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THE NEGOTIATION PROCESS

Negotiation is rather like building a pattern with a kaleidoscope. When the two parties come together, they each have a clear idea of which pieces they want in the total picture, but they are prepared to work together to shake them into a pattern that both parties will like.

But shaking a kaleidoscope is a hit-and-miss way of building a pattern. It may take a long time before both sides are really happy. We may get tired of the game or find it all too difficult. We therefore need a more structured way of reaching agreement. This is the negotiation process.

When we use a structured negotiation process we are able to:

- control the negotiation, in particular to make sure we don't move too far too fast
- check that we are covering all the requirements of the negotiation
- recognise that we are making progress, even when we seem to be having difficulty reaching agreement
- recognise the appropriate time to reach an agreement.

There are four main phases in successful negotiation:

PHASE 1: PREPARATION/PLANNING

PHASE 2: PRESENTING OPENING STATEMENTS

PHASE 3: TENTATIVE BARGAINING

PHASE 4: REACHING AGREEMENT

Let's look at the four phases in more detail:

PHASE 1: PREPARATION/PLANNING

This is the most important phase. This is where, prior to the actual negotiation, we:

- discover the exact details of the negotiation, exploring and anticipating each side's needs
- define the main issues and develop a plan for dealing with those issues
- check that we have the appropriate authority to negotiate those issues
- explore the range of variables which could be introduced into the package, and the incentives we could offer to encourage the other party to accept our offer
- prepare a framework which establishes what we would ideally like to achieve from the negotiation, what concessions we would be prepared to make and at what stage we would be prepared to walk away from the negotiation
- evaluate the relative power of both parties and plan how we could use this power balance productively in the negotiation
- prepare an overall strategy for how we intend to conduct the negotiation

The success of the negotiation is based on the quality of this preparation. Without it, the negotiation may feel like stumbling around in the dark.

PHASE 2: PRESENTING OPENING STATEMENTS

This is the opening phase of the negotiation itself. Each side states its objectives and listens to the other party's objectives. This phase may only take a few minutes but it is important that both parties set out what they would like to achieve from the negotiation and handle questions and statements from the other party.

So, here you will aim to:

- present your requirements clearly, firmly and convincingly
- handle questions confidently showing that your opening position is realistic and soundly researched
- listen carefully to the requirements of the other party, noting the details but also the flavour of their objectives
- question the other party, to clarify their needs and test priorities
- oppose positively their opening position

In this phase you will set the tone for the rest of the negotiation. You will particularly want to show that you are:

- firm in your objectives but flexible in ways of achieving them
- assertive in your manner of negotiating
- positive in your relations with the other party

PHASE 3: TENTATIVE BARGAINING

This is the exploratory phase, in which each side indicates that they are prepared to move from their opening positions, and explores possible ways of finding a satisfactory agreement.

At this stage, nothing definite is offered and nothing is finally agreed. It is merely a testing of the waters. Both parties will be narrowing their demands and looking for ways in which they can achieve their objectives.

So during this phase you will concentrate on:

- using tentative language - "*Maybe...*", "*Possibly ...*", "*Perhaps...*"
- talking in generalities rather than specifics e.g "*We could possibly consider extending your credit if you were able to make improvements to your cash flow....*"
- keeping an overview of all the issues - not trying to reach agreement on them one at a time
- listening and observing for clues as to what is really important to the other party
- maintaining the relationship, showing that you are still friendly and positive towards them while coping with conflict

Session 3

	Essential Negotiation Skills	Action Required
3.1	<p>Explain to the group that there are core skills that an effective negotiator must be proficient in to achieve a great result. The ones that we will concentrate on during this course are:</p> <ol style="list-style-type: none"> 1. Assertiveness skills: It is vital that the negotiator appears confident when reacting and responding to the other party as this will affect the perception of the strength of his/her position. This is essential when bargaining, persuading or bartering. 2. Questioning skills: Essential if we are to be able to discover the needs, wants and weaknesses of the other party's position. 3. Listening skills: Listening actively and summarising skills are a crucial part of conversation control, enabling us to negotiate quickly and efficiently. 	<p>HO 2 -3 / Manual pg. 5-15 / Slides 12-27</p>
3.2	<p>EXERCISE 3: Assertiveness – Discuss with delegates how they think they come across during typical negotiations, and what perception the other party may have of them. Delegates will now have the opportunity to analyse their negotiation style - issue HO 2, 'Negotiation Skills Questionnaire' (in sequence), allowing 10 mins to complete – please see Trainer's Handouts for sample version.</p>	
3.3	<p>Once delegates have identified their predominant style, explain that although aggressive behaviour is sometimes used in negotiations (as it achieves a quick result), in 'principled negotiations', assertive techniques are preferred achieving longer lasting results and maintaining good business relationships. Refer to 'Effective Communications in Negotiations', Manual pg.5-6 discussing the points made. You may find it useful to focus on the findings of the <i>Huthwaite</i> research, Manual pg.6, emphasising the types of behaviour successful negotiators use to achieve success.</p>	
3.4	<p>EXERCISE 4: Split the delegates into groups of 2 to complete 'Becoming more assertive. Part 1', '....Part 2' exercises, Manual pg.9.</p> <p>Optional exercise If your delegates are new to negotiations, or are not confident at negotiating you may find it useful to examine the points raised in 'Effective Communication', Manual pg.7-8, completing Exercise 4 as above. Allow the group 15-20 minutes for this exercise.</p>	