



Negotiating skills

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“Let us NEVER negotiate OUT of FEAR.

But let us never FEAR to NEGOTIATE

John F. Kennedy

Today’s objectives:

- Adopting a technique for effective persuasion
 - Developing a win win negotiation plan
- Carrying out the negotiating according to a plan

1. The art of persuasion?

“I would like to see anyone, prophet, king or God, convince a thousand cats to do the same thing at the same time.” — [Neil Gaiman](#)

Create empathy.....

When dealing with customers you need to empathise with them and ask yourself what they expect of you.

What they expect will reflect their interests, their knowledge about what is being offered and how they feel about their dealings with your organisation. (This is called their emotional state).



Exercise: 5mins

Think about your potential customers. When they deal with your organisation and decide to buy or use the products or services you supply:

What are they looking for?

What are their interests, knowledge and feelings about the products or services?

2. Effective persuasion:

To persuade a customer to make a particular decision, you can apply the AIDA technique:

- **Attention:** Get their attention.
- **Interest:** Get their interest. Attention means they've noticed you. Interest means they're listening to you. (Attention is **passive**. It means that people are listening to you, but that's all. Interest is **active**. Active means they are thinking about what you say and how relevant it is for them.
- **Desire:** From interest you need to generate desire for the customer to want to have the goods or services you are offering.
- **Action:** Lead the customer into action, to make a final payment or to submit a testimonial, or agree to buy the matching gloves to the handbag.



Exercise: 15mins.

In pairs create a business related AIDA scenario for you to role play. Take it in turns.

What did you learn of benefit to your business?



Video: <http://www.mindtools.com/CommSkill/NegotiationSkills.htm>

1. What is negotiation?

Negotiation is when you and your customers start from a different position and try to reach an agreement.....

- Let's consider some examples of a negotiation?
Selling, price, terms of payments

There are two approaches to negotiation.

- a) Those who believe there are winners & losers.
- b) Those who believe both parties can win.

Today we are going to learn and develop a win win negotiation plan:

2. Must have, nice to have strategy

If you are negotiating with someone you need to work out what you really want to get out of the negotiation (**your must have**). Separate this from what you would like to get out of the negotiation (**your nice to have**). Then think about what the other party wants. You may not know this clearly, but if you know your customers well, you can probably guess what they want. One of your first objectives should be **to find out what they want and try to separate out their *must have* from their *nice to have***.



In pairs, create a negotiation scenario, relevant to one of your businesses and outline the nice to have & must have factors.

| Nice to have | Must have |
|--------------|-----------|
| | |
| | |
| | |

Fact:

Negotiation is a method by which people settle differences. It is a process by which compromise or agreement is reached while avoiding argument and dispute. In any disagreement, individuals understandably aim to achieve the best possible outcome for their position (or perhaps an organisation they represent). However, the principles of fairness, seeking mutual benefit and maintaining a relationship are the keys to a successful outcome.

Specific forms of negotiation are used in many situations: international affairs, the legal system, government, industrial disputes or domestic relationships as examples. However, general negotiation skills can be learned and applied in a wide range of activities. Negotiation skills can be of great benefit in resolving any differences that arise between you and others.

3. Why is effective communication essential to negotiation?



Group discussion:

4. Why Negotiate?

It is inevitable that, from time-to-time, conflict and disagreement will arise as the differing needs, wants, aims and beliefs of people are brought together. Without negotiation, such conflicts may lead to argument and resentment resulting in one or all of the parties feeling dissatisfied. The point of negotiation is to try to reach agreements without causing future barriers to communications.

5. What you need to know:

In any negotiation, the following three elements are important and likely to affect the ultimate outcome of the negotiation: **Attitudes / Knowledge / Interpersonal Skills**

Attitudes

All negotiation is strongly influenced by underlying attitudes to the process itself, for example attitudes to the issues and personalities involved in the particular case or attitudes linked to personal needs for recognition.

Knowledge

The more knowledge you possess of the issues in question, the greater your participation in the process of negotiation. In other words, good preparation is essential.

Do your homework and gather as much information about the issues as you can. Furthermore, the way issues are negotiated must be understood as negotiating will require different methods in different situations.

Interpersonal skills:

Include: listening / effective communication skills / Rapport building / Decision making / Problem solving / Assertiveness / Dealing with difficult situations / reducing misunderstandings.

6. Stages of Negotiation

In order to achieve a desirable outcome, it may be useful to follow a structured approach to negotiation. For example, in a work situation a meeting may need to be arranged in which all parties involved can come together.

The process of negotiation includes the following stages:

- Preparation
- Discussion
- Clarification of goals
- Negotiate towards a Win-Win outcome
- Agreement
- Implementation of a course of action
- Follow up.

Preparation

Before any negotiation takes place, a decision needs to be taken as to when and where a meeting will take place to discuss the problem and who will attend. Setting a limited time-scale can also be helpful to prevent the disagreement continuing.

This stage involves ensuring all the pertinent facts of the situation are known in order to clarify your own position. In the work example above, this would include knowing the 'rules' of your organisation, to whom help is given, when help is not felt appropriate and the grounds for such refusals. Your organisation may well have policies to which you can refer in preparation for the negotiation.

Undertaking preparation before discussing the disagreement will help to avoid further conflict and unnecessarily wasting time during the meeting.

Discussion

During this stage, individuals or members of each side put forward the case as they see it, i.e. their understanding of the situation.

Key skills during this stage include **questioning, listening** and **clarifying**.

Sometimes it is helpful to take notes during the discussion stage to record all points put forward in case there is need for further clarification. It is extremely important to listen, as when disagreement takes place it is easy to make the mistake of saying too much and listening too little. Each side should have an equal opportunity to present their case.

Clarifying goals

From the discussion, the goals, interests and viewpoints of both sides of the disagreement need to be clarified.

It is helpful to list these factors in order of priority. Through this clarification it is often possible to identify or establish some common ground. Clarification is an essential part of the negotiation process, without it misunderstandings are likely to occur which may cause problems and barriers to reaching a beneficial outcome.

Negotiate towards a Win-Win outcome

This stage focuses on what is termed a 'win-win' outcome where both sides feel they have gained something positive through the process of negotiation and both sides feel their point of view has been taken into consideration.

A win-win outcome is usually the best result. Although this may not always be possible, through negotiation, it should be the ultimate goal.

Suggestions of alternative strategies and compromises need to be considered at this point. Compromises are often positive alternatives which can often achieve greater benefit for all concerned compared to holding to the original positions.

Agreement

Agreement can be achieved once understanding of both sides' viewpoints and interests have been considered.

It is essential for everybody involved to keep an open mind in order to achieve an acceptable solution. Any agreement needs to be made perfectly clear so that both sides know what has been decided.

Implementing a Course of Action

From the agreement, a course of action has to be implemented to carry through the decision.

Follow up: It is important to follow up after the negotiation to ensure the customers have been fulfilled and to ensure there are no problems or disagreements.

Notes:

Failure to Agree

If the process of negotiation breaks down and agreement cannot be reached, then re-scheduling a further meeting is called for. This avoids all parties becoming embroiled in heated discussion or argument, which not only wastes time but can also damage future relationships.

At the subsequent meeting, the stages of negotiation should be repeated. Any new ideas or interests should be taken into account and the situation looked at afresh. At this stage it may also be helpful to look at other alternative solutions and/or bring in another person to mediate.

Informal Negotiation

There are times when there is a need to negotiate more informally. At such times, when a difference of opinion arises, it might not be possible or appropriate to go through the stages set out above in a formal manner.



The negotiation plan: Role play.

10mins to scope the negotiation

10mins each to role play.

In small groups, agree a simple business negotiation. Create the plan, having constructed a scenario. Take it in turns to role play a win win negotiation acting out the role of the seller and the customer.

Worksheet:

| | |
|---|--|
| Prepare the negotiation | |
| Discuss your case | |
| Clarify the goals / must have outcomes | |
| Negotiate | |
| Agree | |

Let's self-evaluate our own strengths & weaknesses:



Exercise:

Tick the relevant boxes to show your strengths & weaknesses:

| Skills | Good | Quite good | Not so good | Poor |
|--|------|------------|-------------|------|
| Empathising with people | | | | |
| Persuading people | | | | |
| Recognising opportunities for upselling | | | | |
| Negotiating successfully to achieve a win: win | | | | |

Today's learning outcomes:

Additional resources:

Hand outs available for download from SWIFT web site:

Hand out: Negotiation tips and techniques for sales, contracts, buying and selling

Article: Women in Leadership; *Women being lied to in negotiations*

Web sites:

<http://www.businessballs.com/negotiation.htm>

<http://www.mindtools.com/CommSkill/NegotiationSkills.htm>