

## 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.

- I've had some experience of negotiating in my own language, but I'm not so sure I can translate that into English!
- I've never really negotiated before – not even in my own language!
- 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?
- I'm OK at negotiating one-on-one, but I'm not clear about how to take part in more formal team negotiations.
- 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?
- 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?
- I think negotiating in a foreign language must increase the chances of miscommunication.
- I don't know how good I am at persuading other people. Is there anything I can do to be more persuasive?
- I'm not very comfortable dealing with conflict and high-pressure tactics in negotiations.
- I'm concerned that if discussions become heated, I myself might come across as too direct in English.

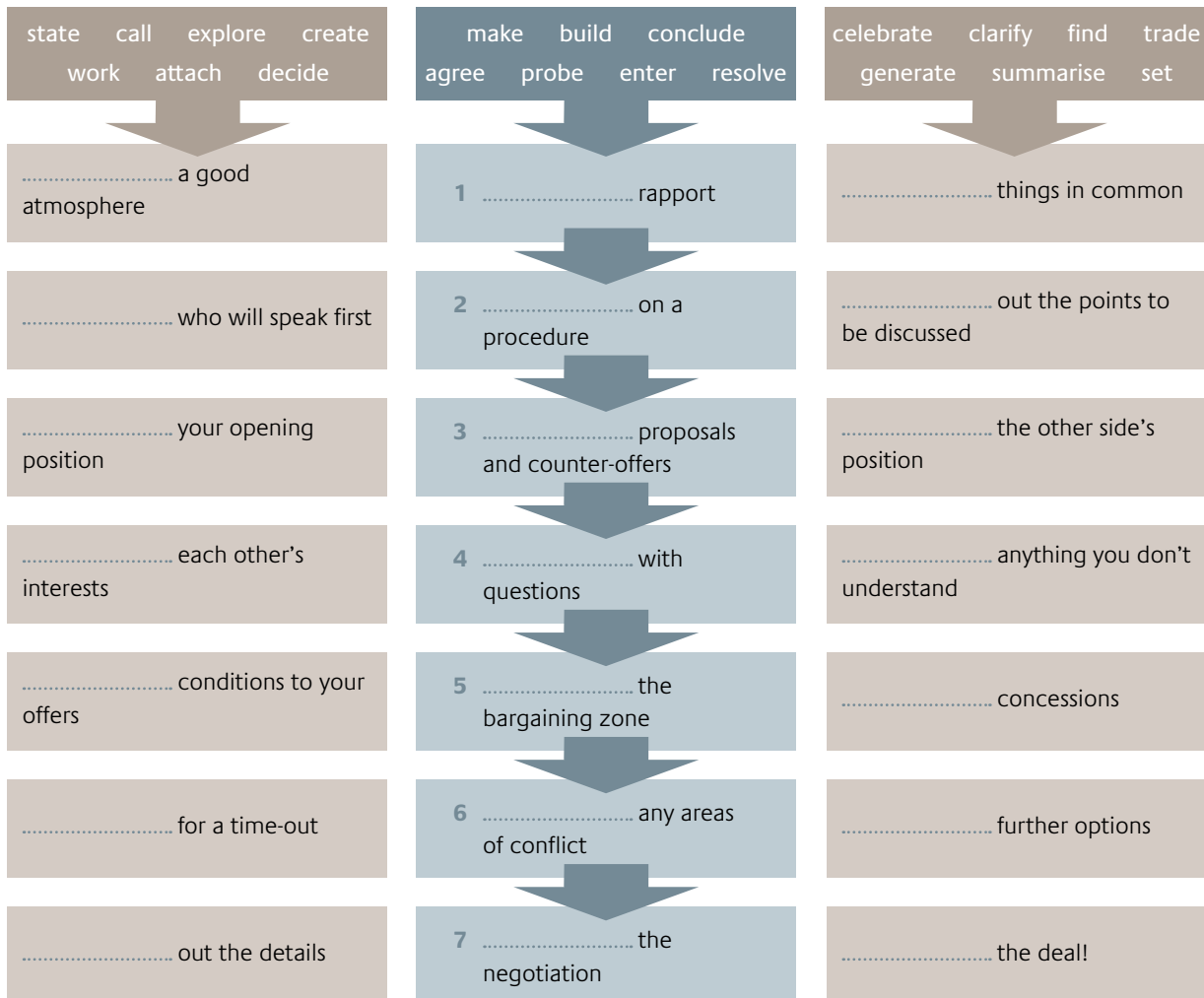
- Each module of the course contains the key words, phrases and expressions you need to negotiate fluently in English. You'll also learn some of the subtle language patterns skilled negotiators use to secure a deal.
- You've probably negotiated a lot more often than you think, but the course brings together 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.
- 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.
- 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.
- 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.
- 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.
- 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.
- 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.
- 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.
- 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.


# 1A 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.



- 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.

<p><b>1 FACT CULTURES</b></p> <ul style="list-style-type: none"> <li>a Aim for a long-lasting business relationship <input type="checkbox"/></li> <li>b Minimise the social chit-chat <input type="checkbox"/></li> <li>c Plan meetings thoroughly in advance <input type="checkbox"/></li> <li>d Like to connect up all the facts <input type="checkbox"/></li> <li>e Expect you to have done your homework <input type="checkbox"/></li> <li>f Are initially sceptical about doing business with you <input type="checkbox"/></li> <li>g Always make quick decisions <input type="checkbox"/></li> <li>h Like to keep track of the discussion and what's been agreed so far <input type="checkbox"/></li> <li>i Want some kind of result at the end of the meeting <input type="checkbox"/></li> </ul>	<p><b>2 PEOPLE CULTURES</b></p> <ul style="list-style-type: none"> <li>a Take a while to get down to business <input type="checkbox"/></li> <li>b Don't like to be rushed <input type="checkbox"/></li> <li>c Insist on their own agenda <input type="checkbox"/></li> <li>d Tend to discuss topics in a fairly random order <input type="checkbox"/></li> <li>e Know what they want in advance <input type="checkbox"/></li> <li>f Make quick, instinctive decisions as they go along <input type="checkbox"/></li> <li>g Keep introducing new elements into the negotiation <input type="checkbox"/></li> <li>h Try not to upset anyone <input type="checkbox"/></li> <li>i Usually postpone a final decision until more meetings have been held <input type="checkbox"/></li> </ul>	<p><b>3 TRUST CULTURES</b></p> <ul style="list-style-type: none"> <li>a Tend to respond badly to the 'hard sell' <input type="checkbox"/></li> <li>b Are good listeners who expect to be listened to as well <input type="checkbox"/></li> <li>c Put forward precise and clearly defined proposals <input type="checkbox"/></li> <li>d Get emotional if they suspect you are not trustworthy <input type="checkbox"/></li> <li>e Give direct answers to direct questions <input type="checkbox"/></li> <li>f Will keep you guessing until you hit on what it is they really want <input type="checkbox"/></li> <li>g Reveal their interests subtly <input type="checkbox"/></li> <li>h Are notoriously slow decision-makers <input type="checkbox"/></li> <li>i Expect contracts to be binding <input type="checkbox"/></li> </ul>
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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.	1	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.







- 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

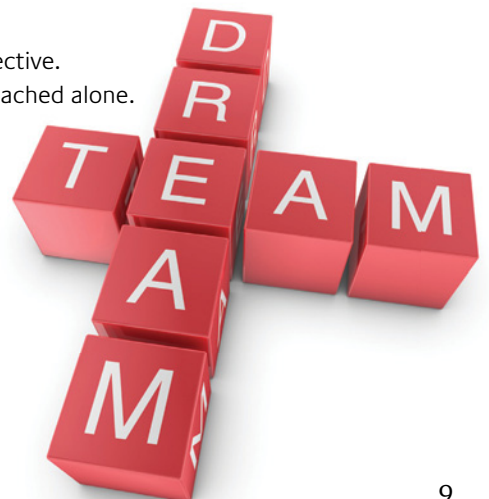
Source: Elizabeth A. Mannix, Negotiation, Vol. 8, No. 5, Harvard Business School Publishing

- 6 Have you ever experienced any of the following?

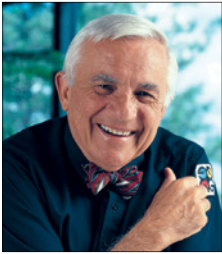
- A team member let you down.
- You disagreed with your team on some of your key objectives.
- Your team had exactly the right mix of skills and expertise to be effective.
- A creative solution was jointly worked out that you couldn't have reached alone.

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?





## 2B Relationship-building



An ancient Chinese proverb says: ‘People who are like each other, like each other.’ Remember that the other party may be feeling defensive, confrontational or apprehensive. Finding a common bond puts them at ease. The easiest way to build rapport is to talk about anything except the subject of your negotiations.

*Michael Soon Lee, CEO EthnoConnect*

- 1 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?

- 2 1.08–1.09 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

- 3 1.08–1.09 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

- 4 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.

*Guhan Subramanian, professor at Harvard Law School and Harvard Business School*



- 5 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 be..... you're op..... a new plant in Poland. I hear you're in talks with a new supplier.  
 Didn't I re..... so..... 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:**  
 S..... you ob..... s..... French, Dr Martinelli. I suppose you were at the Tokyo Conference.  
 I imagine it's fun living in a city like Rio.  
 You m..... h..... 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 f..... t..... in Brazil, Mr Ishikawa? Did you g..... to see m..... of the city?  
 Tell me, are you i..... in football a..... all? Do you play any sport yourself?
- 4 **React to what your partner tells you to create empathy before continuing the conversation:**  
 Oh, r.....? Is th..... so? How fascinating! Oh, I s..... How exciting! What a sh.....!  
 That's in..... What a nuisance! That's good news. Oh, that's a pi..... That's a co.....  
 Sm..... wo.....!
- 5 **If you are the host, take every opportunity to show your guests hospitality:**  
 L..... me in..... you to the rest of the te.....  
 I'd l..... you to m..... my colleague, Dr Martinelli.  
 H..... you tr..... caipirinha, Mr Ishikawa? L..... me re..... your glass.  
 We mu..... make s..... you see so..... of Rio.  
 In that c....., I'll s..... what we can arr.....
- 6 **If you are the guest, take every opportunity to pay your hosts subtle compliments:**  
 De..... to meet you at la..... I've h..... 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:**  
 Th..... is Dr Élise Fleurie. She'll be le..... the negotiations f..... Groupe Laconte.  
 A....., I was in Brasilia a f..... years a..... – for the engineering conference.

The first step in influence is building rapport. }

*Daniel Goleman, originator of  
 Emotional Intelligence*

- 6 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.

- 7 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 ...

