



NEGOTIATION 101

Whether hammering out multi-million-pound deals or sorting out a disagreement between colleagues, negotiation is synonymous with working life. Negotiation skills are an essential part of any employee’s toolkit. But what makes an effective negotiator?

Definitions

- Negotiation is *whenever we influence others*.

Too often the content of a negotiation can be all-encompassing. The process of negotiation, however, should always outgun content.

Try from the start to designate a process manager. This is particularly useful in bigger teams, providing an observer to step outside and ‘look down’ on the work of the main team – avoiding everyone getting bogged down in the content.

Common negotiation shortcomings

- Not knowing your walk away point.
- Being too forceful.
- A failure to listen.
- Unwillingness to compromise.
- A lack of preparation.
- Failure to document.

Practical negotiation

Negotiation can be split into three time zones: pre, during and post. Research shows that pre-negotiation and post-negotiation are by far the most important phases for the negotiation outcome. It can be conceptualised as a circular process, with your post-negotiation steps informing the success of the next pre-negotiation.

Pre-negotiation	Post-negotiation
<ul style="list-style-type: none"> ➤ MEMO: Meet Early Meet Often - Gather documentation to prepare your case. - Set out your aim. - Engage with other parties beforehand to build trust and to ensure there are no surprises on the day. 	<ul style="list-style-type: none"> ➤ Time for lessons learnt retrospective. - Consider whether you met the objectives. - Look at if you were blindsided or surprised by anything. - Celebrate appropriately, and if it went badly do not be too hard on yourself.

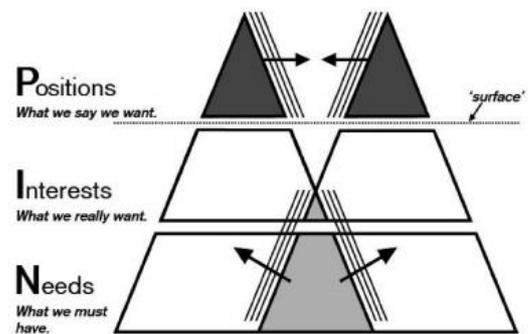


<ul style="list-style-type: none"> - Research the negotiator (likes, interests) to build a relationship with them before you go in. - 'Logic box' approach – plan scenarios for various arguments and prepare responses. - Speak to colleagues to cross-check your preparation with their experiences. - Look at wider context such as market trends to identify the most opportune time to have a meeting. 	<ul style="list-style-type: none"> - ASAP after the negotiation, organise a discussion meeting whilst it is fresh in your mind. - Give feedback to the other party that was not successful. - Ensure everything got documented. - Check you are in touch with the feelings of the other party – are they happy? - Confirm what was agreed. - Manage the contract effectively going forward.
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Reflection techniques pre-negotiation

Pin model: Don't talk about positions, talk about interests.

Try to diagnose people's needs, consider questions like why is this important to them (organisationally/personally), what would success mean to them, and what would the consequences be if they failed?



NAFF OFF approach: Never Assume Find Out First. Be proactive in your preparation and work to diagnose levels of needs and shift the outcomes of your negotiation.

- Stated/organisational needs – logical, overt public.
- Unstated/personal needs – emotional, covert, private, 'hidden agendas'.

Ideally pre-negotiation should occur over a window of two weeks. But that is not always possible in the negotiations that spring up in daily office life. Sometimes you must negotiate on the spot. In this situation, remain calm, don't panic and focus on three core questions:

- 1) What are the needs of the other party?
- 2) What are our needs?
- 3) Where is the common ground?

Point 3 is particularly important. The more you can focus on growing the common ground, you can iron out differences and build up areas for collaboration.

Growing the Zone of Potential Agreement



The Zone of Potential Agreement is defined by the relationship between the negotiation range of the parties involved. In a negotiation, compromise is only a bad word if you fail to stretch the zone of potential agreement. It comes down to realistic aspirations: you need to balance your own self-negotiation (doubting your offer) against the need to be aspirational.

- a) Deliver an opening position that is just credible for the other party but is on the edge of being unacceptable to the other party.
 - o This process extends the zone of potential agreement, giving the negotiation more room for manoeuvre. Go in too low and you narrow the zone of potential agreement.
- b) A wider zone of potential agreement lets you potentially 'anchor high' and then split the difference.
- c) This approach is not restricted to finance and can be applied to every aspect of negotiation such as time, policy, service, or risk.

Finding an effective negotiation style

We should all be mindful that general negotiation styles are informed by socio-cultural contexts and differences in our society. However, there are some general traits to look for to distinguish hostile negotiation styles from more cooperative approaches.

- **Hostile stances** will often be rude, relentless, nonchalant, and immovable.
- **Cooperative stances** will usually involve clear guidelines on behaviour, conscious effort to build rapport, a sense of shared vision, practice empathy, and have a clear sense of the bigger picture.

It is important for your team to be style flexible, providing shades of comfort with different behaviour. But in equal measure you need to consider how others might perceive you in negotiation scenarios – be honest but not predictable.

A cooperative negotiator will likely be more effective long-term than the short-term, demanding tone of competitive negotiators. Cooperative negotiators...

- Focus on the long term.
- Are willing to share information.
- Ask rather than tell.
- Discuss concessions.
- Show interest in the opposing party's needs.
- Are open to different solutions.

Hostile situations can be difficult to deal with in a negotiation – or indeed any office. Next time try the ***Pattern-interrupt technique***.

- 1) If the hostile person is at 7/10 on the anger scale do not go in at 9 – you will risk escalating the situation.



- 2) Instead, notice where they are on the scale and go in just below with a forceful interruption: “I must interrupt because...”
- 3) The angry person will recognise they have been listened to and you can then gradually reduce the tension.

Indeed, remember that there are no obligations to stay in a negotiation if you are feeling overwhelmed. It is perfectly acceptable to ask to step out and consider your options or ask to postpone to a later date to discuss it with your team. You may win respect from the other party, as the postponement will allow them to reflect as well.

Tips from the negotiation frontlines

Theory is one thing, negotiation in practice can be more haphazard. Discussions rarely follow the models you practice in the office, with expectations often exceeding eventual outcomes. The key point is that negotiation experiences, both good and bad, are all useful. Reflect on them, learn from them, and move forward with this simple attitude: ***it is ok to not win everything.***

Customer trust is vital to set up the parameters for an effective, cooperative negotiation. Key methods to improve customer trust include going in with a clear understanding of your customer’s desires and needs and showing expertise to build credibility in the negotiation.

- Likeability is useful in the early relationship to make a good first impression, but it is less significant in building trust long term.
- Avoid detrimental behaviours where you are more interested in making a sale than meeting the needs of the customer – you may create a pressured or hostile negotiation.

Here are some wider practical points on negotiation from CITF speakers:

- a) Get the terminology straight at the earliest possible opportunity. If both sides use lots of acronyms it sows confusion and can diminish trust in the negotiations.
- b) A coffee and a chat can be a great way to deescalate informal negotiations – emails are rarely the answer.
- c) If you are conflict-avoider, do your homework and preparation upfront. Go into the negotiation armed with the knowledge about your bottom line (to avoid being pressured into something), and remember you can always leave by saying “I need to talk about this with my manager about this”.
- d) If you are moving to a new company, do not be afraid to be push for the money you want. Think about what you are worth and do some research – your experience relative to the job description vs. the rest of the marketplace.
- e) Applying for senior roles has unique challenges for negotiations. The company may not publish a salary, giving you scope to define your worth and justify it.
- f) A more radical approach when transferring to a new role is to write your own job description. It shows your passion and ideas you can bring to join the company.



- g) For a pay-rise at your current organisation, make sure you understand how the process works. Is there, for example, a time of year when pay-rises are usually given? Also check if the company benchmarks to test out their salary against the rest of the market.

Final thoughts

Negotiations can be a daunting prospect. Attending workshops and reading white-papers is no replacement for experiencing the swirling uncertainty of a negotiation – the moment to bring to bear all the practical tips and case studies you have learnt.

Questions are a powerful force in a negotiation. Discussion is an art form that you can shape and rework to your advantage. ***Various studies have found that skilled negotiators ask three times as many questions as unskilled.***

Start with questions and end with questions. Reflective questions are effective to show your interest in the words of the other party, establishing common ground before you talk about difference. Open questions let negotiations thrive and build a sense of clarity.

Finally, do not bulldoze straight into the money. Instead start with a broader discussion about the subject of the negotiation, allowing each party to understand their respective needs. Rather than focusing around disagreement concerning price, this builds up a sense of positivity that can supercharge a negotiation towards a successful outcome.