

Like It or Not: Everyone Negotiates Every Day!

by Shawn Kent Hayashi

In all aspects of life we negotiate every day. Especially in the workplace, we are continually called upon to successfully negotiate with customers, coworkers, supervisors, and internal support personnel. Often, our approach to conflict resolution is influenced by a competitive “win/lose” approach, when what we need to foster successful **long** term relationships is a way to create “win/win” outcomes. This article gives you an opportunity to examine your own beliefs and practices about negotiating so that you will become more effective the next time you find yourself needing to make your point or get your way.

Defining Negotiations

Negotiation is a basic means of getting what you want from others. Negotiation is the process we use to deal with our differences.

Negotiation: 1.) to deal or barter with another or others, as in the preparation of a contract or agreement. 2.) to arrange for or bring about by discussion and settlement of terms.

-- Webster's Dictionary

Customer: the person or group you are trying to **influence**.

Sales Negotiation: the process in which differences in cost, deliverables, and terms and conditions are resolved.

Principled / Successful Negotiation: A win/win agreement that satisfies all involved parties. Hard on merits but soft on people.

When we find ourselves faced with any type of negotiation it is important that we remember to:

- Understand the distinction between selling and negotiating. We need to sell the merits of our whole package or offering before we begin to make changes to any single piece.
- Know when to begin negotiating. There are criteria we need to have met to begin the negotiation process. These criteria follow a bit later.
- Utilize a wide variety of options in creating an agreement. Most of us do not think enough about the available alternatives; instead we go with the first idea that pops into our heads.
- Evaluate your process of negotiating; think through the whole cycle of planning and conducting the conversations that will help you secure a long term relationship and a win.

Influencing and Negotiating begin with knowing what you want. Think of two things, situations, or experiences you want. Something that you will probably have to interact with others in order to have or get. Examples include: securing the conference space for the time and for the number of people you want, influencing an employee who wants to be promoted but you want him to stay in the current position longer, a candidate is comparing your position to another one with another company you want the candidate to take your position even though you are offering less money, you want additional funding for your pet project. Once you are clear about what you want you can begin using your influence skills to get it.

Even the most influential, the most astute negotiators make mistakes when the stress is high. Being clear about what can go wrong in a negotiation can help us avoid the common pitfalls.

What Goes Wrong in Negotiations?

- Negotiating too soon, i.e. agreeing to a price before you have heard all the needs and objections.
- Negotiating too much. Agreeing to change too many aspects of your proposal so that the final agreement does not meet your own needs.
- Negotiating under an ultimatum, i.e. having to make a decision with too little time to obtain all the information you need to prepare.
- Not thinking win/win in long term relationships. Or, thinking win - win in a one time negotiation relationship.
- The other party uses bluffing techniques, delays as a tactic, or says they are ready to buy when they really aren't.
- The client doesn't know what they need, and has no criteria to evaluate the success of the deal.
- Ethical or legal problems, i.e. dealing with someone from a country where bribes are standard practice.
- Not clear on what you want, what your "Best Alternative to a Negotiated Agreement" (BATNA) is or what you will do if you do not do this. The idea of a BATNA comes from *Getting to Yes* by Rodger and Ury.

When have you encountered one of these problems? What happened?

When to Begin a Negotiation

After you have:

1. A candidate who agrees to a conditional commitment. i.e. "I really want to work for you and your organization."

2. Proposed an offer, suggestion, or a package that includes all the parameters: i.e. cost, deliverables, terms and conditions. “Starting salary of \$50,000, two weeks vacation in your first year, and a company car.”
3. Sold the features and benefits of the entire offer or package, and heard an objection which you are not able to overcome with other benefits. i.e. Heard the candidate say, “I want very much to work for you but I’m struggling with taking an offer I just received that is \$5,000 more than your offer.”
4. Confirmed that all the objections to your offer have been expressed. i.e. “Is starting salary our only sticking point? Other than the starting salary, do you want to take this position?”

Refer to your two things, situations, or experiences you want. Are you ready to negotiate, have you met the negotiations criteria for when to begin the negotiation process? Evaluate your current situation. Most people have not met the four criteria yet and need to work through them before moving forward.

What We Negotiate

Additional Resources	Priorities
Agreements	Procedures to be used
Assignments	Products included in offering
Attendance	Promotional offerings
Budgets	Purchases
Career development options	Quotas
Complaints	Reorganization
Contracts	Reports to be delivered
Costs	Requirements of project
Doctors’ perceptions	Salaries
Employment	Sales
Expenses	Schedules
Grievances	Services to be included
Hiring	Space Needs
Layoffs	Specifications
Layouts	Standards for evaluation
Maintenance	Technical matters
Objectives	Timing for employees to go on leave

Performance appraisals

Policies

Prices

Travel arrangements

Warranties

When to Use the Negotiation Options

Option & Definition	When to Use
Trade -- Involves 2 variables like cost and delivery time	First choice—best alternative
Give Away -- you add something of value to the customer that doesn't cost you much	You have no flexibility in the package you have offered
Split the difference -- focusing on one variable both party gives in some; does not have to be an equal split	Unimportant difference get discussions moving
Concession -- giving in on one variable	Trivial difference
Walk Away -- stop the negotiation because one of the parties will not win	Your BATNA is stronger than the negotiated agreement, if one or more parties will lose

All too often people simply adopt the most obvious position without spending the time to think through all the possible alternatives. Prior to any negotiation, use the chart to trigger you to create at least three options. You will have more to offer in the conversation if you have done your homework first.

When you apply these ideas in your negotiations, you can face your daily negotiations with confidence and reap the rewards of long term relationships based on win/win agreements. Good luck!

© Shawn Kent, 2007

Reprints available upon request, 215-588-1188.