

THE WINNING NEGOTIATOR

YOUR WINNING NEGOTIATING PLAN
by Ira G. Asherman and Sandra Vance Asherman

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Negotiator's Handbook

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"I like to go with the flow!" This phrase, or variations of it, usually arises during "Negotiating Leverage" workshops conducted by AMR on an international basis. Whether the individual is from New York, Washington, or Singapore, the refrain is the same. "Going with the flow" is valuable in many personal or social contexts, but in business negotiation it can be disastrous. And for the new negotiator, it can mean the difference between failure and success.

• Why Planning is Important

The good negotiator understands that the negotiation process begins well before parties meet. A negotiation plan contains your objectives, back-up positions, and a "bottom-line." Planning enables you to complete a negotiation knowing that you got the best deal possible. In one of our workshops, a young man complained that in a recent job assignment negotiation with his boss, he didn't do as well as he wanted. When questioned, it turned out that his goals were only vaguely defined and he had not established any back-up positions should his boss not accept his initial proposal. He left his boss' office feeling dissatisfied and not sure whom to be angry with—his boss for not giving him what he requested or himself for not "making a good case" for what he wanted. His failure may have been a function of how he behaved during the negotiation. However, that behavior was affected by his lack of preparation. By failing to establish why his boss should give him what he requested and what he would do if his initial objective was not achieved, his chances of success were severely compromised.

In his book *The Negotiating Game*, Chester Karrass conducted a survey among purchasing executives, and found that adequate preparation was ranked the most important consideration in conducting a successful negotiation.

"Planning skill was found to be thirteen times as important as stamina and almost twice as important as individual initiative or problem solving ability," says Karrass. Effective negotiators know all too well the truth of Karrass' findings.

"A successful negotiation does not begin at the bargaining table. It begins much in advance when research is conducted on the issues, the other party, and the prior negotiations which have occurred around the same issues. Negotiation planning requires you to look at your goals and objectives and to devise a plan for achieving them."

Preparation for a negotiation can be divided into the following categories.

• The Issues

Clarity on the issues is central to negotiation. Up-to date knowledge of the facts is essential, as is an understanding of prior negotiations held around the issues. Knowing the arguments the other party raised during the last year's bargaining will serve you well in this year's sessions. The following outlines some of the questions you might ask yourself regarding issues:

- ✓ What are the facts?
- ✓ Are there any cost considerations?
- ✓ Is time of importance?
- ✓ What, if any, people will be involved in the implementations?
- ✓ What prior negotiations have occurred around these issues?
 - who was involved?
 - what was their position?
 - what were the results of the prior negotiations?
- ✓ Why is this next meeting being held?
- ✓ Is there agreement on the issues to be negotiated?

• Goals and Objectives

You cannot get what you want from a negotiation unless you know what you are looking for. To enter negotiation without a clear idea of your objectives and a plan for achieving them is leaving the outcome of the negotiation to fate—or worse, to the other party who inevitably is better prepared. The following questions will help you to frame your objectives:

- ✓ What do I want to achieve?
- ✓ Why is this issue of importance to me?
- ✓ Which issues can I be flexible on?
- ✓ How flexible can I be?
- ✓ What is my bottom line?
- ✓ What concessions can I make to achieve my objectives?

• Frame of Reference

Negotiators often focus only on the issues and ignore an area of equal importance—the needs and interests of those involved in the negotiation. Knowledge or lack of knowledge of what influences the other party can make or break a negotiation. The effective negotiator attempts to understand what the needs and interests are that drive the other party. Needs and interests may be a function of any or all of the following factors: current physical condition, family influences, cultural background, organizational issues, and prior life experiences. It is not possible to predict with certainty how these factors will affect the other party, but by concerning ourselves with them we deepen our understanding of what may be motivating his or her behavior. By getting a fix on their interests we enhance our understanding of why issues are of greater or lesser importance to them and how we might use this information to bring about a settlement. We call these factors which influence people frames of reference. By the same token, a knowledge of your own frame of reference as you go into this negotiation is important. What are the needs and interests driving you? Did you have a fight with your spouse before you left home? Is your promotion dependent on how this negotiation goes? These factors and many others may well influence both you and your opposite member during the sessions and a knowledge of these factors beforehand will prepare you to deal with them effectively. It is also important to remember that your perception of the other party's frame of reference is being viewed from your own frame of reference and is therefore very subjective; however, it is the best we can do. The following questions will help you address the other party's needs as well as your own.

Yourself:

- ✓ What factors are influencing me as I go into this negotiation?
- ✓ What are my needs and interests?
- ✓ To what degree are my needs and interests affected by organizational issues, familial concerns, my cultural background, prior experience, or my physical condition?
- ✓ What are these concerns?
- ✓ Why are they an issue?
- ✓ Do I have strong feelings about the other party or the issues involved which may get in the way?
- ✓ What impact may my frame of reference have on my negotiating ability?
- ✓ Is there anything I must guard against?

One example should clearly illustrate the importance of frames of reference—again drawn from a recent workshop. One of our participants found himself in a situation where he had to negotiate with his former boss and mentor who was now with a competing firm. Realizing he had very strong feelings about his ex-boss which might affect him during the negotiation, he chose to bring an associate with him and developed an approach that would minimize the impact of his former relationship with his boss on his ability to achieve a satisfactory settlement.

• Strategies and Tactics

Equally important is the construction of a plan for what will occur during the negotiation—the process. The strategies, tactics, and concessions that you use during the negotiation will help you to achieve your goals and objectives. However, you must be flexible enough during the negotiation to change strategies and tactics depending upon the circumstances. The questions listed below will help you to think about your approach.

- ✓ Based on my knowledge of my opposite member and the issues, what should my negotiating strategy be?
 - can I take a win/win approach?
- ✓ What about a back-up strategy?
- ✓ What tactics can I use to best implement my strategy?
- ✓ What concessions am I willing to make?...in what order?
- ✓ What leverage do I have to influence the other party's behavior?
- ✓ How will I open the negotiation?
- ✓ What strategies and tactics have worked well for me in the past?
- ✓ What strategies and tactics have I used with this person in the past? How successful were they?

• Physical Arrangements

The physical side of the upcoming session should also be planned. Having details carefully worked out beforehand can help contribute to the atmosphere you want to set. Consider room arrangements, time, refreshments, and location. Some questions to ask are:

- ✓ Where is the best place to hold this negotiation—my place, his, or a neutral site?
- ✓ What are the advantages of each location for me?
- ✓ Do I need to make hotel or travel arrangements?
- ✓ What room arrangements need to be made?
- ✓ Refreshments?
- ✓ What time do I want the meeting to take place?
- ✓ Do I have enough time available?

• Team Negotiations

The abovementioned considerations are applicable and essential to both individual and team negotiations. However, further preparation is necessary in team negotiation. The entire team should meet prior to the actual negotiation to discuss how they will relate—not only to the opposite team, but to each other. Team negotiations can break down not because of lack of clarity on the content but on the process. Often the team members have not clearly defined the role that each individual will play during the negotiation, or how they will work together to maximize their effectiveness. The following additional questions should be answered before beginning any team negotiation.

- ✓ Is there agreement on our objectives, strategies and tactics?

—if there is disagreement, how is it going to be resolved? (During the negotiation is neither the time nor the place.)

- ✓ How many people will be optimal for our team?
- ✓ Who should comprise our team?
- ✓ Who should be the spokesperson?
- ✓ What role(s) should each of the other members play?
- ✓ How should we communicate with each other during the negotiation?

If the other side will also be represented by several people, analyze their cast of characters and how you will relate to them individually and as a team.

• Enhancing the Planning Process

After you have answered all of the above questions, ask them again, but answer them as if you were the other party. This will, in effect, “put you in their shoes.” If possible, role play with your planning group how you think the other party might answer the same questions. The process can be greatly enhanced if the answers are on flip chart paper opposite your own answers, thus enabling you to quickly see areas of agreement and potential conflict.

Only under extreme circumstances should planning be done alone; whenever possible, involve other people. Additional opinions or points of view will help you to frame out the issues. Seek out someone whom you know has a different point of view to work with you. For example, if you do not think highly of the person you are to negotiate with, plan with someone who does like him.

• Conclusion

Negotiating is a process of reaching an agreement that both parties can accept and live with. If, as negotiators, we are to effectively influence that process, instead of being influenced by it, we must enter each negotiation with an understanding of where we want to be when the process ends. As in most business undertakings, this can only be achieved through the process of effective planning. WV

“You can be a champion negotiator if you prepare properly...The trick is to acquire all the information concerning the issues involved, even ones you may not deem as important at a glance. How well you prepare on the volume and quality of the information you gather. Why? Because in negotiating, information translates to power.”

- Woolf, Bob
Friendly Persuasion

“Good preparation can mean the difference between success and failure, but many people do not prepare carefully. They enter negotiations without clearly understanding the issues, their own objectives, or the other side’s, and their strategy is little more than vague hope. A few hours spent preparing can mean the difference between a successful negotiation and a failure. The more thoroughly you prepare, the better deal you will get.”

- Schoonmaker, Alan N.
Negotiate to Win: Gaining the Psychological Edge

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