Developing negotiation skills

Negotiation has been defined as the art of letting the other person have it your way! Can you get the deal you want whilst making your opponent feel the same? For short-term victories will not create lasting business relationships. Both sides must leave the negotiating table believing that they've gained. No skill is more central to your professional career than the skill of negotiation. And as negotiations expert Chester L. Karrass famously put it, 'In business, as in life, you don't get what you deserve, you get what you negotiate!'

Mark Powell, Mark Powell Communications

Welcome to International Negotiations, one of a new series of courses from Cambridge University Press designed to develop excellence in business communication in English. The complete training package includes this book and CDs, and a dedicated website containing full-size copies of the game boards, feedback forms and detailed trainer’s notes.

You can access this material at http://www.cambridge.org/elt/internationalnegotiations

The secrets of great negotiators

What’s the worst thing you can do to a negotiator? What do expert negotiators do more than twice as often as mediocre ones? What does grammar have to do with diplomacy? What’s the difference between negotiating positions and interests? And what are the six principles of persuasion you should follow to make any negotiator much more likely to say yes? In this book you’ll discover the answers to these and many other questions about international negotiations.

Whether you’re negotiating a pay rise with your boss, arguing over a price rise with a key supplier, buying time to complete a difficult project or renegotiating the terms of a multimillion-dollar contract, you’ll find in these pages tasks and activities to develop your negotiation skills and improve your command of the English you need to make full use of them.

You’ll take part in some challenging role plays and skill-building games, decide when to be open to suggestions and when to say no, practise the art of asking probing questions and of disagreeing without being too direct. You’ll learn how to decode typical body language signals, defend yourself against unethical tactics and boost your own persuasiveness. You’ll find out about the pros and cons of teamwork and how to adjust to different cultures. You’ll know when to take the lead and when to wait and see what the other side offers first. You’ll learn how to control negative emotions as you read and respond to the situation. For in the words of the former CEO of Remington, Victor Kiam: ‘A negotiator should observe everything. You must be part Sherlock Holmes, part Sigmund Freud.’

As you work through the ten short modules in this course, always be thinking about how you can make the skills and techniques your own. If something doesn’t seem to work at first, it may be that it doesn’t quite suit your style or it may just be that you need a little more practice. Be prepared to have fun and experiment. By getting your trainer to record you, you can analyse your performance using the online feedback forms (see page 110).

I hope you enjoy the International Negotiations experience!
### Negotiating and you

Take a few moments before you begin the course to think about your own needs and experience as a negotiator. Tick the comments that apply to you below and see how *International Negotiations* can help you to improve.

<p>| | |</p>
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<td>☐ I've had some experience of negotiating in my own language, but I'm not so sure I can translate that into English!</td>
<td>➔ Each module of the course contains the key words, phrases and expressions you need to negotiate fluently in English. You'll also learn some of the subtle language patterns skilled negotiators use to secure a deal.</td>
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<tr>
<td>☐ I've never really negotiated before – not even in my own language!</td>
<td>➔ You've probably negotiated a lot more often than you think, but the course brings together some of the world's leading negotiation experts to share their insights with you. Full notes in the Key and commentary guide you towards a better understanding of how to negotiate.</td>
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<td>☐ I know how negotiators in my own country like to do business, but I'm not so familiar with the procedure in other countries. How do I prepare for the unknown?</td>
<td>➔ In many of the modules, people from different countries compare how they prefer to negotiate. Module 3 addresses how to establish a mutually acceptable procedure. And the CDs contain recordings of negotiators of different nationalities in action.</td>
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<td>☐ I'm OK at negotiating one-on-one, but I'm not clear about how to take part in more formal team negotiations.</td>
<td>➔ Having a specific role within a negotiating team is essential. You should also make sure your skills and know-how complement those of other team members. Module 1 helps you to define your role.</td>
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<td>☐ I'm never really sure how important it is to build rapport with the other party before negotiating with them. Isn't it better just to stick to business?</td>
<td>➔ How much of a relationship you need to build before negotiations begin or whether you can leave the small talk till the end will depend on who you're negotiating with. Module 2 develops your 'cultural intelligence' and conversation skills.</td>
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<td>☐ Procedures and protocols are all very well, but in the end it always comes down to figures! How soon do I mention money, how much should I concede and how exactly do I close the deal?</td>
<td>➔ Bargaining is one of the prime skills in negotiation. Ideally, you want to explore options without committing yourself too soon, you want a win–win outcome and you want practical alternatives if you fail to reach a deal. Module 4 deals with how to package your proposals. Module 7 shows you how to attach conditions to those proposals and trade concessions strategically. Module 10 models different ways of wrapping up the deal.</td>
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<td>☐ I think negotiating in a foreign language must increase the chances of miscommunication.</td>
<td>➔ Of course, misunderstandings are more likely to occur when speaking a foreign language, but the toolbox of clarification techniques in Module 5 will help you to overcome, and even take advantage of this.</td>
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<td>☐ I don't know how good I am at persuading other people. Is there anything I can do to be more persuasive?</td>
<td>➔ There are certainly some basic principles you can apply to become more persuasive. Module 8 deals with these in detail. But, rather than simply trying to persuade the other party, focus on uncovering the reasons behind their position and then generating options that satisfy the real needs of both sides. Module 6 systematically builds up your question power and creative thinking.</td>
</tr>
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<td>☐ I'm not very comfortable dealing with conflict and high-pressure tactics in negotiations.</td>
<td>➔ Some negotiators like to play tough, but meeting force with force rarely resolves anything. Module 8 teaches you self-defence against the most common high-pressure tactics. Module 9 shows you how to move things forward when a negotiation is deadlocked.</td>
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<td>☐ I'm concerned that if discussions become heated, I myself might come across as too direct in English.</td>
<td>➔ Fortunately, there are certain language choices you can make which allow you to be clear and assertive without sounding hostile. Module 9 introduces you to the language of directness and diplomacy.</td>
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Preparing to negotiate

The majority of business negotiators do not spend adequate time preparing for negotiations. It is a well-established fact that professional sports people spend significantly more time preparing for competition than they spend in competition. Should it be any different for business negotiators?

Jan Potgieter, founder and CEO of Business Negotiation Solutions

1 How far do you agree with Jan Potgieter that most negotiators under-prepare?
   As a group, brainstorm the sort of preparations you’d need to make for an international negotiation – think, for example, about goals, alternatives, background research, team-building, venue selection and cultural factors.

2 Define ‘negotiation’ in a sentence. Then compare definitions with the rest of your group.

3 The flowchart below shows the principal stages and sub-stages of a formal negotiation. With a partner, complete the different sections using the verbs in the boxes. Fill in the central part of the chart first.

![Flowchart Image]
4 How much do you think negotiating procedure varies from culture to culture? Are the stages listed in 3 sequenced differently or given greater or lesser importance in the cultures you mostly do business with?

5 1.02–1.04 Listen to an intercultural communication trainer describing three broad cultural types and tick the notes on negotiation styles which apply.

1 FACT CULTURES
a Aim for a long-lasting business relationship
b Minimise the social chit-chat
c Plan meetings thoroughly in advance
d Like to connect up all the facts
e Expect you to have done your homework
f Are initially sceptical about doing business with you
g Always make quick decisions
h Like to keep track of the discussion and what’s been agreed so far
i Want some kind of result at the end of the meeting

2 PEOPLE CULTURES
a Take a while to get down to business
b Don’t like to be rushed
c Insist on their own agenda
d Tend to discuss topics in a fairly random order
e Know what they want in advance
f Make quick, instinctive decisions as they go along
g Keep introducing new elements into the negotiation
h Try not to upset anyone
i Usually postpone a final decision until more meetings have been held

3 TRUST CULTURES
a Tend to respond badly to the ‘hard sell’
b Are good listeners who expect to be listened to as well
c Put forward precise and clearly defined proposals
d Get emotional if they suspect you are not trustworthy
e Give direct answers to direct questions
f Will keep you guessing until you hit on what it is they really want
g Reveal their interests subtly
h Are notoriously slow decision-makers
i Expect contracts to be binding

6 What nationalities do we tend to associate with the descriptions in 5? How accurate are those associations? Discuss some false stereotypes you’ve discovered.

7 Now work with a partner to match the negotiations advice below to the cultural types in 5.

| a Have plenty of supporting data. | j Interrupt politely and seldom. |
| b Avoid conflict – be diplomatic. | k Never interrupt – be patient and listen. |
| c Feel free to give your opinions. | l Be flexible about time. |
| d Try to think long term. | m Stick to the agenda. |
| e Work hard to be liked. | n Try to ‘read between the lines’. |
| f Stay focused on your business goals. | o Don’t reveal too much too soon – wait. |
| g Think aloud, digress, be creative. | p Don’t be afraid to show your emotions. |
| h Say what you mean – don’t be vague. | q Don’t commit yourself to anything. |
| i Interrupt immediately if you need to. | r End with a list of action points. |

8 Work with a partner. Turn to page 80 to learn some useful expressions for the different stages of a negotiation.
Preparing to negotiate

Complex negotiations may require several participants. But if team negotiating is to be truly effective, each team member must play a specific role. Key roles include: a chief negotiator, a decision-maker, a facilitator and an observer. But make sure you get the right mix – if two people are playing the same role, you’ve got one team member too many!

Galina Ivachev, Customer Service Manager, Skycom Courier and Cargo Company (United Arab Emirates)

1 What do you think would be the main contribution of each member of the team Galina Ivachev mentions? What other roles might team members adopt? Could any of these be combined?

2 Complete the team roles model below using the pairs of words in the box.

<table>
<thead>
<tr>
<th>breaks + solutions</th>
<th>monitors + movement</th>
<th>formulates + authority</th>
</tr>
</thead>
<tbody>
<tr>
<td>notes + calculations</td>
<td>conciliates + clarification</td>
<td>conducts + spokesperson</td>
</tr>
</tbody>
</table>

a ………………………… overall strategy and has the final ………………………….
b ………………………… and provides ………………………… of their team’s position.
c ………………………… down key figures and does the ………………………….
d ………………………… the main negotiations and acts as ………………………….
e ………………………… the other team’s behaviour and looks for signs of ………………………….
f ………………………… deadlocks by coming up with creative ………………………….

Facilitator
Decision-maker
Chief negotiator
Observer
Number-cruncher
Ideas-generator

3 1.05 Now listen to short extracts from an international negotiation and decide which of the six team members you think you are listening to.

Extract 1: ……………………………………………………
Extract 2: ……………………………………………………
Extract 3: ……………………………………………………
Extract 4: ……………………………………………………
Extract 5: ……………………………………………………
Extract 6: ……………………………………………………

4 What are the pros and cons of team negotiation and one-on-one deals? When is it advisable to negotiate as a team and when is it better to negotiate alone? With a partner, complete the table below. Then present your ideas.

<table>
<thead>
<tr>
<th>Pros</th>
<th>Cons</th>
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<table>
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<tr>
<th>When?</th>
<th>When?</th>
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5 Compare your views in 4 with those of Elizabeth Mannix, Professor of Management and Organisations, Cornell University, in the article below.

Negotiating as a team

The widespread belief in ‘strength in numbers’ suggests that having more players on your team should be a benefit, not a burden. But this belief can lead team members to under-prepare for negotiation, a common mistake. Think about the times during a negotiation when you wished you could retract a concession or bit of information that slipped out of a teammate’s mouth.

When teamwork is the best option
Bringing a team to the table offers several benefits. Teams stimulate more discussion and more information sharing than individuals do, particularly concerning interests, issues and priorities. Teams also feel more powerful and advantaged than solo negotiators. Even in highly stressful situations, team negotiators feel less competitive and pressured. With greater numbers comes a greater sense of security.

However, the promise of teams can elude us. Suppose one team member has strong analytical skills, another has vast technical and industry knowledge and a third has strong relationship-building skills. These ingredients should add up to a formidable team, but, if members disagree on key issues, they are unlikely to take advantage of their differing skills.

When to use a team
Working as a team can be particularly beneficial in the following situations:

1. the negotiation is complex, requiring a diverse set of knowledge, abilities or expertise
2. the negotiation has great potential for creative solutions
3. diverse interests must be represented at the table, as in union negotiations
4. you want to display your strength to the other side, for example, in international contexts, where teams are expected
5. you want to signal to the other side that you take the negotiation very seriously, as in a merger or acquisition
6. you trust and respect available team members
7. you have sufficient time to organize and coordinate a team effort.

Elizabeth A. Mannix, Cornell University


6 Have you ever experienced any of the following?
   • A team member let you down.
   • You disagreed with your team on some of your key objectives.
   • Your team had exactly the right mix of skills and expertise to be effective.
   • A creative solution was jointly worked out that you couldn’t have reached alone.

Briefly tell the story.

7 What’s a dream team? Work with a partner. Turn to page 81 to practise putting together a dream team for an upcoming international negotiation. You can use the online feedback form to evaluate each other’s skills.

8 Compare your team structure with other pairs and then look at page 61.
2A Relationship-building

Never do business with anybody you don’t like.
If you don’t like somebody, there’s a reason.
Harry Quadracci, founder of Quad/Graphics

Business relationship-building is all about the fact that it’s you they buy. Clearly, they are interested in what your company has to offer or you wouldn’t be having meetings with them in the first place, but for the duration of those meetings you are the company.
Graham Bennett, Impact Factory

1 Consider what two negotiation experts say about the importance of building a good relationship with the other party and discuss the following points with a partner:
   a How important is it to be liked by the people you negotiate with?
   b To what extent does it depend on whether you expect to do business with them again?
   c To what extent does it depend on how much you need their goodwill to implement your agreement?
   d Would you ever do business with someone you disliked? Could you afford not to?

2 Sometimes, when you want something, you just have to go for it! In the comic movie Jingle All The Way, Arnold Schwarzenegger plays the part of an over-worked father determined to buy his son this year’s most popular toy for Christmas. But the stores have almost sold out and another desperate father is after the same toy!

Work with a partner. You are going to try to negotiate your way out of the same dilemma. Turn to page 82.

3 How did your negotiation go? Did you find yourself doing any of the following:
   arguing? bullying? refusing to discuss the issue? just giving in?
   just grabbing the toy? trying to justify yourself? using emotional blackmail?

4 Now repeat the negotiation you had in 2. But first, find out what has changed about the situation. Speaker 1 turn to page 82 and Speaker 2 turn to page 104.

5 How was your negotiation different the second time? Think about your tone of voice, how you started off and how you ended your conversation. Did you manage to reach an agreement?
6 Read the analysis of the activity you have just done on page 82. Then, without looking back at the text, see, with a partner, how many of the following terms you can remember:

| single-issue negotiation | zero-sum game | go head to head | reach a deadlock | one-off deal |

7 Fons Trompenaars is one of the world’s leading experts on doing business across cultures. Listen to an intercultural communication trainer commenting on his views about relationship-building and label the diagrams below.

Get to know your ___________ first
Take a more ___________ term view
Move from ___________ to ___________

Get straight down to ___________
Think more ___________ term
Move from ___________ to ___________

8 Now discuss the following questions with a partner:

a Which of the two cultural types is less likely to waste time socialising with people who are not really interested in doing business?

b Which cultural type is less likely to sign a contract with people who turn out not to be trustworthy?

c Which cultural type may be slightly more resistant to foreigners?

d Is your culture high- or low-context? How typical are you of your culture?

9 You are going to listen to the opening minutes of a negotiation between an American team (low-context) and a Mexican team (high-context). Which of the behaviour patterns below do you think they’ll display? Mark them L or H. Then listen and check your predictions.

- seems to be in a hurry
- uses family names to begin with
- insists on first names
- seems more interested in the products than the people
- tries to make small talk
- isn’t listening very closely
- seems less clear about the objectives of the meeting

10 How often do you negotiate with people you know well? Complete the sentences below. They’re all about catching up with old colleagues.

a H... W... L... ng h... s... t b... n n... w?

b H... W... r... y... k... p... ng?

c Y... r... I... k ... k... n v... ry w... l.

11 Work with a partner. Turn to page 83 to practise catching up. You can use the online feedback form to evaluate each other’s skills.
Relationship-building

If you took Michael Soon Lee’s advice, what sort of subjects could you talk about to build rapport with a business partner you don’t know well? What kind of things could you try to find in common? Are there any topics to avoid?

Listen to two pre-negotiation conversations. The speakers work hard to build rapport. Number the things they find in common in the order they are mentioned:

- conferences
- colleagues
- languages
- wine
- sport
- education
- cities
- names

Can you remember what the speakers said about the following? Listen again if you need to.

First conversation
- Groupe Laconte
- Paris V
- 1980s
- Prof. Henri Nerval
- Granisitron
- Katowice
- largest in Europe
- decentralisation

Second conversation
- Brasilia
- 2007
- sightseeing
- popular in Japan
- caipirinha
- Rio Pedra
- Stone River
- Ishikawa

Are there circumstances in which small talk could actually be counter-productive? Read what Guhan Subramanian, professor at Harvard University has to say:

Look for context clues. Does your counterpart ask whether you’d like some coffee or immediately direct you to your chair? Trying to engage in small talk may irritate her in the second scenario. Suppose that you are waiting for your counterpart in her office and the diplomas hanging on the wall tell you that you both graduated from the same college. This coincidence is likely to forge a connection. Yet complimenting your counterpart on her beautiful family based on some framed photos might be a mistake.

Work with a partner. If there were seven rules for building rapport with business contacts, what do you think they would be? Now read the text opposite and complete the missing expressions. They were all in the conversations in 2.
The Seven Rules of Rapport

1 Use your prior knowledge of the people you’re doing business with to get things moving:

I believe you’re opening a new plant in Poland. I hear you’re in talks with a new supplier. Didn’t I read somewhere that you’re decentralising? I understand you used to work for Siemens.

2 Make informed guesses about your partner and their business to keep things going:

Sincerely, you ob… French, Dr Martinelli. I suppose you were at the Tokyo Conference. I imagine it’s fun living in a city like Rio. You must have worked with Professor Nerval.

3 Ask lots of safe questions about interests and opinions to keep the focus on the other person:

Is this your first visit to Brazil, Mr Ishikawa? Did you go to see much of the city? Tell me, are you interested in football at all? Do you play any sport yourself?

4 React to what your partner tells you to create empathy before continuing the conversation:

Oh, really? Is that so? How fascinating! Oh, I see… How exciting! What a shame…!

5 If you are the host, take every opportunity to show your guests hospitality:

Let me introduce you to the rest of the team. I’d like you to meet my colleague, Dr Martinelli. Have you tried a caipirinha, Mr Ishikawa? I’ll make you see some of Rio.

6 If you are the guest, take every opportunity to pay your hosts subtle compliments:

It was nice to meet you at last. I’ve heard a lot about you. I’m very impressed with your new offices.

7 Try to avoid single sentences. If you can, add on an extra comment or a question:

This is Dr Élise Fleurie. She’ll be leading the negotiations for Groupe Laconte. A couple of years ago – for the engineering conference.

The first step in influence is building rapport.

Daniel Goleman, originator of Emotional Intelligence

You are going to practise building rapport with the representative of another company with whom you are about to negotiate. First of all, decide who’s the host and who’s the visitor. Your objectives are to:

- keep the conversation moving without talking business too much at this stage
- show you have done your homework on your opponent’s company and culture
- create a good atmosphere for business by showing hospitality and paying compliments
- find things in common with your opponent to set a collaborative tone for the negotiation.

Turn to page 84 to prepare your conversation. You can use the online feedback form to evaluate each other’s social skills.

Now using the information you found out in 6, introduce your negotiating partner to your trainer and/or other members of your group.

Let me introduce you to … This is … He/She was just saying …