes short-cuts. This is also true for what they expect in others. No one style is superior to the other style, and no one person can be all four styles.

However it is important that all people be more assertive, adaptable and responsive in negotiation situations. You need to be able to provoke defensive behaviours by:

- Not leaping to judgement;
- Seeking mutually satisfying solutions rather than imposing your own regardless of others;
- Being spontaneous rather than strategic.

The Four Basic Styles of Behaviour:

- **Style 1 (Driver - Action)**
  - WHAT
  - Results
  - Objectives
  - Achieving
  - Doing

- **Style 2 (Analytical - Process)**
  - HOW
  - Strategies
  - Organisational Facts

- **Style 3 (Amiable - People)**
  - WHO
  - Communications
  - Relationships
  - Teamwork

- **Style 4 (Expressive - Idea)**
  - WHY
  - Concepts
  - Theories
  - Innovation
<table>
<thead>
<tr>
<th>Persons With:</th>
<th>Driver Style</th>
<th>Analytical Style</th>
<th>Expressive Style</th>
<th>Amiable Style</th>
</tr>
</thead>
<tbody>
<tr>
<td>Needs to learn</td>
<td>Humility</td>
<td>Spontaneity</td>
<td>Patients</td>
<td>Determination</td>
</tr>
<tr>
<td>Measures progress by:</td>
<td>Result</td>
<td>Activity</td>
<td>Applause</td>
<td>Attention</td>
</tr>
<tr>
<td>Saves:</td>
<td>Time</td>
<td>Face</td>
<td>Effort</td>
<td>Friendship</td>
</tr>
<tr>
<td>Takes endorsements from:</td>
<td>Getting the job done well and on time</td>
<td>Knowledge</td>
<td>Social skills-likes to be good at winning people</td>
<td>Friends “they still like me, I must be doing it right.”</td>
</tr>
<tr>
<td>Needs to be given:</td>
<td>A position that requires relying on cooperation</td>
<td>Some methods of dealing with other people</td>
<td>Some structure within which to reach the goal</td>
<td>Structure for the goal and methods for the task</td>
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<td>Relies on the power of:</td>
<td>Personality- hopes to be strong enough to “wing it”</td>
<td>Expertise- gathers more data when in doubt</td>
<td>Feeling- expects that “winning ways” will carry him or her through</td>
<td>Acceptance- uses compliments to get approval</td>
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<td>Motivated by:</td>
<td>Responsibility Authority Achievement</td>
<td>Logic Routine Structure</td>
<td>Friendly people New opportunities Attention</td>
<td>Trust and security Need for services Appeal to loyalty</td>
</tr>
<tr>
<td>Most effective environment is:</td>
<td>Competitive Open Challenging Opportunistic</td>
<td>Unemotional Factual Scientific Practical</td>
<td>Social Changing Youthful Optimistic</td>
<td>Respecting Supporting Reassuring Idealistic</td>
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### Negotiating Skills to Reach a Deal 2012

<table>
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<tr>
<th>Type</th>
<th>How will I know?</th>
<th>How to approach</th>
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</thead>
</table>
| **Affable**  | They are predictable – slow to change/decide  
Patient, kind, loyal, easily approachable and dependable  
Co-operative and good listeners  
Friendly voice – not authoritative  
They show a need to be liked and to be part of the group  
They fear a loss of security or radical change | Listen well – take things slow to earn their trust  
Grab their attention by suggesting tried & proven concepts that emphasise security, trust, tradition & results  
Show sincere interest in them as a person – be open & find common areas of agreement  
Don’t stick too coldly to business – they want a friendly, warm & predictable relationship |
| **Expressive** | They are enthusiastic, optimistic, confident, persuasive, spontaneous  
Voice often animated – high energy and warmth  
Very articulate and often entertaining when verbalising  
They like small talk and to tell stories  
They are interested in results that will make them look good, status, interacting or helping others, etc.  
They will show interest in new concepts and ideas | They are easy to lose if you don’t give frequent, friendly, follow-up service  
Get them to talk about their needs & themselves – be friendly, enthusiastic and interested in them  
Draw out their dreams, goals, desires as well as needs  
Don’t: present too many facts, figures, alternatives or abstractions; stick to the agenda too rigidly; talk down to them  
In doing business – offer special, immediate & extra incentives if they are hesitant to go ahead |
| **Driver**   | They are direct, business-like, to the point, self-assured (strong ego)  
Voice is strong and appearance often business-like & functional  
They are competitive & results-oriented – know the results they want by when  
They want: to be in control, unique, power, challenges, growth, ego flattered, to give their advice, to see your track record  
They will question the status quo | Be business-like & to the point – they will let you know if they want to chat  
They will only want to see facts & figures related to getting results, probabilities of success or effectiveness of options – provide choices & alternatives  
Don’t: build personal relationships unless they want to; come with a readymade decision; direct or order but also don’t be indecisive |
### Negotiating Skills to Reach a Deal 2012

<table>
<thead>
<tr>
<th>Type</th>
<th>How will I know?</th>
<th>How to approach</th>
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</thead>
<tbody>
<tr>
<td>Analytic</td>
<td>Courteous, diplomatic, conventional, factual, logical thinker, nervous, reserved, perfectionist, high standards &amp; values</td>
<td>Approach them in a straightforward, direct way; stick to business</td>
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<td></td>
<td>Appearance often conservative &amp; functional and voice controlled</td>
<td>Listen well, so you can understand their standards &amp; requirements before making your recommendations – make an organised, logical, detailed presentation of your ideas – be well-prepared and up on your technical information</td>
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<td>Will concentrate on key details</td>
<td>Support their principles &amp; conscientious, thoughtful style</td>
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<td>Don’t like sudden or abrupt changes and always on the lookout for reassurance</td>
<td>Assure them of &amp; spell out good service &amp; follow through</td>
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<td></td>
<td>Diplomatic with people</td>
<td>Be patient &amp; give them time to think</td>
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### What is the difference between being assertive as opposed to aggressive (and as opposed to submissive)?

You are aggressive when you pursue your own needs at the expense of other people and you ignore the rights of others. You are assertive by pursuing your own needs by showing respect for the needs and rights and dignity of other people. Win-win is an assertive strategy.

If, however, you give up your own needs and goals in order to be liked by your counterpart in negotiation you demonstrate submissiveness.

Confidence and self-esteem are important when negotiating. If you do not feel sufficient esteem for yourself, you become vulnerable for intimidation. This can, however, be turned around to your advantage. Suppose you are dealing with someone who is older or more knowledgeable than you are, you can say to them: “I really do not understand this, can you help me out of this. I really need your help.”

At the end of the day, nobody can intimidate you without your participation. So the advice is: don’t give away your power.
How do you deal with a person you find to be intimidating?

There are people who really enjoy intimidating their opponents. The way of dealing with this kind of negotiator is simply to be aware what is going on. Once you realise that they are trying to intimidate you, you can ignore it. Patience can help a lot. You must be able to take your time and not let them rush you into something, and of course: always be willing to walk away from a negotiation. Your ultimate power lies in your willingness to walk away!

If you want something too badly you lose your power, which comes from your ability to say ‘No’. Another way of putting this is: never negotiate without options. (BATNA) When you have alternatives, when you are not desperate, that’s when other people will give you what you want. For instance we have all experienced looking for a job. It’s always easier to interview for a job, if you already have a job. You don’t need a new job and they want to hire you because somebody else hired you.

Even in a win-win negotiation you are in a much stronger position when you are not desperate. Your judgement is not clouded by fear; you can take your time. You can reassure the other negotiator that you are not here because you have to be here. You are here because you want to be here.

Although negotiation stances can be classified as competitive or collaborative, in practice there are a range of styles, based on the degree to which a person thinks about him/herself or thinks about the other person.

A strategy for successful negotiations:

- **Listen carefully** to the arguments of the other party and assess the logic of their reasoning.
- **Keep calm** and use assertive rather than aggressive behaviour. Use tact and diplomacy to diffuse tensions.
- **Remember:** NO is a little word with big power!
- Use both verbal and **non-verbal** persuasion skills. Use open, encouraging body language such as mirroring, not defensive or closed.
- **Know when to compromise.** Offer concessions where necessary, but minor ones at first.
- **Distinguish between needs:** important points on which you can't compromise and **interests** where you can concede ground. Allow the other party to save face if necessary via small concessions.
- **Make sure there is an agreed deadline for resolution.**
Remember to focus on the various types of behaviour. Here are a few tips on negotiating with the different types:

<table>
<thead>
<tr>
<th>How to negotiate with an Amiable</th>
<th>How to negotiate with an Expressive</th>
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<tr>
<td>Amiable people hate conflict. They <strong>do not like feeling used or unimportant.</strong></td>
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<td>Don’t become snide or pushy. Don’t cut him/her off. <strong>Listen.</strong></td>
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<td>Always greet him/her. Spend time on <strong>pleasantries.</strong> Get to know them as people. The better you make them feel, the more they like you, the more flexible they will become.</td>
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<td>Don't try to &quot;fast forward&quot; the negotiation. Be open when they aren't meeting your needs -- but <strong>don't be accusatory.</strong> Get amiable's thinking of ways to help you: E.g.: If the price is high, be straightforward and say, “That is quite a bit more than I planned on. I realize you are a very reputable company and I would love to be able to work with you. What can we do together to creatively get that rate down?”</td>
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<td>Amiables often don't tell you what they are really thinking. Since they don't like conflict, they will tend to keep strong disagreements or key points to themselves. &quot;We'll get back to you,&quot; may mean you will never hear from them again. They tend to harbour a grudge if they feel you have put them down or treated them disrespectfully. <strong>Trust</strong> is important for them.</td>
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<td>The more they like and trust you, the more they will be cooperative.</td>
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<td>If you ask them to focus on too many details, or try to get them on nitty gritty points they will shut down.</td>
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<td>They like the <strong>big picture,</strong> so give on your main points first … and then bundle your small points together. Just give an overview.</td>
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<td>Show them how your proposal will <strong>benefit</strong> them and their company. Even when you are asking them to make tough decisions, point out why it is better to make this difficult decision now than to wait.</td>
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<td>Emphasize why the expressive is clever for wanting to secure the advantages of closing this deal. This is <strong>recognition.</strong></td>
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<td><strong>Expressions like to close the deal on the spot.</strong> Remember since they are not usually good at details you should get the contact details of the person you can deal with when following up on all the details.</td>
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<td>Be sure to <strong>get everything in writing immediately;</strong> Expressives often change their mind and/or forget what they just agreed to.</td>
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<tr>
<td>How to negotiate with the Driver</td>
<td>How to negotiate with the Analyser</td>
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<tr>
<td>Give the <strong>big picture</strong>. The end <strong>result</strong>. They are usually not out to eat you up, but they are out to get a <strong>good deal</strong>. They will not usually take the first deal offered. If you offer them your best deal and refuse to budge, you disappoint them, because you don't give them an opportunity to use their skill. So offer a good deal, but be prepared to make small concessions. <strong>Let Drivers talk first.</strong> If you feel boxed in, be direct about it - make them think from your position. E.g.: &quot;Look we both want what is best for our companies; that's why we are here. I also realise that neither of us wants to take advantage of the other person. So share with me, why if you were me you would take the deal you just offered.&quot; They will often chuckle or back down when you say something like this. Drivers are there to make a <strong>deal first and a relationship second.</strong> Be open, direct and call them on their bluff in a friendly way. Don't try to punch back. e.g.: &quot;Frankly you have stumped me. I am having a hard time rationalising how to do this job at the pricing we are talking about. Can you brainstorm with me on how we can make this work?&quot;</td>
<td>Broad, sweeping statements annoy this person. Give them the facts -- and make sure they add up. Whatever <strong>documents you hand them will be read closely</strong>, either on the spot or after you leave. Analysers do like to mull the decision over and give you an answer by email, letter or phone. They need <strong>space and time in order to make a decision</strong>. If you try to &quot;strong-arm&quot; an Analyser or overwhelm them with your energetic, ‘sparkling’ personality, during negotiations, you will lose. <strong>Accuracy</strong> is vitally important to this person. They want <strong>facts, figures</strong> and specific detail. Always have your <strong>information ready</strong> before you call or visit. You can even send it in advance of the meeting. Analysers will often dwell on what could go wrong, even if it's unlikely to. They may seem to make a mountain out of a molehill. Actually, they are just trying to be accurate. <strong>Show them why the risk is worth taking.</strong> Focus on the positive and emphasize &quot;hard facts&quot;, “What xyz studies show” etc.</td>
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</table>
What Makes a Successful Negotiator

Group Activity

You have 10 minutes within your small group of three to brainstorm a list of the 10 key skills that successful negotiators need. List your key skills and note the reason why each of your ten skills is crucial to you as a negotiator.

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<thead>
<tr>
<th>Key Skill</th>
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In order to find a relationship between success in negotiation and the skills employed, a survey was made of the views of over 500 professional negotiators. A list of 45 personal characteristics, skills and traits were considered relevant, and were ranked according to importance.

There were significant variations in the way that negotiators from different professions assessed the relative importance of the various characteristics.
Negotiator’s Ratings

1. Planning skills
2. Personal integrity
3. Verbal and non-verbal clarity
4. Clear thinking under stress
5. General practical intelligence
6. Ability to gain respect
7. Team leadership skills
8. Tact/discretion
9. Ability to exploit power
10. Open mindedness/flexibility
11. Professional standards
12. Persistence
13. Self confidence
14. Product knowledge
15. Insight/discernment

Of the 45 skills under consideration, only the top 15 selected are shown. Of the remaining 30 not listed here, the bottom rankings were universally given to: education, and job title. All professions rated Planning skills, Flexibility, Personal Integrity and Verbal/Non-verbal clarity as the most vital attributes.

In negotiations we often have to adjust our approach when entering the negotiations, and therefor the following characteristics need to be developed:

- Willing to invest time and trouble in careful research and analysis of the issue;
- Sensitive to the needs of the other party;
- Very flexible and willing to compromise where necessary;
- Committed to a win/win philosophy;
- Have a high tolerance for conflict and stress;
- Able to identify “bottom line” issues quickly;
- Good “active” listener;
- Demonstrate a high degree of patience.
Good negotiators do not:

- Respond to attack or ridicule;
- Take it personally;
- Need to be liked;
- Lose control of their emotions;
- Become aggressive.

**Individual Exercise**

List all your personal strengths as a negotiator:

<table>
<thead>
<tr>
<th>Strengths as a Negotiator</th>
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List your personal areas for development as a negotiator and your action plan:

<table>
<thead>
<tr>
<th>Areas for development</th>
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</table>
### How Good a Negotiator are you?

Like any skill, negotiation can be learned, practiced and mastered. Personal and professional growth in any area of life usually involves a combination of awareness and risk-taking. Fill out this questionnaire on the personal characteristics necessary to be a great negotiator and your answers will help you determine where you have strengths as a negotiator and where you may need improvement.

**Key:**

1 = Typical of me  
5 = Not at all like me

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1) I enjoy dealing with other people, and I am committed to building relationships and creating win-win outcomes.

2) I have good self-esteem and tend to have a high level of aspiration and expectation.

3) I work to create a comfortable, professional atmosphere.

4) I enjoy coming up with creative solutions to problems.

5) I am well prepared prior to entering a negotiation.

6) I am able to clearly identify my bottom line in every negotiation. (If I go below or above a certain point, I will walk out.)

7) I am willing to ask as many questions as it takes to get the information needed to make the best decision.

8) I communicate clearly and concisely.

9) I work to see each issue from my counterpart’s point of view.

10) I confront the issues, not the person.

11) I focus on shared interests, not differences.
12) I look for ways to "grow the pie"—rather than simply dividing up the existing pieces—thereby expanding the relationship with my counterpart.
1 2 3 4 5

13) I do not take my counterpart's strategies, tactics and comments personally.
1 2 3 4 5

14) I like to uncover the needs, wants and motivations of counterparts so I can help them achieve their goals.
1 2 3 4 5

15) I recognise the power of strategies and tactics and use them frequently.
1 2 3 4 5

16) I know how to effectively counter a counterpart's strategies and tactics.
1 2 3 4 5

17) I am willing to compromise when necessary to solve problems.
1 2 3 4 5

18) When a counterpart and I come to an agreement on an issue, I ensure that the issue is measurable and time-bound.
1 2 3 4 5

19) I am a great listener.
1 2 3 4 5

20) I present information clearly and I am a persuasive speaker.
1 2 3 4 5

Key:

<table>
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<tr>
<th>Score Range</th>
<th>Description</th>
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<tbody>
<tr>
<td>20 – 40</td>
<td>You are not a successful negotiator - you need to build skills and knowledge in this area.</td>
</tr>
<tr>
<td>40 – 60</td>
<td>You have some ability in negotiation but need to learn ways of meeting your own needs while maintaining relationships.</td>
</tr>
<tr>
<td>60 – 80</td>
<td>You are a good negotiator and have developed skills to help you reach win-win in negotiations.</td>
</tr>
<tr>
<td>80 – 100</td>
<td>You are an excellent negotiator who has a record of successful negotiations.</td>
</tr>
</tbody>
</table>
Using Body Language to Enforce your Influence

There are four key elements to body language communication when opening negotiations - posture, facial expression, tone of voice and limb position. Of these, the tone of voice is most easily disguised and you should be wary of making judgments based on this element alone. While the other side is speaking, reassure them by using positive body language - make a lot of eye contact, smile, and nod in agreement with their major points and generally act as though you are persuaded by their arguments. This tends to draw the other side out by making them feel that you are easier to negotiate with.

When they have come to the end of their prepared remarks, keep quiet and maintain an attentive pose. They may then begin to improvise - providing even more information to the intelligent listener. Body language should be seen as a two edged sword, and when you are opening you should be aware that the other side may use it to encourage you to say more than you intended.

Mirroring

In any intimate communication there is a natural tendency to mirror the body position of the person you are talking to, and this behaviour tends to result in a more relaxed and agreeable atmosphere. You can put the other side at ease by being aware of this and making a positive but subtle effort to mirror their body language when opening negotiations - but don’t overdo it. If you are negotiating as part of a team then it is important to keep everyone on your side aware of the subtle messages they may be sending out. An individual’s facial expression, tone of voice, body posture and movement often convey a world of detail about what they are thinking, feeling and planning. The effective use and interpretation of body language communication will help you to identify subtle aspects of the other side’s opening position.

Intelligent listening

Intelligent listening when opening negotiations can be described as getting behind what people say to understand what they really mean. For example if the other side says: “We absolutely cannot move on price” it may be that other aspects of the deal are negotiable.

Similarly, “We don’t usually give more than 5% discount” could mean that they might well give more discounts if you give them something in return.

“Under our standard terms” could be taken to mean that other terms are almost certainly negotiable.

“That isn’t our usual practice” could mean that they could be convinced to make an exception.

“I can’t see how you’re going to achieve this” invites you to explain in more detail how it could be achieved.
### Assertive

- **Posture**: Upright/straight
- **Head**: Firm not rigid
- **Eyes**: Direct not staring
- **Face**: Expression fits the words
- **Voice**: Well modulated to fit content
- **Arms/Hands**: Relaxed/moving easily
- **Movement (Walking)**: Measure pace suitable to action

### Aggressive

- **Posture**: Leaning Forward
- **Head**: Chin jutting out
- **Eyes**: Strongly focused, Staring, often
- **Face**: Set/firm
- **Voice**: Loud/emphatic
- **Arms/Hands**: Controlled, sharp gestures, such as finger pointing or jabbing
- **Movement (Walking)**: Slow and heavy or fast, deliberate

### Non-Assertive

- **Posture**: Shrinking back
- **Head**: Head down
- **Eyes**: Glancing away
- **Face**: Smiling when upset
- **Voice**: Hesitant/soft, trailing off at ends of words/sentences
- **Arms/Hands**: Aimless/still
- **Movement (Walking)**: Slow and hesitant or fast and jerky

### The Body and the Voice

The effectiveness of what we say is influenced by how we say it.

The quality — speed, pitch and timbre — of our voice, our posture and our body language either reinforces or undermines our word.

Tone of voice, gestures, and so on can affect how the other person understands your meaning — no matter how carefully you select your words.

### Projection

Projection is how well you make your words carry to the place you want them to go.

This is different than loudness. To project your voice correctly you must focus on the location to which you want your words to carry and mentally aim your voice in that direction. Speak with more power. Your voice is your most effective instrument for expressing your words with power and self-assurance. People’s first impression of us is dominated by our voice quality. An assertive script communicates rational meaning.

If you are too loud, you may appear bombastic.

If you are too soft, you may sound timid.

Feelings are also communicated by your rate of speaking: too rapid - impatience or anger, too slow - hesitancy or fear.
Body language includes conscious and unconscious movements in:

- Posture;
- Facial expressions;
- Gestures;
- Tone of voice.

Body language relates to the following:

- Where you are in relation to the person with whom you are speaking;
- What your posture is like;
- What your use of gestures is like;
- What your facial expression is doing.

The body language of a negotiator is all about being relaxed and stable.

Being aware of body language is very important because the other person is constantly evaluating your messages, by reading your body language as well as listening to your words.

Generally about 10% of your message is received through verbal language, and the rest of the message is received through body language. With such a high percentage of your message being conveyed through body language, it is important to be aware of its effects on the communication process.

Body language occurs subconsciously, and therefore has a greater effect on the message because the sender cannot disguise it. Body language signals must be interpreted in total, as a single body language cue is not enough for an accurate reading.

One way to become sensitive to body language is to become a people-watcher with a purpose – this will help you develop a better awareness of assertive, aggressive and non-assertive body language.

**Assertive body language:**

- Firstly, discover non-assertive messages your body sends to others.

**Eye contact:**

- Blinking rapidly: reduce excessive blinking by closing and relaxing your eyelids.
- Staring fixedly: you can replace staring by shifting your gaze about every few seconds.
- Not looking: this is looking away from the other person's face.
- Squinting your eyes: check for eye strain and whether you need glasses.
- Shifting your head and eyes excessively: if necessary, hold your head steady with your hands.
Facial Expressions

A pursed, tight-lipped mouth: feel your lip muscles with your fingers as you talk, to correct tight lips, pucker up very hard, and then let your jaw hang loose, and relax the muscles around your lips.

Tensing and wrinkling your forehead: smooth out your tense forehead by running a hand over “worry wrinkles” – stroke away those lines.

Swallowing repeatedly: take a sip of water, to stop your swallowing from distracting you as you say your script.

Clearing your throat excessively: clear your throat or take a sip of water before you begin with your script.

Wetting your lips: avoid dry lips as this may be an indication of fear or tension.

Gestures and Posture

Covering your mouth when speaking: while rehearsing, hold an object in each hand to stop placing your hands over your mouth – the objects will remind you to keep your hands away from your mouth.

Scratching your head, rubbing your eye or the back of your head: practise with the two objects to avoid this from happening.

Preening: do not look at your fingernails, touch your hair or stroke your beard.

Tinkering with jewellery: avoid fidgeting.

Adjusting your clothing: do the two objects test to avoid fidgeting with your outfit.

Shifting your weight from one foot to another: stand still.

Wandering or pacing: to reduce pacing, put two chairs on either side of you, thus hemming yourself in.

Freezing like a statue: if you freeze up and are afraid to move, try some moving exercises.

Non-verbal behaviour – throughout the interaction it is important to maintain eye contact, and keep your voice up, but not high pitched.

Lessons from losing.

Defeat is never permanent unless you allow it to be – believe in yourself and ignore the critics.

Surround yourself with positive people – remember that people are not always what they seem to be.

The face and the eyes are the most expressive means of body communication. Additional positive or negative messages are sent by your gestures, posture, and the space between you and the other person.

Body language must be in tune with your words and tone or you send a mixed and often confusing message. Positive body language is important to supporting your words and ensuring complete understanding.

Positive message

Face is relaxed and under control. This communicates you are prepared, know what you are doing and/or are comfortable with your role.

Negative message

Face is anxious and uptight. This communicates you are ill-prepared, inexperienced and/or uncomfortable with your role.
Positive message

Smile is natural and comfortable. This communicates you are sure of yourself. Like what you are doing, and enjoy your clients/guests.

Negative message

Smile is forced or phony. This communicates you are unsure of yourself, don’t like what you are doing, and/or really don’t enjoy your clients or guests.

Positive message

Eye contact is maintained when talking or listening. This communicates they are important, you are interested in them, and you feel self-confident.

Negative message

Eye contact is avoided when talking/listening to customers or guests. This communicates a lack of interest, and/or you lack the self-confidence to do the job.

Positive message

Body language is deliberate and controlled. This communicates you are in control, you are glad to be where you are, and that although you are busy, this is just part of your job.

Negative message

Body movement is harried and rushed. This communicates that you are not in control of the situation and would like the client or guest to leave.

Voice

Your attitude is projected through your voice as well as your body language. Make sure your body language is always “I’m here to help as best I can.”

When your voice is annoyed, impatient, or condescending, the customer may become angered or angrier. Speak with a calm, firm, caring, soothing tone. Your communications will be more relaxed, more pleasant, and better understood.

The speed or rhythm of your speech is important as well. Clear communication includes appropriate pauses and inflections to support the words.

Qualities of a Good Voice

• Alert – awake and interested.
• Pleasant – a smile in your voice.
• Natural — straightforward language, without jargon.
• Enthusiastic – glad the person called, visited.
• Distinct – easy to understand with moderate volume and rate.
• Expressive – well modulated, varied tone.
Session 2: The Steps of Negotiation

Step One: Planning

An inexperienced negotiator who is well prepared can successfully make their argument and “win” their case against a seasoned negotiator. In the preparation phase, negotiators need to review previous examples or other incidents that might have bearing on the current situation.

Negotiators need to appreciate that the initial target they set is the outer limit of what they could achieve, and that there is no way in which the outcome will extend beyond this target; it will in fact only move the other way. Furthermore, they also need to appreciate that their aspiration base set the other party’s minimum expectation.

 Sadly, many managers enter a negotiation without having clearly defined the optimal goal they are aspiring to achieve in that negotiation, or aspire to a goal which is far too low.

This inevitably results in an outcome that is way beneath what could have been achieved.

Prepare, Prepare, Prepare

In successful negotiations you need to be like a detective, find out what the other side needs, what they want, and what they can afford. You also need to know needs and motivation. Know how much support you will receive from all sections of the organisation. How many levels of management do you need to deal with to make a decision? It is important to run some “what if?” scenarios on different outcomes.

Remember:

- Negotiators with high aspirations consistently outperform those with low aspirations. They start out as ambitiously as possible, staying just clear of losing credibility.
- By adopting a high aspiration base, negotiators create sufficient room to make and request the necessary concessions needed to achieve a win more-win more outcome.
- High aspirations generate positive psychological energy and prevent a negotiator from being rigid and defensive.
- A high aspiration communicates confidence to the other party and generally prevents irrational negotiation behaviour.
- High aspirations require the other negotiating party to expend more energy in trying to lower these aspirations, thus not focusing on promoting its own aspiration.

Compile your Negotiation Planning Document:

- What is the reason for being of this negotiation/ what is at stake?
- What are the topics to be discussed? Issues involved? (From my perspective and from the perspective of the opposer.)
- What is my perception of the issues (stance/point-of-view)? That of the opposer?
- What resources can I draw on? E.g.: Individuals, know-how, money, time.
Negotiating Skills to Reach a Deal 2012

- What do I know about my opposer? (Name, family, position in organisation, career path, interests and hobbies etc.)
- What do I know about the person/ people he/she represents?
- What are the negotiating style / behavioural style of the other party?
- What are my interests (or those of the people I represent)? What are the interests of the other side?
- What are our common interests? What are the opposing interests?
- What are commonly held criteria or standards that we could use to resolve conflicting ideas? (Neutral criteria include: market prices, benchmarks, rules and regulations, laws, court decisions, precedents, common practice.)
- What do I have to trade that is low value to me, but high value to the other side?
- Why is the other side talking to me? Why do they need something from me?
- What is preventing them from doing it another way, or doing it themselves?

**Step Two: Setting Goals and Objectives**

- What is the vision or ultimate goal behind the negotiation?
- What are the main motivating factors behind your counterparty’s position in the negotiation? What common ground, if any, exists between your vision and your counterparty’s vision? It is important to understand the drivers or silent motivations behind the positions of all parties to the negotiation. It is only by asking questions that we will uncover the real motivations behind these positions assumed by our counterparties.
- Have you spent time thinking about an agenda for your upcoming negotiation? Will you note all the concessions that you will give & receive?
- Will you ensure that the negotiation is minuted?
- Do you have tools/templates at your disposal to support the effectiveness and efficiency of the negotiation cycle in its entirety? It is important to ensure that you are well organised for your upcoming negotiation. Write down the key questions that you need to ask during the negotiation.
Aim High and Set SMACC Goals and Objectives

S – Specific

- With a very clear end-point.

M – Measurable

- This is the most difficult step. Why? Because you need to be able to measure what your objectives were and if you have achieved them. e.g. increasing client base by 2% per annum.

A – Achievable

- Is my target realistic?

C – Challenging

- Each objective needs to be challenging, avoid objectives like “maintain current output”.

C – Compatible

- Each objective needs to be compatible with the other objectives. For example the following objectives are NOT compatible:
  - to increase sales with 20%.
  - to reduce the number of sales staff by 30%.

Step Three: Opening Position

Opening Position key skills to remember:

- Outline Your Opening Position.
- Decide on your High Ball and Low Ball.
- Ensure that this position is realistic in light of the facts available to both sides.
- Perception of Power.
- Confirm all agreements reached and positions offered.

Opening negotiations first is generally viewed as a sign of weakness - as you are obliged to show your hand and reveal your priorities and possibly your strategy.

However, it isn’t all negative; there can be some benefits to be gained from opening first: You can alter the other side’s perception of the situation.

A confident opening can demonstrate confidence in your position. It can also imply trust in the other side to which they may respond favourably.

Remember, if you are opening first, avoid revealing too much and try to disguise the importance that you attach to different issues. If you are opening first, it is important to allow time for normal introductions, courtesies and small talk. You should then begin by outlining the scope of the negotiations and ensuring both sides are agreed on the main objectives.
Ensure you Establish the 4 P’s

1. **Purpose**: Why are we meeting?
2. **Plan**: Agree contents of the meeting.
3. **Pace**: How long do you expect the whole negotiation to take?
4. **Players**: Each person introduces themselves and their special interest in the negotiation team.

During this initial stage, pay attention to anything that the other side says, observe their body language - do they appear confident? Are they worried or distracted? Are they relaxed or impatient? Indicators such as these can help you to build up a useful picture of the other side’s position and strategy.

You should try to maintain a neutral tone and remain relaxed throughout this preliminary stage. If, for example, the other side can see that you are adopting a tough stance then they can very quickly toughen up and a stand-off may develop before the process has gained momentum.

Don't set your initial offer near your final objective. Give yourself room to negotiate. It doesn't matter what you are negotiating -- hours on a project, scope-of-work, specifications, price, who’s going to do what. When you start any negotiation you must assume the other party will always put their maximum positions on the table first. Equally important is the fact that they probably will not disclose to you the minimum they are willing to accept. Don't be shy about asking for everything you might want and more during a negotiation.

Give yourself enough time to negotiate. Before you start make sure you have allowed a realistic amount of time for the negotiation process to take place. Hours, weeks or months--it will frequently take longer than you expect. Rushing through the negotiation almost always works against you.

Don't assume you know what the other party wants. It is far more prudent to assume that you do not know and then proceed to discover the realities of the situation by testing and questioning.

Do not assume that your aspiration level is high enough. It is possible that your demands are too modest, or too easy to achieve. The other party may not know what they want or may have a set of values quite different from your own.

**Perception of Power**

If you go into a negotiation convinced that the other party is superior to you, you're likely not only to lose the negotiation, but to come out of it somewhat singed. The key to survival is in the attitude you adopt even before you start preparing for the negotiation.

**All's Fair in Love and War**

To understand the word “power”, it is important to first understand the difference between perception and reality. The experience of the Japanese army in World War II gives us an insight into this. During the Second World War, the Japanese army swept through much of Southeast Asia. When they came to Singapore they discovered there were 50,000 British troops guarding the city. The enemy was not only stronger in number; they also had time to prepare their defence. The Japanese, on the other hand only had about 20,000 troops. Amazingly, the British surrendered to the Japanese.
Perception vs. Reality

The reality was that the British had by far the greater numbers, and could have in fact have defended Singapore. Their perception, on the other hand was that the Japanese troops were much greater in size. The leaders of the time made their decision based on their perception of the situation not on the reality.

Perception is the process by which we ascribe meaning to information. It is the way we translate raw sensory data into meaningful experiences. The way people perceive certain things will determine how much they will compromise during the negotiation process.

Power Factors

Information: the key source of power in negotiation is information. You need information to support your objectives, and to refute the other party's position. Much of negotiation is simply an exchange of information, and using it to persuade the other party.

Constituency: the multiple parties, department or group behind you. They help define your objectives and evaluate your work.

Time: you can use time by rushing the pace or slowing it down to create pressure. You can speed up the other party's concessions by creating time pressure. Parties stall when they have time, deadlines give parties a reason to offer concessions; deadlines can serve as an excuse to your constituency (time was running out and we had to reach an agreement).

Legitimacy: formal rules, laws, policies and regulations that govern you and set certain limits (whether legal, cultural or societal norms and expectations).

Positional: position in your organisation can provide legitimacy and power for negotiating: projects, job descriptions, and the authority of positions. It is unclear when power lies in responsibility, authority and position.

Personal: personal qualities such as persuasion, persistence, personal integrity.

Precedent: previous outcomes to previous negotiations.

Record: controlling the written record, document or agreement. Able to put it into your own words.

Location: being the party to configure or choose the site for negotiation.

Agenda: developing the agenda; which can be manipulated, e.g. by procedure.

Some Agenda Strategies

It is customary to discuss the issues in the sequence in which they appear on the agenda. Negotiators usually insist that the issues should be dealt with in sequence, because there are good reasons for presenting them in a specific order.

Both parties must agree to the final agenda.

Remember that the order in which you structure an agenda gives your opposer insight into your strategy. Rejecting an agenda drawn up by your opposer will also give him a hint as to which issues are of HIGH or LOW value to you. Rejection of an agenda can be extremely revealing of the thoughts and intentions of the rejecter. It is suggested, that by and large, it is better to accept an agenda, which is not quite suitable than give away your strategies by rejecting the proposal.
All agendas are negotiable, and may be subject to conditions, which may be specified by either party. ANY conditions whatever may be included in the drawing up of agendas. These must, however, be agreed with the opposing negotiators.

**Agenda Matrix**

<table>
<thead>
<tr>
<th>Number</th>
<th>Issue</th>
<th>Sequence</th>
<th>Priority Negotiator</th>
<th>Priority Opposer</th>
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Add any issues, which you think your opposer would like to have included, and which you are prepared to discuss. There may be issues, which you would not want included. Erase these from your list.

In the last column, (Priority O), against each issue write the letter H, L or M depending upon whether you believe the issue to be of High, Low or Medium priority to your **opposer**. The priority is judged by your estimate of whether your opposer would want to win on that particular issue, or whether he would be willing to allow you to win on it.

In the penultimate column, (Priority N), against each issue write the letter H, L or M depending upon whether you believe the issue to be of High, Low or Medium priority to you, the **negotiator**.

Now look for issues, which are L for you and H for your opposer. List them on the vacant spaces between the list of your H and your opposer's L entries. You now have a list whose priorities look like this…

<table>
<thead>
<tr>
<th>Issue</th>
<th>Negotiator</th>
<th>Opposer</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>H</td>
<td>L</td>
</tr>
<tr>
<td>2</td>
<td>L</td>
<td>H</td>
</tr>
<tr>
<td>3</td>
<td>H</td>
<td>L</td>
</tr>
<tr>
<td>4</td>
<td>L</td>
<td>H</td>
</tr>
<tr>
<td>Etc.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
The above table lists issues, which you can pair off. You could agree to trade issue 1 and 3 for conceding issues 2 and 4 in favour of your opposer. If there are more opposer’s High priority issues than you have Low priority issues, consider manufacturing another issue, which is not important to you.

Now consider issues, which are, prioritised H for both you and your opposer. These will be the troublesome items to negotiate. Plan, perhaps, to negotiate these to a compromise.

If you can find a Low – Low priority issue on the list, well and good. You can use it or them to build confidence between the parties.

The sequence of your agenda will now be the object of your next effort.

Consider listing one or two Low – Low issues at the top of the list. These will be easily negotiated, and a trusting friendly climate will be built. It is always a good idea to negotiate issues on which the parties are in agreement first, and then to proceed to areas of conflict.

**Find Common Ground First and Negotiate From There:**

The third item on the agenda should be one, which is of HIGH-HIGH priority. It is just possible that your opposer will still be in a state of bonhomie, and the issue will be agreed before he wakes up to your ploy.

You may, however, list a series of HIGH-LOWS interspersed with LOW–HIGHS (in pairs) and try to negotiate each one as a pair giving and getting in turn. For good measure, if you have any LOW-LOWS to negotiate put one such issue in the list at intervals.

If your list contains an odd issue, which is of High priority to your opposer and Low priority to yourself, you might end the negotiation by conceding it to him unconditionally.

**Step Four: Bargaining**

**Bargaining key skills to remember:**

- Question for information;
- Challenge other side for justifications of their position;
- Examine and test their commitment;
- Present your key commitments;
- Explore key commitments;
- Summarise arguments and seek acceptance;
- Identify and highlight common ground.
Bargaining Range

Define your bargaining range

A bargaining range gives you flexibility. It includes a starting point, a target point and a walk away point. Each of these may be defined in monetary terms, or in other ways that allow you to define their relative values. Bargaining range is primarily associated with competitive situations, where each side takes a stance with give and take until a compromise is reached. Intangible outcomes are harder to define – such as esteem or success. They are extremely important. Tangible outcomes are the substantive, often economic outcomes.

Start

This is your first offer to the other party. Where you set this point depends on market and economic factors, timing and concessions you may be willing to make, or how negotiations have gone in the past. For example, a house may cost R175,000; therefore the seller’s starting point is R175,000. However, your starting point for an opening offer may be R140,000.

Target

The target is the point where you want to settle. It is your intended outcome. In the case of the house, your target may be R150,000, although your start point may be R140,000.

Walk away

This is the figure at which you will break off negotiations. The walk away point is usually beyond your target; it is the point of no return. In the case of a house offer, it is the highest amount you will pay (or, from the seller’s point of view, the lowest amount the seller will accept).

BATNA: your alternatives

Establish your BATNA, or a best alternative to a negotiated agreement. An alternative is an acceptable alternative outcome or settlement to the issues under negotiation. Prioritise your alternatives – they will provide you with power during bargaining. If the deal under considerations does not work out, you can switch to your alternative. Your goal, “to buy a house like this one”, is more achievable than “to buy this house and no other.”

Step Five: Agreement and Close

Once the parties have completed bargaining, made all the adjustments, and agreed upon the least uncomfortable result, the negotiation is ready for agreement and closure. This would be the time, for example, when you send the contract to your client for signature. It is also the time when a bargaining committee in a workplace would return to their membership with a new deal to be voted on.

By this time, any hostility should be long over with since the parties have moved to this stage following the conclusion of bargaining. At times, though, resentment can be close beneath the surface, and so any positive steps that can continue to support relationship building are important at this time.

One final, important note in the process is to make absolutely sure that you have a commitment to carry out the agreement that has been negotiated.
Questioning Techniques

Questions allow the other party to tell you about their needs and wants for the outcome of the negotiation. You'll be able to find out in far greater detail what they want to achieve as a result of the negotiation.

Once the other party begins to open up and share their feelings and opinions, they are starting to make an investment in the outcome. It moves from being a discussion to a way of reaching an agreement.

Open Questions

Are very effective in getting the other side to open up in negotiation. They are useful in seeking clarification and encouraging a detailed response. They begin with: Who, What, Why, Where, Which and How.

Tactical open questions give you information, strategic open questions tell you how the other person feels, and what motivates them. As an example when selling a house, you can use the following:

Tactical open questions:
- What part of the city is the house in?
- How long have you lived there?
- What is the address?

Strategic open questions:
- When do you want to sell by?
- What do you think about the finance details?
- What would you like?

Closed Questions

Closed questions will give you a straightforward yes or no type of response from the other side. These questions are useful when you are not looking for information, data or a clue about their feelings. They are designed to get a quick response. They are effective when checking details in the early stages of the negotiation. Here are a few samples:

- Have you read my proposal?
- Do you intend to settle today?

Auxiliary Verb

Use the 15 auxiliary verbs to begin a closed question. Use closed type questions when you need only little information and wish to move the process along. The 15 are: is, are, were, do, does, did, has, had, have, could, would, should, can, will, may.
Reflective Questions

The reflective type of question is essentially like holding up a mirror to the other side. It is designed to allow you to respond to their answer with another question. It is useful as you repeat their answer in your own words to confirm or clarify your understanding of their answer.

- You feel that the offer is too low?
- The possession date is too soon. Is that what you are saying?
- So you believe that the offer is still too low, how far apart are we?

Questions to Open Negotiations

- Could you tell us what brought you here today?
- Please explain to me what is happening?
- Can you give me some background?
- Tell me your view of the situation?

Questions to Get Information

- Can you give me an example?
- Could you tell me more about how you view.....?
- Can you explain....?
- Can you help me understand why...?

Questions to Get an Interest

- What is important to you?
- Can you help me understand why?
- What concern you about the situation?
- How does..........affect you?
- How do you fit into the picture?

Questions to Get Solutions

- What might work for you?
- What can you do to resolve the issue?
- What other thing might you try?
- Is there some way we can meet both our needs?
Questions to Get to Consequences

- What other options do you have if we do not reach agreement today?
- Are you planning on getting another job?
- If you agree to this solution and ...........happens, then what?

Questions to Test Agreement

- Is this agreement acceptable to all?
- Have we covered everything?
- Is there any part of this you are uneasy with?
- Now, is this what you are agreeing to?

Negotiate the WHY….not the WHAT

- When negotiators bargain over positions they tend to get stuck in those positions.
- The more you defend your position, the more committed you become to it.
- The more you try to convince your opposer of the impossibility of changing your opening position the more difficult it is to change it.
- The result is an agreement that is not as satisfactory as it could have been to both sides.

When negotiations are 'winner takes all', the deal is often not the best one that could have been obtained. Also, the relationship that was supposed to be maintained or established starts off badly or is irreparably damaged. It is important not to become fixated on your bargaining position. Rather probe for underlying interests - what each side really cares about. Do not treat potentially more cooperative agreements as mere price deals in which the interests of the parties are opposed. An interest-based approach is one that respects both parties' needs and produces better long-term results while preserving, or even improving, inter-personal and inter-organisational relationships.

This is the “meat and potatoes” part of negotiation. Bargaining is where interested parties go over their agreements and negotiate changes, sometimes one term at a time. There are times when an agreement in principle can lead to a long and protracted quest for agreement on smaller details. Those smaller details are worked out in bargaining, the phase where actual sacrifices and concessions are made.

This is the stage where hostility and anger can become evident, as the parties work on the fine details of an agreement. It is important that negotiators remain calm, professional, and relaxed during this phase. If negotiators lose their tempers or argue, the negotiations may fall apart; no progress can be made if people are not speaking to one another.

A common example of bargaining outside of the workplace is in divorce proceedings. The divorcing couple may agree in principle that they will share custody of their children equally. However, the details of deciding how to share the children during special occasions like birthdays, school holidays, or Christmas can become extremely difficult to work out – much more so than deciding other details, such as who is responsible for particular amounts of debt, or who gets the photo albums, CDs, or casserole dish. The detailed tactics are discussed in a later session.
Creating Win/Win Results

The true win/win settlement is a negotiated agreement where the agreement reached cannot be improved further by any discussions. So your outcome can not be improved for your benefit, and similarly, the agreement for the other party cannot be improved further for their benefit either. By definition, there is no value left on the table and all creative options have been thoroughly explored and exploited.

Win/Win negotiation is one that is fair under all circumstances at the time the agreement is made. It provides for various contingencies before problems arise. A win/win deal is workable in the real world.

To be sure that you have a win-win situation, ask yourself the following questions just before closing:

- Does the agreement further your personal goals? Does the outcome of the negotiation fit into your initial planning?
- Does the agreement fall comfortably within the goals and limits that you set for this particular negotiation?
- Can you perform your side of the agreement to the fullest?
- Do you intend to meet your commitment?
- Based on all the information, can the other side perform the agreement to your expectations?
- Based on what you know, does the other side intend to carry out the terms of the agreement?

In the ideal situation, the answer to all six questions is a resounding yes. If you are unsure about any one of them, take some extra time. Review the entire situation. Assess how the agreement could be changed in order to create a yes answer to each question. Try your best to make the change needed to get a firm yes to each question. Then, close the deal. Don't go for any more changes even if you think that the other person wouldn't mind. You never know!

When you work in a culture other than your own, being sure that you have a win-win solution takes a little extra effort. During a cross-cultural negotiation, be thorough in your investigation of what is and isn't acceptable.

Ask Smart Questions

When we enter a negotiation prepared, it is most likely that we'll only have an educated guess as to other parties’ intentions, interests and priorities.

We need to determine whether our goals can be connected to the business goals of the other party. The more we know about their aims, the more we will be able to put together settlement packages that better address the business goals and priorities of both parties. When we know what's important to the other party, we can build a beneficial and productive agreement.
Play Fair

What do we tell them about our goals and interests? Reciprocalation is essential. We have to tell them about our goals and interests so they may better understand how they might not only meet their needs, but ours as well. Best we begin at outset with setting the frame of a co-operative mood to increase mutual interaction. Only then should we progress into fact-finding and option generation. Our counterparts will usually mirror our behaviour, the virtuous and less than virtuous.

Present Multiple Offers

The best win-win agreements often spring from presenting multiple offers rather than a single, lone offer or proposal. The reason is that a single offer or proposal often has an anchoring effect. Multiple offers tend to stimulate communication. Multiple offers will often prompt or nudge our counterpart into providing vital information about their objectives and the true nature of their business ambitions. Negotiating will be more energetic and productive because several options will likely enhance the possibility of finding even more creative solutions than would otherwise have been possible.

Third Party Assistance

Another innovative strategy to maximise your resources effectively is to use a neutral third party to help both parties tease out all goals and interests. In addition, you can ask this third party to suggest an agreement, or for ways in which to improve your existing agreement. Each side should of course have the option to veto the third party's proposals if they uncover better alternatives.

Individual Exercise

What if your counterpart is not interested in a win-win outcome?

First try win-win. If win-win fails you must be ready to use competitive techniques.

People who do not want to use win-win do this because they are afraid that you will take advantage of them. So demonstrate that care about them. This is of course, most important when a long term relationship is at stake.

This does not mean that you cannot pursue your own interests. There is an important distinction between being aggressive and being assertive!
Ethical Negotiation

Fairness

If you can convince the other side that a certain criteria or formula is fair and reasonable, they will find it harder to reject a proposal incorporating that standard, and they are more likely to feel satisfied about the deal. The opposer should feel that you were tough and fought hard but you were fair to him/her.

REMEMBER to make sure:

- All parties feel like winners.
- Each care about the objectives of each other.
- You will enjoy doing business again in the future.
- You believe each party will uphold the agreement.
**Individual Exercise**

How do you do business (your ethics, your credibility and how trustworthy are you)?

**How does one build trust?**

**A question of ETHICS**

Decide whether or not the approach would be appropriate - (the deal is important to you)

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<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>I would <strong>not</strong> do that</td>
<td>I might do that</td>
<td><strong>Yes</strong> I would do that</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Tactic:**

1. As a seller, you make an opening bid that is far larger than what you really hope to settle for.

2. You try to strengthen your negotiating arguments by not being fully truthful about certain information.

3. Pay contacts to get information about the opposing party for you.

4. Try to recruit or hire one of your opponent’s team (on the condition that he/she brings confidential information with him/her).

5. Your opponent has true information that weakens your negotiating position. You deny its validity.

6. You try get your opponent removed from his/her position so that a new person will take his/her place.

7. Get the opposer on your side by pursuing friendship through expensive gifts, entertaining, or “personal favours”.

8. You threaten to make your opponent look stupid in front of his/her higher management; even if you know that you won’t actually carry out the threat.

9. You promise favours or rewards to your opposer if he/she gives you what you want even if you know that you can’t deliver these things.

10. You try to put time pressure on your opposer by pretending that you are in absolutely no hurry to come to a negotiated agreement.

11. You offer to make future concessions to your opposer in return for an immediate concession on his/her part but you know you will not follow through on this.

12. Go above the head of your opponent and tell his/her boss/principal things that will undermine their confidence in your opposer’s negotiating skills.
Influencing Techniques

Negotiation can be considered a tool that assists parties to obtain an agreement based on their interests, but ultimately, what we do when we negotiate is to attempt to influence others to accept our way.

Sometimes we succeed, sometimes we don't. Negotiation literature is full of tactics and strategies that describe ways of achieving this goal.

There are two kinds of influences: Positive and Negative.

If we want to change our car we might consider selling the old one. We prospect the market and discover that an average price for the old one could be R 90,000. If we advertise it at a price of R100,000 this is a positive way of influencing others. If we decide to advertise at R120,000, this could be considered a negative way of influencing behaviour.

Negotiation is measured by two criteria: Results and effects on relationships. A successful negotiation happens when we achieve our objectives in terms of results and keep the relationship, at least, within co-operative limits.

There are long debates about ethics and morals in negotiation. What we should do and what we are not allowed to do. At the end of the day, the difference between utilising positive or negative influence is the status of the relationship. Whatever the result (of course at least we must attain our objectives); if we end up with a good relationship it means that we used positive influence.

When we behave as other people expect us to behave or when they agree to the appropriateness of our actions or motives, we are employing positive influencing techniques. We know we are using influence in a positive manner when we prepare well for a negotiation. If we have many offers; if through our actions we garner trust; if we make the correct alliances; if we create an environment that others enjoy; if we demonstrate competence; if we have communication skills and through many other methods, we are employing positive influences.

On the other hand, if we lie even when other expects us to lie; if we deceive, if we try to dominate; if we do not listen; if our main pre-occupation is arguing; if we disregard other's party needs, then we get a negative reaction. Using negative influencing tactics can bring us the desired results, but we have to be cognisant of the consequences. A bad relationship is certain and our name and reputation goes with it.

One can argue that being a good negotiator and using only positive influencing techniques can still end up in a negative reaction because of skill differences between the parties. The others may envy the skilful one or assume that facing such a good negotiator, they will surely lose. Civilised society is premised on equal opportunities, not on equal possibilities. A very good negotiator can almost always demonstrate to others that they have obtained the best result for a certain deal.

Often, the difference between the two types of influencing is vague. Different negotiations have different boundaries between positive and negative influences and it is not simple to detect them. Even when we attempt to keep within positive influencing techniques, we always have the tendency to push toward the limits, hoping that we will see signals from the other side of the table that will show us when we had pushed too far.
Skilful negotiators have the ability to move the boundary inside what is normally perceived as negative actions and still keep a good relationship. When we try to evaluate a situation we are employing our own system of values. In a negotiation, however, we are dealing with people that always have another system of values. So, in their eyes, it is not important what we consider about fairness, or ethical and moral. It is their judgment that counts. And if we want to be effective in our influence, we must evaluate our actions as nearly as we can to their views also.

All of us develop a behavioural strategy within our normal environment. By observation and self-training we recognise the limits between the two types of influences. At the office, inside our market, in our group of friends and at home, we have the capability, more or less, to know how to manage the situations that we face. Problems occur with changes.

When we change jobs, when we convene with another culture, when the market is changing, we may lose our perception about the boundaries between the two types of influences. This is when we have difficulties in negotiation.

The manner we behave in a negotiation is based on our feelings. Confidence, trust, courage are one category and on the opposite side, anger, fear, greed, uncertainty are another kind of feelings that reveal to us why we do what we do. If we are greedy we will attempt to exploit others. If we are afraid, we will try to protect ourselves, if we are angry we want to attack and if we are uncertain we will avoid. All these lead to negative influence. Our actions are reflections of our feelings and negative feelings lead to bad relations. The other types of feelings, the positive ones, are the source of positive influence. When we are confident, when we have courage and when we want to build trust, we will be able to concentrate on new ways and new opportunities that can create a strong win-win situation for all parties.

The secret to effective negotiations, therefore, is in understanding others as well as ourselves so that we can employ positive influences in our negotiations. Positive techniques are vital to achieving winning results and relationships that make agreements valuable for all the parties in an agreement.
Session 3: Practical Role Plays –The Ugli Orange Case

A Two-Person Negotiation

Role of Dr. Jones

You are Dr. Jones, a biological research scientist employed by a pharmaceutical firm. You have recently developed a synthetic chemical useful for curing and preventing Rudosen. Rudosen is a disease contracted by pregnant women. If not caught in the first four weeks of pregnancy, the disease causes serious brain, eye and ear damage to the unborn child. Recently there has been an outbreak of Rudosen and several thousand women have contracted the disease. You have found, with particular patients, that your recently developed synthetic serum cures Rudosen in its early stages. Unfortunately the serum is made from the juice of the Ugli Orange, and approximately 4,000 of these oranges were produced this season. No additional Ugli oranges will be available until next season, which will be too late to cure the present Rudosen victims.

You have demonstrated that your synthetic serum is in no way harmful to pregnant women. Consequently, there are no side effects. Unfortunately, the present outbreak was unexpected and your firm had not planned on having the compound serum available for six months. Your firm holds the patent of the synthetic serum and it is expected to be a highly profitable product when it is generally available to the public.

You have recently been informed, on good evidence that Mr. R.H. Cardoza, an Argentinean fruit exporter, is in possession of 3,000 Ugli Oranges in good condition. If you could obtain all 3,000 you would be able to cure present victims and to provide sufficient inoculation for the remaining pregnant women in the country. No other nation currently has a Rudosen threat.

You have been authorized by your firm to approach Mr. Cardoza to purchase the 3,000 Ugli Oranges. You have been told that he will sell them to the highest bidder. Your firm has authorized you to bid as high as R250,000 to obtain the 3,000 available oranges.

You have recently been informed that Dr. P.W. Roland is also urgently seeking Ugli oranges and is also aware of Mr. Cardoza’s possession of the 3,000 available. Dr. Roland is employed by a competing pharmaceutical firm. He has been working on biological warfare research for several years. There is a great deal of industrial espionage in the pharmaceutical industry. Over the last few years, Dr. Roland’s firm and yours have sued each other for infringement of patent rights and espionage law violations several times. Dr. Roland has contacted you and you have agreed to see him/her in your office.
Role of Dr. Roland

You are Dr. P.W. Roland. You work as a research biologist for a pharmaceutical firm. The firm is under contract with the government to do research on methods of combating enemy use of biological warfare.

Recently several World War II experimental nerve gas bombs were moved from Durban to a small island just off the Western Cape coast. In the process of transporting them, two of the bombs developed a leak. The leak is presently controlled by government scientists who believe that the gas will permeate the bomb chambers within two weeks. They know of no method of preventing the gas from getting into the atmosphere and spreading to the other islands, and very likely to the mainland as well. If this occurs, it is likely that several thousand people will incur serious brain damage and die.

You have developed a synthetic vapour which will neutralize the nerve gas if it is injected into the bomb chamber before the gas leaks out. The vapour is made with chemicals taken from the rind of the Ugli orange, a very rare fruit. Unfortunately, only 4,000 of these oranges were produced this season.

You have been informed, on good evidence that a Mr. R.H. Cardoza, a fruit exporter in Argentina is in possession of 3,000 oranges. The chemicals from this number of oranges would be sufficient to neutralize the gas if the serum was developed and injected efficiently. You have also been informed that these oranges are in good condition.

You have been informed that Dr. J.W. Jones is also urgently seeking to purchase Ugli oranges and that Dr. Jones is aware of Mr. Cardoza’s possession of the 3,000 available. Dr. Jones works for a competing firm in the pharmaceutical industry. Over the years, your firm and Dr. Jones’s have sued each other for violations of industrial espionage laws and infringement of patent rights several times. Litigation on two suits is still in progress. The government has asked your firm for assistance. You have been authorized by your firm to approach Mr. Cardoza to purchase the 3,000 Ugli oranges. You have been told Mr. Cardoza will sell them to the highest bidder. Your firm has authorized you to bid as high as R250,000 to obtain the oranges.

Before approaching Mr. Cardoza, you have decided to talk to Dr. Jones to influence him/her so that s/he will not prevent you from purchasing the oranges.
Planning Your Role Play

Prepare your negotiations with Dr. Jones. Your preparations will be to identify the following six variables.

1. Objectives: What are yours?
   What are your opponent’s likely to be?

2. Conflict: What are the likely points of conflict?

3. Power: What power do you have?
   What power does the other party have?

4. Compromise: What are the likely points of compromise?

5. Variables: What variables are present in this negotiation?

6. Stance: What is your actual stance?
   What is the other party’s actual stance likely to be?
Planning Your Role Play

Prepare your negotiations with Dr. Roland. Your preparations will be to identify the following six variables.

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6. Stance: What is your initial stance?
   What is the other party’s initial stance likely to be?

7. What is your actual stance?
   What is the other party’s actual stance likely to be?
Role of the Observer

The key to this bargaining situation is that Dr. Roland and Dr. Jones need different parts of the orange. Dr. Roland needs the rind; Jones needs the juice. Neither knows what the other needs; it is the key point to come out of their negotiations.

In watching this negotiation, look for the following:

- How much disclosure is there – what information is shared?
- What are the points of conflict?
- What are the points of compromise?
- Do the parties trust each other?
- How creative or complex is the solution they come up with?

Please do not speak to either Dr. Roland or Dr. Jones until the Course Tutor ends the negotiation and asks you to give feedback.
Competitive Negotiation Tactics

A wide array of tactics is available to support the deployment of a competitive negotiation strategy. It is important to note that it is only appropriate to deploy competitive negotiation tactics in an environment where relationships have little or no importance. Some of the tactics listed as competitive can also be deployed in a compromising, accommodating or collaborative negotiation setting as long as they do not detract from the relationship goals and are not intended to negatively manipulative.

Cherry Picking

Clients can model their perfect deal by shopping around and securing many bids before coming to you. They may come to you with fully-formed expectations of price, discount structures, quality, service, time scales, etc. telling you that “this is what the competition is offering us, so you’ll need to at least match it.” In reality they may have “cherry picked” the most desirable offerings from each of your competition’s proposals.

Dealing with Cherry Picking

By asking which competitors you are being played-off against, you are better able to satisfy your own interests. Enquire into which company offered them this “dream deal”. If it seems too good to be true you might be right! Take time out to do your market research and examine the named competitors” standard conditions and current deals.

Draw the “other side’s” attention to the principle of trading and mutual concession making. Explain that in order to make the deal worthwhile, you will need to gain something in return for adjusting your offer to satisfy their “cherry picked” ideal. It will be a challenging task to bring this client's expectations back down to earth, but perhaps you will win the deal by doing so.

Deferring to Higher Authority A.K.A Mandated Authority

This works by getting all the information from you and then putting pressure on you to stall for time. It is clever because the other side will try to get you to accept a lesser offer, by indicating that anything better would have to be approved by a higher authority. Explore the other side's authority level when you set the agenda.

It is important to understand how the counter party will reach a final decision.

Mandated authority comes in two main forms:

- The other party can only negotiate on certain items, whilst other “off the table” terms are non-negotiable and fixed by a higher authority.
- Final approval can only be given by a higher authority.

You will need to probe your counterpart in order to uncover the identity of other decision makers, or that of the higher line of authority, within the organisation. Failure to enquire fully about the ultimate decision maker at this stage may lead to a loss of negotiation time and misdirection of negotiation efforts further down the line.
Example:
Having a mandated authority who must give final approval can be useful in high-risk scenarios or while dealing in new and unfamiliar markets. In the example below, the client enquires about who he should speak to in the event of him not accepting the invoice.

Client: "I'm very dissatisfied with the invoice on the repair for my car. It's ridiculously high for the job you did! I will not pay this invoice."

Workshop manager: "I only work here my friend. If you do not pay I might not be able to release your car. I do not have the authority to change the invoice." (A neat deferral).

Client: "Who can?"

Workshop manager: "The Service Director in our head office."

Dealing with Deferred Authority
Conduct your research and understand your counterpart’s decision-making process as early as possible during the process.

You do not necessarily need to start negotiations with the ultimate decision maker. Sometimes it is more useful to create a relationship with the lower level authority because he or she may be able to swing a great deal of influence in your favour. Make it clear that you will need to talk with a higher level authority at some stage of the deal.

When faced with the off-the-table terms mentioned above, do not accept these at their face value. If you do, the list may grow and you will have gained nothing in exchange for any concessions offered. Enquire about the interests behind these items and why they are non-negotiable.

Association (also known as ‘Name Dropping’)  
There is a human tendency to want to do business with people who are well connected. Your counterpart may mention having done business with a VIP or an esteemed company. He or she may display photographs in the office, of interactions with famous personalities, for example shaking hands with Nelson Mandela.

How to deal with Association
In such a scenario, recognise what is happening and do not allow yourself to be influenced by the grandeur of the situation. Do not be tempted to treat the person any differently than you would have without this information. If you think they are stretching the truth, enquire into what they did with the person or company, be interested and ask for details. If they mention a company, ask for the name and position of the person they dealt with. If they become vague or change the topic you can very well draw your own conclusions.

The Set Aside
During negotiation, you may come across the situation where the other party will attempt to avoid addressing certain issues due to an unwillingness or inability to satisfy them. Alternatively there may be a case where you feel that issues are being raised for negotiation specifically aimed at throwing you off track.

Example:
Imagine a meeting with 5 people where one person continuously wants to focus on an issue that everyone agrees is non-essential to the decision making process.
Dealing with the Set Aside

Thorough preparation and research before meeting your counterpart will enable you to predict and understand what he or she should be asking for. During the meeting you can set aside issues by asking questions about priorities and weightings associated to issues raised.

Limits

Prospects may impose limits at the outset of a negotiation. Limits include money, time, capacity, personnel, etc. The aspect that is feared most by a sales person is limited money.

Example:

“We like what you offer, your product and organisation - we just can’t afford to pay more than X.”

Dealing with Limits

The best means of dealing with Limits is to attempt to reframe the negotiation. Perhaps you can deliver within their stated limit but do ensure that you apply the “if/then” trading principle and get something back for making this concession. “If I sell at X, then you will need to forgo your monthly management reports.”

The literature of Cialdini shows that when the risk of losing a valuable product or service is fully understood, then the limiting restrictions are brought into proper perspective. “Yes we do need to work to your budget. Let’s also remember that we are talking about saving your company 2000 hours per year here, which is worth X2 discounted over 10 years. So the real cost isn’t X, it’s the risk of not saving X2.”

Good Cop / Bad Cop

You have seen this in many Hollywood detective movies. The other side has a pair of negotiators: one is the tough, mean bad guy. The other one is the seemingly helpful good guy. The good guy makes an offer while the other is out of the room, acting as if it is in your best interests. Call them together and address the tactic.

Many negotiators often do not realise when a good cop / bad cop scenario is being played out in front of them. You will be faced with two or more negotiators; one is demanding concessions whilst the other is, by comparison, being more reasonable. Often the bad cop may not be present at all. The other party will make references to a boss or other team member’s demands for your concessions.

Example

Imagine an estate agent and a property owner negotiating with a prospective buyer of the property.

Owner: “I'm sorry, but I do not wish to spend more time on this negotiation. I really have to go now, as I don't see the possibility of a meaningful offer.” (Gets up and departs).

Sales person: "I must apologise for my client. He's a difficult person. I want you to know that I want you to get this house. Let me see what I can do."

Buyer: "Do you think you can convince your client?” (NB: This could be dangerous. The buyer is now asking the sales person to take over the negotiation and could feel compelled to accept the deal the sales person subsequently offers).
Dealing with the Good Cop/ Bad Cop routine

Notice what is happening and remember that despite appearances, the “good cop” is not on your side. Often the dynamics can be changed by commenting on the behaviour. Smile and say, “You know what this reminds me of? A police interrogation scene from a movie with that old good cop / bad cop routine. Now I know you guys would not intentionally be doing that routine on me, so let’s get back to the reason why we came together today.”

Alternatively you could focus all your efforts on the bad cop, and ignore the good cop. You have to satisfy the needs of the bad cop, so it should be his or her interests that are fully discovered and addressed.

The Flinch

Physical reactions, such as sudden gasping for air or visible expressions of surprise and shock are common examples of flinching. Failure to flinch when a low offer is being made leads the party making the offer to conclude that the counterpart has yet to reach its real base. This could result in further pressure to settle for an even lower price.

Likewise, simply accepting an offer without flinching could result in missing the opportunity to acquire a better price. It might also make the other party feel that they have not done as well as they could have.

Example:

Sales person: "So with all the features I showed you the price is R218,000."  

Sales person: "That naturally includes an on-site warranty and installation."

Client: "R218,000 is still big money."

Sales person now makes a concession: "Naturally we will throw in some software for your new computer as well."

Dealing with the Flinch

What makes the flinch so dangerous is that it happens in an instant and at a conscious level most people are unaware of it. Seeing a shocked expression is far more believable than hearing someone say “I’m shocked.” To deal with a flinch effectively, you first need to consciously take note of exactly what is happening. After that, think about whether the other party genuinely expected something else, or if he or she is merely playing a part to lower your expectations.

Since a flinch is essentially a display of disappointment, take the time to ask: “I noticed your surprise, what were you expecting?” This puts you in a position to talk about your counterpart’s “unrealistic expectation”, rather than your “unrealistic terms”.

The Bottom Line

A request to reveal the “Bottom Line” can lead the unskilled negotiator into offering a big concession as a last stab at saving the deal.

Example:

Sales person: “Forgive me for taking so much of your time, but this car is truly a winner, is it not?”  
Client: "I sincerely appreciate the time you have taken, but this is not what I want. I need something much simpler."  
(Client gets up and starts moving away.) "In all fairness, what's your best price for this car?"
Dealing with the Bottom Line

In this example, the sales person has invested time and energy in the negotiation and is worried that an empty handed result may ensue. To the offer of a Bottom Line concession, a skilled buyer may respond: "Maybe I reacted too quickly. What are you saying I will get for your latest price?"

Take it or Leave it

The “take it or leave it” approach is confrontational and can sometimes even be hostile.

Example:

“The staff won’t accept less than a 9% increase in salary, take it or leave it!”

This can be met with “I understand the staff need 9% more in salary, so please help me to understand what they will be doing with 9% more?”

It may be that this money would go towards their retirement plans. If so, the company could offer to increase pension contributions to meet the desired security levels. Until you know why they want a 9% rise, you are not in a position to create alternatives.

Dealing with Take it or Leave it

Focus on the interest behind the demand, and then work together with the other party to create options that allow the interest to be met in another way.

If you suspect a bluff, one good way to expose the bluff is to ask “If we were to agree to your demand, then would you be prepared to sign the contract here and now?”. You may flush out concealed interests by asking this question. If you don’t ask this question, you run the risk of making a concession only to be faced later with another demand.

Similarly, if your opponent claims "You will have to do much better than that!" ask "How much better, and if we do, will you sign here and now?" You are not committing yourself by asking these questions, merely exposing the other party’s intentions. Another response is to use the “if/then” trading principle: “If we reduce your price, then we need you to increase your order.”

The Trade Off

Terms may need to be re-negotiated post-agreement if there are changes in circumstances for either party.

Example:

Printer: "We have had a problem with the letterheads you wanted by the 30th of July. They will not be ready before the 15th of August. I’m very sorry, but I have tried everything possible to accommodate you. I hope this is okay with you?"

Skilled negotiator: (Sees this as an opportunity and knows how important it is to stop the erosion) "Well I’m not sure. We have a very tight deadline. I’ll see what I can do. Should I succeed, I’ll need to know what you are going to do for me?"

Printer: "What if I add another 1,000 copies, at no extra cost, to your already requested print order?"
Dealing with the Trade Off

See the Trade Off as an opportunity. In some cases it may even be good practice to reserve a 'debt' to provide an advantage in future negotiations.

Personal Attacks

Personal attacks are often deliberate attempts to throw a party off balance and incite an emotional response.

**Stonewalling** is evasive, obstructive behaviour; a refusal to budge. It is usually characterised by the inability to behave flexibly.

**Attacks** are pressure tactics designed to intimidate and discomfort the other party. Attacks may take the form of threats, undermining of credibility or questioning of authority.

**Tricks** usually take the form of misrepresentation by negligence, omission or invention. Tricks include the use of false or confusing information in the form of figures; reference to another authority; and the use of what is known as add-ons or last minute demands (items that appear after an agreement has already been reached).

Dealing with personal attacks

Smiling at the offender is the best way to disarm him or her and interrupt any personal attacks. Reminding the other party that this is contrary to the initial agreement can also be a strong counteraction to tricks and attacks. People and issues must be kept apart in all negotiation processes. An emotional reaction will only show that personal attacks have had the desired effect and thrown you off balance.

The Decoy

Decoys are highly contentious and pose the question: How can you know whether the other party is being totally honest while disclosing their interests? They might be “loading the dice” in their favour by adding false surplus interests into their agenda. For example, they tell you about 13 interests, when in reality they only have 10.

There are two examples of how this can create a win-lose situation in the other party’s favour:

1. There is a risk of you making an exchange on an invalid interest of your opponent, only later for him or her to drop this exchange from the deal. This would leave you with an unmet interest, and them with a deal that satisfies all their interests.

2. There is also the danger that the other party agrees to “forget” about their fictitious interests if you will forget about your real ones.

Example:

The example below shows a manager asking for something he does not really want when he knows very well the other party is unable to meet the requirement.

Manager: "I need these files printed within 30 days." (Knows that 90 days is the minimum time needed to fulfil this order).

Sales person: "90 days is the minimum time we need."

Manager: "What! You are leaving me with a very costly problem. What must I do in the meantime? I cannot live with 90 days!"
Sales person: "I'll tell you what we can do. I'm willing to give you a discount of R10.00 per file. What do you say?"
(The sales person does not want to lose the deal.)

The 30 days request is a mere decoy, but it has secured a concession and delivered a successful trade-off in the manager's favour.

**Dealing with the Decoy**

There are various methods for handling this dishonest tactic. Being thorough at the outset may be sufficient. Remember to enquire into the motivation for each interest by asking how each one helps your opponent, then work together in ranking their interests. If you feel suspicious, trust your hunches and probe further, research more widely and withdraw to regroup.

Your best method for safeguarding yourself stems from a combination of preparing thoroughly to predict and then understand what they should and will be asking for. Check your opponent's expressed interests against your expectations. Then develop your interpersonal perceptions to notice when the other party is being economical with the truth.
Avoidance Negotiation Tactics

If you have selected a strategy of avoiding negotiation, then you will deploy tactics that support avoiding any and all negotiation with your counterparts.

Within a business context this would typically take the form of a type of tender where as suppliers you will submit your best price for a certain commodity or service and you will merely accept or reject the outcome without entering into any negotiation. However it may be that within a negotiation you choose to avoid certain issues or your counterpart chooses to avoid certain issues. In that case the Set Aside may be deployed.

The Set Aside

During negotiation, you may come across the situation where the other party will attempt to avoid addressing certain issues due to an unwillingness or inability to satisfy them. Alternatively there may be a case where you feel that issues are being raised for negotiation specifically aimed at throwing you off track.

Example:

Imagine a meeting with 5 people where one person continuously wants to focus on an issue that everyone agrees is non-essential to the decision making process.

Dealing with the Set Aside

Thorough preparation and research before meeting your counterpart will enable you to predict and understand what he or she should be asking for. During the meeting you can set aside issues by asking questions about priorities and weightings associated to issues raised.
Compromising Negotiation Tactics

The selection of a compromising negotiation strategy would be based on a decision that there is a certain level of importance associated with maintaining a relationship between the parties to the negotiation. The following tactics can be deployed to support a compromising strategy whilst remembering that it is important not to compromise the relationship aspects of the negotiation.

Tactics mentioned during the competitive negotiations that can also be used as compromising tactics are:

Splitting the Difference

Splitting the difference is a common negotiating tactic that may initially seem fair to an inexperienced negotiator. This approach involves halving the difference between the last two offers to find a middle ground that is agreeable to both sides. The fairness of splitting the difference rests on two hidden assumptions. Firstly, that both sides have made equally fair initial offers and that they have made equally fair progress towards their theoretical best possible offer. The second assumption is that both sides have continued this process as far as they can. In reality one or both of these hidden assumptions may not be true. If you accept an extreme opening position you are leaving yourself open to the other side adopting the split the difference approach. For example if the other side suggests splitting the difference as a means of concluding the deal, it can be very difficult to refuse without appearing to be unfair and unreasonable.

Example:

Buyer: "You are asking for R90,000 for this car, but I only have R80,000. It's a shame we are unable to do business over a mere R10,000. Is there a way we can do something?"

Seller: "I very much would like to sell my car to you. Why don't we split the difference?"

Buyer: "How do you mean? Are you suggesting we split the difference between your R90,000 and my R80,000 and I pay you R85,000? Sounds fair to me, but I first need to consult my wife. Let me give her a call."

Buyer after phone call to wife: "I tried. What a shame that we won't be able to do business over a mere R5000." (The initial R10,000 differences is now forgotten).

Dealing with Splitting the Difference

The seller in the above scenario could allow the difference to be split again:

Seller: "I'll tell you what, let's split the R5000. Will you then accept?"

Buyer: "So if I understand correctly, you are saying R82,500 as the final price?"

Seller: "Well, why not? Is that acceptable to you?"
Collaborative Negotiation Tactics

To support a collaborative negotiation strategy it is suggested that an approach that will advance the establishment of trust and long term relationships is deployed. This would normally entail the use of principle centred tactics that will facilitate the achievement of these objectives:

- Questioning to determine interests rather than reacting to the declared positions of the parties involved in the negotiation.
- Framing negotiations in the context of joint gains and common ground rather than a focus on the elements that set parties apart.
- Deploying the principles of positive influence to communicate persuasively.
- In addition, one can make use of selected tactics listed under the competitive & compromising tactics section only as much as they will not endanger the relationship goals of the negotiation.
Accommodating Negotiation Tactics

One would pursue an accommodating negotiation strategy when you are out to satisfy the needs of your counterparty to the exclusion of satisfying your own short term needs. To support an accommodating negotiation strategy one would deploy questioning techniques to uncover the interests behind the positions of one’s counterparty before offering one sided concessions.

Remember when Dealing with Tactics

- A “feelings commentary” can be a good idea to use when dealing with dirty tactics - it brings the tactic out into the open. E.g.: “You know, I’m feeling really uncomfortable right now. It feels like you are trying to bully me into accepting an agreement that I’m going to regret.”

- Identify the tactic, and then expose it, by making it an issue. E.g.: “I get the feeling that you guys are playing the ‘good guy/bad guy’ routine to try and force me into making a deal. Let’s not play games, but rather thrash out a deal that’s good for both of us.”

- Don’t be tempted yourself to play “games”.

Some tactics you should know:

- Exaggerated Bluff: “You can’t be serious!!!!”
- The Invisible Competition: “Your competitor quoted lower.”
- No-way Jose: “It’s against our agency policy.”
- Deadline Dilemma (using delays and deadlines).
- Blowing Hot and Cold (Initial enthusiasm, sudden cooling off).
- Columbo: “Just one last thing.”
- Family Discounts: “Look how much I’ve done for you?” (presenting concessions as a personal favour).
- “It’s none of my business but…” (complaints about your agency’s service or attitude).
- “I don’t have the authority” (need to refer to the decision maker).
- All Change (new faces, predecessor had “no authority”).
- Raising the Roof (each concession followed by a raised demand).
- My Way or the Highway: “and that’s my final offer!”
- “Over My Dead Body” - refusal/ preconditions.
Group Activity

Choose a partner. Sketch a negotiation scenario in your organisation and discuss where and how and why you will apply these tactics and if the approach is used against you, how will you retaliate? If you choose not to apply the tactics in your organisation justify why you would not use it as a tactic in negotiations.

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<thead>
<tr>
<th>Negotiation Gambit:</th>
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Treatment of Concessions and Deadlocks

Concessions are given and received - offers and counter-offers are made. The parties try to set up rules to function effectively. Power is distributed and individual identities recognised. People get organised and they form a set of common goals, values, norms and behavioural patterns. At this stage it is important to obtain information for the sake of clarification. It is also important to separate the person from the problem and focus on interests and not positions.

Tips for Giving and Receiving Concessions

The Trade Off:

- Never give a concession without getting a concession. This is the secret to keeping a negotiation balanced. It keeps the other side from nibbling you to death. They know they'll have to give up something for everything they get.

- A concession must have value for the receiver but not the giver!

- How you make a concession endows it with value.

The Set Aside

When you're deadlocked on an issue, set it aside and come back to it after you've reached agreement on the easier issues. Why leave the toughest issues for last? Because by the end of negotiations, the process has momentum and both sides will have the motivation to be flexible.
Best Alternative To a Negotiated Agreement (BATNA)

Having available options during a negotiation is a good alternative which empowers you with the confidence to either reach a mutually satisfactory agreement, or walk away to a better alternative.

"Don't put all your eggs in one basket." It's an old saying which has stood the test of time. Some of you urbanites, sitting in your cubicles, may be scratching your heads and wondering, “What in the name of Hades does this mean?” Meanwhile, back out there in the countryside, a ruddy faced farmer, is likely rolling his eyes and patiently explaining, that should you trip on the way back to the kitchen, eggs are no longer on the breakfast menu.

To a negotiator, this wise old proverb illustrates that if you bring only a single proposal to the table, you may likely end up with a rotten deal, or no deal at all. You need to have an alternative plan waiting in the wings.

It should be fairly obvious that not every negotiation is going to get tucked away in a nice, neat settlement package. This is where BATNA comes to the rescue for those of you sensible enough, to have heeded the sage advice of that old farmer who coined the above proverb many ages ago.

BATNA means “Best Alternative to a Negotiated Agreement”. This is your alternate plan when the talks start to wobble out of control. It can also be your trump card to make the deal happen to your advantage, or walk away from it altogether.

Let's illustrate BATNA by using a simple example. In the first scenario, let's say that you are a buyer who goes to a supplier to purchase some badly needed parts to complete a project. The supplier senses your urgency; his eyes begin to gleam with anticipation. You want the lowest price possible while he wants the higher price. Oh! Oh! You have no fall-back position. You're both in the boat, but it's the supplier who's holding the oars, so guess who decides where the boat makes land?

On the other hand, say you go to the meeting prepared. Before arranging the meet, you set up talks with 2 other suppliers who are ready and able to handle all your needs. When you meet with the first supplier in this second scenario, you can calmly sit back in your chair, and allow the supplier to finish his spiel. Now, watch the gleam fade from his eyes when you spring the little titbit, about his competitor’s willingness to solve your problem. You have BATNA! The talks suddenly become more amenable. So, who's holding the oars now?

BATNA or NO BATNA? That is the Question

The power of your BATNA is a matter of scale. When you have a strong alternative solution to a lousy proposal, you have leverage to build a more potent proposal. If not, then you can turn to your best alternative solution. A strong BATNA is like a warm, fuzzy insurance policy. A strong alternative provides you with two possibilities. Either you settle an agreement with more favourable terms, or you have the option to simply say, "No deal!"

BATNA doesn't come in a package. It comes from planning and preparation. It is a twofold process. First, you have to determine all your available options. Then, you must also realistically estimate your counterpart’s alternatives. Each is equally important. Otherwise, it will be impossible to gauge the strength of your best alternative in relation to their best alternative.

Your plan should be a flexible approach. It is important to keep in mind that both your approach, and your alternatives, should be able to bend in the wind and weather the unexpected storm. A negotiator may enter the talks with a preconceived idea of the best alternatives available to both parties, but must not be bound by them.
Circumstances can alter rapidly. Unexpected changes can be anything from new information on the table; a sudden rise in costs due to political upheaval; new legislation; or, even a climatic intervention such as an unexpected and untimely frost. A sudden shift in conditions can immediately affect the strength of either party BATNA during the negotiation process.

What's in your BATNA?

How do you determine your best alternatives to a negotiated agreement? First, you have to dissect both your position and your interests. Then, look at the sum of these parts relative to all the alternative options available. Pick the best option. Finally, do the reverse from your counterpart's perspective. A well prepared negotiator looks at the whole picture.

Some of the most crucial factors which should be considered include:

- The cost - Ask yourself how much it will cost to make the deal relative to the cost of your best alternative. Cost estimation may entail both the short term and the long term. It boils down to figuring out which of your options is the most affordable.

- Feasibility - Which option is the most feasible? Which one can you realistically apply over all the rest of your available options?

- Impact - Which of your options will have the most immediate positive influence on your current state of affairs?

- Consequences - What do you think or estimate will happen as you consider each option as a possible solution?

Mine is Not Necessarily Bigger than Yours!

Is that your ego showing? Put that thing away right now! After all the work you put into estimating your BATNA, you might be feeling pretty smug. Studies have clearly shown that it is an all “too human” tendency to overestimate the strength of one’s own BATNA, while underestimating the strength of your counterpart’s.

The underlying danger occurs at the point when one party reveals an over-estimated BATNA too early in the talks. Having put all their cards on the table too soon, they call the other side. Suddenly, they find that their big hand really equates to a pair of deuces facing a full house. Kiss that pot goodbye!

The other side of the coin happens when you are absolutely certain that you have the stronger BATNA. Let’s suppose you know the other party needs to make a deal, and they have no options available except to turn to your company. Now is the perfect time to put your own powerful BATNA on the table. The BATNA you employ can act as a powerful leverage while you decide whether or not to make the deal. As always, gauge the situation accordingly. Timing can mean everything in determining when to put your BATNA on the table.

Boosting your BATNA

In the reverse situation, what can you do with a weak BATNA? Can you turn the tables? Yes, there are two ways this might be accomplished. The first possibility is to strengthen your own BATNA. The second way is to reduce the BATNA of your counterpart.
- Be Creative - Simply ask yourself what other options you might employ that could increase your bargaining position. Brainstorm the situation with all the key players in your organization. Your planning must also factor in your counterpart's interests and options.

- Improve Your BATNA - Endeavour to expand your options. One possibility is to consider bringing into the mix, other interested third party partners. A third party's interests may coincide with key components of your interests, or of your counterpart's. For example, this might entail creative financing which presents a more attractive option to your counterpart. If you weaken the other side's best alternative by injecting another element into the mix, the game takes on a whole new slant.

- Use Experts - Neutral parties with their own relevant expertise might be able to unravel your problem into a newly designed, but more attractive perspective. If your side lacks some area of expertise, get the experts to lend a hand.
Closing Techniques

Being a closer is being a negotiator who can actually bring discussions to a head and walk away with a signed agreement. Mediators are expert at closing. That is what they do. They manage the process in a fashion that the parties ultimately come to an accord. Anything short of this is typically viewed as a failure. Their sole goal is to have the parties reach agreement.

The best negotiating that does not result in an agreement is less than satisfying. Corporate managers are not likely to appreciate all your hard work if you don’t win more often than not. No matter the fact that accepting a bad proposal would be bad for the company, most companies openly recognize and reward completion of negotiations more than the actual details of the transaction itself.

Closing a negotiation requires getting the other person to actually sign or agree. People naturally resist making final decisions. This is especially true when they feel they are being pressured. The climate of the discussions leading to this moment play a significant role in everyone being comfortable with signing the document or shaking hands to seal a deal. People need to feel in control to commit willingly.

Preparing for the signing moment:

• If tempers have flared during the discourse, seek ways to mend the personal fences before pressing for decisions. People need to feel in control to commit willingly.

• As you approach the time to sign it is helpful if you have laid the groundwork previously by sharing the document and making sure the other person is comfortable with the language and structure of the agreement. This gets everyone used to committing and following through on their word. More important, it saves you the loss of time when a redraft is suddenly required late on a Friday afternoon. Such a delay can also place the agreement in jeopardy.

• Watch how others react to reading the document. If you see a cloud of doubt on someone’s face, stop them and ask what is bothering them. This is your chance to clear up any concerns and reinforce the decisions have been good ones for everyone. You want everyone as comfortable as possible before placing pens in their hands.

• Review the reasons the others are agreeing to the terms and reinforce why their decision is a good one.

• The timing of asking for a signature or commitment is also important. If you sense the other person’s unease, take a break and suggest a beverage or something to interject a chance to relax before actually sitting down to sign documents. Well timed breathers are a great way to diffuse mounting tension.

Concession Close – It terminates the bargaining step by offering a concession to secure the agreement. Offer a concession of something they want in return for them buying the product. You can be explicit about wanting an order in return for the concession or you can give the concession without asking - the other person will very likely still feel they owe you something for it. E.g. “If I reduce the price by 10%, will you take the product today?” or “Well, I think you deserve a free case with this”.

Summary Close – It terminates the bargaining step by summarising everything, highlighting the concessions, and emphasising the benefits of agreeing. The Summary Close works by repeating what has already been agreed. Putting it all together makes it seem like an even bigger package. E.g. So as well as the basic product, you are getting free delivery, a five-day exchange assurance plus our comprehensive guarantee.

Adjournment Close – E.g. "We have summarised the benefits of what is on offer. This is our final offer and we suggest that you take an adjournment for you to consider it”. Give them time to think.

"Or Else" Close – this is a type of ultimatum - ‘Take it or leave it!’ - accept what is on offer ‘or else’. Show that if they do not agree to the deal now, then there will be significant negative consequences. You may be the person who implements those consequences. You may also be the friend who warns them of the consequences that they may not have realized. E.g. If you don't sign now, I'll have to talk to your manager.

Either/Or Close – This terminates the bargaining by offering two packages to be considered. Each of these packages falls between your most favoured position and your aspiration. This is also known as the Alternative Close E.g. “Would you like the red one or the blue one?”, “Shall we meet next week or the week after?”
Annexure 1: Understanding your Negotiation (Communication) Style

A Self-Assessment Exercise

Instructions: Please select from each pair of attributes the one which is most typical of your personality. No pair is an either-or proposal. Make your choice as spontaneously as possible. There is no wrong answer.

<p>| 1. I like action. | 21. I extrapolate and project all the time. |
| 2. I deal with problems in a systematic way. | 22. I am sensitive to others' needs. |
| 3. I believe that teams are more effective than individuals. | 23. Planning is the key to success. |
| 5. I am more interested in the future than in the past. | 25. I am cool under pressure. |
| 7. I like to attend well-organized group meetings. | 27. I listen to people. |
| 8. Deadlines are important for me. | 28. People say that I am a fast thinker. |
| 9. I cannot stand procrastination. | 29. Cooperation is a key word for me. |
| 10. I believe that new ideas have to be tested before being used. | 30. I use logical methods to test alternatives. |
| 11. I enjoy the stimulation of interaction with others. | 31. I like to handle several projects at the same time. |
| 12. I am always looking for new possibilities. | 32. I always question myself. |
| 13. I want to set up my own objectives. | 33. I learn by doing. |
| 14. When I start something, I go through until the end. | 34. I believe that my head rules my heart. |
| 15. I basically try to understand other people's emotions. | 35. I can predict how others may react to a certain action. |
| 16. I do challenge people around me. | 36. I do not like details. |
| 17. I look forward to receiving feedback on my performance. | 37. Analysis should always precede action. |
| 18. I find the step-by-step approach very effective. | 38. I am able to assess the climate of a group. |
| 19. I think I am good at reading people. | 39. I have a tendency to start things and not finish them up. |</p>
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<tr>
<td>41.</td>
<td>I search for challenging tasks.</td>
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<td>42.</td>
<td>I rely on observation and data.</td>
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<td>43.</td>
<td>I can express my feelings openly.</td>
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<td>44.</td>
<td>I like to design new projects.</td>
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<td>45.</td>
<td>I enjoy reading very much.</td>
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<td>46.</td>
<td>I perceive myself as a facilitator.</td>
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<tr>
<td>47.</td>
<td>I like to focus on one issue at a time.</td>
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<td>48.</td>
<td>I like to achieve.</td>
<td>68.</td>
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<tr>
<td>49.</td>
<td>I enjoy learning about others.</td>
<td>69.</td>
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<tr>
<td>50.</td>
<td>I like variety.</td>
<td>70.</td>
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<tr>
<td>51.</td>
<td>Facts speak for themselves.</td>
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<tr>
<td>52.</td>
<td>I use my imagination as much as possible.</td>
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<tr>
<td>53.</td>
<td>I am impatient with long, slow assignments.</td>
<td>73.</td>
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<tr>
<td>54.</td>
<td>My mind never stops working.</td>
<td>74.</td>
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<tr>
<td>55.</td>
<td>Key decisions have to be made in a cautious way.</td>
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<tr>
<td>56.</td>
<td>I strongly believe that people need each other to get work done.</td>
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<td>57.</td>
<td>I usually make decisions without thinking too much.</td>
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<tr>
<td>58.</td>
<td>Emotions create problems.</td>
<td>78.</td>
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<td>59.</td>
<td>I like to be liked by others.</td>
<td>79.</td>
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<tr>
<td>60.</td>
<td>I can put two and two together very quickly.</td>
<td>80.</td>
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<tr>
<td>Style</td>
<td>Circle your answer here</td>
<td>Total Score (max 20)</td>
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The Four Communication Styles

- **Style 1**: Driver (Action)
  - WHAT
  - Results
  - Objectives
  - Achieving
  - Doing

- **Style 2**: Analytical (Process)
  - HOW
  - Strategies
  - Organisational Facts

- **Style 3**: Amiable (People)
  - WHO
  - Communications
  - Relationships
  - Teamwork

- **Style 4**: Expressive (Idea)
  - WHY
  - Concepts
  - Theories
  - Innovation

- Driver (Action) connects to Expressive (Idea)
- Analytical (Process) connects to Amiable (People)
## Annexure 2: Reflecting on Today

### What concepts were interesting and new?

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### What concepts were you already familiar with?

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### What was the most valuable insight you had today?

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### How can you practice what we covered today?

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### Other thoughts

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