

Welcome to the Course on Negotiation Skills



Course Objectives

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

- Understand the basics of negotiation
- Describe the negotiation process
- Use appropriate strategies for win-win outcomes
- Develop an action plan to improve negotiation skills



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Introduction to Negotiation



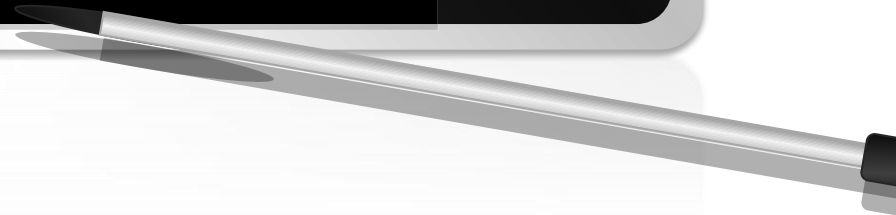
The Negotiation Process

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Negotiation Skills Essentials

Negotiation Best Practices



What is Negotiation?

Definition

Negotiation is the art of persuading others to get what we want.

- Matt Crouch
(Partner - Bartier Perry)



Why do We Need to Negotiate?

From time-to-time, disagreement and conflict will arise as the differing needs, wants, beliefs and aims of people are brought together.

Such conflicts may lead to argument and resentment resulting in one or all of the parties feeling unhappy.



Types of Negotiations



Distributive (The Fixed Pie)

A type or style of negotiation in which the parties cooperate to achieve a satisfactory result for both.

Integrative (Everybody Wins Something)

A type or style of negotiation in which parties compete for the distribution of a fixed amount of value.



Characteristics of a Good Negotiator



Skilled

Experienced

Prepared

Confident

Respectful

Articulate

Bold

Direct

Perceptive

Unemotional

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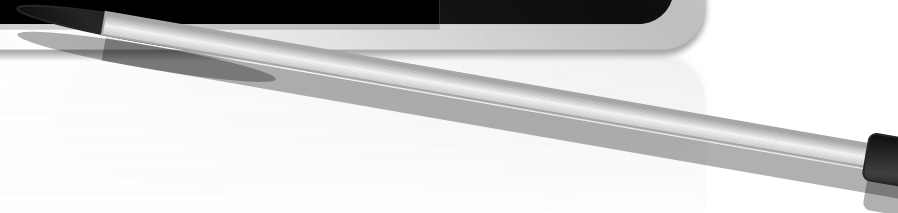


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The Five Stages of the Negotiation Process



The Five Stages of the Negotiation Process



The meeting can be in an informal or formal setting.

When there are two parties meeting, the venue, date and time are decided first.

The meeting begins with introductions...



The Five Stages of the Negotiation Process

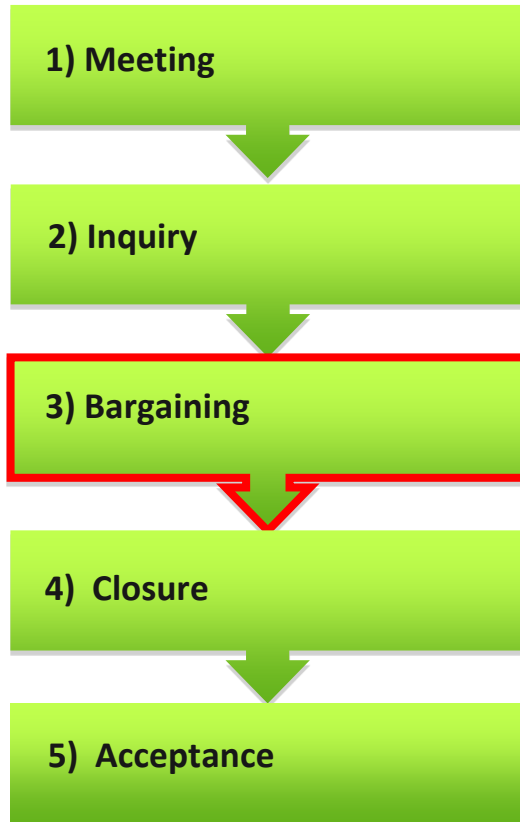


During the inquiry stage, both parties exchange information and discuss their concerns.

The main objective of this stage is to ascertain the strengths and weaknesses.



The Five Stages of the Negotiation Process



During the bargaining stage, both parties make offers and tradeoffs.



The Five Stages of the Negotiation Process



During the closure stage, both parties restate their positions and confirm their trade offs they are willing to negotiate.



The Five Stages of the Negotiation Process



During the final stage, both parties would either decide to suspend negotiations or they may reach an agreement.



Negotiation Outcomes

YOU

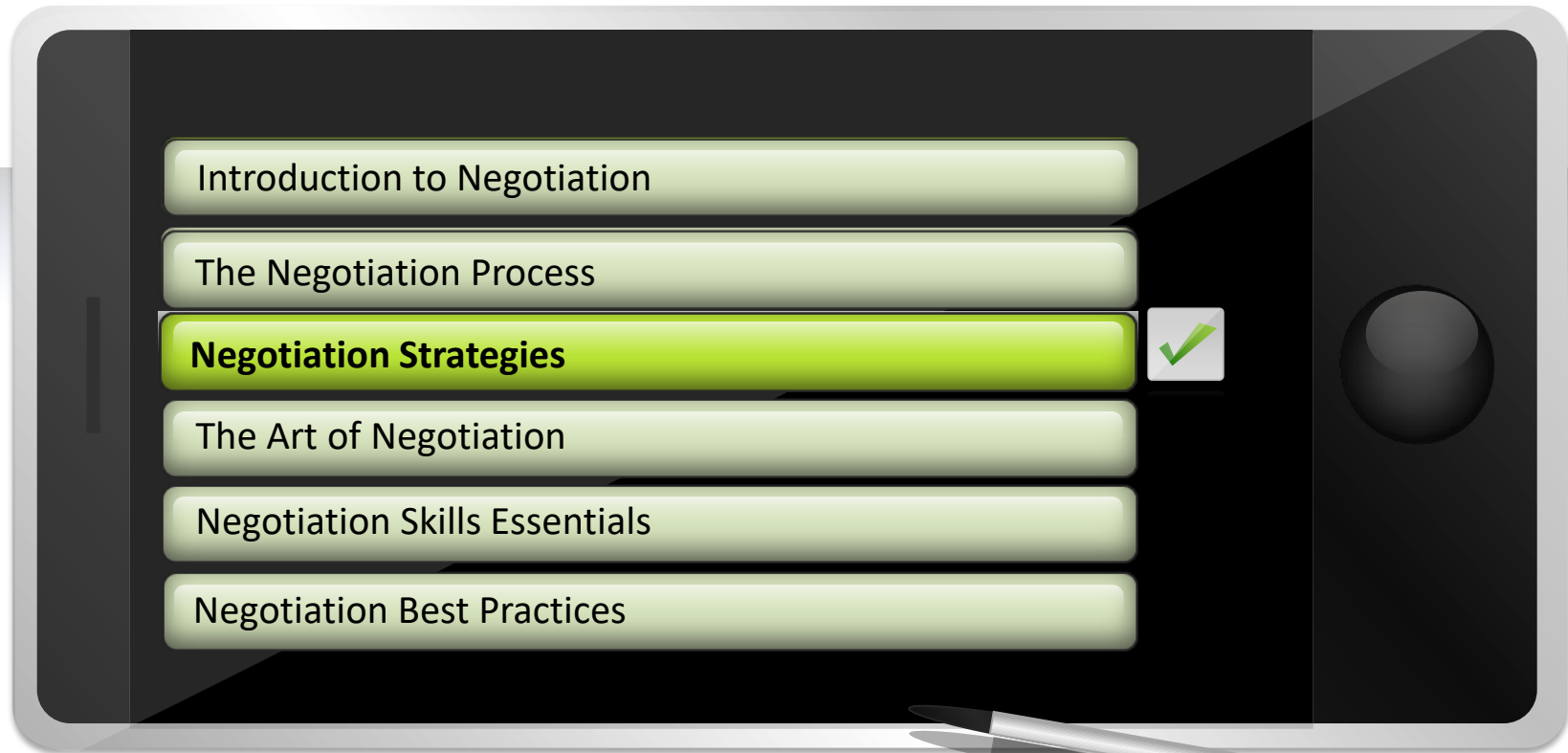
WIN	LOSE
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ME

WIN
LOSE

We Both Win	I Win, You lose
I Lose, You Win	We Both Lose

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A stylized tablet with a black screen and a silver border. The screen displays a table of contents with six items. The third item, 'Negotiation Strategies', is highlighted in a bright green color and has a small white square with a green checkmark to its right. A silver pen with a black tip is pointing towards the bottom right corner of the tablet.

Introduction to Negotiation	
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The PROBE Technique



The PROBE Technique



If you want to want to be a brilliant negotiator, you will have to make sure that you have lots of information.

The saying “He who has the gold makes the rules”, is applicable to the negotiation process.

What is the gold here?

It’s information...

You need to prepare in such a way that people say, “Wow, you really know a lot”



The PROBE Technique

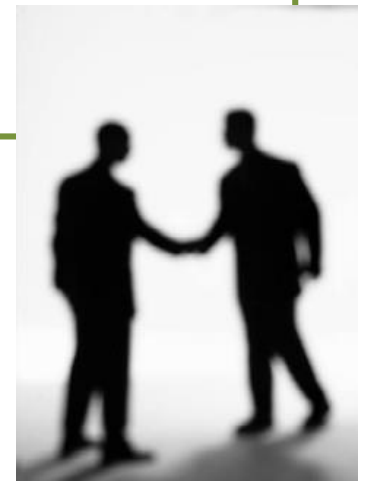


You need to clearly understand how to make people comfortable.

You need to have a good set of ice breakers and set up the room for the meeting.

He who controls the agenda; controls the meeting.

You need to have a clear understanding of the objectives that you are going to achieve in the meeting.



The PROBE Technique



Opening bargaining means to set the scene for the bargaining.

It is important to manage each other's expectations.



The PROBE Technique



Build relationships and you will see that your negotiation becomes much easier.

Sticking to the agreed agenda will avoid destructive discussions.

Share information and ask questions.

Be positive and listen.



The PROBE Technique



A good negotiator would document all that is agreed to; generally done in writing – by e-mail or a letter.



Negotiation Strategies – Setting Goals

You need to ask questions, such as:

- What are my goals?
- Where am I going?

If you don't have sufficient information in the beginning of the negotiation process, you may go in the wrong direction.

Evaluate your goal in relation to the other side's goal.



Negotiation Strategies – The Offer-Concession Strategy

When to start?

Where to start?

Do you want to start with high realistic expectations and make tapering concessions?

Consider the following factors when you are selecting the most appropriate offer-concession strategy:

1. Evaluate the importance of a future relationship
2. Check the number of issues on the table
3. Assess the zero-sum verses pie-expanding nature of the issues
4. Ensure that your offer-concession strategies revoke reciprocal moves



Negotiation Strategies at a Glance

Start with No

- Never compromise...
- Invite the other party to say a no
- Tell the party that you won't consider the no as a personal rejection.

Be Completely Prepared

- Before you get into the meeting, get all the information of the other party.
- Check for the competition
- Check your own position

Forget Closure

- Never think about the outcome before or during the meeting.
- Focus your attention on what you can control

Expose the Big Issues/Problems

- Bring out your problem
- Bring out the problem of the other party
- This will clear the air and eliminate any surprises

Get them Talking

- By and large, the person talking the most always loses the advantage.
- Ask questions that begin with what, why, how, when and where

Be the Problem Solver

- Help the other person see that you are proposing the deal to his or her advantage.

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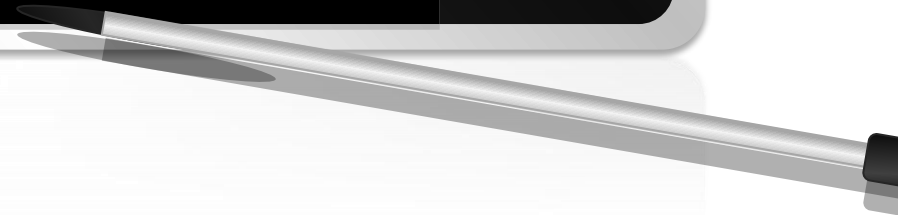
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Negotiation: General Understanding

Negotiation is an art; you can get better and better with it.

If you feel that you don't have an innate talent for negotiations, don't be disappointed because these skills can be honed and developed with the proper training and practice.

People who speak good may always feel that they are good negotiators, but that is not the case always. Negotiation is all about understanding what you want and what the other person wants, and then coming with a win-win scenario.



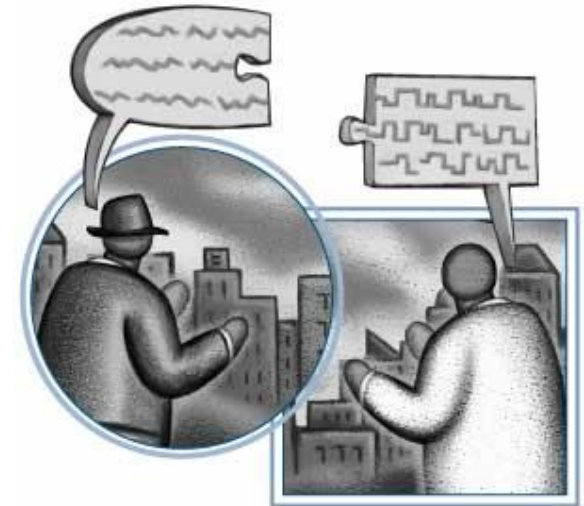
The Art of Negotiation: Know It; Use It

Negotiation happens everywhere – it's omnipresent. You may have to negotiate over anything – right from the deadlines of a project to who's going to do what chores at home.

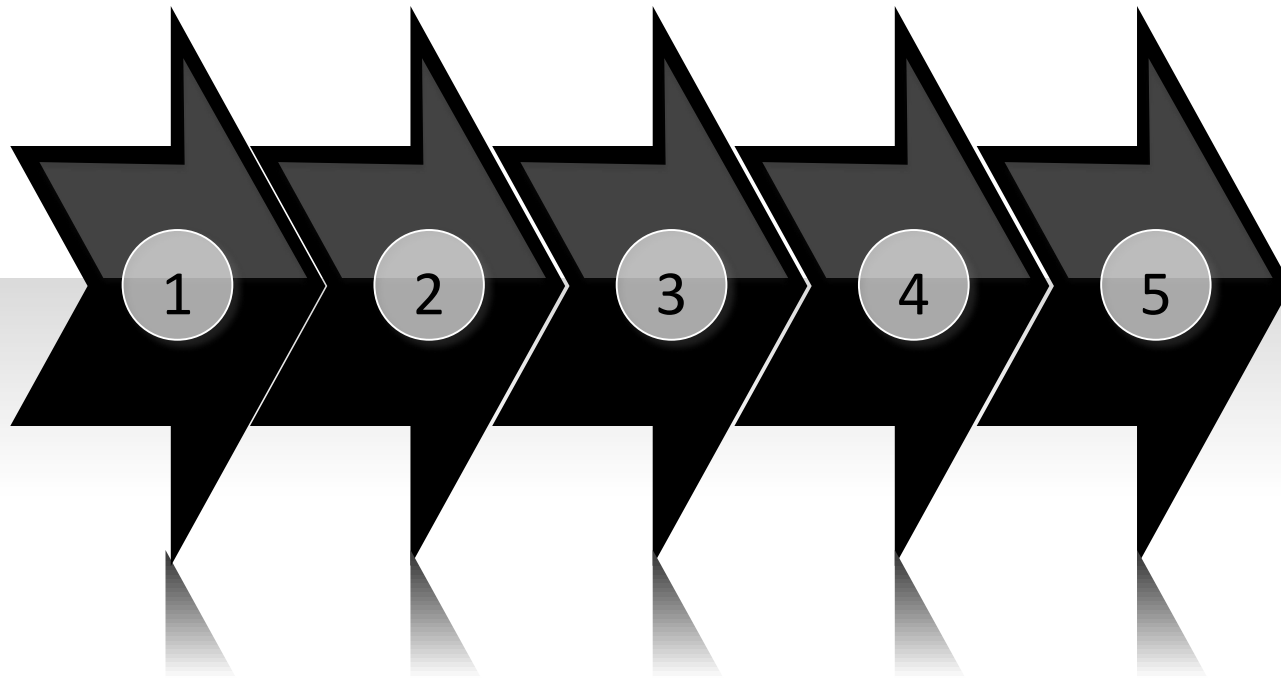
In the real world, it is sometimes difficult to ascertain whether your negotiation is good or bad. You may think that you are a good negotiator, but in reality, it may be just the opposite.

Even before you negotiate, you will have to know what can be negotiated and what cannot be negotiated.

For example, in Italy most people would negotiate for the smallest things. On the other hand, in Canada, most people would prefer not to negotiate for miniscule items.



Five Critical Concepts of Win-Win Negotiation



Pause
for
reflection

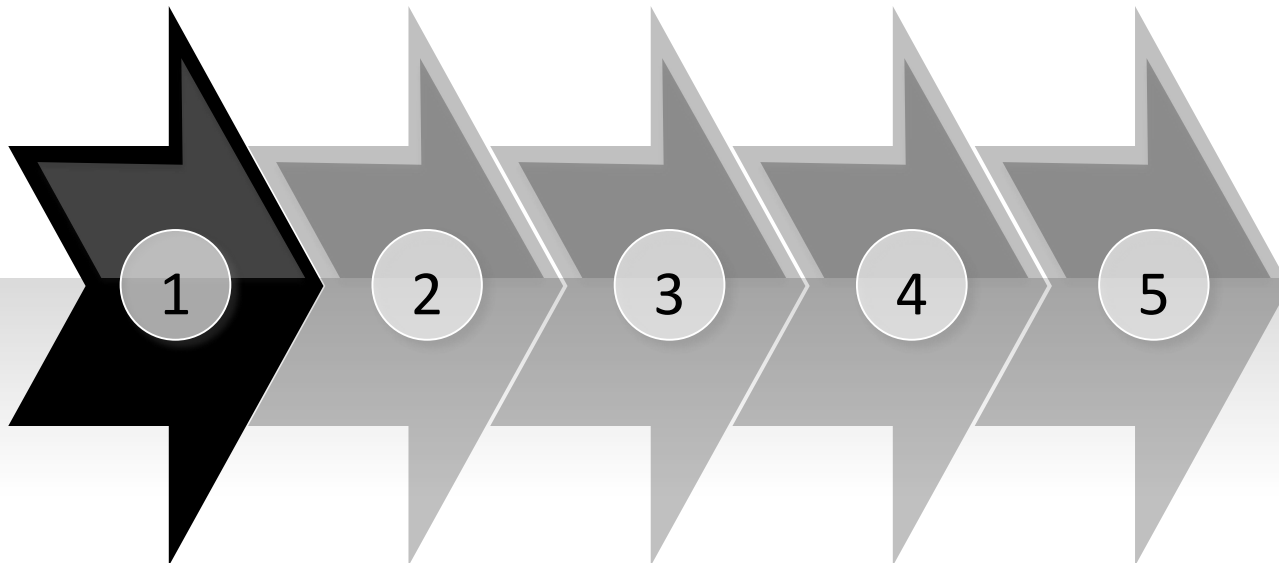
Search
for needs and
requirements

Clarify
your
objectives
in the
beginning

Agree
on factual
information

Control
the
outcome

Five Critical Concepts of Win-Win Negotiation



Pause for reflection

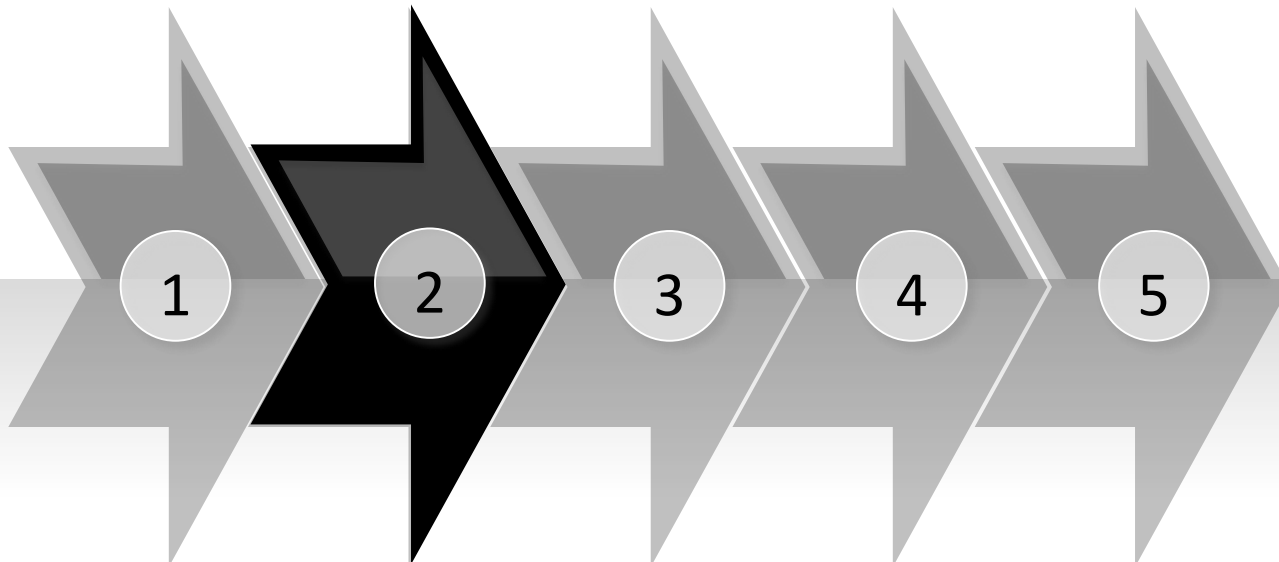
Ask the questions:

What is it that you want from this meeting?

What resistances do you envisage?

What will you do to overcome these resistances?

Five Critical Concepts of Win-Win Negotiation



Search for needs and requirements

Ask the questions:

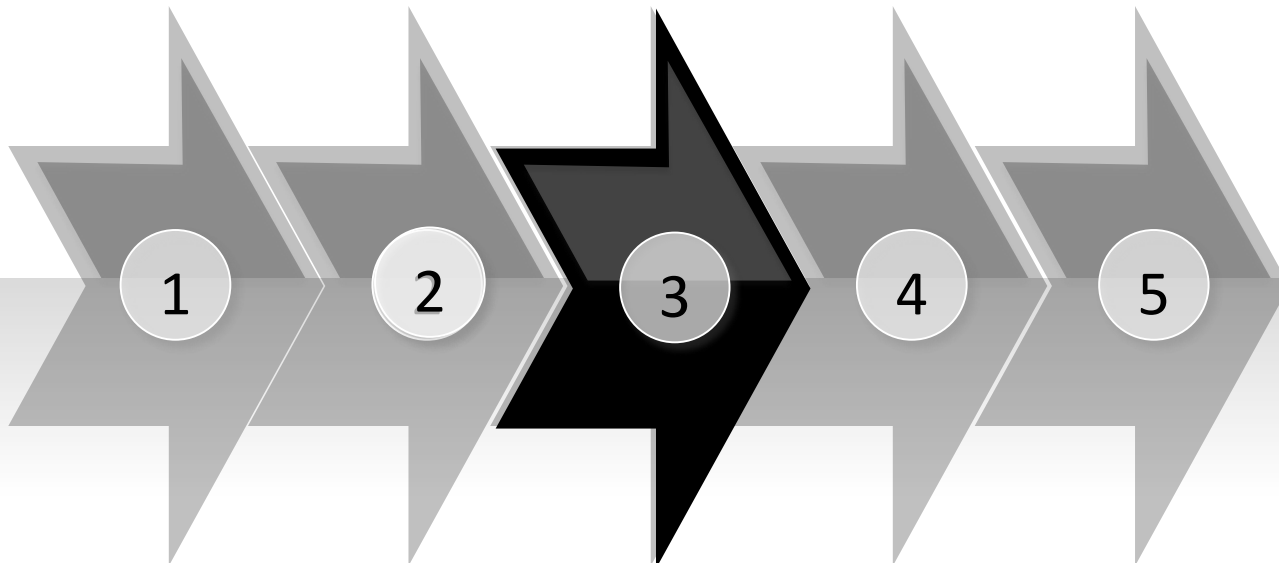
What are my needs and requirements?

What are the needs and requirements of my superior?

What do we have in common?

What are the biggest gaps?

Five Critical Concepts of Win-Win Negotiation



Clarify your objectives in the beginning

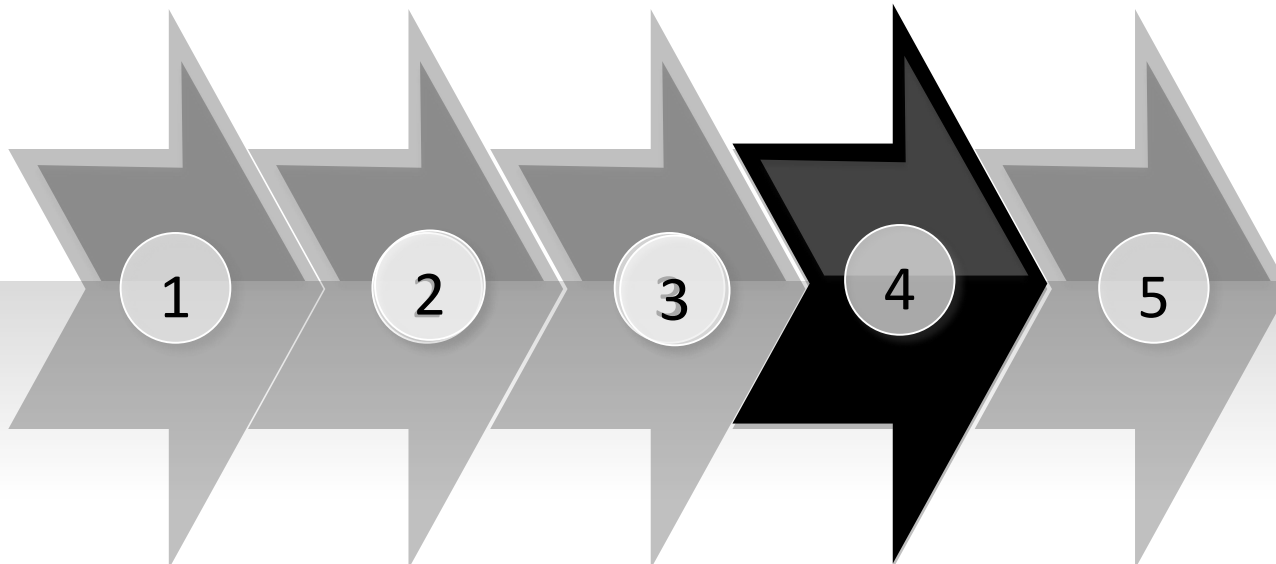
Ask the questions:

What are the most important issues that need to be discussed?

What are the most important issues to the other party?

What are the levels of potential outcomes?

Five Critical Concepts of Win-Win Negotiation



Agree on factual information

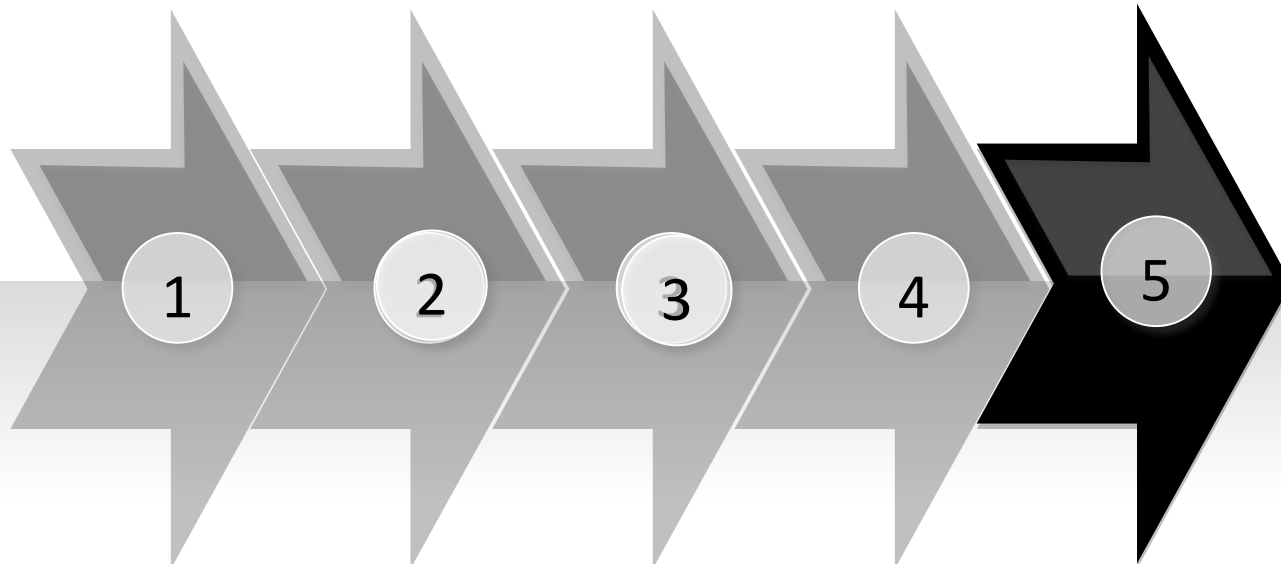
You need to examine all your arguments that you intend to use during the meeting.

Ask the questions:

Which of the arguments are assumptions?

Which of the arguments are facts?

Five Critical Concepts of Win-Win Negotiation



Control the outcome

Ask the questions:

What elements of timing can you control?

What is the best combination or channel?

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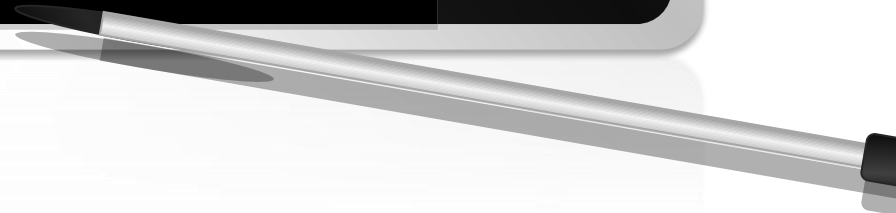
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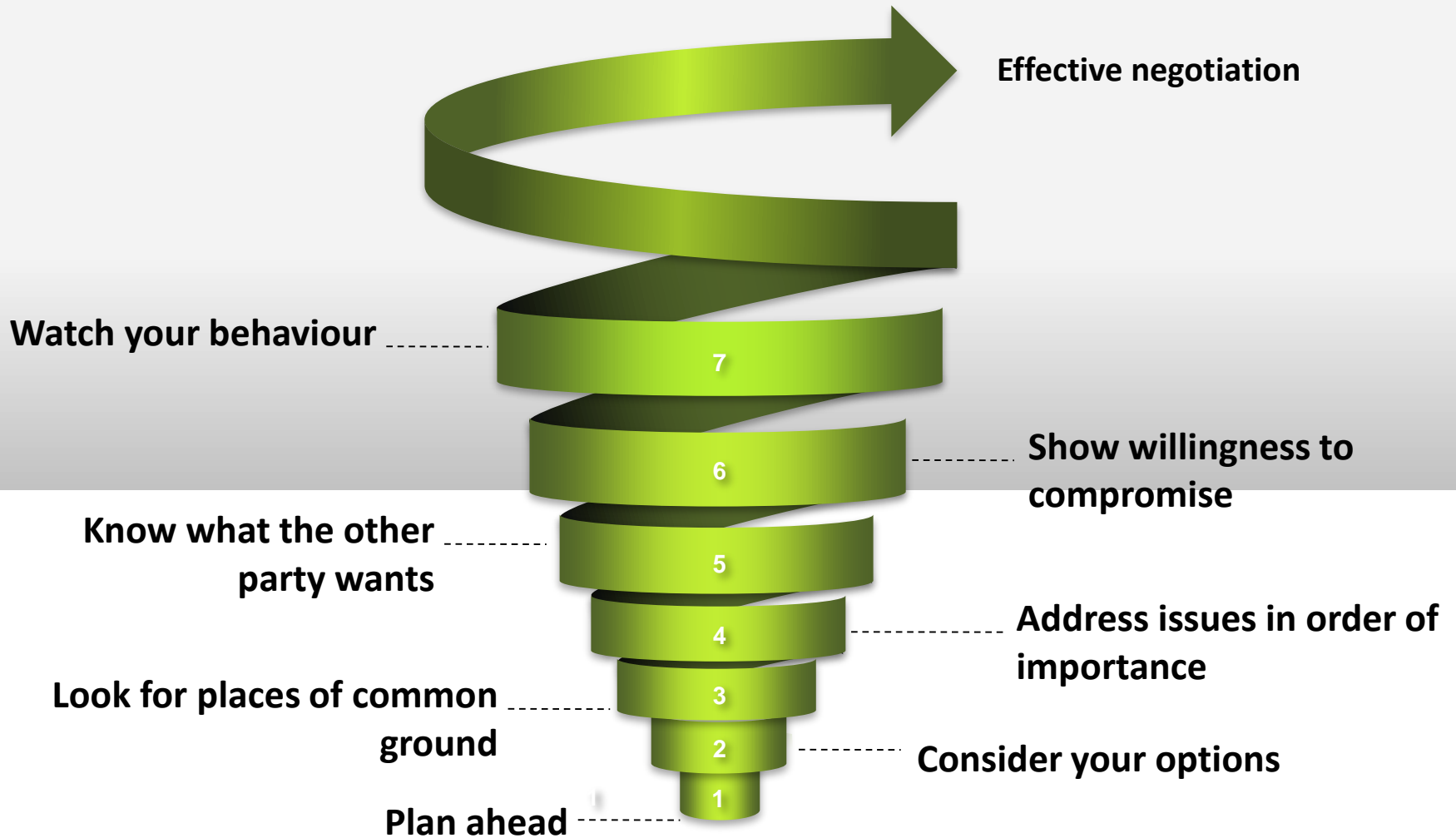
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Negotiation Best Practices



How to Develop Negotiation Skills



Learning Negotiation Skills

Negotiation skills are very important in the business scenario. In fact, negotiation skills can play a pivotal role in personal affairs as well.

To inculcate negotiation skills, you need to:

1. Analyse your current stance and define what you hope to achieve with the negotiations
2. Remove personal feelings
3. Be prepared to arrive at a compromise
4. Stick to what you say
5. Listen carefully to the other party
6. Confirm and ratify any decision or agreement you make



Learning Negotiation Skills

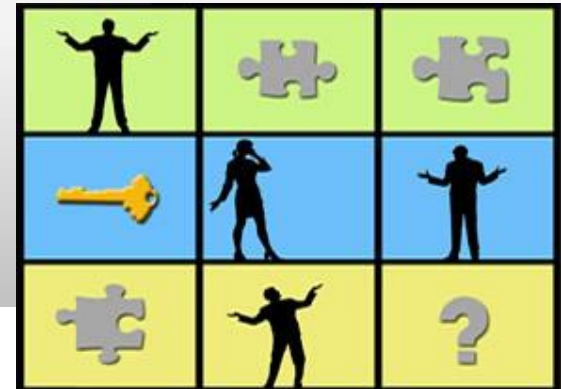
1. Analyse your current stance and define what you hope to achieve with the negotiations

You need to gather as much information as you can. Ensure that you know all about the other party – their strengths, their weaknesses and so on.

If you are not getting the desired information, try hiring an expert who can get you that information.

Also, make sure that the expert is present during the meeting.

The more you are know before the meeting, the better prepared you will be when the negotiations begin.



Learning Negotiation Skills

2. Remove personal feelings

Generally, it is seen that ego comes in the picture when the negotiation begins. You may also get upset or agitated about trivial matters during the negotiation. You need to learn to avoid these tendencies.

During negotiations, you need to be aware of what you are saying and how you are behaving. Being polite and professional is always recommended during negotiations. However, you will have to be assertive at times when the other party takes you for granted.

Finally, you need to concentrate on the outcomes or results.



Learning Negotiation Skills

3. Be prepared to arrive at a compromise

It is important that you have sufficient space for negotiation. The more the space, the better will be the maneuverability.

Concessions are generally necessary during negotiations and you need to be prepared to accept them when you enter in.

In lieu of the concessions, you have the right to expect reasonable compromise from the other party too.



Learning Negotiation Skills

4. Stick to what you say

During the bargaining stage of the negotiation, there are places where you cannot and you should not budge; however, you will have to be ready to defend them.

This applies to specific details as well as overarching principles. When you arrive at a compromise, you will have to make sure that the other party and you are on the same page.



Learning Negotiation Skills

5. Listen carefully to the other party

Listening skills are very much needed during negotiations because you need to ascertain the other party's position and help find common ground.

To find common grounds, you will have to watch out for hand gestures, body language and signs of vulnerability. In addition, you will have to listen very carefully for possible pointers to common ground.



Learning Negotiation Skills

6. Confirm and ratify any decision or agreement you make

After you have done the negotiations, it is important to put the decisions or agreements in paper.

That's not all...

After you put the deal on paper, make sure that all details are captured and complete.

Finally, get everyone to sign the it.

Why?

This prevents any misunderstandings in the future and ensures that the action points are completed by the end date.



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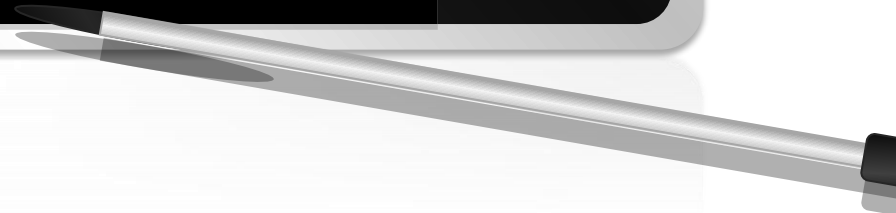
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Negotiations: Best Practices

Know your BATNA



Create your ZOPA



**Understand the difference
between Wants and Needs**



**Use empathy in negotiations
wherever applicable**



Know Your BATNA

BATNA stands for Best Alternative To a Negotiated Agreement and was defined by Roger Fisher and William Ury.

BATNA is all about knowing what you will or won't do if an agreement is not reached during meetings.

You need to decide your BATNA before you enter a meeting. In addition, you will have to work towards understanding your counterpart's BATNA.

BATNA helps you gauge when the deal makes sense and when to walk away.



Create Your ZOPA

ZOPA or Zone Of Possible Agreement is a set of agreements that can satisfy both parties in a negotiation.

ZOPA assumes overlap of wants and needs for the creation of a range of acceptable terms.

Before you enter a negotiation, create your ZOPA, that is, a high and low range of acceptable terms.



Make an effort to identify your counterpart's ZOPA.

Understand the Difference Between Wants and Needs

Wants	Needs
A desired outcome of the negotiation; your belief of the best way to solve a problem.	A must for the negotiation to be a success; underlying interest.

You need to explore options without compromising needs.

Ask your counterpart questions so as to ascertain his or her needs and wants.

Pay good attention to explicit (verbalised) and implicit (emotions) needs.

Use Empathy in Negotiations

Empathy involves understanding your counterpart's goals and views. This leads to:

- Enhanced interdependence and trust
- Focus on common interests and joint problem solving

During negotiations, you need to:

- Recognise your emotions and the emotions of your counterpart
- Listen carefully and pay close attention to your counterpart
- Focus on the problem and aim for a solution



Key Learnings

- Negotiation is a discussion intended to produce an agreement.
- Negotiations can be distributive or integrative.
- A good negotiator is skilled, experienced, prepared, confident, respectful, articulate, bold, direct, perceptive and unemotional.
- The five stages in the negotiation process are meeting, inquiry, bargaining, closure and acceptance.
- The negotiation outcomes are I Win You Win, I Win You Lose, I Lose You Win and Both Lose.
- The PROBE technique comprises preparation, rapport building, opening bargaining, bargaining and ending with commitment.

Key Learnings (Contd.)

- During negotiations, you need to be completely prepared, start with no, forget closure, expose the big issues or problems, get them talking and be the problem solver.
- Negotiation is an art; you can get better and better with it.
- Critical concepts of win-win negotiation are pause for reflection, search for needs, clarify your objectives, agree on factual information and control the outcome.
- Negotiation skills are very important in the business and personal affairs as well.
- For effective negotiations, you need to know your BATNA, create your ZOPA, understand the difference between wants and needs, and use empathy wherever applicable.