

Negotiation Skills

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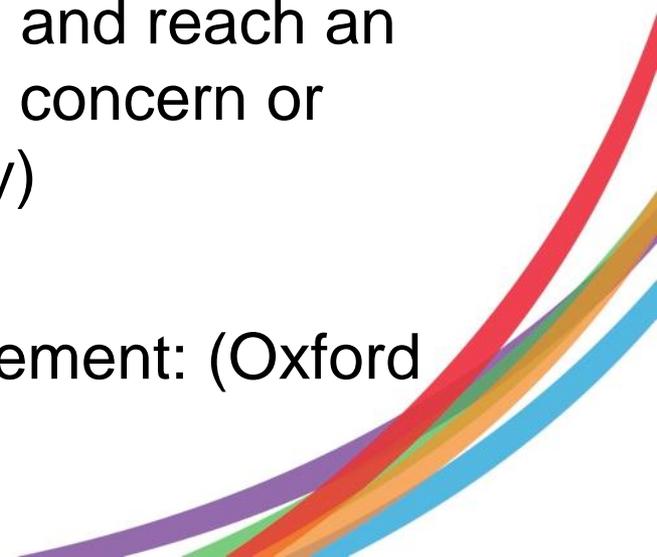


Agenda

- What is Negotiation
- The 5 Negotiation styles
- Paperclip persuasion
- Negotiation strategies
- The Job offer
- Wrap up



Negotiation

- **Negotiation** is a [dialogue](#) between two or more people or parties intended to reach a beneficial outcome. This beneficial outcome can be for all of the parties involved, or just for one or some of them. (Wikipedia)
 - Bargaining (give and take) process between two or more parties (each with its own aims, needs, and viewpoints) seeking to discover a common ground and reach an agreement to settle a matter of mutual concern or resolve a conflict. (Business Dictionary)
 - Discussion aimed at reaching an agreement: (Oxford English Dictionary)
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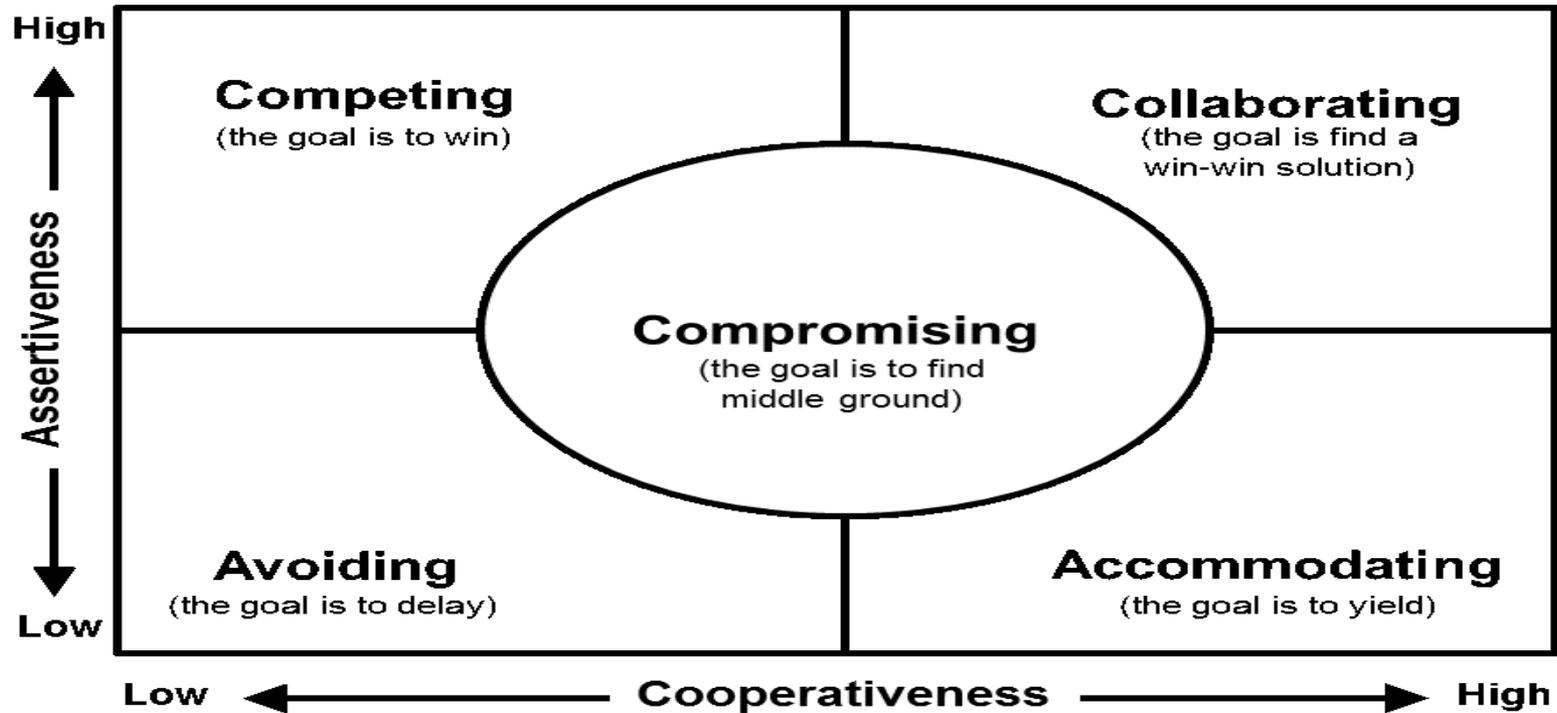
Negotiation in a Work Context

Who With?

What?

- Bosses, Colleagues, Clients
 - Job offer- terms and conditions
 - Allocation of duties/existing projects
 - New projects
 - Pay Rises
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The 5 Negotiation Styles



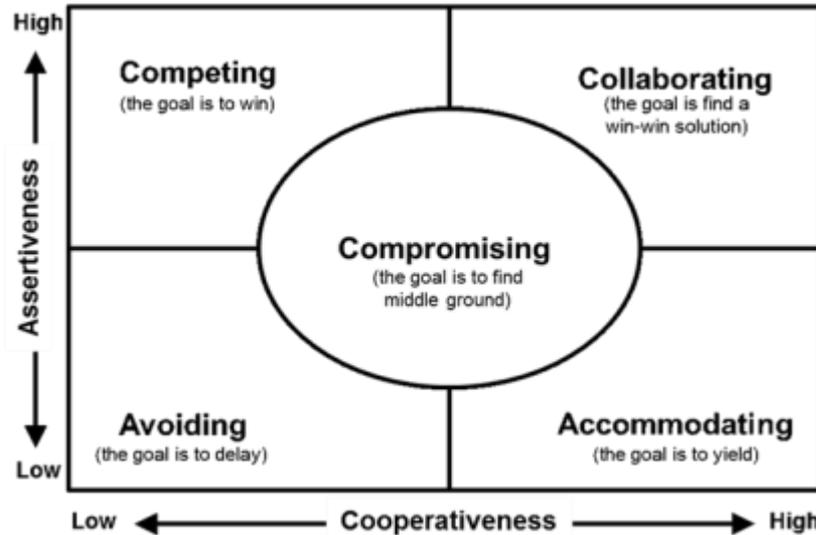
Competing- I win you lose

Avoiding- I lose you lose

Accommodating – you win I lose

Collaborating- I win you win

Compromising- I win some you win some, I lose some you lose some



- In your groups you have 10 minutes to discuss one particular style of negotiation:
 - When to use this style of negotiation?
 - What's the danger in using it?
 - How should you respond if faced with an opposing negotiator with this style
- Feedback to the group

Competing- pursue own needs/use whatever tactics necessary-can be seen as aggressive use when a quick result is needed – it is critical when you are certain something is not negotiable

- **Danger** - easy to predict behaviour, may lead to deadlock, could be detrimental to relationships
- **Defence**-don't cave in. Appeasing will just lead to more demands. Restate your position and use strong language-so not 'we would like' or want but rather 'we need/require'

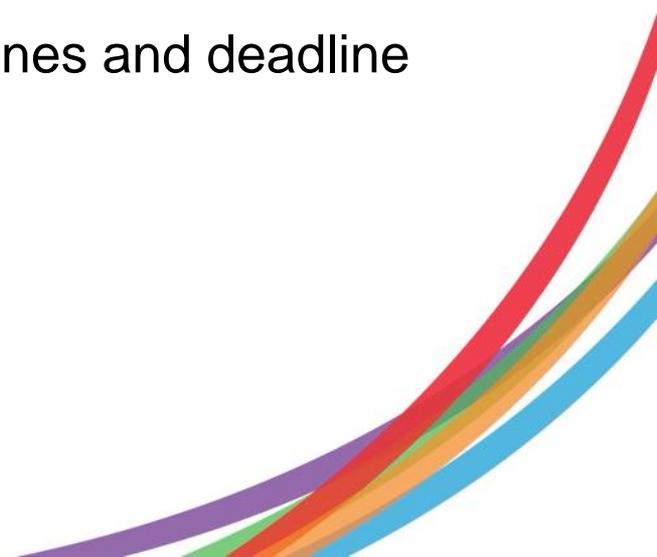
Accommodating-relationship focused. Use when in a weak position and you need to mend relationship

- **Danger**- can be seen as sign of weakness- can also lead to you feeling resentful and like you have given too much away
- **Defence**- if faced with one take advantage! But be aware of impact on future relationships



Avoiding- passively aggressive-used by people who dislike conflict. Use when the cost of time involved would outweigh the benefit of the deal-or if the issue under negotiation is trivial to both parties.

- **Danger-** could lead to the side with the greater need/urgency giving in to push through deal. Stalling can be used by the opposition as a tactic. Could lead to other party thinking you aren't interested. Could lead to mutual resentment and frosty impersonal relationships. Avoiders try to avoid conflict but by doing so may actually increase ultimate conflict.
- **Defence-** To protect yourself set clear milestones and deadline dates in your negotiations.



Compromising-don't confuse with negotiation- little more than splitting the difference without any deep understanding or value creation. Use when pushed for time and dealing with someone you trust. Both parties win and lose -ensure you are winning and losing the right things

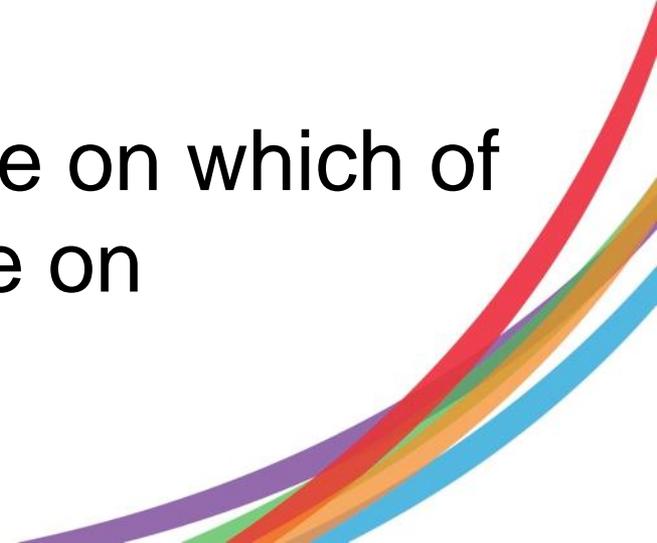
- **Danger**- compromise can take place when you haven't prepared enough. If outcome of negotiation is critical never compromise on things that you absolutely must have
- **Defence**- no real defence but ensure you are getting an equal part of the deal

Collaborating- win win is not compromising-it's making sure both sides have their needs met while creating as much mutual value as time and resources allow.

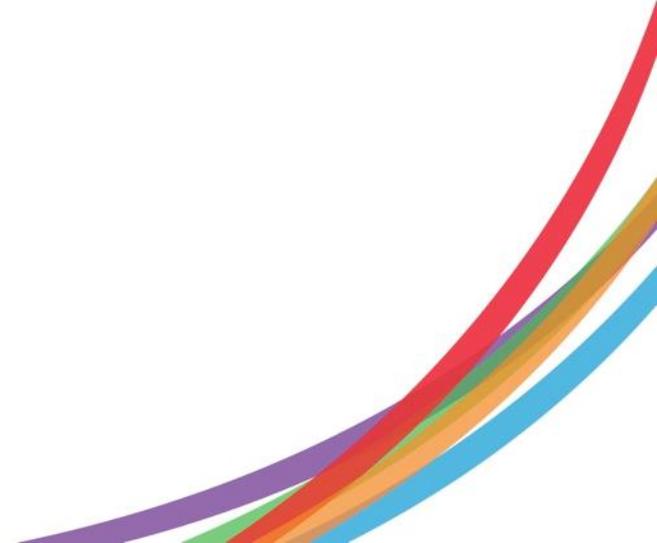
This should, in most circumstances, be the primary style used for goals in negotiation. To understand the feelings and deeper interests or motivations of all negotiators then collaboration is the best path.

- **Danger and defence** - be careful not to collaborate with competitive style negotiators unless they agree to your level of collaboration. Make sure, if sharing information, that you share at the same level of detail- too much and you could be exploited and too little and you risk them clamming up.
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- A decorative graphic in the bottom right corner consisting of several overlapping, curved lines in shades of purple, red, orange, and blue.

Paperclip Persuasion

- You have two minutes to think of as many creative, interesting, unusual uses for the paperclip as you can
 - You have 5 minutes to share your ideas in your groups and come up with 1 choice per group
 - You have 5 minutes to decide on which of the choices you can all agree on
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Negotiation Strategies and Tactics

- Share information
 - Rank order your priorities
 - Go in knowing your target and your walkaway terms
 - Be Willing to Walk Away
 - Counter offers make both parties more satisfied
 - Keep a Poker Face
 - Use Silence and Time as a Tactic
 - Keep It Light
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The Job Offer



Final Do' s....

Do:

- Try to understand the other person's needs. Use questions to find out as much as you can about their alternatives and budget
 - Decide how important the deal is. Could it bring in more business, significantly boost your cashflow, or help you achieve a goal?
 - Set out your objectives and decide which are negotiable - but don't disclose these thoughts
 - With Sales consider price, volume and timing and whether you will give a reduction on a larger quantity or for paying cash straight away
 - Listen carefully to what the other person is saying
 - Ask for a break if you need time to think
 - Summarise the decisions you have reached.
 - Shake on it - no one likes to back out of a deal
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and Don'ts

Don't:

- Appear too keen. If it's too obvious you need the deal, the price/offer may get pushed down
 - Give any indication at the start that you might be willing to concede
 - Name a starting price/stance or say you will accept a near offer
 - Make concessions too easily
 - Give unnecessary discounts/concessions. Other customers may find out and become resentful
 - Make last-minute concessions. If someone has agreed to buy, don't throw in extras free
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Questions

