

Negotiation Skills

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Overview

Who is this workbook aimed at?

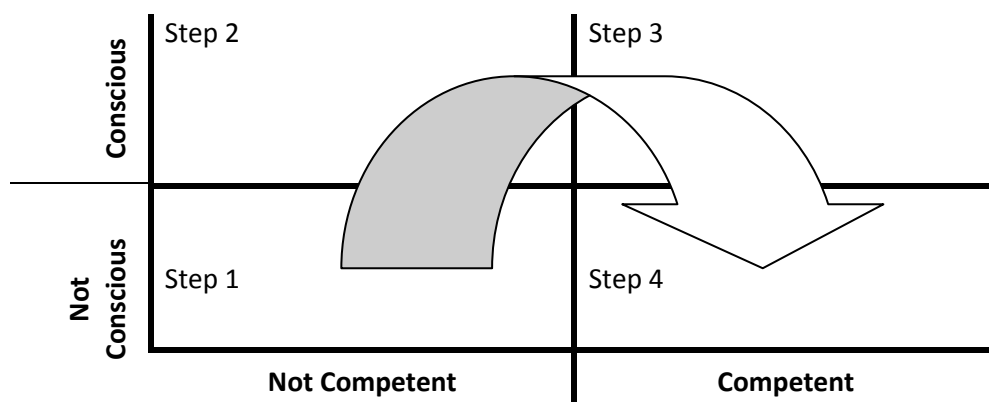
This workbook is directed at all those who negotiate informally as part of their everyday responsibilities. It is also for any individuals who have to manage more formal negotiations such as contracts and purchasing from suppliers.

About this workbook

The workbook provides the theory of “Negotiation”. It allows you to develop your understanding by providing information and then asking you to apply the concepts to your work.

This workbook can be used in association with other titles in our workbook range. This workbook will increase your understanding and equip you with the necessary skills. You are asked to read and complete the exercises in the book in order to embed your learning.

Our blend of theory and experiential learning supports the process identified by the model below. Step 1 shows a leader who is not skilled, does not know what is expected of them, is not performing, and is of little use to their team. By completing this workbook and attending the associated workshop, we will firstly increase your understanding, then develop, and embed your skills. Therefore, as in the model, by Step 4, you are able to apply the skills without having to think about them – they just come naturally!



Who do you contact?

If you have any questions regarding this workbook, please contact a member of the Toojays Support Team by email at info@toojays.co.uk.

How to use this workbook



The workbook provides a number of exercises for you to complete. These are highlighted by this symbol.

What is covered?

This workbook covers the following topics:

- Communication skills:
 - active listening
 - precision questions
 - assertiveness
- Building rapport
- Influencing and negotiating styles
- Personality types
- Negotiation types
- Negotiation situations – a lose/lose situation and a win/lose situation
- The four essential phases of negotiating
 - the four phases in use
 - a win-win situation
 - phases of negotiating reviewed

Learning objectives

This workbook enables you to:

- define negotiating
- distinguish between the different types of negotiating situations
- explain the benefits of negotiating
- list the four steps of negotiating
- identify the skills required for each step of negotiation
- be aware of good and bad negotiating practice
- apply those skills to your own job

Negotiation Skills - Introduction

All of us are practised with some form of negotiation whether informally or formally. You may remember being on holiday and haggling with someone who spoke very little English for that knick-knack you so desperately wanted. Maybe it was negotiating terms and conditions with your parents when you wanted to go to that all-important party which did not finish until the early hours!

But what is the true meaning of “negotiating?” Many people confuse negotiating with arguing or with “giving way” in stages to keep someone else happy. Negotiating is neither of these things.

Negotiation is:

“The process by which two or more parties attempt to achieve agreement on matters of mutual interest.”

This workbook will introduce you to the skills and techniques necessary for effective negotiating. In order to become a skilled negotiator, you will need to practice and apply the skills to your own job.

Negotiation - Dictionary Definition:

- Confer (with another) with a view to agreement
- Arrange, bring about (desired outcome) by negotiating
- Transfer to another for a consideration
- To clear, get over or through, dispose of

Negotiation - Business Definition:

- A transaction in which both parties have a veto on the final outcome (the right to walk away)
- A joint decision involving the voluntary consent of both sides to the decision

Essential Key Skills required for Negotiation

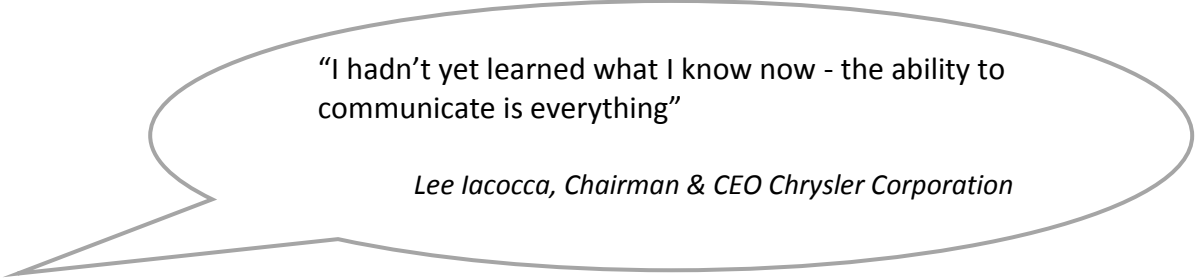
Let us begin by outlining the key skills for successful negotiating.



What do you think are the key skills a person needs in order to be able to negotiate effectively?

Now compare your answers with those on page 36.

Communication Skills



"I hadn't yet learned what I know now - the ability to communicate is everything"

Lee Iacocca, Chairman & CEO Chrysler Corporation

Most people believe that they are fairly good at communicating. However, if we were able to observe ourselves communicating through the eyes of another, would we still think that?

Stop and think for a moment. How self-aware are you when you communicate? Do you consciously think about the way in which you use words and body language?

Most of us do not communicate consciously, we do it naturally without thinking. If you were asked to stand up in front of an audience of twenty people and give a presentation, you would be, like most people, much more self-conscious and aware of your communication skills.

Even when you are not speaking, you constantly transmit non-verbal signals. You cannot stop communicating even if you try.

Excellent communication is a necessity in achieving successful outcomes. Like so many other skills, this can be learned but you have to make a conscious effort and practice.

If you wanted to learn to play a guitar, even if you may have a natural flair to start with, you would still need to practise often to become a good guitarist!

What is Communication?

Communication is the sharing of information, attitudes, thoughts, feelings, and ideas. It is a two-way process. It is transmitted through words, tones and behaviour in order to:

- Gain knowledge / get help / learn
- Pass on knowledge / give help / teach
- Change ideas / persuade / obtain action

Let us look a little more in depth at key communication skills, and in particular, listening skills.

Active Listening

Listening is more than hearing. It is an active process which involves thought and an expenditure of energy.

You must analyse what is being said, separate the relevant from the irrelevant, test your understanding of what you hear, consider the implications, and anticipate but do not prejudge where a particular line of thought is leading.

A person who learns to listen, and encourages others to listen and question, enriches the lives of others by giving them a sense of participation and importance.

"No man would listen to you talk if he didn't know it was his turn next."

Ed Howe

"You can observe a lot just by watching."



Why do we listen?

Why don't we listen?

How does someone know when you are not listening?

How do we show when we are listening?

Now compare your answers with those on page 37.

Skills involved in Active Listening

Keeping an open mind: being non-judgemental and not jumping to conclusions

Concentrating: avoiding distractions

Acknowledging: what they are saying / how they feel

Empathising: putting yourself in their shoes, acknowledging their emotions and considering the unspoken meaning

Paraphrasing: repeating what the other person has said using your own words

Questioning: to gain the facts and to get to the heart of the message

Pausing: briefly, to show you are thinking about what they said / taking them seriously

Summarising/clarifying: to show you have been actively listening and highlight that you or they need to take some action

NOTES

Questioning Techniques

In all aspects of communication, the use of questions is of fundamental importance. Whenever information is required, questions are required to commence the process of obtaining that information.

There is an art to the asking and answering of questions. So how do you ask “good” questions?

Think about what makes a good question.

A good question:

- has a definite aim, objective or purpose
- achieves that aim, objective or purpose
- is relevant
- is clear
- is not ambiguous
- is understood
- is correctly asked
- is correctly timed

Think about what is the purpose of a question.

The purpose of a question is to:

- check understanding
- test knowledge
- increase the questioner’s knowledge
- get participation in a discussion
- build confidence
- build rapport
- obtain information



Think about the types of questions you may need to ask during negotiations, and at what stage of the negotiation you would want to ask that question.



Open - When and for what reason would you choose to use an open question?

Closed - When and for what reason would you choose to use a closed question?

Probing - When and for what reason would you choose to use a probing question?

Reflective - When and for what reason would you choose to use a reflective question?

Leading - When and for what reason would you choose to use a leading question?

Compare your answers with those on page 38.

Communication Fog

The language that we use is often less clear than we intend. Sometimes we hear only what we want to hear because we unconsciously “filter” the information. Typically, there are four types of filter that we may apply to the messages we receive. These filters will affect how we interpret the information, they are:

1. Selecting
2. Generalising
3. Deleting
4. Distorting

As the filters are personal, they are likely to be different for each individual involved in the communication process. One of the implications of this is that each person may interpret what is being said quite differently.

Why is this? Well, as individuals we have a different “map of the world.” We have all had different experiences in our lives, therefore words mean different things to different people. This makes communication even more difficult and shows that the “fog” does exist.

1. Selection

We are constantly receiving vast amounts of information about the world around us. We can only absorb a small amount at a time so we select which parts we pay attention to.

2. Generalisations

It is important to generalise a lot of the time. If we did not, communication would be impossible. For example, when we ask someone, “How are you?” we expect the general answer “I’m fine.” Imagine if, instead, we got a detailed inventory of the health of the other person! Some generalisations can end up in stereotyping, e.g. “all men are chauvinists” or “all women are bad drivers.”

3. Deletions

There are two types of deletion. The first occurs when we hear things we do not want to hear so we tune out or omit this information as if we never heard it. Another type of deletion is where parts of the meaning have been left out of sentences. For example, if your manager told you that if you worked hard over the next six months and reduced your error rate by 50%, they would see if you could get a pay rise. What would you remember? “I’m going to get a pay rise!” Everyone chooses different information to pay attention to, depending on what they see as being important.

4. Distortion

This occurs when people make statements that have no truth in reality. For example, a person may, without any direct evidence, assume what another person is thinking or feeling.

Non-Verbal Communication



Think of a time when someone was unhappy about a decision that was made but did not express this verbally.

What non-verbal communication did they display?

List below any non-verbal communication that you can think of.

Refer to page 39 for the answers.

Rapport

You have already identified some of the key components which make up communication. To recap, these are:

- Active Listening
- Questioning techniques
- Non-verbal communication

Another important communication skill is rapport. So what is rapport and how is it demonstrated?



Write down your interpretation of rapport.

What do you consciously do to build rapport with colleagues at work? Give examples.

Why do you think it is so important to establish rapport with people?

For more information on rapport, see appendix 2 at the back of this workbook.

Barriers to Communication

Effective communication is not always simple, and from time to time, we all come up against barriers. Have you ever found yourself in the situation where you are having a pleasant conversation with someone when suddenly “you put your foot in it” and the conversation turns sour? Perhaps you realise you have said something that the other person has taken offence at, but you do not know what or why?

As human beings, we have values, attitudes, behaviours and beliefs that are often different from other peoples. People have many characteristics which originate from the influences of their parents and the experiences they had as children.

Values

A value is something that is important to a person. Matching and pacing someone’s values is a particularly powerful way of building rapport, as value provides motivation and direction.

You can pick up on someone’s values by listening out for:

- Tonal emphasis on key words or phrases.
- Enthusiasm and energy over a particular topic.
- Repetition. People will repeat important items until they have been acknowledged.
- Words marked out with strong hand gestures.
- Words such as “important”, “key”, “vital” and “urgent”.

Because values are important to people, missing, misinterpreting or trashing them will ruin any rapport you may have built.

You may disagree or have very different values to another person, but this does not mean that you cannot have successful negotiations. The important point about values is that you respect other people’s values, and in turn, they respect yours.

Influencing

Part of successful negotiation is influencing others.

When under pressure, you may focus on getting things done rather than considering how you can proactively influence the outcomes. Choosing the method and content of your communications is one of the ways you can influence others towards the same outcomes.

Everyone has their own preferences on how they do things, and will choose a technique with which they are comfortable. We also have preferences on the style of communication we like to be involved in - for example, brief and to the point or chatty. Another way of building rapport and influencing people is to adapt your style to match theirs. This is particularly useful when seeking to influence your key stakeholders. Select the most appropriate style, content and method for them.



Think of a situation (at work) where you were in conflict with someone over a decision and you successfully managed to influence him or her to change their mind.

How exactly did you do this? Which technique(s) and skills did you use? Jot down a brief description.

Assertiveness

When negotiating, it is important that you exercise your rights and that you do not violate another person's rights.

So what do you know about assertion?



Jot down a brief description of what you believe being assertive is?

What are the benefits of behaving “assertively “during negotiations?

Why do you think it is so important to establish rapport with people?

Compare your answers with those in appendix 3 at the back of this workbook.

Behaving in an “assertive” manner is:

- Standing up for your own rights in a way that you do not violate another person’s rights
- Expressing your needs, wants, opinions, feelings and beliefs in direct, honest and appropriate ways
- Recognising you have needs to be met; the other people involved have needs to be met
- Knowing you have rights and so do others
- Appreciating that you have something to contribute and so do others

The aim of assertive behaviour is to satisfy the needs and wants of both parties involved in any given situation.

Assertion is about win-win. It does not mean that you have to put yourself down or ignore what you want. Neither does it mean becoming a wimp. Some guidelines on assertive behaviour are:

Use “I” statements such as “I think”, “I’d prefer”, “I’d like to”, etc. These show that you are speaking for yourself rather than some unidentified entity such as “the department.” However, avoid “I” statements, which have a heavy emphasis on the “I” part - “I am certain”, or “I want.” This emphasis infers that your view is more important or correct and may deter others from challenging you, or it may encourage them to challenge you.

Make statements that are brief and to the point – “I’d like to get started on that straight away.” “Let’s sort this out together.” These statements clearly show how you would like to proceed; there is no confusion.

Make distinctions between fact and opinion – “As I see it...” “My opinion is...” “I feel that” These recognise that things are not always black and white; they can be different for different people.

Make suggestions that do not contain heavily weighted advice – “How about tackling it this way?” “Would it be practical to...?” These enable the other person to make up their own mind after evaluating suggestions for themselves.

Asking questions to find out the thoughts, opinions and wants of others – “What do you think?” “How does it fit in with you?” “What do you need?” Concentrate on open questions to get information and avoid assumptive or leading questions as they make people feel manipulated.

Avoid assumptions about people and events – “I don’t suppose you’ve had time to XYZ?” “Presumably you won’t need much time to do this?” These assumptions stem from notions of “I know you better than you know yourself” and are not likely to be well received.

If you have to say “no”, explain why - tell people your reasons and when possible, try to come up with alternatives.

For more information on assertiveness, see appendix 3.

Learning to Negotiate

When we negotiate with somebody, we are hoping to reach a mutual decision by persuading and influencing the other person(s) through using a range of different negotiating techniques.

Negotiation is a skill we have been using instinctively since we were children. However, like many techniques, we can work to improve them.

You have no doubt spent a great deal of your time negotiating as you were growing up.

Children:

- Know what they want
- Know how to get it (and know the best time to make the “approach”)
- Are utterly ruthless about getting what they want
- Have no shame, no remorse and no feelings of guilt
- Believe parents have bottomless pits
- Have no long term plans

Parents:

- Inconsistently give in/don’t give in to their children
- Give in to each other
- Have a sense of responsibility
- Are easily shamed
- Suffer constant remorse
- Feel guilty
- Are not “bottomless pits” for everything
- Think longer term

Outcome: Children win more negotiations than they lose!

Negotiation may be easy when we are children, but as we go through life, we soon learn that we cannot always have our own way and that we have to learn to give and take. This may seem easy in our domestic life but how easy is it in a work situation?

Negotiations at work can often lead to an attempt to persuade the other person to give in by way of an argument or even manipulation. This can lead to greater resistance in the long run. Or some people will try and solve the problem by a joint approach, which can be productive if both people’s understanding of the problem is mutual.

So, what other options are open to you, and how does negotiating differ from the above examples?

So that you are clear in your own mind about negotiation, jot down your answers to the following questions:



What do you think negotiating is?

How does negotiating differ from arguing?

What are the benefits of negotiating?

Open Realistically

When negotiating, it is essential to open realistically. If your demands are too high initially, you risk a negative response and difficulties in trying to “get around the table” again. If you begin too low, you may give the deal away before you have had the chance to do any negotiation.

Be Prepared to Move

Always be prepared to move on. Refusing to move will just result in a lose-lose situation.

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A Lose-Lose Situation



Think back to a specific scenario where you had to negotiate and the negotiation did not go well, and both parties were unhappy with the outcome.

How did you feel? Highlight the key words below which best describe your feelings at that time.

vindictive	resentful	irritated	tearful	pressured
bitter	shocked	angry	distrustful	stressed
speechless	disappointed	surprised	upset	frustrated
depressed	annoyed	manipulated	aggrieved	seething

Feel free to add your own words!

All of the words above describe how you and the other people involved do not want to feel after the meeting and why learning how to negotiate successfully is important.

You do not have to write the answers to the following questions but you may find it useful to spend a little time thinking about them.

What events happened during the negotiation to make you feel that way?

Can you define exactly what did not go to plan and why your desired outcomes were not achieved?

What words from those above would you say best describe how the other person felt?

What have you learnt from that particular experience?

Think about the people you negotiate with at work and the issues that you negotiate with them.



Write down the names of two people at work that you negotiate with.

How well do you know these people? What do you know about their values, beliefs, attitudes and behaviours? For each person, jot down key words which best describe what you know about them.

Does what you know about these people help to make your negotiations with them easier? Yes or No?

If you said 'yes' to the above question, explain how exactly having this knowledge helps in negotiations.

A Win-Lose Situation

You have learned that it is important to open realistically and to be prepared to move on. However, suppose the other person is stubborn and will not budge? This can then become a win-lose situation. If you make too many concessions, you will find yourself left with nothing to bargain.

Win-lose situations can occur when one party gets greedy and exploits what they perceive as a position of power. If they suspect the other person has no option but to agree to the demands they will continue to make demands until they get what they want (and possibly more).

Win-lose situations can quickly develop into lose-lose situations where the conceding party becomes resentful or unhappy with the process that they back down from the negotiations or call the other party's bluff.

“If you....then I....”

Effective negotiating relies on the “if youthen I.....” approach of two-way trade-offs: concessions that are conditional and realistic.

“If youthen I...” helps to create a win-win situation by encouraging co-operation. The result is that both parties benefit, a mutual trust is established and people are happy to return to the negotiating table.

Compromise

If both parties enter the negotiations prepared to move and willing to use the “if you....then I...” approach, they should reach an effective compromise.

It is important to distinguish between an effective compromise, which is mutually acceptable and an unwilling compromise where one party sells itself short.



The Four Phases of Negotiating

When negotiating, we cannot just leap in with our best offer and expect the other party to accept it immediately. Negotiating should follow a structured process.

By the end of this section, you will be able to:

1. Prepare
2. Discuss
3. Propose
4. Bargain

By recognising and defining the four steps of negotiating, and describing the actions required at each stage of the process. All negotiations should go through these four main phrases.

1. Prepare

- Define your outcomes and then prepare a simple strategy
- Consider what concessions you are prepared to make and what you would expect in return
- Decide what information you will disclose

Objectives

Have in mind a range of objectives as this will give you room to manoeuvre. Decide on the position for each issue:

- A. ideal – what you would like to get
- B. realistic – what you expect to get
- C. fall back – what you must get

Define the maximum and minimum you are prepared to accept. The gap between these two positions is your zone of movement. Never be tempted to compromise on your minimum position.

Try and put yourself in the other person's/people's shoes. Anticipate what their ideal, realistic and fallback positions might be. This will help you to pitch an offer or demand. For each issue ask yourself:

- Will they willingly give me the ideal I would like?
- Will I willingly give them the ideal they would like?

If not, then these are the likely areas of negotiation.

Strategy

To be fully prepared, you must do as much research as possible. Do not just base your case on opinions. Collect facts to support your case, the justification for accepting your proposals and the disadvantages of rejecting them.

Identify areas of common ground, which can be used to build a satisfactory climate for agreement.

Remember – your strategy should always be flexible!

Prepare team

If you are negotiating as a team, make sure you decide before beginning the negotiations who will be the main negotiator, who will record proposals, offers, concessions and the general progress of the negotiations and who will analyse interaction and response, signs of surprise, readiness to move, commitment, etc.

Plan the negotiations, outcomes and settlement points together. Decide what role each member will play. Agree how others will make contributions to the discussion.

Agenda and Time

As with any formal meeting, you must decide on a preferred order of issues but not rely on sequence planning. Try to treat issues separately so that they can be taken in order if necessary.

Allow enough time for the meeting so that the negotiations are not rushed.

2. Discuss

- test assumptions and exchange information
- look for common ground: explore the other party's interests and reticence
- do not give away major concessions
- listen and watch for signals
- recognise and confirm reward signals

The first two minutes of any meeting can set the tone for the whole meeting and therefore should be welcoming, non-controversial and unbiased.

Remember to be aware and practise all of the key communication skills we have covered in this workbook. If there are issues which you know that you cannot move on, then you must at this stage make this clear to the other party.

3. Propose

- use “what if..., then if....” sentences
- make suggestions which advance negotiations
- do not interrupt
- question, clarify, summarise and then respond

At this stage, you should start moving from your opening position with tentative proposals. You should not be making any firm offers but using “what if... then if...” statements to indicate that you are perhaps prepared to compromise.

If you have prepared correctly and anticipated the other party’s moves, you should not be faced with too many surprises at this stage. However, if something does catch you out, you can use delaying tactics to consider your position. For example, you may want to adjourn the meeting for a short break, or to make a telephone call, or any excuse that may give you a little extra time to think. If you do change tactics, do not forget to involve your team!

4. Bargain

- use “If...then...” sentences
- trade, always exchanging conditions before offers
- close with a deal
- summarise in written format

This stage is where the hard bargaining begins, with each party having to give and take until eventually the deal is clinched.

NOTES

The Four Phases in Use

To check your understanding of the four phases, please complete the following questions.



Why do you think it is useful to anticipate what the other side's ideal, realistic and fall back positions might be?

When might it be important to adjourn a meeting?

Which techniques could you use?

Compare your answers with those on page 45.



List as many differences you can think of between 1:2:1 and team negotiations?

From your own experience, how do 1:2:1 negotiations differ from team negotiations?

Compare your answers with those on page 46.



Please answer the following questions. How would you apply these in practice?

How can you evaluate the worth of any concessions you may give during negotiating?

Which phrases have you heard people use during negotiating to signal that they are ready to propose conditions and offers? List as many as you can think of.

Now compare your answers with those on the next page.

Have they signalled?

Signalling usually takes place in the “propose” phase of negotiating and involves the use of identifiable phrases, which indicate that the other party is ready to move the negotiations forward.

Here are some common “signals”:

STATEMENT	MEANING
We would find it extremely difficult to meet that deadline...	Not impossible
Our system is not set up...	It can be changed
I am not empowered to negotiate this price...	See my boss
Our company never negotiate on price...	We do negotiate on what you get for that price
We are not prepared to discuss that at this stage...	It is negotiable tomorrow
Our price for that quantity is “X”	Different quantity, different price
These are our standard contract terms.	They are negotiable
That is extremely reasonable.	It is our most favoured position

They are not signalling!

If you have reached the propose phase but have hit deadlock, you may like to try the following:

Recap and show the movement you have already made.

Give a minor concession - one you were going to give anyway.

Test the other party's reaction to further movement.

Adjourn (for evaluation or consultation with your team, or simply to cool things down or prevent fatigue.)

Openness - put your cards on the table.

If all of these fail, you may have no alternative but to leave the negotiations at deadlock. If this happens, leave in a calm and friendly manner. Instead of saying “No”, try “I’ll think about it.”

Never agree to anything you do not have the authority for.

Evaluating Concessions

Never give anything away for nothing. Always try to trade things which cost you little but are worth a great deal to the other party. Always consider - what is it worth to the other person?

A Win-Win Situation

The ideal negotiating outcome is arguably one where both parties are happy with the deal - a win-win situation in other words. For this to happen, negotiators must use all their skills to reach an agreement and to close a deal effectively.

A win-win situation is where both parties:

- Follow good practice in all four phases of the negotiations
- Recognise signals and use them to move the negotiations forward
- Handle impasses and deadlocks effectively
- Evaluate concessions offered
- Trade mutually advantageous concessions
- Adopt effective closing techniques
- End the negotiations feeling happy with the deal

Closing Techniques

Closing the deal is a very important part of negotiations. If you do not close a deal effectively, you may find that although both parties have reached an agreement, they still have different interpretations of the outcome.

At this stage, it is important that both parties check their shopping list of objectives for two reasons:

1. To make sure that every item they set out to cover has been covered.
2. Because they will lose credibility if they have to go back later.

It is also vital to confirm what has been agreed. In practice, this usually means a verbal summary with a promise to confirm the agreement in writing. So make sure that you:

- a) Agree what has been decided
- b) Summarise it and write it down (clarifying details and timescales)
- c) Agree on an action plan

Case Study

Read the following snapshot of a simple negotiating situation and see if you can spot the errors that both parties make. Underline the text where the errors occur. (We think there are seven errors!)

The background

Cyberactive Inc. is a small company that has developed an interactive city guide, which could have great potential for both business and tourism. The company's small team have plenty of good ideas, practical skills and enthusiasm but need financial backing to market their product.

They have been approached by a larger company, Megacity Inc. who have offered to inject “a substantial amount” into research and development if they are given a controlling stake in the company and a 50% share of the profits.

Cyberactive Inc. is desperate for the financial backing and willing to negotiate on a share of the profit of up to 50%. However, they have already decided that it is imperative that the company's name and current team should be retained.

Megacity Inc. have recognised the huge potential in the company's product and are willing to offer up to £2 million cash backing if they get a minimum of 40% share of the profits.

Both parties identify areas of common ground and then begin debating the items up for negotiation.

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Case Study - The Negotiations:

Karen Joseph, the Managing Director of Cyberactive Inc., arrives at the meeting place with her team first and they promptly take all the comfortable seats. Luke Kennedy, Megacity Inc., Head of Development arrives and grins, "Now, let's see how we can get you out of this disastrous mess."

Luke ventures, "I understand that the production costs would be around £10 per unit." The Cyberactive Inc. team frown and Karen says, "I'm not sure where you got your figures from, Mr Kennedy, but unit costs would be much closer to £5."

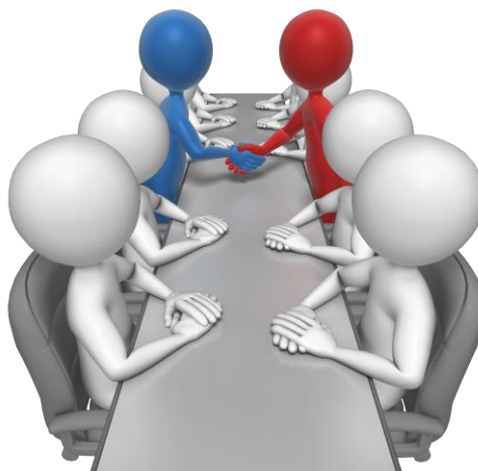
The negotiations progress into the proposal and bargaining phases.....

Luke responds, "We would agree to you retaining your name and team in exchange for a 40% stake in the profits."

Karen smiles, "That sounds reasonable. Of course, it would be dependent on you offering at least £500,000 in cash."

Cyberactive Inc. is desperate for the financial backing and willing to negotiate on a share of the profits - up to 50%. However, they have already decided that it is imperative that the company's name and current team should be retained.

The negotiations proceed to a satisfactory deal. "We're agreed then!" says Luke, and Karen and her team nod. "We will send a written confirmation by the end of the week." After a few celebratory drinks in the bar afterwards, Luke admits to Karen, "Why did you snap us up at half a million? We were ready to offer four times that!"



Check your answers at the end of this workbook.

Negotiator's Checklist

Step 1 - Prepare

- Have you prepared a range of objectives? Have you prepared your team?
- What are the ideal, realistic and fall back positions for each issue?
- What are the other party's ideal, realistic and fall back positions for each issue likely to be?
- Will they willingly give you the ideal you seek? Will you willingly give them the ideal they seek? (These questions will help you to decide the areas to be negotiated.)
- Have you planned your strategy, including your evidence and arguments?
- Have you gathered all the facts?
- Are there any areas of common ground you could build on?
- Have you thought about the concessions you might make and what you would require in return?
- Have you allowed enough time for the negotiations?

Step 2 – Discuss - at this phase of the negotiations, make sure that you:

- Set the right tone for the meeting (i.e. arrange chairs properly and make welcoming and unbiased opening remarks)
- Test your assumptions and exchange information. Clarify the areas on which you cannot move.
- Look for common ground.
- Avoid giving away major concessions.
- Listen and watch for signals.
- Recognise, confirm, enlarge and reward signals.

Step 3 – Propose - at this phase of the negotiations, make sure that you:

- Use “what if” sentences.
- Make suggestions which advance negotiations.
- Do not interrupt.
- Question, clarify, summarise, and then respond.
- Use adjournment techniques if necessary.
- Handle impasses and deadlocks effectively.

Step 4 – Bargain - at this phase of the negotiations, make sure that you:

- Use “If ... then...” sentences.
- Trade, always exchanging conditions before offers.
- Close with a deal.
- Check your shopping list of objectives.
- Summarise agreement verbally then confirm in writing.

Preparation for a Forthcoming Negotiation

Use the framework of questions below to describe a negotiation that you are likely to face within the very near future.

1.	With whom will you be negotiating?
2.	What do you ideally want to achieve from the negotiations?
3.	What are your minimum requirements, below which you are not prepared to settle?
4.	What is the other party likely to want from the negotiations?
5.	Describe briefly what you know about their typical behaviour at past negotiations?
6.	What is the basis of <i>their</i> negotiation strength?
7.	What is the basis of <i>your</i> negotiation strength?
8.	What scope will you have for being able to make decisions on the spot without having to refer back to other people?
9.	What freedom will you have, if any, for varying the terms of any deal?
10.	What do you judge to be the biggest challenge facing you during the negotiation?
11.	How important is it to you personally to achieve a successful outcome? What are the likely personal consequences if the negotiation fails?
12.	Add any notes you need to make.

Summary

In this workbook, you have learnt to:

- ✓ Use your communication skills more effectively
- ✓ Actively listen
- ✓ Use questioning techniques
- ✓ Be assertive
- ✓ Build rapport with people
- ✓ Influence negotiations
- ✓ Define negotiating
- ✓ Differentiate between the different types of negotiating situations
- ✓ Describe the benefits of negotiating
- ✓ List the four phases of negotiating
- ✓ Describe the skills required for each phase of negotiation
- ✓ Recognise good and bad negotiating practice and apply the effective skills to your own job

Answers

The key skills required for negotiation are:

- Questioning techniques
- Active listening
- Non-verbal behaviour
- Assertiveness
- Influencing
- Rapport

Active Listening

Why don't we listen?

- We think faster than we speak
- Lack of interest
- Beliefs and attitudes
- Reactions to the speaker
- Our preconceptions
- The actual words and phrases we hear
- Physical distractions

Why do we listen?

- To gain information
- Because we are interested
- To hear others' expectations and insights
- To be in control – information is power
- To respect and value others
- To broaden our horizons
- To create a relationship
- To get feedback

How do we show we are listening?

- Facing the speaker squarely
- Maintaining good eye contact
- Keeping an open body posture
- Remaining calm and relaxed
- Nodding or shaking our heads as appropriate
- Asking questions related back to what was said
- Building upon what was said
- Ignoring distractions
- Using supportive statements e.g. "I see" or "I understand"
- Using verbal noises and words e.g. "Ah huh", "Yes" or "Okay"

How does someone know when you are not listening?

- Staring into the distance
- Glazed expression in our eyes/on our faces
- Saying "yes" or "no" without conviction in our voice
- Not responding to a question
- Shuffling papers on our desk
- Doodling on a piece of paper
- Turning away
- Sitting on the edge of our chair
- Moving towards the door
- Packing our bag
- Not making any sort of verbal response at all

Types of Questions

Open

- Result in more than one or two word reply
- Used to encourage people to talk
- Get as much information as possible
- Actively listen - encourages others to talk freely
- Examples: how, what, when, where, who and why

Closed

- Used when you require a one or two word answer
- Answer will be short and specific
- Most common reply "yes" or "no"
- Avoid using lots of closed questions in succession, it feels like an interrogation
- Useful to get confirmation of something you already know

Probing

- Used to fill in details
- These bring out interesting areas and topics for a particular subject
- "What would happen when...?"
- "Why do you say that?"
- "How have your circumstances changed?"

Reflective

- Also used to gain further information
- Repeat of something the person has said or implied
- "You don't seem to feel comfortable with that?"
- "To clarify, I understand....?"

Leading

- Leads the person to the answer you require
- Can generate poor responses
- "I take it you would rather ...?"
- "You wish to take this option?"
- "So that's agreed then?"

Appendix 1

Non-Verbal Communication

Eye contact	How and where we look at another person
Head movement	Nods, shakes or tilts of the head
Facial expression	Frowns, smiles, eyebrow movements, etc.
Gestures	Hand or arm gestures
Bodily posture	Slumped or upright posture
Proximity	How close we stand to other people
Appearance	How we appear (clothes, hair, make-up, jewellery, etc.)

There are two main things to look for when studying body language:

- 1. Clusters** – look for groups of gestures, as only interpreting one body gesture can lead to misunderstanding.
- 2. Incongruence** – perceptive people act on what they see and ignore what is being said. If your words do not match your body language, it is the body language that will be communicated.

Language and Thinking Styles

Although we take in information through five senses, we tend to prefer using one of these: sight, sound or touch. Therefore, given the same situation, one person might select more visual information than someone else, who may be busy picking up a greater amount of auditory information.

This preference does not just apply to how they take in information from the outside, but how they use information internally as part of their memory or emotions. Some people prefer doing much of their thinking visually (in pictures), others auditory (in sounds, particularly words) and others kinaesthetically (using feelings).

Everyone uses all three, it is not a case of using one sense at the exclusion of others, it is simply a matter of degree. Therefore when communicating with others, it can be useful to know which preferred thinking style they are using, and communicate with them in a way they will most readily respond to.

People who are thinking in a given situation in a visual way, will tend to use language that contains visual words and phrases, "I get the picture", "Let's try and put this in perspective" and so on. Similarly, auditory thinking may be indicated by auditory words and phrases such as "I hear what you say" or "That rings a bell." Kinaesthetic preferences would be represented by phrases like, "We are getting to grips with the problem now" or "Things are going very smoothly and comfortably."

Appendix 2

Building Rapport

Creating rapport is about:

- Putting other people at ease
- Creating an openness and a climate of easy rapport between two people
- Being engaged and responsive to what the other person is saying or feeling
- Reducing the differences between you and another person
- Emphasising the similarities between you and another person
- Being self-effacing rather than being “nice”

One of the keys to successful spoken communication is being able to get on with others. The ability to tune into another wavelength is key when managing staff, peers, stakeholders, the boss and our customers.

The first step in generating rapport is to realise that it is a process. People who get on well with each other do not just happen to get on well; they are actually doing things to generate rapport (though they may not be aware of this). By becoming aware of actions that build rapport, we can practice them and improve our skills. The “matching” process can take place on a number of different levels. These are explored below.

Matching Body Postures

If you watch people getting on well together, you will find that they tend to match physiology - they will have similar body language. They may tend to cross and uncross arms and legs at the same time, sit in a similar manner. They may use similar gestures; nodding heads together in agreement.

One way to increase rapport is to deliberately mirror the body language and the postures of the person you are communicating with.

For example:

- Overall posture - sitting or standing how that person sits or stands
- Crossing and uncrossing of limbs
- Gestures
- Breathing

Body matching should be done respectfully, with care and subtlety. Do not try to match something another person is doing if it makes you (or them) feel uncomfortable.

Voice Matching

A powerful way of matching someone is to match their voice and voice patterns. For example:

- Volume
- Tempo or rhythm
- Tone
- Characteristic phrases

Appendix 2 (continued)

Creating Rapport: Dos and Don'ts

Do:	Don't:
set the scene for the meeting	engage in small talk
listen	talk too much too early
Nod or use "interested" facial expressions	behave in a smarmy / sycophantic way
make reasonable eye contact	criticise or impose your own views too strongly
acknowledge and relate to the other's concerns and interests	be impatient with the other people
ask questions which help the other person to "tell a story" e.g. <ul style="list-style-type: none"> - So what happened then? - What did you do next? - How did s/he react to that? 	ask questions which force others to examine their reasons / motives / beliefs e.g. <ul style="list-style-type: none"> - So why did you do that? - You believe that will work?

Appendix 2 (continued)

Building Rapport Using Values

In each communication, individuals will bring a range of different items which are important to them. These can be called values. Some of these values will be in our conscious awareness, others will not.

Suppose for a moment you are buying a new home. In your search, you have made up a list of values which must be realised for you to buy any particular property. Whilst you may have some essential values and some preferred values, there are likely to be some others which come to play during the decision making process.

Conscious values might be that the property is within a certain distance from work, has good local schools, does not have too much traffic noise, and of course, has the right price. Preferred values might be that it comes with a south facing garden or with X amount of garden. Unconscious values might be the quality of light or the finish in some of the rooms. These however, may influence your decision without you realising it.

Clues to other people's values

People often demonstrate their values during the small talk used for rapport building. A broker might be heard saying, "I had an excellent journey, the roads were clear and it took me half the time I expected. I managed to finish some other business in the extra time that I had."

For this person, values are likely to be speed, efficiency and time management. Demonstrating how the Toojays service will offer speed, efficiency and a reduction in time would enhance our chances of success when dealing with this individual.

Being able to match another person's values is a powerful way not only to build rapport but also to reach a successful win/win conclusion to any meeting, 1:2:1, complaint, negotiation, appraisal or any communication.

Appendix 3

Be Assertive – Not Aggressive!

Why be assertive?

At times you may want or need to bite your tongue and control yourself – this could be due to the result of something that has been said which you're not in agreement with. Getting angry or aggressive isn't going to help you, other people or the situation. Behaving more assertively will help you to:

- Cope with angry or unhappy people, without making promises you cannot keep
- Say 'no' to unreasonable requests
- Disagree with the views of others without causing resentment
- Chase people up who have promised to do something for you then haven't

Being assertive will increase your overall effectiveness and make you feel better about yourself by potentially:

- Increasing the chance of your needs being met
- Giving you greater confidence in yourself
- Giving others confidence in you
- Increasing your responsibility for your own behaviour
- Helping you to take more initiative
- Helping you to save energy; aggression/anger is very draining!

What is meant by 'non-assertion'?

- Failing to stand up for your rights or doing so in such a way that others can disregard them
- Failing to express your needs, wants, feelings, opinions and beliefs or expressing them in an apologetic manner
- Belief that the other person's needs and wants are more important than yours
- Belief that the other person has rights; but you do not
- Thinking you have little or nothing to contribute and that the other person has a great deal to contribute
- The aim of non-assertion is to avoid conflict and to please others.

What is meant by 'aggression'?

- Standing up for your rights, but doing so in such a way that you violate the rights of other people
- Ignoring or dismissing the needs, wants, opinions, feelings or beliefs of others
- Expressing your own needs, wants, opinions and beliefs in inappropriate ways
- Belief that your own needs, wants and opinions are more important than that of other people
- Belief that you have rights; but other people do not
- Believing you have something to contribute but others have little or nothing to contribute

The aim of aggression is to win, if necessary at the expense of others.

Appendix 3 (continued)

Take six steps forward on your assertive journey:

1. If asked a question, answer it honestly, clearly and directly.
2. If asked to make a choice, choose.
3. If given a compliment or a gift, accept it graciously.
4. Only apologise when it is appropriate, and only once.
5. When saying no to a request, remember it is to the request and not the person.
6. Ask yourself in every situation, “Whose rights am I violating?” If it is theirs, I am being aggressive. If it is mine, I am being non-assertive. If it is nobody’s, I am being assertive.



Answers

Adjournment Techniques

2. When might it be important to adjourn the meeting?

It might be important to adjourn the meeting if the other party does something unexpected and you need time to consider your position or consult with your team. If you have prepared properly this should be a rare event but it can happen and it is worth having a strategy to cope with it.

2b. You could include any of the following:

- Taking an “urgent” phone call or making an “urgent” phone call
- Dealing with an “urgent” problem back at the office
- Or simply suggesting a “refreshment break”
- Referring an offer or demand to someone with greater authority

Remember – do not feel embarrassed at employing adjournment techniques. It is far better to adjourn negotiations and feel happy about the outcome, than to agree to something you feel uncomfortable with because you have not had enough time to consider the implications.

NOTES

Answers

How many differences between one-to-one and team negotiations could you come up with?

Compare your answers with those below.

As well as the procedures followed in one-to-one negotiations, in team negotiations you could:

- Decide what roles each team member will play
- Agree how the others will make contributions to the discussion
- Plan negotiations, objectives and settlement points together
- Address your remarks to the leader of the other team
- Use adjournment techniques to consult with your team if the other party makes an unexpected offer or demand



Answers

Did you spot the seven errors? Compare your “errors” to ours below.

Karen Joseph, the Managing Director of Cyberactive Inc., arrives at the meeting place with her team first and they promptly take all the comfortable seats (1). Luke Kennedy, Megacity Inc. Head of Development arrives and rubs his hands together, “Now let's see how we can get you out of this disastrous mess!”(2)

Both parties identify areas of common ground and then begin debating the items up for negotiation.

Luke ventures, “I understand that the production costs would be around £10 per unit.” The Cyberactive Inc. team frowns and Karen says, “I'm not sure where you got your figures from Mr Kennedy, but unit costs would be much closer to £5.”(3)

The negotiations progress into the proposal and bargaining phases....

Luke responds, “We would agree to you retaining your name and team in exchange for a 40% stake in the profits.”(4)

Case Study Negotiations

(5) Karen smiles, “That sounds reasonable. Of course, it would be dependent on you offering at least £500,000 in cash.”

Karen has fallen into the same trap - opening the bargaining with a low demand instead of leaving the amount to negotiation. It would have been better to say something like “... dependent on you offering a substantial amount in cash...” and then negotiating over the exact value.

(6) The negotiations proceed to a satisfactory deal. “We're agreed then!” says Steve, and Karen and her team nod. “We will send a written confirmation by the end of the week.”

Neither Luke nor Karen agreed what had been agreed or checked their shopping lists of objectives to see if they had covered all the necessary items.

(7) After a few celebratory drinks in the bar afterwards, Luke admits to Karen, “Why did you snap us up at half a million? We were ready to offer four times that!”

You should never tell the other party how much further you could have gone in negotiations, because if they feel they could have got a much better deal they might be tempted to argue the case again! Also, this “post mortem” approach smacks of rather triumphant crowing and could damage any future negotiations.

Finally, bear in mind that this was a deliberately simplified scenario, even if it did highlight some important points. You may find that your early attempts at negotiating will not always generate ideal results but you will soon improve with practice!

What happens next?

Take time to ensure you have completed your personal development log. Where applicable, ensure your line manager receives a copy to enable them to review and assess your progress.

GOOD LUCK!



Personal Development Log

What are the key learning points for me from the workbook?

1.

2.

3.

4.

5.

6.

How will I apply this learning in my role?

1.

2.

3.

4.

5.

6.

NOTES

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