



PARTICIPANT'S MANUAL

Negotiation Skills

Course designed by:

JCI Senator Kalada Apiafi, ITF 099

Wider Perspectives Limited, Port Harcourt, Nigeria.

+234-803 310 1457



©Copyright by JCI: All rights reserved. The authors and JCI authorize all national organizations, its affiliated local organizations and JCI trainers to use this publication and reproduce the content when used for the education and training of JCI individual members and non-members alike. The opinions and concepts reflected in the course do not necessarily reflect those of JCI.

Financial gain: This publication may not be reproduced, stored in a retrieval system or transmitted in any form or by any means – electronic, mechanical, photocopying, recording, or otherwise – for financial gain, without the express written permission of the JCI Secretary General.

Translation: This publication or parts of it may not be translated in any other language without the express written permission of the JCI Secretary General.

JCI (Junior Chamber International) is a worldwide federation of young leaders and entrepreneurs with nearly 200,000 active JCI members and millions of JCI alumni. JCI members contribute to the advancement of the global community by creating positive change in over 5,000 communities in more than 100 nations worldwide.

JCI members lead projects in the areas of Business, Individual, Community, and International Development. They meet, learn and grow. By participating in various projects, meetings, seminars and events around the globe, JCI members grow personally and professionally, developing the entrepreneurial and leadership skills needed to generate positive changes in their communities, their countries, and the world.

Credits

You Can Get Anything You Want, BUT YOU HAVE TO DO MORE THAN ASK – Roger Dawson

Negotiate with Confidence – Ed Brodow

You Can Negotiate Anything – Herb Cohen



Chapter One

INTRODUCTION

A lot of people have the misconception that every negotiation involves money. Negotiating does not always involve money, you negotiate everyday. Anytime you want something from someone else, and anytime someone wants something from you, you are negotiating.

DEFINITION

Negotiating may be defined as the process of using power and information to affect behavior within a web of tension. A closer look at the key elements of our definition will assist in clarifying the concept of negotiation.

POWER

Power is widely a misunderstood term which often carries negative connotations. In negotiation, power is the positive use of resources to achieve worthwhile goals and influence people and events.

It is a subjective mental force, the extent of which is determined largely by perception: ***both yours and the other party's. In other words, if you think you have it, you have it. If you think you don't have it (even if you do), you don't have it.***

Although power can be abused, and does suggest antagonism, when negotiating, you carry the responsibility of knowing how to use power ethically and effectively, to promote your organization's / team's programmes and interests.

INFORMATION

Successful negotiation requires that you draw on every imaginable information source, this includes:

- Specialists' opinions of the situation
- The known facts and background of the situation
- The personality(ies) and sensitivities of the other party
- The time frame
- Behavioral and verbal cues
- The negotiating environment
- The authority the other party has to finalize matters

Of all these information sources, cues are the most important and, often, most difficult to recognize.

Part of the success in gathering information is to recognize that negotiating is not an event, but a process. The time preceding actual negotiations gives you a valuable opportunity to obtain information from various sources.

WEB OF TENSION

This involves two elements: time and organizational pressures.

Time usually means deadlines, both yours and the other party's. The other party may conceal its deadline, but it has one all the same.

Organizational pressure refers to the strength and support of the negotiator's organization and how it affects the negotiator's ability to take risks and vary approaches. The more support a negotiator gathers, the more his team can accomplish as a group. If the organization uses a team to negotiate, often the settlement has a better chance of survival because more people are informed and committed to the outcome and will turn sell the results to total constituency.



APPROACH

Often, negotiating a successful settlement for your organization depends as much as on the right approach as it does on the substance of your offer. A skilled negotiator not only knows how to use techniques, but also how to recognize them in the other party.

The two fundamental approaches are the WIN – LOSE (COMPETITIVE) and the WIN – WIN (COLLABORATIVE)

The competitive approach starts with tough demands and makes no concessions which are viewed as a sign of weakness. Deadlines are ignored and missed without a second thought.

This approach is recommended only if the negotiation is a one time occurrence with little likelihood of future negotiations. Because one side loses, that party will return to a second negotiating round determined to defeat the other party.

For instance, in collective bargaining, if a union “wins big”, it may be a physical victory, because the settlement may force the company to lay off people, close plants or relocate to another area.

If the relationship between both parties is an ongoing one, it is important to collaborate – follow the WIN - WIN Approach – so neither party loses and a sound basis is set for future negotiations.

PRINCIPLES OF NEGOTIATION

No two negotiating situations are the same; however, there are some rules you can follow.

- People make commitment to individuals not institutions, so personalized transactions have a greater chance to succeed.
- In personalizing the negotiation, it helps to develop a good relationship with the other party before you negotiate, although this is not always possible.
- What the other party says it needs and what it actually needs, probably are not the same. It is therefore imperative to determine its REAL needs. In doing so, DO NOT ASSUME instead make the other party talk about itself, its underlying feelings, its organization.
- Because you expect the other party to offer information about its needs, you will have to reciprocate in a collaborative situation. However, do it slowly and cautiously. The worst mistake you can make is to reveal your deadline, your real price limit or the full seriousness of your situation.
- The concession pattern need not follow “tit for tat”. Concessions come in different forms and sizes. Whatever their form, if you concede something, be sure you receive something in return.
- Further, involve the other party in creating these concessions. If they are given too early, they won't be appreciated and may raise expectation levels.
- If the other party has done its share of making concessions, give the team its share of “wins” so it can save face.
- Move towards your objective gradually, making concessions one at a time.
- Your team can reinforce your point of view, share the risks and provide you with expertise you lack. Don't hesitate to fall back on them; that is why they are there. If you need to consult your team on concessions the other party has offered to make, do so.
- Your team, members gain new importance in case of a deadlock when it may be necessary to substitute negotiators.



- You are in an advantageous position if you take the notes during negotiations and write up the agreement. It gives you the initiative because, unless the document has major faults, the other party is most likely to make minor revisions only.
- The document should be written as if it may ultimately be read in court. Nothing that you think is critical to the settlement should be “understood” by verbal agreement and excluded from the written agreement.

CONCLUSION

As long as you use the right approach, you will always have successful negotiations. Right? Wrong. Because negotiation is an art not a science, you have no guarantee that the combination that worked so well the last time, will work this time. Circumstances change and so do the other parties.

The approach of a deadline, the addition of new information, changing economic conditions or a change in the negotiating team all affect negotiations. The failure to recognize these changes affects one’s negotiating ability.

Each negotiating situation is UNIQUE and should be treated as such.



Chapter Two

THE FOUR STAGES OF NEGOTIATION

1. CLARIFY THE OTHER PARTY'S OBJECTIVES

Negotiating is a goal driven process in that both parties intend to achieve something from it. It is, therefore, imperative that you pinpoint what the objectives of the other party are as the first stage of every negotiation.

You need to understand what the other party wants; know what he has to offer, what value he attaches to the subject of negotiation, what he is willing to exchange for his demands, what his options are. The list, of course is practically endless.

2. INFORMATION GATHERING

You need to be thoroughly acquainted with the subject of negotiation and the other party. Gather as much information as you can, including obtaining a professional opinion if necessary. Who is the person? What is the motivation behind his demands? The saying that **KNOWLEDGE IS POWER** applies in Negotiation, the party who knows more, often being in a position to negotiate an agreement in its favour. Having armed yourself with sufficient information you are now in a position to formulate an action plan for the negotiation.

3. ACTION PLAN

This plan contains five steps as follows:

1. Analyzing the Situation

This is an attempt to put the information obtained in the previous stages into perspective so as to be able to formulate a strategy.

Answers provided at this stage include

- a. Background
- b. What each side has said so far – privately and publicly
- c. Can the situation be handled without formal negotiations?
- d. Personality (ies) of the other party
- e. Reputation of the other party
- f. Whether the other party is using this to prove something
- g. Whether the other party is trying to distract his organization from more serious problems that reflect on him or his leadership.

2. Setting Objectives

In doing this, it is necessary to work with your team and organization. Once you have decided on your goals, write them down in order of priority. This will help later in deciding which concessions to make.

Among the advantages of establishing objectives, are that you gain commitment within your organization and you have greater control over the negotiation because you are better prepared.

3. Develop a Strategy

As part of your strategy, you must be prepared to make concessions. A general guideline is to build four or five concessions into your initial offer, bearing in mind the cost and benefit of each one. This inbuilt flexibility will give a better chance of an acceptable settlement.

4. Determine Tactics



Tactics are the specific maneuvers you will use at the negotiating table. Since the other party is also likely to be following an action plan you also have to be on the lookout for tactics he is using, particularly, if they are unethical ones such as anger.

5. **Determine Time Frame**

This is the final element of your action plan. You can use time to your advantage, particularly, to gather information and set the stage acceptance of new ideas.

ADVANCE PLANING IS A MUST IN NEGOTIATION

4. **THE ACTUAL NEGOTIATION**

This is the stage that most people know about and therefore, concentrate their efforts. The result is often avoidable mistakes and giving up more than you should. It is the stage where compromises are made and mutually satisfying conclusion reached.



Chapter Three

INFORMATION

Knowledge is power, and the more knowledge one side is able to accumulate about the other, the better chance there is for victory. **INFORMATION IS THE KEY TO SUCCESS IN NEGOTIATION**

Despite the obviousness of the important role that information plays in a negotiation, most people spend little time analyzing their opponents before entering a negotiation. In fact most unskilled negotiators hardly take the time or the effort to go through the information gathering stage of the negotiation.

TIPS

1. Ask Questions

- (a) Directly from the person with whom you are negotiating
- (b) From other people who have dealt with the person/company in the past
- (c) On the professional level

For instance if you are working with a salesperson in a store, gather not only as much information about the merchandise but also about the salesperson as well. Take control of the conversation and occasionally, between questions about guarantees, delivery dates, and other features of the product – throw in an inquiry such as “You seem to enjoy your work, have you been working in the store for long?”

There are three advantages of being inquisitive:

- A You will be able to establish a rapport, making you more than just another customer. The Salesperson will feel more at ease and will volunteer more information.
- B Second, you will find out important things about the salesperson that may give you an edge in the negotiation such as whether he/she is paid on a commission basis or a fixed salary.
- C Generally, a salesperson has more ability to make price concessions than most people are aware of. If you show an interest in him/her as a person, you will be much more likely to get a requested discount.

2. **Where and when you meet your opponent will be a deciding factor in how much information you are able to extract.** Turf is power and whose turf you meet on goes a long way in determining who has information power.

A neutral meeting place may be best for preliminary information gathering. If you meet over lunch, away from the formality of the office, you are much more likely to collect valuable information.

3. **An important aspect of gaining information is letting your source understand that you need the information to make the negotiations go smoother, to better understand the needs of the company so that you can help.** Getting information from people is a skill, and a skillful negotiator will say “I only need this information so that it will be easier to find a solution beneficial for both of us”.

4. **Be aware that you are not the only one gathering information.** Your opponent is picking up information from you, also especially, if he is an experienced negotiator. Every word and action, the tilt of your head, even the clothes you are wearing, are clues collected and compiled for use in the negotiation. That is why you must determine how much information you will give away before the negotiation begins. You should have prepared a written list of demands – an open agenda – for the other party to consider. Your open agenda should be honest. The only information you must keep hidden is just how much you want something. Do not forget, as you share information, the power of reluctance.

5. **Check of the validity of information; truth is often subjective**



6. **Information is especially powerful for gaining concessions.** Gather as much information as you possibly can from every potential supplier or customer, then pick and choose the best each has to offer and use the information to put together a contract containing the best of each. Having a thorough knowledge of the options will allow you to bring up the specter of competition that your opponents fear.

When asking for extra considerations it helps to be able to say, "You know Tonye Jack of XYX Ltd. Has promised me 30 days delivery and a 5% discount ..and Soji Awolo at National Engineering Co. Ltd., has offered a guarantee twice as long as the one you're offering..." Having such facts and figures will help you put together the perfect contract.

REMEMBER ALL THIS INFORMATION GATHERING TAKES PLACE BEFORE THE NEGOTIATION STARTS

CONCLUSION

Judicious questioning will reveal many facts that may win the game for the negotiator willing to take the time and effort to be inquisitive.

Information leads to contracts you can be happy with because they have been structured for good reasons, with a lot of thought and preparation behind them. Such contracts do not fall apart easily, and after they're signed, both parties usually appreciate the effort.

Gathering information is a difficult task, but its importance cannot be overemphasized. INFORMATION IS POWER. It can lead you to an understanding of the other side, of their needs and desires, and will help you achieve what you want.



Chapter Four

THE USE OF POWER TO INFLUENCE PEOPLE

Influence, Power, Control – these really are at the heart of any interpersonal situation.

In negotiation, the person with the most influence or power will gain the most concessions. Power in this instance simply means the ability to influence people. It can be a very constructive force and is to a large extent, a question of perception i.e. If you feel you have power you have it, if you feel you don't have power (even if you have it) you don't have it.

There are 8 (eight) main factors of power:

TITLE POWER

Title power is the legitimate power that goes to anyone who holds a title. You would agree that most people are always a little more intimidated by someone who has the title of a President or Doctor, than you are by plain old Mr. Jack.

REWARD POWER

About half the power that a parent has over a child is reward power – also called “lollipop power” Anytime one person has the power to reward another, he or she has reward power. Keep in mind as you negotiate, that you often have hidden reward power. When you're shopping for a new car you have the power to reward the sales person with a sale or you can withhold the sale.

The way to guard yourself from the reward power that another person has over you is to use your reluctance. Make the reward appear as meaningless as possible and shrink the appearance of power.

COERCION POWER

If reward is “ lollipop “. Then coercion power is “spanking power “. It is the other half of a parent's power. Anyone who has the power to punish you, from a police officer to your mother, has the ability to influence you.

Punishment comes in many forms but one of the greatest punishments that we fear is ridicule. A negotiator must come to grips with his fear of humiliation otherwise he will never succeed in influencing people. The fear of being hurt is a great influence in our lives, and there is no reason for that.

To fend off the power of coercion, you must overcome fears. When your friends or business associates ridicule your decision stand by it proudly and earn their respect. When the person across the table laughs at your offer, keep in mind that it's a power play, don't allow your fear of rejection to control you.

Let your proposals stand on their own merits and don't depend on rewards or punishments to tell you how well or poorly you are doing.

REFERENT POWER

Referent power is available to anyone who maintains a consistent set of attractive values. If a person stands for something, other people tend to refer to him as an authority on that particular subject. He becomes more believable. Be strong in your convictions and do not deviate from them, no matter how high the financial gain may seem at the time. The power of a reputation is indisputable, and will last through out your life. If that reputation calls for an honest, fair, upstanding and considerate person, you will have an inestimable ability to influence people – and that is worth far than any amount of money.

CHARISMA POWER

It is obvious than an encounter with a movie star, a well known musician, businessman, politician or any celebrity can



leave a non-celebrity feeling a little overwhelmed. You have to learn to make others feel good about themselves, to feel important without making them feel you're being condescending. If you can learn to develop this trait without overdoing it, or without your attitude being obviously phony, you will find that it can be a great help to you in your dealings everyday. If people feel good about themselves when they're around you, they will be happier in your company and much easier to deal with.

There is one rule in the area of charisma that seems to be fairly firm and clear out: always call people by their names. Another important aspect of charisma power involves physical appearance. People who are more aware and more attentive to the way they look tend to have a great deal of personal power.

Charisma is one of the most powerful factors of influence.

EXPERTISE POWER

Whenever you are faced with someone you perceive as possessing knowledge or ability you do not have, they tend to develop the power to influence you. Doctors and Lawyers are particularly good at using this factor of power. Through expertise power many professionals have learned to ensure that their clients listen to and obey their instructions. They have developed the ability to influence. Expertise power can be over done, if it is, it leads to loss of respect, and consequently power on the other hand, expertise power can be very advantageous in negotiations. If you have the element of information on your side, it can only be to your benefit to demonstrate that you do know what you're talking about.

SITUATION POWER

Here you are faced with a person such as a Secretary who may be powerless in any other aspect of daily life but in the particular situation, may practically hold your life in his hands. Situation power gives people a great deal of influence over the actions of others and people Love To Use It. It can be very irritating and intimidating but can be dealt with. Simply be courteous, understanding and definite in your requests.

INFORMATION POWER

We have already discussed the main aspects of information in the previous session. At this point, however, it is necessary to re-emphasize that, through information, it is very easy to gain control but that control may be short lived. If the only influence you have over someone is a piece of information, the moment that information is revealed your leverage is gone.

Information power is another of those factors of power very easy to abuse but with tremendous uses if you maintain a positive, helpful attitude toward your associates.

OTHERS

SURROUNDING: If you can negotiate in your office rather than your opponent's office, you are always better off.

CONFUSION: If you can get someone confused, then you have the ability to influence him. If the other party is so confused that he doesn't know what to do, there is a good chance that he will do whatever you tell him to do.

COMPETITION: You can usually gain some influence in negotiations if you advertise the fact that you have many options and do not necessarily need to make a deal here and now.

WRITING: There is a tremendous power in the written word. People tend to believe what they see in writing for instance, the vast majority of people check out of their hotel rooms on time because of the signs on the back of the door that states the check out time. Prior to these hotels used to have a difficult time getting guests to vacate their rooms on time. If in doubt, write it out!



- RISK SHARING:** When you are trying to convince someone else to invest in something, your arguments become more powerful if you can arrange the deal so that the risk is shared. Your persuasion will be even more powerful if they are sharing the risk with you – they know you will fight hard because your survival also depends on the deal.
- TIME:** There is a great advantage in getting people to invest time with you. You can see the benefits of this investment of time in nearly every negotiation you will ever be involved in. If you can get people to spend time with, you are likely to arrive at a deal beneficial to you.
- IDENTIFICATION:** If people can identify with you and relate to what you are doing, you will be able to control them.

On a final note, you must remember that power is entirely SUBJECTIVE not objective i.e. POWER IS IN YOUR MIND – YOU WILL ONLY HAVE POWER IF YOU BELIEVE THAT YOU HAVE IT. ATTITUDE IS EVERYTHING. POWER IS A MENTAL FORCE: AN EXERCISE OF SELF CONFIDENCE.



Chapter Five

TIME AND NEGOTIATION

Before you go into a negotiation, make sure you have the time to invest in it. Don't negotiate under time pressure because it is hard to negotiate effectively in such situations.

It is imperative to note that in negotiations most concessions occur near, at, or beyond the deadline. Time pressure is one of the strongest forces in getting concessions near the end of a negotiation.

During negotiations at the Paris – Vietnam Peace Talks in 1968, for instance, US negotiator Averill Harriman was sent to Paris by Lyndon Johnson under a great deal of time pressure. It was an election year and Johnson wanted to get the treaty resolved in order to avoid political damage. Harriman arrived Paris and rented a hotel for one week and kept renewing for subsequent weeks. He wanted the treaty signed quickly. When the Vietnamese delegation arrived, they leased a villa in the countryside for a period of two and a half years. They then decided to spend week after week discussing the shape of the negotiating table. They were aware of the time pressure on the US negotiator and decided to use this to the maximum.

These tactics turned out to be extremely effective. Hubert Humphrey was supported by the incumbent, Johnson, and was running against Nixon. The weekend before the elections, word came from Paris – there had been a breakthrough in the negotiations. Under tremendous time pressure the U. S gave up almost everything at the negotiating table. As a result Humphrey lost. The Vietnamese were the clear victors.

Another point to note is a basic rule that applies to any exchange of money for services. The value of a service tends to diminish rapidly after it has been provided. That is why technicians like plumbers and motor mechanics negotiate price before doing the required repairs.

There is another side to the time element in negotiation. The time invested in a negotiation tends to pay off in the form of rapport. There develops a feeling of mutual trust and sociability. Having spent time negotiating neither party wants to walk away from the deal.

Time has been compared to money. They are both invested, spent, saved and wasted. Do invest the time to go through every stage of the negotiation process; do use time pressure to gain the advantage; as much as possible, do conceal your deadline; and don't yield to the temptation of rushing to a conclusion. In negotiation, time is money.



Chapter Six

NEGOTIATION GAMBITS

Negotiation is all about getting the best deal on just about everything you desire. There are indeed few ways of making money faster than by negotiating.

Whether you are buying a car or a house, asking for a raise at your workplace or trying to get a discount on a packaged tour, you can learn to negotiate successfully by employing some and all of the following gambits (tactics) to make you a successful negotiator.

BE A RELUCTANT NEGOTIATOR

The very first attitude of a skilled negotiator is to be the reluctant buyer or seller. Never appear very eager to put a deal together or give the impression that you enjoy bargaining. When you show overflowing enthusiasm for a product, when you are interested in buying it, you will probably face an uphill task in getting excellent price concessions. Remember you are not being forced to sell.

PLANNING

It is a truism that those who fail to plan to fail. Planning is an essential aspect of negotiating. Every gambit must be planned well in advance. For instance your negotiating range which must be well thought out should include the best price you could possibly hope for, the price you expect to get at the end of negotiating, and also the very lowest price you will possibly settle on.

If you have planned your range well, and stick to it, you may reasonably expect the final agreement to fall somewhere in that range before you begin to bid but always leave room for compromise.

MASTER THE FLINCH

If you make an offer to buy a land and the other party counter offers, whatever the counteroffer is, react visibly by showing shock, disgust and disbelief – this is called the flinch and it usually brings a more realistic counteroffer.

FEEL/FELT/FOUND THEORY

Never start a negotiation by arguing, no matter how much you might disagree with the other party. Whatever the other party says to you as he begins his proposal, do not argue with it as no one ever wins an argument. Instead use the feel/felt/found strategy. This is a way of addressing a conflict by answering controversial/argumentative statements by explaining that you understand how he feels and that many other people have felt exactly the same way, but that you have studied the problem and have found a solution. That way you have sidestepped a conflict and paved way for the real negotiating.

THE WANT IT ALL APPROACH

When making an offer, remember to make the other party feel that this is your one and only chance to ask for everything you really want. Though your demands may seem outrageous they may well be within your opponent's negotiating range.

The advantage here is that by asking for what you really want, you are also creating a climate for compromise and consequently give yourself enough leeway that you as well as the other party can win/lose one or two points and still come out with a good deal – that way you have achieved a win/win situation. The underlying principle of this gambit is that both parties – seller/buyer must leave the negotiating table feeling like winners.

FIRST OFFERS

Notwithstanding whether you are buying or selling a landed property or negotiating for a salary for a new job, no matter how good the deal looks, never jump at first offers. Accepting first offers raises easily two questions in the mind



of the other party, namely: I could have done better, since if one party says yes too quickly the other party immediately thinks it got taken and could have done better. Secondly a quick yes will arouse suspicion on the other side if something is wrong with the product and this can stall a good negotiation. To first offers, always say – I'm sorry but you have to do better, and wait for the other to respond.

EMPLOY THE VISE

The seven word statement “you will have to do better than that” can be very effective in the art of negotiating. This statement immediately puts the other party in a spot.

As a good negotiator, your response should be – “and just how much better do I have to do? That way you are putting the pressure right back on the vise user who will immediately be under pressure to do better than that by adjusting his price. As you use the vise gambit, always remember that there is room for improvement from the other side no matter what and the vise will most certainly squeeze the other party's negotiating range.

GET THE OTHER SIDE TO MAKE THE FIRST OFFER

Commence negotiations by immediately asking for the other party's best offer. For example if you want to buy a house start by telling the owner you don't want to hassle and that he should give you his best price up front for you to see if a deal could be constructed. This tactic is designed to push the other party to make concessions without having to make any.- by this move, you haven't said I will buy from you if you give me a good price. You only skillfully pinned him down to a price.

HIGHER AUTHORITY

The bargaining game could have been a lot easier to play if the parties involved have the final authority to take decisions for the deal to be tied – up. However it isn't always so because of the resort to higher authority. Note that any negotiator who enters a bargaining game as the obvious final authority from his side puts himself at a serious disadvantage. This is because your opponent knows that all he has to do is to convince you as the buck stops with you. It is however a different ball game if you tell him after getting his offer that the final decision rests with the board of directors (higher authority). Just to be on the safe side, you can remove the higher authority by simply asking the other party before entering into a real estate deal for instance: Let me get one thing clear. If we find exactly the right property for you today, is there any reason you won't be able to make a decision? If the answer is no you have removed his higher authority. Always work to keep your own resort to higher authority, while removing the other party's ability to call on higher authority.

SPLITTING THE DIFFERENCE

Never offer to split the difference instead, encourage the other party to offer to do so, this keeps you in a controlling position and consequently gives you a leeway to work out a split that is a little better for you than the standard fifty – fifty.

However, to commit the other party to offer to split, stress on the small amount that separates your offer and his as well as how much time you have invested to see that you arrive at a deal. He may eventually volunteer – we are pretty close aren't we? Why don't we just split the difference?

GET SMART PLAY DUMB

In negotiating, smart is dumb and dumb is smart. Remember whenever you are negotiating that you are better off acting as if you know less than the other party. The dumber you act, the better off you are. Acting dumb immediately defuses the competitive spirit – how for example can you fight someone who is asking for your help.

THE TRADE – OFF

This is a time honored tactic that a good bargainer employs. Here you give up something or a vantage position to the other party only to gain something more priced in return. But never give concessions unless you can demand a concession in return – for instance ask: “If I do that for you what will you do for me in return? “ Another reason why



you trade – off is because the more favors you do, the more points you rack up for yourself when the time of big trading -off is at hand.

IMPASSE V. DEADLOCK

This situation results when a negotiation is stalled and negotiators walk off the negotiating table without having anything to show for their efforts,

An impasse is like a dead end without an exit, while a deadlock is a bolt with a very complicated lock, one that may be very difficult to open. The point to remember however is that there is always a key to a deadlock and therefore a way out for the negotiators.

The set aside tactic is the way to unlock a deadlock. This entails setting aside a major contentious issue to discuss other minor issues involved in the negotiation.

In the case of an impasse, a mediator may be necessary.

THE HOT POTATO

This gambit is much like the higher authority strategy. It is usually used by international negotiators. Here when one negotiator has a problem, he will throw it in the lap of his opponent, and try to force the other party to solve it.

The hot potato gambit is frequently used by salesmen in an electronics shop. The salesman may say: I am willing to sell this T.V. for so much but my manager will not accept your offer. Counter this by simply saying: that's okay let's go see him maybe I can talk him into accepting my offer.

WALK AWAY WILL POWER

Do not be afraid to walk away from a negotiation if you are not satisfied it is going your way.

For example if in the course of a negotiation you say: that's my final offer and, and you continue to bargain the other party will realize that it has the advantage.

GOOD GUY/BAD GUY

A classic illustration of this gambit is dealing with a husband and wife in negotiating to buy a house or a car. The husband will be the bad guy if he responds to the sales person's best offer with an angry walkaway. The wife (now acting as the good guy) immediately steps in to mediate the impasse by saying: we are really not so far apart. I am sure I can get my husband to continue the negotiation if only you will be a little more flexible.

DECLOY AND RED HERRING

The decoy and the red herring are used in hunting but are shady, underhanded, dishonest gambits used in negotiation to direct attention from the real issues. For instance after presenting a proposal to sell equipment to a big company, the purchasing manager says," your proposal is okay but there is something wrong with your offer. We won't be interested unless we can get delivery by August 20th. The point to note here is that he has created an issue to divert you from the real issue: the price.

THE NIBBLE

If after you have concluded an agreement and your opponent suddenly jumps an issue on you to force you to make concessions, he is employing the use of the nibble. This nibble is therefore very effective because you do not want to give up your hard won agreement.

The nibble is always used by kids on their parents. For instance after accepting to sponsor a vacation trip for your daughter on graduation day and one day to the trip she says she doesn't have a traveling bag she's using the nibble on you.



Chapter Seven

COMMUNICATION DURING NEGOTIATION – HIDDEN MEANINGS AND BODY LANGUAGE

HIDDEN MEANINGS IN CONVERSATION

The art of negotiating would be very uninteresting if the actions or lack of it of our negotiating partners are immediately obvious for us to interpret. That is why almost all the gambits we have discussed earlier are consequent on the assumption that you should have some hidden agenda (secrets) , for instance, how badly you need to make a deal, what the other offers etc.

It is important to note nonetheless that there would be no need for all these tactics if everyone were truthful about everything they tell others. Since people try to hide things from others, it is very essential that you learn to discern what is being hidden from you. Yet negotiations will be easier and much more enjoyable without them.

So when next you are sitting across the negotiation table with the other party, listen very carefully to the words and body language of others.

1. Be very wary of Legitimizers like “Frankly” or “to tell you the truth” – they are frequently used to legitimize a sentence that is not really the truth.
2. Justifiers are also used in negotiation to lay verbal foundation for the admission of failure. Expressions such as “I’ll see what I can do, I’ll try my best, I will try to keep it under 100,000 naira or we’ll do our best are usually said in negotiations to prepare the fact that the person making them may fail. Remember however to challenge the use of a justifier immediately it is used.
3. Another Language tool is the Eraser. Words like “but” and “however” are erasers as they are used tactically to erase everything that has been said .e.g I’m no student of medicine but.... This immediately should tell you that the fellow may not have had formal education in medicine, but he knows exactly what he’s talking about.
4. Preparers are used by salesmen to prepare the ground to say or do what you ordinarily would not want to give in to. For example, if a sales person says I don’t want to intrude on your privacy – he is about to do just that by going out of his way to prepare you for him to intrude on your privacy.
5. Trial Balloons are statements flown like a kite to prepare the other persons mind for you to accept his idea. For instance “ I haven’t really thought about it yet ,but what do you think about...” It’s obvious that the speaker has made up his mind on what to do but is not sure you are going to go along with his idea, so he is sending up a small trial balloon.
6. Master the sense of orientation of people. If you want to play the negotiation game and play it right, you must learn to define the sense of orientation of a particular person. This you can do by listening carefully to the type of language they use. Remember that people you are negotiating with will feel more comfortable with you if you communicate with them through the sense towards which they are oriented. Note that people’s sense of orientation is based on the five senses. For example a visually oriented person will be more comfortable when you say “let me give you the whole picture” or let me bring the concept into focus before you take a decision”. Someone oriented towards hearing would probably say “it sounds to me as though the deal would fall through.
7. The speed of conversation of the other party is also necessary to keep track on. There is no need to talk very fast if you see that the other party is not following or is a slow talker.
8. Finally adapt to the statuses of other people. E.g. Watch carefully how the other party is seated before sitting down, and it has been discovered that a person’s eye movement is directly related to what he’s thinking.



Chapter Eight

PERSONAL FACTORS IN NEGOTIATION

PERSONALITY STYLES IN NEGOTIATION

OVERVIEW

Personality may often tell us much more about the unique style a person brings to a role. It usually reveals itself most when we are under minimal constraint, when we are free to choose how we act or react. When our personality is constrained, it is heavily muted although not completely silent. The essential factor to understand is that personality colours our inward reactions to what is going on around us via our behaviour.

DEFINITION

Personality can be defined as those characteristic that account for consistent patterns of behaviour. It is shaped by age, culture, gender education, professional experience and social class.

From comparative studies, difference in personality can be seen / defined as

- Emotionality
- Extroversion
- Openness
- Agreeableness
- Conscientiousness

But for the purpose of this negotiation seminar, we use the traditional four (4) personality styles.

- Pragmatic
- Extrovert
- Amiable
- Analytical

PRAGMATIC

- Bottom line person
- Likes facts
- Conscious of time
- A doer not a watcher or listener
- Looks for results

Style:

Hard working
Very efficient
Very active
Decisive

Summary:

As an active and involved personality they are usually the driving force behind an enterprise.

EXTROVERT

- Easily motivated type of person
- Generally warm
- Easily impressed
- Usually gets excited by big projects
- Good starter slow finisher



- Not an organized person
- Greets every body

Style:

- Friendly and open person
- Emotional
- Excited
- Decisive
- Humorous
- Assertive
- Motivator

Summary:

Extroverts can accomplish a lot and make friends in the process

AMIABLE

- Loves people around them always
- Less analytical
- Has a powerful sensitivity to problem
- Easily grounded under pressure
- Less capacity to deal with stress
- Sometime very disorganized
- With no sense of time management

Style:

- Lasting bond of affection
- Warm and nice to people
- Deep attachment to people, faces and names
- Very sensitive
- Observant
- Knowledgeable

Summary:

They like people too much to do anything that might jeopardize their reputation for being good hearted

ANALYTICAL

- Usually very thorough people
- Like details, options and diverse options
- Like illustration, statistics, graphs, charts
- Wants to know roots of problem

Style:

- Use information
- Work consciously
- Rely on facts and figure
- Very functional
- Very precise
- Slow decision

Summary:

People of this nature are not afraid to say no. They are generally withdrawn and more interested in detail than relationships but the friends they do have will be good friends.



RELATIONSHIP MODEL

The horizontal line on the chart below represents level of assertiveness, with a high level of assertiveness on the right and low on the left. Thus pragmatics and extroverts have a high level of assertiveness i.e. they are take – charge people, while analytics and amiables are low on assertiveness.

The vertical line, on the other hand, reflects the level of organization of the different personalities with analytics and pragmatics tending to be more organized than the amiables and extroverts.

ANALYTICAL	PRAGMATIC
AMIABLE	EXTROVERT

You will always have the most difficulty with the personality diagonally opposite you on the chart.

As you can see, each personality style can encounter difficulties when dealing with others. These may be minimized, however, when we know what style we are using and what style the other party is using. For this reason it is necessary to begin to analyze the people you deal with so as to understand how to negotiate with them effectively. For instance, if you know you are dealing with a person who is not highly assertive (amiable/analytical), you should be aware that he probably wants more time to think things over and will be suspicious and cautious if you try to pressure him.

In negotiation you should understand your natural style as dictated by your personality and strive to overcome its flaws. You must then learn to understand the other negotiating party's (ies') style(s) and try to lead them away from the natural style(s) to the common interest of both/all parties.

The effort spent analyzing and adjusting to different personality styles will pay off in goodwill and allow you to get much more out of life.



Chapter Nine

HOW BOTH SIDES CAN WIN IN A NEGOTIATION

In any negotiation the object is not to beat your opponent, but to creatively reach an agreement in which each negotiator can feel a winner – **THE WIN – WIN APPROACH**

There are certain standards by which you can determine if both sides have won in a negotiation. These standards can help you determine not only whether you won/lost but how you played the game.

A good negotiation has been completed when:

1. Both parties can walk away from the deal feeling as though they accomplished something important
2. There is the feeling that both sides have each cared about the objectives of the other
3. Each side believes that negotiations were conducted fairly
4. Each negotiator feels that he would enjoy dealing with the other at sometime in future
5. Each party believes that the other is determined to keep to the commitments made in the contract.

A win – win negotiator is, therefore, a person who can get what he wants out of a negotiation and still meet the above standards while a losing negotiator is one who has not met the above standards, no matter how many of his objectives he gained in a negotiation.

There are five major differences between a winning negotiator and a losing negotiator:

Narrowing to One Issue

The first difference is the tendency by losing negotiators to narrow the negotiations down to one issue. If a negotiator only thinks in terms of price in a business deal, it is clear there will have to be a winner and loser in the negotiation. Good negotiators learn to always look for the other issues – the smaller things behind the stumbling blocks that are also important to the people involved.

Feeling Weak

The second difference between a losing negotiator is that losers always feel they have the weaker position as they enter the negotiation. Winners understand that the pressure to compromise is felt equally by both parties. Of course it never looks that way. If you believe you're in a position of strength, you will be a better win – win negotiator.

Jump to Conclusions

The third difference is the tendency that losing negotiators have to jump to conclusions about the other party's needs. The most common conclusion seems to be that both parties are seeing the negotiation from the same point of view. It rarely occurs to the loser that it is possible for two rational people to look at a problem and see it differently. Much of the conflict in the world today could be resolved if people would realize that most of the time people are not right or wrong. They are merely seeing a problem from different perspectives. A winner never jumps to conclusion.

Lack of Information

Losers often try to reach an agreement without knowing much about their opponents and the needs that they may not have mentioned. **WE CANNOT EMPHASIZE THAT INFORMATION IS THE KEY TO SUCCESS.** It is beneficial to establish a system of open and honest two-way communication in any negotiation. This way, the information necessary for each side to help the other may be shared and the path to a win – win negotiation cleared.

The Opponents Position

The fifth point that separates winners from losers is the unwillingness of a loser to appreciate the position and values of his opponent.



A loser may work to gently persuade the other party to accept his own standpoint but may have a great deal of trouble respecting the others. It is important to understand that every person acts only in his own self interest and therefore must be motivated from the base. In order to reach a workable agreement the winning negotiator respects the needs and values of his opponent and works actively to satisfy those needs as well as his own.

So far, we have discussed the benchmarks of a good negotiation. We have also noted the difference between a winning and a losing negotiation.

The most important rule to remember as any negotiating is begun is to never jump to a conclusion. A winner also, realizes that money is not everything.

With the ideas discussed so far, it is almost always possible to reach an agreement concerned – a win-win situation.

You can get anything you want in life, but you have to do more than ask, **YOU HAVE TO NEGOTIATE.**