

Negotiation Techniques

It is surprising how often we get involved in negotiation, whether it is a simple every day task such as who is going to make the tea, through to more complex business and personal situations. Depending on the person it is usually the complex situations that are the more significant. At these times, we are often wary. This is usually because at some point in the past we may feel we have lost or not got the best deal.

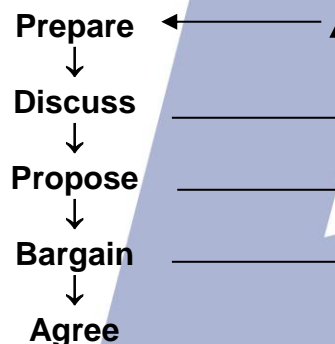
To overcome these factors, the key to successful negotiations is to ensure that you prepare, conduct and review in the right way. The key personal skills needed are:

- Resourcefulness
- Patience
- Firm
- Listening
- Questioning
- Clear thinking
- Confident

However to be even more successful at negotiating it is also necessary to develop specific skills in:

- Outcome generation
- Presentation
- Signalling
- Bargaining

The steps that we move through when negotiating are:



At any stage during the negotiation we can move back to a previous stage. By doing this we ensure that we are getting the best negotiation.

One of the most important factors in conducting an effective negotiation is to prepare. By failing to prepare we are preparing to fail. The preparation stages are:

- Define aims
- Examine background
- Specify objectives
- Assess bargaining power of each
- Decide strategy
- Plan arguments

Once we are into the negotiation there are 3 stages we work through

- Relationship – Who are you? What is important? What is this negotiation?
- Process – How can we work on this?
- Closing – Lets get an agreement

By going through these stages we end up with win win outcomes and take a problem solving approach to the negotiation. This may mean separating the personality from the situation and maintaining a professional relationship. Widen our horizons and making sure the meeting is constructive. This means ensuring:

- The purpose is set out in positive terms
- Make it obvious that you want to solve the problem
- Joint involvement
- Be prepared to accept the other parties views

Once you have done this it should be easier to close the negotiation successfully. You may not always get the whole outcome you wished for, however if you take a win win approach you will generally get most of the right outcomes most of the time. Remember always review your negotiation so that you can improve your techniques for next time.

The guiding principle for negotiation has to be –

Seek first to understand then to be understood

Preparing for Negotiation

The cliché holds good in negotiation:

IF YOU FAIL TO PLAN, YOU PLAN TO FAIL

1. Define Aims

- In a sentence “what are we really after?”
- Set terms of reference: “What are we negotiating about?” “What will success do for us?”

2. Examine Background

- Put the current negotiation in context, how has it arisen?
- What is the history as far as we know?
- What are the rules written or otherwise? What are the rituals to be observed? Are there any precedents?
- What groups are involved or should be?
- Who are the personalities involved? What do we know of them?
- What is the climate Is it likely to be co-operation or conflict?
- In short, COLLECT ALL RELEVANT INFORMATION:

3. Specify Objectives

- Formulate Ideal, Realistic and Fallback positions for each negotiable item or issue.
- This formulation should be totally linked to your assessment of both parties bargaining power and your overall objective.

4. Assess Bargaining Power of Each

A rough guide is:

1. What is the offer/proposal under consideration?
2. What does she/he/I stand to lose by rejecting it? (list items)
3. What does she/he/I stand to lose by accepting it? (list items)
4. On this basis, what will be his/her/my reaction to the proposal?

Involved in this assessment are costs to both parties

1. Can we produce detailed and totalled costs for both parties?
2. What are the consequences long and short term for him/her/me?
3. In the light of this assessment, are our objectives realistic?

A key question which needs to be considered:

WHAT IS IMPORTANT TO THEM?

5. Decide Strategy

- How will I build the relationship?
- If it is appropriate, how can I pre-condition the negotiation? What are the disadvantages of him/her/me accepting? Can I *reduce* or eliminate them before or during the early stages? What are the disadvantages of him/her/me rejecting? Can I *increase* them?
- Can I do this by releasing or not releasing relevant information? e.g. "budgets, proposals, likely position, firmness or flexibility, relative importance to you.
- Can I do this by gaining information of this kind from him/her?
- Can I build my own strength of position by decreasing the cost to me of failure to agree and increasing the costs to him/her?
- Should I increase the importance of the issue?
- What strategy can you use to deal with them as individuals?
- Should issues be negotiated separately or linked? Am I looking for a total package?
- What are my concessions, what can I gain from them?

- What are my tactics, how do I get movement from them? Should I incorporate a counter-demand, link or trade issues, threaten or use sanctions?
- How can my agenda help me to structure expectations? What's on it in what order? What don't I want on it?

6. Plan Arguments

- Collect facts separate from opinions. Will she/he agree with your facts?
- Identify strengths and weaknesses of your case. (Make 2 lists)
- Consider your weaknesses, how can you deal with them?
- Use a devil's advocate approach to this, it is very effective.
- Justify your case by listing the advantages to him/her of accepting and disadvantages to him/her of rejecting.
- Try to tie your arguments together with an underlying theme.
- Identify potential common ground, use it or hold it back as a concession for later.

7. Brief and Organise the Team if Appropriate

- Decide roles e.g. chief negotiator, recorder, analyst, expert roles, observers and so on.
- Decide who does what when, who's leading what issues. Is there a hard man-soft man approach? Who's the flak-catcher?
- How are we to communicate with each other during the meeting?
- Decide on adjournment signals and professional retreat tactics. For example, a chairperson's summary of position followed by a request for time for consideration.
- Finally, can you divide the stages of preparing to negotiate into roles that individuals can focus on e.g. costings expert, background researcher. It can save an awful lot of duplication and time.
- Is there someone taking responsibility for managing the process of preparing for negotiation?