

# Everything In Life Is Negotiations!

When you think about it, life is a series of negotiations. You want to earn a certain income, so you negotiate with someone who will pay for you to do something that you are able to do. That is pretty basic. You probably think that you really don't negotiate but just accept the job. However, negotiations have been going on to set the value of the work.

You want to buy something. It is offered by a seller (or store) for a price. If that price is right for you, you buy it. If not, you might ask if the price can be lowered. In either case, an offer is made and considered and either accepted or countered. Negotiations have taken place!

You want your child to go to bed at a certain time so that he or she gets sufficient rest. Usually children are pretty good at negotiating something in return. Can I have a story? Can I watch this program? Can I ....., and then I'll go to bed. It is usually easier if you play the game and negotiate. See where this is leading?

## WHAT IS NEGOTIATION?

It is a process consisting of a series of steps, not a single event. It will involve an exchange of information between two parties (at least). Effective listening is a key element. It involves two sides attempting to achieve an outcome. I believe that there must be a spirit of mutual benefit. Win/win is really the only logical choice as the "losing" side always tries to make up for loss in future relations, thereby creating an adversarial and essentially non-cooperative environment. Successful negotiators will discern what benefit the other side wants, and find a way to gain the benefit they want while ensuring the other side gets the benefit it wants. Negotiations will always lead to some change in the future. There is an outcome.

## THE TWO BASIC TYPES OF NEGOTIATIONS



**Adversarial negotiations** are the type that we hear about the most. They are basically confrontational in nature and have a number of characteristics. The paradigm is something along the line that there is not enough for both of us so I want it all! If I give anything to you, it lessens what I get or have. I am weak.

Let us look at the characteristics of adversarial negotiations. The parties usually take extreme opening positions. The thinking is that if I start very high, I will end up relatively high. The people involved in the direct negotiations often have limited authority to reach a compromise. They are messengers. Emotional tactics will often be used to gain advantage. Feelings of guilt or shame or greed are typically appealed to. Concessions are given only very reluctantly because it is

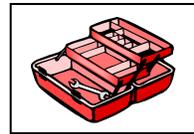
seen to be weakness to give a concession and you do not want to appear weak. Deadlines mean little. They are put up often as a deadline but, if agreement is not reached, the deadline is ignored and another line is drawn in the sand.

**Collaborative negotiations** are essentially cooperative in nature. The paradigm is something along the lines of “plenty”. In other words, there is sufficient so that both of us can have our real needs met, thereby establishing the basis for a long-term relationship that will be even more mutually beneficial.



There are also some characteristics of this style. The key characteristic is a recognition that I want to help ensure that the other side gets what they really need to have while I am getting what I want (and as a minimum must have). There is a recognition that if I make you lose (and possibly badly enough so that over time you will have to go out of business) then I will have a short term “win” but, long term, I lose the ability to negotiate with you again. The parties’ understanding that there needs to be a mutually beneficial outcome characterizes this style of negotiations. You need to be happy to pay for what is being sold to you by someone who is happy to sell it to you under the terms of the negotiated agreement.

Collaborative negotiations are characterized by mutual trust. There is faith that the parties will stick to the real issues on a factual basis and will try to solve problems creatively so both sides can agree. They see themselves as equals seeking a mutually beneficial outcome. Disagreements are explained from the point of view of why this is a problem. If the parties share the reasons behind the problem, a creative solution can be reached. IF THERE CAN BE NO SOLUTION TO THE MAIN PROBLEM, THE PARTIES SHOULD AGREE TO DISAGREE AND NEGOTIATIONS SHOULD CEASE. In other words, there should be no loser or winner, just no agreement.



## **THE NEGOTIATOR’S TOOLS OF THE TRADE**

The tools that negotiators use are time, power, information, understanding of people, awareness of verbal clues, understanding of body language, and creativity.

Time: We usually have some sort of deadline that we have set for ourselves (or someone has set for us). This is the case or we would likely not be trying to make a deal. It is a fact that the vast majority of negotiations are resolved near the deadline! Knowing your deadline is important but learning the deadline of the other party is even more important. Negotiators will use a time out to help shift momentum. If contentious issues arise fairly early, they will use the time technique of delaying further consideration on the matter until a little later.

Power: It is common that both parties will feel that they have the power to either help the other side or hurt the other side. Just thinking you have this power means that you and the other side have it. Use it carefully and with respect. Power comes from, among other things, competitive strength, expertise, knowledge of needs, morality, precedent, persistence, preparation and attitude. Remember the objective of effective negotiations: all parties come away with their basic needs being met and, hopefully, a lasting relationship. “Cornered” opponents will be dangerous. Use power judiciously.

**NOTE**: When you enter into negotiations, you always want to be dealing directly with the principal or someone who is authorized to bind a deal if one can be reached at the table.

Information: If you can know exactly what the other side really wants, you will have the advantage. Knowing the bottom line and deadline of the other side is also advantageous. You should always learn about the values of the other side. Then you can frame your own needs in terms of their values. *“I know that you want to be seen to be helping people who are in need of help, therefore it would meet your needs to agree to pay this price since the net profits are going to the support of XXX.”*

Understanding people: The best thing to keep in mind is that negotiations take place between people – not organizations or faceless corporations. Who would you rather work hard with to reach an agreement – a desk pounding megalomaniac or a personable individual? It is the same for the other person.

Verbal Clues: We need to study people a bit and some of their more common verbal clues. The “Freudian slip” is one we hear of and it is simply that an underlying thought may surface inadvertently and serve as a signal. A “slip” can also be used on purpose to send a signal. Coughing may sometimes indicate a lie. An aside such as “By the way” can often indicate that the information following is important and I want you to think about it more. If the language has been informal and there is a shift to more formal language, it is often a signal that there are storm clouds on the horizon.

Body language: Pay attention to body language because people tend to put out messages with their posture and so on. Slumping can often indicate resignation and a bit of giving up. Sitting forward often indicates interest and enthusiasm. Leaning back is a form of withdrawal and folding of the arms can tend to indicate trouble.

## THE 5-STEP PROCESS OF NEGOTIATIONS

1. Prepare: Determine exactly what the issues are and what outcome you are seeking. Be specific and clear. Do the same from the perspective of the other side. Anticipation is a key ingredient in the preparation phase. Learn as much about the other side as you can before you start.
2. Plan: Determine your own deal breakers. What is the bottom line beyond which you will not go? Knowing that, determine your opening position giving great care that you do not want to start off in adversarial negotiations. Remember, you cannot get a Porsche for the price of a Chevrolet. The objective is to get the best deal that you can (without giving away more than you need to) while ensuring that the other side is also reasonably satisfied.
3. Negotiate: There is a whole series of things to keep in mind while you are actually negotiating. Keep the whole package in mind all the time. Develop a partnership, not an adversary. Be ethical. Don't make promises you can't or won't keep. Be creative and look for ways to make the pie bigger. Trade concessions. Pay attention to verbal clues and body language. Don't make an offer until you have the entire picture from the other side. Be calm, reasonable, clear and rational. Listen effectively to the other side. If you become inexorably deadlocked, leave the table and settle for no deal.
4. Formalize: Put the agreement in writing and let the other side have time to review it before signing so that the parties have a clear record of what has been agreed. Both parties sign it.
5. Follow-up: This is an essential element of successful negotiations. Let all the parties know what has been agreed to. Make sure that you implement any sort of monitoring or feedback system if one was agreed to. Ensure there is clear communications on who to talk with if there are questions on implementation of the agreement.

I sincerely hope these ideas will help you to achieve more in your negotiations, no matter how large or how small they may be. Always keep in mind that while nothing is for free, the other side also wants to get an agreement! Good luck.

**Brian Reid**, *Your Professional Coach*, has a vast experience in people skills. An accomplished speaker and trainer, he can provide training sessions tailored to your organization or offer his insights as a keynote speaker. Key people in organizations need some coaching from time to time. Brian has great skill in coaching people to accomplish whatever it is that they desire to achieve. His mission is to create a world of people in peaceful pursuit of contentment and their own inner peace. He achieves this by coaching and managing others to achieve their potential to the full extent that they wish to, while always manifesting his caring and cheerful outlook on life. E-mail [brian@BMRCoaching.com](mailto:brian@BMRCoaching.com) to book or discuss.