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Customizable Soft-Skills Courseware

Effective Negotiation Skills



Instructor Guide

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Instructional design and learning philosophy

We are committed to providing the best core skills content possible for Instructor-Led Training (ILT). The following principles are applied in the development of programs:

Sound Instructional Design

All course content is developed using a variety of research techniques. These include:

- Brainstorming sessions with target audience
- Library research
- Online research
- Customer research (focus groups, surveys, etc.)
- Subject Matter Experts (SME)
- Interviews with trainers

Expert instructional designers create imaginative and innovative solutions for your training needs through the development of powerful instructional elements. These include:

- Learning objectives — effective tools for managing, monitoring and evaluating training
- Meaningfulness — connects the topic to the students' past, present and future
- Appropriate organization of essential ideas — helps students focus on what they need to know in order to learn
- Modeling techniques — demonstrate to students how to act and solve problems
- Active application — the cornerstone to learning — helps students immediately apply what they have learned to a real-life situation
- Consistency — creates consistent instructions and design to help students learn and retain new information
- Accelerated learning techniques — create interactive, hands-on involvement to accommodate different learning styles

Application of Adult Learning Styles

Adults learn best by incorporating their personal experiences with training and by applying what they learn to real-life situations. Our experienced instructional designers incorporate a variety of accelerated learning techniques, role-plays, simulations, discussions and lectures within each course. This ensures that the learning will appeal to all learning styles and will be retained.

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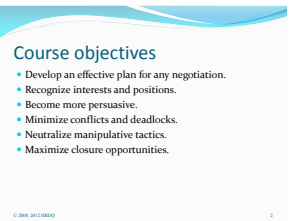
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Course objectives

Successful completion of this course will increase your knowledge and your ability to:

- ◇ Develop an effective plan and strategy for any negotiation
- ◇ Recognize interests and issues and avoid unnecessary positions
- ◇ Become more persuasive
- ◇ Use techniques that draw information from the other party
- ◇ Minimize conflicts and deadlocks
- ◇ Ask and answer questions to control the negotiations
- ◇ Deflect personal, hostile, or irrelevant objections by reestablishing common ground in the negotiations
- ◇ Create a list of concessions that can be “given” during the negotiation to use as bargaining tools
- ◇ Read body language, facial expressions, and other signals to uncover “hidden” messages
- ◇ Neutralize manipulative tactics
- ◇ Maximize closure opportunities

ModuleOne



EFFECTIVE NEGOTIATORS PREPARE

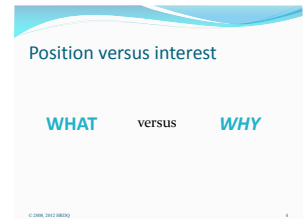
Identify and create negotiable moments

Recognize underlying interests

- ◇ Ask:
 - Why am I taking this position?
 - Why are they taking that position?
 - What interests are reflected in those positions?
 - What interests might they have that are not met by those positions?
 - Are there any other positions that are more acceptable to the other side, or to me, that meet our underlying interests?
- ◇ Examples of underlying interests:
 - Tight deadlines
 - Unrealistic sales targets
 - Staff limits
 - High prices by outside vendors
 - Excessive demands

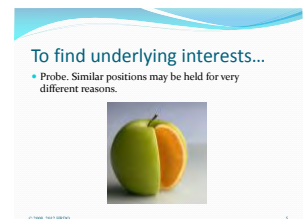
Success comes from mutual dependence

- ◇ Ability to listen in order to discern real needs, not just stated ones
- ◇ Ability to identify your own real needs and formulate proposals that meet your needs and the needs of the other side
- ◇ Ability to communicate your proposal in a persuasive manner
 - Without offending the other side
 - Without forcing them to shut you out
 - In a manner that allows them to recognize the costs of not coming to an agreement with you



Introduce the concept of position versus interest. Positions are the “what” of negotiations; interests are the “why.” Spend a good bit of time distinguishing between positions and interests; give several examples.

Most inexperienced negotiators remain so focused on their position they ignore creative solutions that would meet their underlying interests. In this program, we will focus almost exclusively on interests.



Activity: Have participants refer to the negotiating situations they listed on page 2. Ask participants to identify underlying interests for some of them.

In order to create an opportunity to negotiate, you must find some mutual interest or dependence that affects both you and the other party.

Betty and Bob will be our protagonists for the day. Refer to them, and use them as examples as you work through the material during the training. You will, of course, want to include your own stories and examples of successful and unsuccessful negotiations.

Refer to the Trainer Supplement for details about facilitating the case study.

To begin, ask the group to share their initial feelings about the situation and the personalities of Betty and Bob.

Case study: The battle for the budget

The best way to learn and improve your negotiation skills is to practice. We will use this case study to give you an opportunity to practice the strategies that will be presented during this training. You will revisit Bob and Betty throughout the training to help them work out an agreement.

Meet Betty and Bob

Betty, the boss

Betty is a 48-year-old single mom who has been with the company for 18 years. She feels comfortable in her routine and believes things are going smoothly now; however, it's at a cost—she feels overworked and stressed out. She has a successful track record in budget management and has received compliments about her budgeting skills. She believes the budget is a very important part of her job and enjoys working with numbers. She is a perfectionist. On the personal side, she wants her employees to feel comfortable and enjoy their jobs. She is a little resistant to change and has a tendency to say “yes,” but lacks follow-through.

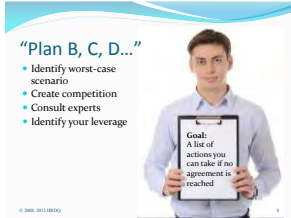
Bob, the team member

Bob is a 29-year-old from Boston who has been with the company for 18 months. Bob's a mover and shaker. He has been promoted to this department recently and believes he has the time to do more than he's doing currently. He has a desire to learn new skills, wants to feel respected by his peers and believes he has real leadership ability. He has previous successful budgeting experience and enjoys working with numbers. He's concerned about job security in the current market. He has a domineering personality and often comes on strong. He is irritated by a “stick-in-the-mud” approach.

The issue

Bob wants to take over the budgeting responsibilities for the department, and he wants a raise for taking on the additional duties. He will be approaching Betty to discuss this issue.

Your alternatives are the tangible result of your preparation. The better your alternatives are, the greater your power. Some say the ultimate alternative is the ability to walk away without making a deal.



Make certain participants understand that the alternatives they consider at this point are just a starting point. As we'll see in the next chapter on listening, negotiators need to remain flexible throughout the process, react to what the other side is saying and adjust proposals to meet both sides' interests.

Discuss the three types of leverage. In Module Three (persuasion), we'll discuss how to use leverage.

In the ideal negotiating scenario, both sides would desire to brainstorm together to come up with proposed alternatives. Even if you can't do this with the other side, working through the issues on your own is helpful in your preparation.

Optional activity: In order to help participants open their minds to creative solutions, conduct the following activity: Have participants work in small groups, and ask them to create a contraption out of the following items: empty soup can, straw, cotton balls, piece of string and stack of paper plates. Allow about 10 minutes, and then have each group share its contraption.

Develop your alternatives

Think good, better, best

- ◇ Make a list of actions you could take if no agreement is reached
 - Determine the worst that could happen if no deal is reached
- ◇ Convert some of the ideas into practical alternatives: Research other vendors, suppliers, employers, employees
- ◇ Create competition by seeking other vendors, employers, etc.
- ◇ Know the other side's deadlines, and use time to your advantage
- ◇ Rely on experts
 - Find experts or people with authority to make the case for you, or refer to their views to make the case for yourself
- ◇ Identify your leverage
 - Positive: Something you could provide in exchange for something you need
 - Negative: Something you could withhold in exchange for something in return
 - Normative: A way you could appeal to the other side's emotion or their perception of fairness or morality

The ideal scenario

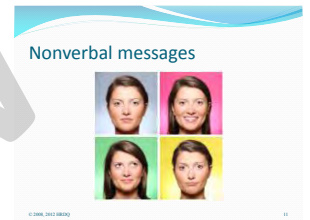
- ◇ Brainstorm (with the other side, if possible)
 - Define your purpose
 - Choose a few participants, including a facilitator
 - Change the environment—don't make it feel like another meeting
 - Clarify ground rules (record all ideas, no criticizing, withhold judgment until evaluation period, etc.)
 - Star the most promising ideas
 - Set up a time to evaluate ideas and decide

Uncover “hidden” messages

Read nonverbal clues

- ◇ View the other person’s gestures and body language as a cluster in order to spot congruence or incongruence with his or her spoken words.
- ◇ In general, congruence between verbal and nonverbal behavior confirms what the speaker is saying is true or sincere, while incongruence suggests what the speaker is saying is untrue or insincere.

One of the most important benefits of active listening is that you hear far more than the actual words a person says. Inform or remind participants of Albert Mehrabian’s 1967 study that found in face-to-face communication, 55 percent of the message is communicated through body language, 38 percent through tone of voice and just 7 percent through the actual words.



Activity: Demonstrate each gesture, and have participants guess their meaning. The gestures and their meanings are generally true; they may not be true for every individual

1. Probably not telling the truth
2. Perception is that person is trying to hide something
3. Close-minded
4. An adversarial attitude
5. Interested in what you have to say
6. Losing interest
7. Frustrated, not buying your line of reasoning

If you suspect someone is withholding information or not telling the truth, respond by saying, “Are you certain?” Or, “Can you verify this?”

If the other person is projecting a closed-minded attitude, respond by trying to get them to communicate.

If the other person is losing interest or appears frustrated, stop talking, and invite the other person to talk, particularly to express their objections.

Specific gestures and their meanings	
1. Touching nose or rubbing back of neck or eyes	
2. Lack of eye contact	
3. Arms crossed and sitting back and/or looking away	
4. Arms and legs crossed	
5. Head and upper body forward	
6. Fiddling with objects, movement in chair, looking at watch or clock	
7. Taking off glasses, closing eyes while squeezing upper part of nose	

Additional activity if time permits: Charades. Have participants write down an emotion on a slip of paper. Collect the slips, and then have each participant take one. Working with a partner, have them act out their emotion without using words, and have their partner guess what it is.

Maintaining your composure

If negotiations become heated, your emotions may get the best of you and cause you to say or do things that damage your ability to negotiate the best possible outcome.

Recognize your hot buttons

“If you’re getting stressed out, don’t just do something ... sit there.”

Know your “buttons” and how to respond appropriately

My personal “hot button” diary	
What makes me angry	How I can respond appropriately

Case study: The battle for the budget

Bob’s hot buttons	Betty’s hot buttons

You can’t listen if your emotions are churning. Consciously pausing and catching your breath keeps your emotions from controlling (and potentially ruining) the negotiations.



Activity: Know your hot buttons. If participants don’t know their hot buttons, ask them to recall people in their life that rub them the wrong way or communication styles/personality types that make them more likely to lose their temper, or at least not listen.

Then, ask participants to think of ways they could counteract their feelings and respond more appropriately. Brainstorm with them, if necessary. Note: These need to be situations of mutual dependence; that is, ones in which the participants can’t simply walk away.

Activity: Have participants work in their small groups and identify possible hot buttons for Bob and Betty. Debrief by sharing with the entire group.

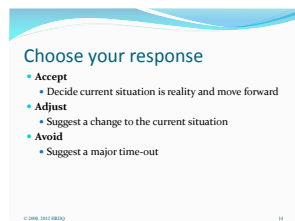
Possible answers:

Bob’s hot button: People who are resistant to try new things.

Betty’s hot button: People who push her to make changes before she’s ready.

It's not enough to recognize your hot buttons; you must manage them appropriately. This page provides strategies for doing that.

Pausing can be as short as a couple seconds or as long as overnight (but I would restart the negotiations the next day—longer than that will irritate the other side and work against you).



Spend a few minutes talking about choosing a response — accept, adjust or avoid. In most cases, it will probably be most useful to accept or adjust. When choosing your response, keep in mind the expectations you established at the beginning of your preparation, and decide if you're moving toward or away from them.

Pause your hot buttons

- ◇ Lean back in your chair, and say, “Wait a minute; I have to take that in.”
- ◇ Take notes (you should, anyway), and write slowly.
- ◇ Excuse yourself to go to the restroom.
- ◇ Say you have to check with someone (boss, partner, etc.).
- ◇ Ask for a night to think it over (whatever “it” is).

What you do when “paused”

- ◇ Review essential negotiating strategies
 - Do you need any additional information?
 - Have you carefully listened to everything the other party has said?
 - Have you observed body language? Does it match the words?
 - Is there anything you need to express more clearly?
- ◇ Check moods
 - Yours: Are you letting your moods, especially frustration or distrust, guide your decision making?
 - Theirs: Are you letting their mood, particularly anger, influence your responses?
- ◇ Consider concessions
 - Are you about to offer or accept a concession that you will regret?
- ◇ Choose your response
 - Accept: Decide the current situation is reality, and move forward
 - Adjust: Suggest a change to the current situation in order to move forward
 - Avoid: Suggest a major time-out before moving on (generally speaking, this is not the best choice, but it may be necessary to prevent you from being overly emotional)

Concede on unimportant items

Concessions are the language of cooperation

How to make and use concessions

- ◇ Concede on those points that are not very important to you, but are perceived to be important to the other side.
- ◇ Concede from your initial position if you believe you can go lower without hurting your interests, or it's important enough to maintain a special relationship.
- ◇ Concessions are not always material. You can concede information that gives the other side some leverage, in order to get some information back.
- ◇ You may concede on something that is not immediately on the table. For example, "If you do this for me this time, I promise to bring more business your way in the future."
- ◇ Don't concede on things that result in an agreement that does not meet your underlying interests.

How do you make concessions?

Wrong way	Right way
Make many concessions with the hope that the other side will appreciate it and give something back in return	Make small concessions along the way, and see how the other side responds
Make concessions without explicitly saying so	Find a tactful way to make a concession and bring it to the other side's attention

Here is what Richard Shell, *Bargaining for Advantage*, had to say. "Research confirms that people receiving concessions often feel better about the bargaining process than people who get a single firm, 'fair' price...One experiment compared three different concession strategies: (1) start high, then refuse to move, (2) start moderately, then refuse to move, and (3) start high, then gradually concede to the moderate point. The last of these strategies was the most successful by far...The parties employing the third strategy made more money per transaction than did those using the first two. And the people who faced negotiators using the third strategy reported much higher levels of satisfaction with their agreements than did people who faced those who refused to move."

Concede on those points that are not very important to you, but that are perceived to be important to the other side: That's why it is very important to know your real needs and prioritize them before negotiations, which is what we talked about in the preparation chapter.

Concede from your initial position unless your alternative to a compromise agreement is more attractive, in which case you may see no need to concede.

Don't concede on things that result in an agreement that does not address your underlying interests. For example, if you need a cost-of-living raise due to inflation, and your boss offers you extra vacation time as a concession, don't accept because that does not address your underlying needs (unless you plan to work during your extra vacation time). If you don't have enough leverage to insist on an agreement that will address your underlying interests, try to develop your leverage by developing your alternatives.

How to make concessions: Don't expect your counterpart to offer a concession in return just because you offered one. This may work with nice people, but a hard negotiator will take you for a sucker.

End the negotiation

Know when to close the deal

- ◇ An acceptable solution is on the table
- ◇ When the other side wants to close (What if you don't?)
- ◇ A firm deadline is approaching
- ◇ All of the negotiation goals are met
- ◇ You have better alternatives and can walk away

What to do when you're stuck

- ◇ Find something new or unexpected to trade
 - “Maybe we could look at some of the issues again.”
 - “Let's see what we can work out here.”
- ◇ Take a break, and gather more information
 - Are you talking to the right person?
 - Do you know enough about the other party's alternatives?
 - Have you thought carefully about what you bring to the table?

Putting it in writing

- ◇ A contract has four elements:
 - What you are receiving
 - What you are paying for what you are receiving
 - Who are the parties involved
 - The duration of the agreement

When you're stuck: Find something new to trade.

Gather more information: If you're having trouble closing the negotiation, you may need to gather more information.

Put it in writing

- What you are receiving
- What you are paying for what you are receiving
- Who the parties involved are
- The duration of the agreement



Putting it in writing: Not all negotiations need to be confirmed in writing. However, most of them do!

Four elements: Realize that what you “pay” is not necessarily money.

If possible, try to write the contract yourself (instead of the other party). That way, you get to put down your interpretation of the agreement and have the other party react to it, rather than vice versa.

Course review

1. Describe the difference between interest and position.

2. Which of the following is NOT an underlying interest?
 - a. Bigger salary
 - b. Tight deadline
 - c. Unrealistic sales target
 - d. Need for security
3. Name the five steps of the negotiating roadmap (ABCDE).

4. List three ways to pause your hot buttons.

5. Which of the following is NOT part of the assertion skill toolbox?
 - a. Acknowledge
 - b. Concession
 - c. "I" statements
 - d. Repetition
 - e. Validation
6. Normative leverage is offering something you could provide in exchange for something you need
 - a. True
 - b. False

1. Positions are the "what" of negotiations; interests are the "why"
2. a. Bigger salary
3. Acknowledge mutual needs, be silent, concede on small things, deflect "dirty" tactics, end the negotiation
4. Say, "Wait a minute; I have to take that in." Take notes, and write slowly. Excuse yourself, and go to the bathroom. Say you have to check with someone else. Ask for a night (or other specified time) to think it over.
5. b. Concession
6. b. False. Normative leverage is a way you could appeal to the other side's emotion or their perception of fairness or morality

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