The Negotiation Toolkit
How to Get Exactly What You Want In Any Business or Personal Situation

Roger J. Volkema
AMACOM © 1999
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Rating

9 Applicability
7 Innovation
8 Style

Take-Aways

• Negotiation is not bargaining.
• Negotiation is a skill that can be learned.
• Negotiation attitudes run the gamut from caring only about your interests to caring about the parties’ mutual relationship.
• The Golden Rule of Negotiation is that the party you are negotiating with must believe that you can either help them or hurt them.
• Always have a BATNA - best alternative to a negotiated agreement.
• Know what you want from a negotiation before you start.
• Ask questions to determine the needs of the other side.
• Successful negotiators give internal information without revealing their positions.
• Argument dilution is the result of trying to base your negotiation strategy on the quantity of your positions.
• There are times when you need to walk away from a negotiation.

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Relevance

What You Will Learn
In this summary, you will learn: 1) How to determine whether to negotiate or not; 2) How to prepare for a negotiation; and 3) What tactics you can avail of to win your negotiation.

Review
As the title implies, this book gives you the tools you need - in the form of information and tactics - to negotiate effectively. No matter what line of work you’re in, you’ll benefit from the negotiation principles, strategies and styles that Roger J. Volkema presents in an easy-to-read format. He includes exercises that you can use to test your comprehension of the material and to start developing your skills. His chapters on ethics and cross-cultural negotiations, while general, provide an intellectual starting point for further investigations. This book will give you a basic foundation for effective negotiation, but if you’re in a business that demands the skill, you’ll want to follow up with some more advanced reading and training. Nevertheless, getAbstract recommends this book to anyone who feels a little overwhelmed whenever they find themselves across the table from a negotiating adversary, whether it’s your boss, an employee a customer or - gulp! - your spouse.

Summary

Understanding Negotiation
Negotiation is not the same thing as bargaining. Bargaining is the process of determining the final price of a purchase or sale. Negotiation is communication between two or more parties to determine the nature of future behavior. Therefore, bargaining may be a facet of negotiation, but negotiation - because it involves multiple issues and outcomes - is much larger than just setting a price.

What is negotiable and what is not negotiable? The answer to this question is, whatever you think is negotiable is negotiable. And whatever you consider non-negotiable isn’t. If you do not believe that you can ask for something, then that thing is not negotiable, because it never comes up. The Abilene Paradox illustrates this dynamic. The Abilene Paradox represents the negative consequence that can occur when groups of people all want the same thing but each person fails to ask for what he or she wants. In the Abilene Paradox, a family (father, mother, children and in-laws) takes a 53-mile trip to Abilene, Texas, during the peak of summer in a car with no air conditioning. When the family arrives in Abilene, they learn that no one in the car wanted to make the trip but that everyone agreed to go because each person thought someone else wanted to go. Since no one expressed his or her true feelings, the family went on a trip that should have never happened. So speak up, or hit the road.

Knowing when not to negotiate is an important skill in itself. You might choose not to negotiate for many reasons, which could include:

- The situation is physically or psychologically dangerous.
- You are too tired, sick, distracted or confused to negotiate effectively.
- The issues are trivial or symptomatic of larger concerns.
- Others can negotiate these issues more effectively.
- You perceive no chance of satisfying your needs.
- The other party appears incapable of thinking rationally.
The Negotiation Toolkit

Successful negotiation begins with the belief that almost everything is negotiable, and almost everyone will negotiate with you.

Negotiation is a skill.

Knowing when to negotiate and when not to is an important skill in itself.

• You can gain social points toward a subsequent negotiation.
• The relationship is critical to you.
• You stand to lose much more than you might gain.

The Golden Rule of Negotiation
Recognize the Golden Rule of Negotiation at all times. It states that people will not negotiate with you unless they believe you can help them or hurt them. Recognizing how you can help or hurt the other party is part of the art of negotiation. For example, motorists rarely pick up hitchhikers. But suppose you are walking down a road on a hot humid summer day wishing you could get a ride into town. Instead of passing you by, the next car pulls over and the driver asks you for directions. Your chance of getting a lift into town has greatly increased because you can help the motorist get something he needs.

Three Fundamental Questions
To prepare for a negotiation, ask yourself three fundamental questions:

• The first question is, "What do you want?" This is not a simple question. First, most negotiations have multiple issues, concerns or agenda items. For example, you want to sell your house in 90 days for X dollars. You need to be clear about which issue is most important to you. When a negotiation includes multiple issues of varying importance, there is a tendency to lump all the issues together or to think of them as equally important. They are not. For instance, in the house-buying scenario, time may be more important than price. Everyone has unspoken or subconscious issues or desires. Bring your issues to the surface before the negotiation starts, and think them through so you are clear in your own mind. This enables you to be nimble in negotiations - a requirement for success when you’re working face-to-face. Failing to ask this question leads to confusion, loss of control or respect and settling for a package rather than a priority outcome.

• The second question of negotiation is, "Why should they negotiate with you?" This goes back to the golden rule, how can you help or hurt the people with whom you are going to negotiate? You have to determine their needs to know how you can help or hurt them. The basic human needs fall into several categories: financial, psychological, social, material and physical. Consider how you can help or hurt the other party in these areas. Not asking this question can result in being ignored by the other party, fewer concessions by the other party and increased likelihood of a partial win outcome.

• The third fundamental question of negotiation is, "What are your alternatives?" What options do you have if this negotiation fails? The authors of the classic negotiation text, Getting to Yes, go to great lengths to answer this question. They say you must know your options, or your BATNA, meaning your best alternative to a negotiated agreement. Having a BATNA strengthens your ability to walk away. Not asking the third question leads toward reduced confidence, less willingness to pursue sensitive or explosive issues and increased likelihood of a partial-win outcome.

Desirable Behaviors of Successful Negotiators
Successful negotiators practice four desirable behaviors:

1. Negotiators ask questions for five different reasons: 1) To gather data about the other party’s thinking or position, 2) To control the discussion, 3) To keep the other parties active and reduce their thinking time, 4) To get thinking time, and 5) To avoid direct disagreements.
2. They test their understanding of the other party’s prior statement and they summarize the previous discussion points.
3. They give internal information. They tend to give facts, sources, options and other information without revealing any emotion. Deliberately, they do not give out any information about their position.
4. They explain before disagreeing. They tend to begin with a review of events or circumstances before presenting a statement of disagreement. This permits the other party to hear your arguments and logic, and perhaps agree to your position before you actually state it.

**Undesirable Behaviors of Negotiators**

Average or ineffective negotiators tend to practice four undesirable behaviors.

1. Average negotiators tend to defend their position and immediately attack.
2. Negotiators dilute their arguments because they believe that more is better. Average negotiators will make several incidental arguments to bolster their position. This tends to dilute the strength of their primary argument. Successful negotiators know that they should never dilute the strength of their main argument.
3. Average negotiators use immediate counterproposals to fight positions with positions.
4. Negotiators use irritators, which are statements that tell the other party what a good deal they are getting. For example, "I think you will find this to be very fair," is a commonly used irritator. The cure is to frame the statement in the context of joint progress or outcomes.

**Negotiating Styles**

The five negotiating styles are defined by two dimensions, concern for your self-interest and concern for the other party or relationship. The style you choose is a function of your personality and the outcome you wish to achieve. The five styles are:

1. **Competing style** - This focuses on your self-interest at the expense of the other party.
2. **Accommodating style** - This style is concerned with the relationship; it is the opposite of the competing style.
3. **Collaborating style** - This approach attempts to satisfy everyone’s needs. It looks for win-win solutions.
4. **Avoiding style** - This person tries to avoid the negotiation itself.
5. **Compromising style** - This person wants to create partial-win, partial-lose scenarios.

**Tactics in Your Toolkit**

Negotiators in business or social circumstances tend to have eight common tactics in their toolkits:

1. **Exaggerated first offer** - This tactic is used to gather information or check the other party’s response, which could include surprise, disappointment, nonchalance, acceptance or enthusiasm.
2. **Speed-ups** - Use this tactic to measure interest and timing when you want to complete a deal. Airlines use this tactic when they tell you the ticketing must occur within 24 hours of booking. If it’s used on you and you do not like having time pressure, be sure that you have your BATNA ready.
3. **Delay** - This is a common tactic to unnerve your opponents and to gauge their sense of urgency.
4. **Drawing lines** - This tactic creates artificial bottom lines with regard to price or supply, or marks territory that is off limits in the negotiation.
5. **Creating competition** - This tactic helps you by hurting your opponents.
6. **Concessions** - You can start a negotiation with a concession when multiple options might satisfy the other party. Pay attention to the timing, size and range of the concessions.

7. **Investment** - This tactic plays on your desire to get a return for time and/or money spent.

8. **Authority limits** - This is a popular tactic with an item that has a wide range of possible prices. Car dealerships use this tactic to get price concessions from potential customers.

Additional tactics for your negotiation toolkit include:

- **Silence** - Use silence to get the other side to commit to a position first.
- **Playing dumb** - This is a way to gain useful information from the other side.
- **Playing crazy** - This is a way to unnerve the other side.
- **Showing off the goods** - This is a way to have the product sell itself.
- **Flattery** - This gives you more of what you want, while convincing the other side that you are interested in the relationship.
- **Lowballing** - Use this technique to hook customers for big-ticket items.
- **Strawman** - This is a concession tactic, but you concede something with little or no value to you.
- **Bundling** - Combine items of mixed value in a bundle that’s more saleable than the individual parts.
- **Confederates** - Sometimes you need strength in numbers, so three negotiators are better than one.
- **Good guy-bad guy** - When you negotiate in pairs, one person can be helpful while the other is not.
- **Split the difference** - This refers to the tactic of halving the difference between two positions to reach an agreement.

### Tough Negotiators

From time to time, you will have to deal with three types of tough negotiators:

- The genuine article is the hard-core toughie. This is the individual who likes to win, needs to win and will win. The hard-core toughie negotiating style is aggressive-aggressive. Fictional examples of this style are Catbert, the evil HR Director from the comic Dilbert, and Cruella de Vil from the Disney movie 101 Dalmatians.

- The second tough negotiator is the provoked toughie. Provoked toughies do not need to win and will actually negotiate with you until they are attacked or threatened. Once threatened, provoked toughies will hold their ground. The provoked toughie negotiating style is passive-aggressive. Fictional examples of this style are Frasier Crane from the TV show Frasier, and the cartoon character Popeye.

- The third tough negotiator is the faux toughie, who is gruff on the outside, but very soft inside. The gruff exterior masks the fear of having this soft spot exposed. This negotiating style is aggressive-passive. Fictional examples of this style are The Cowardly Lion from The Wizard of Oz and Major Margaret Houlihan from the TV show M*A*S*H.

### About the Author

Roger J. Volkema is an associate professor of management at American University and a private consultant to business and government. He regularly conducts courses, seminars and workshops on negotiation, mediation and conflict management in North and South America, and has written more than 25 articles on these subjects. He lives in Washington, D.C.