



SUCCESSFUL NEGOTIATIONS

Participant Guide



West Virginia Department of Transportation
Division of Highways
Training & Development
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Workshop Objectives

By the end of this workshop you will be able to:

- Identify your negotiation style
- Identify the three phases of negotiation
- Identify the key skills for negotiation
- Establish your best alternative to a negotiated agreement
- Identify your zone of possible agreement
- Recognize your latitudes of acceptance and rejection
- Identify your walk-away price
- Create a negotiation framework
- Provide common negotiation outcomes

The first step to getting the things you want out of life is this: Decide what you want.

Ben Stein

Introduction

Although we usually think of boardrooms, lawsuits, and million-dollar deals when we hear the word “negotiation,” the truth is that we negotiate all of the time. Did you ever decide where to eat dinner with your friends? Have you ever decided on chore assignments with your family? Did you ever ask your boss for a raise? These are all situations which involve negotiating. In this workshop, you will learn the phases of negotiation, tools to use during negotiation, ways to build win-win situations for all involved, and how to use a process to negotiate more effectively.

NEGOTIATING STYLE SELF-ASSESSMENT

*The purpose of this self-assessment is to help you examine your
personal negotiating style.*

Negotiation – a process by which two parties communicate with each other in order to reach an outcome on which they mutually agree.

Directions

1. Answer all questions to the best of your ability. There are no right or wrong answers. Don't try to think of the "correct" or most "desirable" response, but simply respond with your honest reactions.
2. Respond by putting a check-mark or X in one column per question or statement.

<i>How likely are you to do each of the following when <u>NEGOTIATING</u>?</i>	Very Unlikely	Unlikely	Neither Likely nor Unlikely	Likely	Very Likely
1. I'll come up with a plan so that I can steer the negotiation to go my way.					
2. I'll do things expressly to make sure that the negotiation stays friendly and comfortable.					
3. I'll go out of my way to make sure that the outcome for the other person is fair.					
4. I'll do things so that both of us can get what we want from the negotiation.					
5. If something needs to be negotiated, I'll immediately step forward to do it.					
6. I'll give some in order to get some from the person I'm negotiating with.					
7. If the negotiation is not going my way, I'll bail out of the negotiation.					
8. I'll suggest creative solutions that allow both of us to get what we want from the negotiation.					
9. If it seems important for the other person to come out on top, I'll give in to them.					
10. I'll avoid difficult issues to keep the negotiation from getting nasty.					
11. If the other person compromises their position, I'll compromise my position in return.					
<i>How likely are you to do each of the following</i>	Very Unlikely	Unlikely	Neither Likely nor	Likely	Very Likely

when <u>NEGOTIATING</u>?			Unlikely		
12. I'll make sure that both of our needs are understood so that both of us can come out on top.					
13. I'll present information when negotiating, even if it doesn't necessarily always support my position.					
14. I'll propose a place in the middle where we both can meet.					
15. I'll try to see things from the other person's viewpoint and be considerate of their needs.					
	Strongly Agree	Agree	Neither Agree or Disagree	Disagree	Strongly Disagree
16. In every negotiation, both sides have to give something up to get something in return.					
17. What's good for me is really all that matters when negotiating.					
18. I'll do almost anything to keep from having to engage in negotiation.					
19. In negotiating, someone wins and someone has to lose.					
20. The feelings of the other person that I'm negotiating with are important to me.					
21. Negotiation works better when the focus is on common agreement rather than differences.					
22. I can be aggressive when it comes to getting my way from a negotiation.					
23. When you compromise in a negotiation, you really just lose.					
24. If the other person gets a "raw deal" from our negotiation, that really doesn't matter to me.					
25. Keeping the comfort level high is very important to me when I'm negotiating.					

Negotiation Skills Case Study

Mike's Story:

Mike is the assistant director at a large non-profit agency that provides contract services to a state government agency throughout the state. One of the office directors he supervises has suddenly resigned. In order to reassign the director's work, he decides to delegate to the one employee who works locally in headquarters some of the duties of the resigning manager.

Deanne's Story:

Deanne is the local employee to whom Mike has decided to add temporary job duties to ensure that the critical functions of the office section are accomplished. Her boss Penny, the training director of the organization, has just called her personally to tell her that she is resigning her position effectively immediately and briefs her on what will likely be expected of her from higher management .

What Happens?

By the end of the day, Mike calls Deanne and asks her to come up to his office. He tells Deanne that Penny has resigned her position as Training Director and that she will not be coming back to work. Mike then explains to Deanne that she will have to pick up a percentage of Penny's duties until they are able to hire a new director. Deanne asks him what percentage of Penny's work Mike estimates that she will have to perform. Mike says that it will be about 1/3 of Penny's duties and that, of course, she will still have to complete all of her current job duties, also. Mike tells her that he will have a list of those duties to her by the next morning and asks her to come by his office at 10am the next morning to obtain that list.

Questions for Review:

What needs to be compromised in this situation?

Who has the strongest position in the negotiations?

What suggestions do you have for Mike as the manager?

What should Deanne do before she tries to negotiate with Mike?

BACK TO SCENARIO

The next morning, Deanne asks Mike if the organization would be willing to pay her an additional temporary salary during the time of this assignment, since she is also expected to complete all of her current job duties, also. Mike says that would be fine and proceeds to calculate how much that would be. He tells Deanne what that the amount would be per month.

Deanne knows that this period of time is very stressful for upper management, as the upcoming year's budget is under development and is due to be presented to the Board of Directors in three weeks, therefore she is now prepared to add another item to the negotiation. She asks Mike if he would additionally forgive her the final seven payments on an interest-free loan that the organization had provided to employees for the purpose of purchasing their own personal computers. Later that afternoon Mike calls Deanne and tells her that he has agreed to her request. Deanne asks him if they should make that agreement in writing so that they both understand what they are getting. Mike agrees.

Negotiation Skills

Skills for Successful Negotiating

These are some of the skills needed for successful negotiating. If participants do not mention any of these, add them to the list yourself.



- Effective speaking
- Effective listening
- A sense of humor
- A positive attitude
- Respect
- Self-confidence
- Emotional intelligence
- Persistence
- Patience
- Creativity

Establishing Your WATNA and BATNA

In most negotiations, the parties are influenced by their assumptions about what they think are the alternatives to a negotiated agreement. Often the parties have an unrealistic idea of what these alternatives are, and they are unwilling to make concessions because they think they can do just as well without negotiating. If you do not have a clear idea of your **WATNA (Worst Alternative to a Negotiated Agreement)** and **BATNA (Best Alternative to a Negotiated Agreement)**, you will negotiate poorly based on false notions about what you can expect without an agreement.



Personal Preparation

One way to relieve some of the tension you may be feeling before a negotiation is to remind yourself that there is nothing to be afraid of. As long as you understand your position, there is no danger that you will “lose” the negotiation. During and before negotiation you should always be:



Polite - It never reduces your argument

Firm - Removes Perceptions of Weakness

Calm - Facilitates Persuasion and Compromise

Do not take things personally

Knowing your position before entering negotiations means that you are sure of your “red lines”. Things that you are not prepared to consider that would make your position worse than it is now. Many people get pushed into a deal which is unsatisfactory to them because they have failed to prepare for the negotiation in this way. If you go into negotiations with vague ideas, that vagueness will become a weakness in your negotiating position.

Steps to Creating a Win-Win Outcome

- 1) Determine what you need and want. As you prepare for negotiating, take time to assess what is it that you or your company wants to happen and keep this as the focal point of our negotiation. Many times, you may lose sight of this and overlook a crucial point during negotiations.
- 2) Learn more about the other party in negotiation. Find out what motivates them and what they would consider a success in their world. Work towards meeting their needs. You should **not** work towards a take-all situation.
- 3) Structure the negotiation talks. Create an agenda and avoid getting into off-topic discussions. If other topics come up, suggest bringing them up in another meeting. If you are negotiating with internal employees, sit on the same side of the table and try to remain close to them. This will reduce the competitive tendencies usually found when sitting across from each other.
- 4) Once you create your plan, do not change it, or give points away. Set a specific time to complete the negotiations. If you do not reach an agreement, then call time and meet at another time. Avoid extending the talks, because being tired leads to poor decisions.

Negotiation Tips

Negotiation tips and techniques come in handy, in any kind of social interaction or business dealing. Reading through some of the tips I offer here, might cure your ineptitude at handling various deals in life.

Most of the skills that can actually help you in life are not taught at school. One of them is the art of negotiation. Most people learn it through experience and by watching good negotiators, few are initiated into the art by good mentors and some are just natural negotiators. Experts have a keen understanding of what the person in front of them wants and have a talent to perceive their weaknesses. These weaknesses are exploited through various negotiation techniques.

Tips and Techniques

These are principles of negotiation, which can be used in any kind of a deal settlement. It might be a buying/selling deal, a child-parent argument, or even a salary negotiation with your boss.

A negotiation is a tug-of-war fight to get an upper hand. There are various factors which can help you get into a better bargaining position.

Make Them An Offer They Can't Refuse

Before going through with a negotiation, think through it, decide what you want, and then try to get as much information you can, about the opposing party's expectations and their bargaining position. Be confident during negotiations. Do not show hesitation. Have a calm and cool air about you. This will give you an idea about how much you can make them bend and how much you are willing to bend.

Make a straightforward win/win offer. State exactly what you want and what is in it for them. Then, hear their side completely. Be reasonable and argue your case and its advantages for them. Exploit the loopholes in their arguments. Talk in a style which emphasizes what they can get out of this. Chances are that they will see reason. Of course, a lot depends on how desperately they need the deal to close.

Never, Ever Show Your Desperation

Whatever be the nature of the deal, never show how desperate you are to get this deal closed. That is like putting your cards down and letting other people know that you have no aces left. That will be the end of your bargaining position.

Be it buying, selling or any other type of bargaining, act as if the deal in front of you is just one of the many options you have and cloak your desperation. Do not get carried away in your bluffing. Especially, in salary negotiation, do not be the first to quote a number to your prospective employer and if you must quote, let it be higher than your requirement. Even in real estate negotiations, do not show your desperation in buying or selling the property.

Use Leverage Offered By Your Position

In certain deals, you have an inherent advantage over the opposing party, in terms of resources, knowledge, and power position. In simple words, if you have the knowledge that they need to get the deal closed more desperately than you do, then use it to your advantage. Use the leverage you get from your higher power position, to get a benefit out of the deal.

Gauge Weaknesses/Desperation and Exploit

A negotiation is a mind game between two or more parties, who keep on sparring till they understand each other's weaknesses. So keep sparring and try to sift the bluff of the opposing party from the truth.

The moment you spot it, you are in a superior bargaining position as you know exactly what is the key. You must exploit the slightest weakness in the logic of their case or demand.

Feign Helplessness and Dependency

Sometimes, feigning helplessness in giving in to their demands can help. You can bluff that not you, but somebody else is the one who makes the final decision and it's not up to you to close the deal. Act as the emissary and make them open up to you. That way, you can show your inability to satisfy their certain demands and also get to know the depth of their need, which will give you an ascending position.

Remember the eternal rule which is 'Everything is Negotiable'. Do not push your demands too far, beyond them being reasonable. After all, you may be in need someday and need them. Try to get as fair a deal as possible. Negotiation is a skill, which you will get better at with practice, as you get to understand and read people better.

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