What is negotiation?

In Employment and Business-to-Business arrangements we negotiate every day. Being a good negotiator is therefore critical to your success.

Negotiation requires applying specific skills to a situation in which there is a sincere wish by both parties to seek acceptable solutions.

Negotiation allows both parties to achieve their objectives. It differs from other approaches to problem solving which we might use in our interactions with others, such as:

**Persuasion**

When you take a persuasive role with another person you effectively impose your will on him/her in order to overcome objections or unreasonable requests. The danger is that if agreement is given reluctantly, it can backfire later in the relationship.

- A persuasive role suggests that you know what is best for the other person.
- It can cast you in the role of ‘expert’ in the relationship and result in the other person feeling manipulated into a decision against his / her better judgment.
- Once persuaded does not always mean always persuaded. The other person may go away and reflect on the decision, becoming increasingly resentful of the outcome.
- There is a risk of a win / lose outcome.

**Accommodation**

There are times when accommodating the needs of someone else may be necessary and we often accommodate when we are picking the right battles to fight. When considering whether it is appropriate to concede something to someone else, consider the following:

- If you sacrifice your convictions they become worthless. Accommodation is a poor strategy if it devalues you.
- You may find it difficult to avoid the expectation of further concessions in the future.
**Compromise**

Compromise can sound like a good option, but it often results in a double-loss outcome with both of you giving up something neither wishes to yield, in order to come to an agreement.

- It may result in an agreement that is acceptable to both parties, but not really satisfactory to either.
- It may result in both parties feeling suspicious of each other. Compromise can cause both parties to see each other as opponents, and to regard each other with distrust.

**Negotiation**

The process of negotiation is a way to reach an agreement in which both parties can achieve their desired outcomes. It requires a genuine willingness on both sides to seek an agreement.

The skills that you bring to the negotiating process can significantly influence the successful outcome by setting the stage for true negotiation to take place.

- Negotiating for agreement can be likened to a dance in which each party participates in turn, taking small measured steps.
- Preparation is vital to success. Each side may need to go away after an initial meeting and consider the options before returning to the discussion.
- Participants in the process need to be able to break any problem down into the underlying needs of each party. Taking time to explore and understand the needs that are hidden under the stated positions is a critical skill of negotiation.

When the underlying needs of each side are clear and understood the ‘dance’ begins. **The key to successful negotiation lies in each party giving away something that costs him or her less than the value it gives to the receiver.** Therein lies the true value of negotiation compared to the other approaches. The potential for each party to achieve at least some of what he / she wants is much higher.

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Notes:
Negotiating well

Planning and knowing what a good outcome looks like for you

Having an understanding of what you want and need out of any negotiation before you get in to it will ensure you achieve better outcomes for yourself and everyone else.

When negotiating people often assume that their gain must come at the expense of the other party. This needn’t be the case. Win-win solutions can often be found and assuming a zero-sum game means you may miss opportunities for trade-offs that could benefit both sides.

Before you start your negotiation you will need to have assessed:

- What’s your minimum that you need / what would be good to get / what’s your best outcome
- How strong is your position and how important is any particular item / issue / job to you?
- If it is important to you, is your position strong enough to let you play hardball and show little or no willingness to compromise?
- Are you willing to split differences to achieve an early solution or a satisfactory solution?
- Above all, when will you walk away?

When you are negotiating

Establish rapport, mutual interests and the things that you have in common at the start of the negotiation. Then begin bargaining with a positive overture i.e. what I really like about this opportunity is…..

Listen actively and agree to anything you can. Acknowledge their skills / ability / qualities / business.

To negotiate successfully you need to distinguish between a position and underlying interests.

Position A person’s stated wants or needs in the negotiation. The position is a chosen solution to one or more problems.

Interests The underlying desires or needs that have led to the position. The interests are the actual problem that the person is trying to solve.

Most successful negotiations fail because people argue about their alternative positions without ever addressing each other’s interests.

Questioning, paraphrasing and listening skills are critical to help you discern position statements from underlying interests and to help you move forward.
**Gaining agreement and finishing off**

Make sure your negotiated decisions are based on your principles and the results you’re looking for, not emotions or pressure. Don’t succumb to emotional pleas, assertiveness or stubbornness if the underlying rationale does not meet your criteria.

Make sure:

- Everything is recorded in writing
- You take time to review the documentation
- You seek independent advice
- You discuss and note individual clauses
- The agreement / contract is signed by both parties.

In any relationship, employed or business-to-business you need to feel confident that you can communicate with each other.

Work relationships, whether employed or otherwise, are based on trust that outcomes will be achieved and that each party brings the skills required to achieve them.

The best relationships are those that include high levels of communication, are entered into carefully and after a lot of planning, and are based on longer-term aspirations where each party feels they are better off together than apart.