

Preparation in negotiations—as in other areas of life—is a critical success factor. Despite this, many hide this issue under the carpet. The reasons for this are varied, ranging from “having no time” to “I’ve never done it” to “I know from experience what my negotiating partners want me to do and expect.” But when you know too few facts and when you do not think enough about your own goals and those of your counterpart’s, you proceed on the basis and improvise within the framework of the discussion, which is something that will only lead to more or less than adequate results.

Preparation in negotiations is known as the A and O, meaning it is the most essential ingredient. Through adequate preparation you will not be random in your approach but instead will be very specific and as a result you will be much more successful and achieve better results.

Negotiation is like sport: Every success is based on training and appropriate preparation. This takes time and effort to achieve but ultimately you will be rewarded with better results and improve your skills. *Benjamin Franklin*, one of the founding fathers of the United States of America, summed it up as follows: “By failing to prepare, you are preparing to fail”. Thus how you cut it in negotiations is mainly determined by how prepared you are. The importance of adequate preparation for negotiation success is also highlighted by *Carsten Cramer*, Director of Marketing, Sales and Business Development and Managing Director of several subsidiaries of Borussia Dortmund GmbH & Co. He emphasizes that for important discussions, negotiations and meetings he always prepares through intensive research on his interlocutor and their company beforehand. He asks himself again and again the question of what benefits is he able to derive from the context of a negotiation.

In a skilful preparation you look to the future and create a realistic scenario of a potential meeting. The more energy you put into preparing it, the more confident

and relaxed you will be when performing at the discussion itself. In order to do this in the future before *any* negotiations, ask yourself the questions in the following checklist and answer them systematically, being as detailed and specific as possible:

1. What are your goals?
 - a. What are your objectives regarding the content and on a personal level?
 - b. What is the minimum that you want to achieve?
 - c. What is your maximum target?
 - d. Are your goals SMART, i.e. specific, measurable, ambitious, realistic, time-bound?
 - e. What is your best alternative to a negotiated agreement (BATNA)?
 - f. What is your opening bid?
2. Where does your negotiating partner stand?
 - a. What do you know about your negotiating partner (name, position, hobbies, preferences, character, etc.)?
 - b. What do you know, where appropriate, of the background of those you are dealing with (for example, of a company: its size, revenue, business development, history, objectives, market position, image, philosophy, customer structure, etc.)?
 - c. Who is involved in the decision-making process?
 - d. What interests and needs does your negotiator have?
 - e. How much information does the opposite side have of the matter?
 - f. Are there common interests?
 - g. How in your opinion will negotiators probably represent their arguments?
 - h. What does he want to achieve or avoid?
 - i. What is needed so that the other side sees the discussion as a success?
3. What conversation strategy and tactics are you pursuing?
 - a. How do you proceed?
 - b. How do you structure the negotiation?
 - c. What information do you want to ask for?
 - d. What core and additional benefits do you offer?
 - e. What are the main points of a negotiated package?
 - f. At what point are you willing to offer concessions?
 - g. What concessions can you expect from the other side?
 - h. What objections could the negotiators put forward? How can you tackle them convincingly?
4. What organizationing measures have been taken?
 - a. Will you discuss by telephone, in writing or in person?
 - b. Where will you meet?
 - c. How do you create an ideal atmosphere for discussion?
 - d. Are you alone or do you negotiate in a team?
 - e. Who will take which role in the team?
 - f. Is there a time frame?
5. How are you personally prepared and adjusted?
 - a. How confident do you feel when negotiating?
 - b. How can you reduce the stress of negotiation?

2.1 Without Goals It Does Not Work

To prepare effectively for a negotiation first establish a definition of objectives, because strategy is dependent on the desired objective.

The outstanding importance of defining goals in preparation is emphasized by the sociologist *Nicola Harder*, who has successfully worked as a consultant for communication and facilitation for more than 10 years. She is convinced that the definition of appropriate objectives is the foundation stone of a successful negotiation. Even the French humanist *Michel Eyquem de Montaigne* (1533–1592) said: “No wind favors he who has no destined port.”

What do you do specifically in the context of the target definition? It is not always easy to achieve clarity about the goals that you pursue. In practice it is often the case that many negotiators set a main goal and aim solely towards that. It is usually forgotten that there are other goals and alternatives to negotiation which are also worthwhile pursuing. The more options you keep open, the more likely it is that there will be a successful conclusion to the negotiations. In order to reach a wide range of objectives and alternatives, use creativity techniques such as brainstorming or brain writing, mind mapping or Synectics.

Take your goals into account while also taking those of the others into consideration. Think about what interests your counterpart will have in these matters. You should not focus solely on achieving your own goals, but should keep the optimum solution for both parties in mind.

Once you have your goals set out deliberately, they should be formulated clearly and precisely and so avoid blurry target descriptions such as the following: “cheap as possible purchase price”, “early delivery of spare parts”, “large cost-sharing.” All targets must be well formulated and understandable. The criteria for clear goal formulations are provided by the model that goes under the name of *SMART*. In this model, the individual letters stand for properties that constitute the ingredients for a clear formulation of objectives:

- **S** = specific (the aim is clear): The objective must be clear and unambiguous. In this case, you should be careful to avoid common, relocatable terms like “fast”, “comprising”, etc. Objectives are best that describe clear requirements for the final state—as if these goals have already been achieved.
- **M** = measurable (degree of target achievement is measured): Each goal must be clearly defined so that you can objectively determine if and when you have achieved them. Therefore assign all your goals with assessable values.
- **A** = ambitious and attractive (the goal is desirable): Your goal must be attractive to you, so that it motivates you. If the target of negotiations is too simple to reach it is not motivating. Only targets that are realistic, but at the same time not too easy to achieve, are attractive targets.
- **R** = realistic (the goal is reachable): Your goals must be realistic and achievable in the transaction. If you set goals that are illusory, they will demotivate you because you are doomed to failure.
- **T** = time-bound (the goal must be reached within a given period): Each target has a defined completion date.

The model of SMART goals supports the negotiators effectively in the formulation of a clear, realistic and ambitious objective.

Next make yourself a list of all the points that you can negotiate and want in order to achieve your goals, for example, price, payment terms, discounts, warranty, etc.

After this, for each individual aspect of the negotiation which you have defined, assign three different target categories:

- Your *best* result (*nice-to-have, ideal goal*): This describes the optimistic version of your target definition, but which still needs to be achievable.
- Your *realistic* result (*Want-to-have, core target*): This target category describes what you want to accomplish.
- Your *stop line* (*must-have, retreat destination*): This is the absolute minimum target. You must achieve this goal. Anything below this line would lead to a termination of the negotiations.

In practice, defining these different target categories has proven successful because they give you at the outset a certain bandwidth and encourage you to think about everything you *would* like instead of just what you really *need*. In this way you give your actions not only a direction, but you also automatically put yourself in a position to negotiate more ambitiously.

Use the following questions as part of a goal-setting checklist:

1. What are your personal motives for this meeting (tangible assets/a hunch)?
2. What are your goals at the meeting (SMART goals)?
3. What are your interests in the meeting?
4. What are the motives and interests of your negotiator?
5. What are the potential conflicts you see?
6. What possible agreements do you see?
7. What topics do you want to address?
8. What do you consider to be a solution?

Dr. Arne Wieben, a former prosecutor and now senior director of government, highlights the vital importance of goals as part of any negotiation: you can only be convincing in negotiations if you establish your goals early and are clear about what your positions are. The skill, according to *Dr. Wieben* who has led several international negotiations as a lieutenant colonel, typically in Afghanistan, and who has trained Afghan security forces, is to hear the arguments of the parties involved and their goals so as to accept, incorporate and find a compromise which sees them keep to their own targets as much as possible.

To determine the objectives in negotiations is therefore of great importance for the success of those negotiations, because through the intense preparation of your goals, thoughtfully anticipating the reactions of your counterpart and establishing minimum targets helps you identify very concrete solutions.

2.2 Where Does the Other Stand?

Professor Bert Rürup, advisor to several Federal governments, the German parliament, the EU and various foreign governments, before each interview and after considering the role of the various participants would carefully consider how he would argue as if he was in the role of the opponent. Only in this way it seen to be possible to estimate the available room for compromise.

Just as you should analyze your own interests in as detailed a way as possible, you should also think about what interests your fellow negotiator has. You do not need to convince your negotiating partners of the goals *you* are striving for. Instead it is important that your opposite numbers recognize where the benefits lie for them in the objectives of the negotiation. So put yourself in the situation of your negotiating partners and think about where the goals are and how their needs can be met by achieving your own goals. Try to anticipate all relevant interests behind the positions held in order to be well prepared for the actual meeting. In this way you have the option of taking their respective interests into account—and thus also those of the people themselves—and bringing about a balance of interests in the transaction. As stated in the notes regarding the Harvard concept, in this way you can also identify interests of the negotiating partner which he has not recognized himself. If you bring this up at a suitable point in the transaction this can lead to an expansion of perspectives. In such a case several solutions become visible and an acceptable one for both sides is more likely to be found.

Basically interests can be localized in negotiations at different levels. Besides the obvious one of the *tangible level* which is often the only one placed in the foreground, the *relationship level* is also crucial. Just by remembering this fact in the context of preparation for the negotiation you can plan the conversation more effectively!

In negotiations always disconnect the person from the matter. Negotiate effectively and appropriately by formulating the problem and include the negotiating partners in the problem-solving process, rather than criticizing him as a person.

The factual level keeps the question of demands at the center: What do you require from the negotiation? For example, the main interest may be in achieving the best price. The same kinds of interest were shown to be at work in the example regarding the orange and how to obtain the right result with regards to a share of it.

An equally important role, if not *the* decisive one, is the one played by the relationship level in negotiations. In every meeting people have feelings and different needs, such as the need for recognition. A relationship between the parties is also important because most negotiations are not just done once. In this sense the knowledge gained is something that you can use again if you are likely to encounter each other more often, something which according to *Professor Rürup* is a basis for success in negotiation. In the spirit of the Harvard concept, it is essential, therefore,

to conduct all negotiations so that future negotiations and relations are promoted and not negatively affected.

Consequently you must always be aware of the role of interests when analyzing your negotiating partner, as no one ever negotiates merely on the basis of rationality but such discussions are always influenced by emotions. In this regard, the so-called “*iceberg model of communication*” put forward by psychologist *Paul Watzlawick*, is of great importance: The characteristic feature of the iceberg is that only a small portion is located above the water surface and thus is visible, while the largest part of the iceberg is below the water surface and thus is invisible. So it is with communication. A small portion is visible: namely that which you see, hear, read or otherwise can understand—i.e., what is said during negotiations, offers, information, figures, data and facts. In discussions, motives and interest are closely linked to emotion—the invisible element, which is the largest part of communication in any relationship, and takes the form of your likes and dislikes, joy and anger, surprise and annoyance, satisfaction and aggression. If negotiations are bogged down or even fail, then this may be partly due to irreconcilable differences on the tangible level. For the most part, however, disturbances at the relationship level are to blame.

Therefore you should also be prepared to keep a cool head in difficult situations and not to react emotionally and without thinking. In this regard you need to assume that the interests of the other side do not immediately come to the table, but are often well hidden behind corresponding positions. But here is your chance: With the help of sophisticated questioning techniques and listening skills you will be able to find out the actual interests of your negotiating partner (more on this in Chap. 5). Their interests and needs are hidden like a large part of the iceberg below the surface. In fact you only see the 20 % that corresponds to the position of your negotiating partner, and so you need to bring to light the hidden 80 %.

Stefan Dräger, Chairman of *Drägerwerk Verwaltungs-AG*, one of the leading companies in medical, security and diving technology, considers that by admitting the other perspective of negotiation partners and understanding the interests behind the each represented bargaining position, one establishes a basis for successful negotiations. In this regard, you should always ask yourself what true interests are pursued by your interlocutor. To *Dräger*, who in 2011 was awarded the title of “Strategist of the Year” and in 2012 the title “Entrepreneur of the Year”, what is important is always to be clear, unambiguous and to communicate to the target audience.

When you deal with your negotiation partners ask yourself the following questions:

- What is the attitude of your negotiating partner to you and possibly your company?
- What are the goals of your negotiating partner? What are the “best alternatives” or BATNAs?
- How dependent is the opposite side on the goal to be achieved?
- What deadlines are the other side bound to?

- Which opposing arguments are particularly strong and how do you want to handle these?
- What objections do you expect?
- Were concessions made in previous negotiations and if so for what reasons?
- What needs does the other side have, and are these consistent with the position that is represented at the meeting?
- Are the negotiating parties authorized to make statements, and if not, why not?
- Who is the decision maker?

Gather as much information as early as possible about your fellow negotiators, about the company and its decision makers. From 2010 *Dr. Dietmar Otti* was managing director for marketing of Axel Springer Media Impact, the central marketing unit of Axel Springer AG, and he has held other outstanding positions, including General Manager and Managing Director of various companies. His experience has shown him that it is crucial to learn what latitude is available and he sees the right amount of preparation and calmness as critical because it helps give one increased confidence in one's own strengths. In situations where a quick decision is required, one should strictly separate the emotional from the factual level.

Tips for Success

- Help yourself to all the sources that are available to you: Ask employees, colleagues, friends and acquaintances who have had anything to do with this company or this person.
- Check to see if you have access to people from your negotiation partner's area.
- Collect all the information that is already published, for example in magazines, newspapers or books.
- Use the Internet as an information source: Google the name, company and products, and see if there is information in forums, on evaluation platforms or online networks about your negotiation topic.

Many negotiations fail not due to a lack of negotiation skills or a lack of proposed solutions, but because of the resistance of key players in the negotiation environment.

People with an influence on the achievement of a negotiated solution are referred to as *stakeholders* or *stakeholder*. These are people for whom a negotiated result is of great importance because it protects against solutions from being blocked or prevented.

Therefore, *all* stakeholders with their respective interests, objectives and concerns are relevant in determining control over the success of a negotiation.

Name	Impact on result	Interest in solution	Stakeholder Type	Influence as	Measures to integrate
Mrs A.F.	9	8	Executive or Decision-Maker	Commercial Decision-Maker	Invite to Trade Fair
Mr. P.S.	6	1	Blocker or Supporter	Technical Assessor	Send Product Certificates
Dr. P.D.	4	8	Follower	User	State User References
Mrs Z.A.	6	9	Executive or Decision-Maker	Legal Approver	Send Product Certificates
Dr. T.J.	3	8	Blocker or Supporter	Multiplier	State User References

Fig. 2.1 Example of stakeholder management. *Source:* Based on Wilkening (2010)

Interest groups may include owners, managers, employees, unions, investors or even the state.

Against this background, it is important that you get an overview of all stakeholders before the meeting. The aim of so-called *stakeholder management* is that in the preparation phase the interests and needs of all stakeholders are already assessed to ensure a high level of agreement concerning the negotiating objectives.

To take part in stakeholder management, you should proceed as follows:

- Identify all key stakeholders with a direct or indirect impact on the negotiation process and the possible outcome.
- Make a list of stakeholders.
- Analyze the interests of the parties: What are their likely interests and the importance these might have for the discussion?
- Develop measures for acting individually with each stakeholder. As shown above, you should consider in this context, what stakeholder needs can be satisfied by achieving your goals. In this way you can remove obstacles and establish support.

The following figure provides an example of stakeholder management (see Fig. 2.1).

- After you have made the list of key stakeholders, the question arises as to what interests and influence the parties have on the proceedings: Determine who has a big rather than a small influence vested in a particular solution. In this way for each interest group you define how big their influence is and the extent of their motivation in finding a possible solution.
- Arrange the various stakeholders into one of the four quadrants in Fig. 2.2.

The stakeholder matrix provides a system of directly derived measures for individual stakeholders. Its principal aim is always to make use of overlooked possibilities, to curb unconsidered risks and so make a lasting impact on the outcome of negotiations.

In complex negotiations emphasize systematic and structured stakeholder management to identify all possible solutions for anticipating such risks and thus for negotiating successfully.

Such a procedure is indeed complex, but it has been proven in practice, and in complex negotiations with multiple stakeholders, to be immensely helpful: *Professor Bert Rürup*, who in the past acted as Chairman of the German Council of

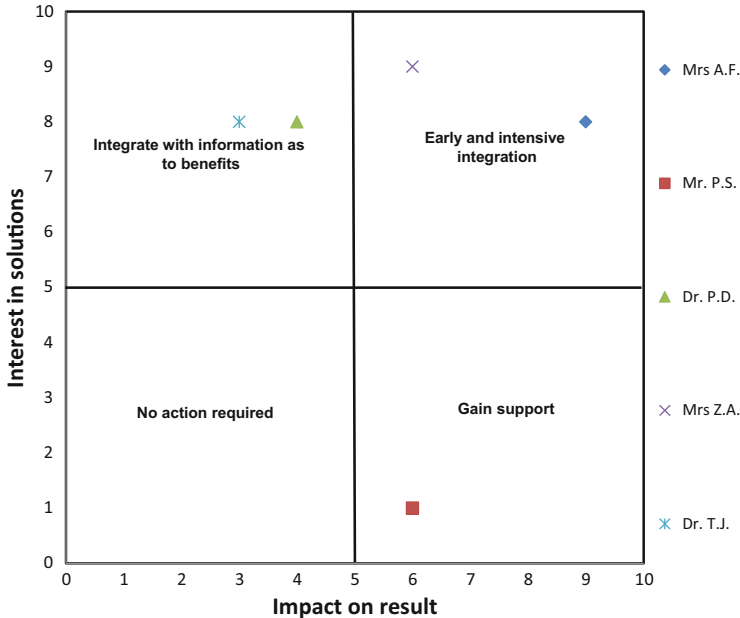


Fig. 2.2 Example of a stakeholder matrix. *Source:* Based on Wilkening (2010)

Economic Experts, is still often used as an arbitrator in industrial disputes. In this role he runs an effective and systematic form of stakeholder management, and advises putting yourself in the position of all stakeholders and considering their different viewpoints.

Successful negotiators always take the negotiations from the point of view of their negotiating partners into account: The manager and journalist *Christoph Keese* prepares for important discussions and events by a prior study of meticulously prepared files. After his work as chief editor of the “Financial Times Germany”, the “Welt am Sonntag” and “World Online” Group, Keese became Managing Director of Public Affairs at Axel Springer AG. For him of central importance in this context is adequate preparation for entering into discussions with negotiating partners. In the conversation itself, the consideration of one’s own position takes its place alongside understanding the perspective of the other party. The more you listen, the easier you will find the point at which a bilateral agreement to your advantage is possible.

Do not try to win the discussion and work solely with your own arguments. Instead always ask yourself what your negotiating partner wants and show him the path to meeting those needs. Help him to satisfy his needs and solve these problems.

In the context of negotiations, what emotions and needs now play a central role? The authors *Roger Fisher* and *Daniel Shapiro* have dealt extensively with this topic in their book “*Beyond Reason*”. Here the two Harvard scientists analyze the role of emotions in negotiations and identify five basic needs as drivers of human action. If these basic needs are not met, then it automatically causes negative emotions, which in turn lead to the parties no longer responding rationally but emotionally and also mainly unconsciously. These five basic needs are:

- *Desire for esteem*
Every man wants to gain recognition for what he is doing. Respect from others increases self-esteem.
- *Desire to be part*
Comparable to the desire for esteem is the basic need and desire to be part of the whole. Exclusion from human experience is painful. Just belonging to a group is an important motive that all people pursue—consciously or unconsciously.
- *Desire for autonomy*
The third basic need is the need for independence. As humans, we want to be allowed to make our own decisions. We are limited in our autonomy when others take decisions over our heads by not consulting us.
- *Desire for recognition of status*
The fourth reason is the need for recognition of one’s status. We live in societies which are hierarchically structured and so people feel hurt when their status is not met with enough recognition.
- *Desire for recognition of roles*
The last reason is the need for recognition of the different roles one holds, for example, the role of dutiful employee, customer-oriented service or attentive partner.

Example

Imagine one of your employees asks you for a salary increase of 10 %. Now it is up to you to analyze the motives behind this position taken by your employee. Mentally put yourself in the same situation as your employee. Has he possibly been passed over for a promotion? Does he have too little responsibility? Does he need extra money because he just moved, for example? Each of these motivations can satisfy him in different ways. The needs of employees, for example, include more money for the health of his children, offering an in-house insurance that can satisfy his motivation just as much as a raise. If your employee asks for a raise because he sees this as recognition for his work, then visible signs of recognition such as an office or a company car would under certain circumstances be more appropriate. Perhaps the employee is also seeking a raise in terms of being shown confidence in him personally. This trust can also be shown in him by giving him more responsibility, thus giving him the opportunity for self-realization within the company. You can see that the same starting position presents different reactions depending on the interests behind the position-related motivations.

With optimal preparation, careful observation and skillful questioning before and during the meeting, these needs and motivations can be determined.

Analyze and consider the motivations and interests behind the positions of your negotiating partner and in that way you will move from an absolute position to a mutually beneficial form of negotiation.

2.3 The Personal Style: Recognize Yourself and Others

When negotiating many make the mistake of assuming that their opposite number has the same or at least very similar behavior patterns and motivations, which reflect what they know of themselves. If you want to successfully negotiate, you have to make sure that your argument—as indicated—is aligned with that of your negotiating partner. This requires that you understand your negotiating partner and their needs, motivations and interests and thus empathize with their situation.

One excellent way to better understand yourself and your negotiating partner is a so-called *personality profile analysis*, often called a *personality test*.

It is important to emphasize that such analyzes are not tests in the strict sense, because that would imply that a particular behavior is either good or bad, right or wrong. But this is not so: It depends on the situation and on the context whether a particular quality proves to be conducive or obstructive. You should also keep in mind that any defined types can be only rough simplifications of a person. Man is a complex being, so much so that it is not possible to force him to act according to a formula and so predict his behavior. There is always the danger that you rely too much on assessing the customer and do not act authentically to fulfill his emotional or rational expectations. Nevertheless, personality analysis is a highly recommended tool for supporting your own personal development and as an incentive for all for dealing with the various forms of human behavior it is possible to encounter in negotiations and how to adapt to them. To know yourself does not simply mean to look inside yourself. For an excellent negotiator it means being able to assess the effect of their own self on others. These skills are important for an effective negotiation with a lasting influence.

Of the variety of systems that categorize your personality type and your effect on people the best known is the *Myers-Briggs Type Indicator (MBTI)*. The MBTI provides a number of specific type characterizations and is the world's most widely used model. Using sophisticated testing methods it allows you to determine which type you belong to.

The founder of analytical psychology, *Carl Gustav Jung* (1885–1961), noted in his daily work with patients that the way some people dealt with the world was simply different from his own. He recorded his observations of patients and their characteristics, renamed them and so began to assess the different temperaments he identified as part of his work. Fundamental to the emergent model is the division of

an assessment of temperament into four functions—thinking/feeling/sense/intuition—and the association of each with those who are introverted/extroverted or rational/irrational. This results in eight dimensions and the MBTI notation thus creates the dimensions I/E, N/S, F/T, J/P, by which it denotes functions which can then be used to identify the dominant direction of one's personality:

- *I/E—Introversion/Extroversion*

This describes the motivation for sensory experience. This distinction is far more common. An outward-oriented person is sociable and willing to act, while an inner-oriented person is more concentrated. One speaks in this context of the width (e) and the depth (I) of their respective sensory experience.

- *N/S—Intuition/Sense*

This describes the processing of sensory impressions and whose mind most strongly weighs up immediate sensory impressions, whereby an intuitive mind relies more on a “sixth sense”, or promptings and conjecture. The sensory mind is more articulate and detail-oriented in the exact processing of concrete information as well as in assessing reality. In contrast, the intuitive mind is much more sensitive to the whole and is skilful at recognizing regularities, relations and opportunities.

- *F/T—Feeling/Thinking*

This describes how decisions are made. The thinker (Thinking) considers the information available to it from a rational point of view and tries to reach objective findings and decisions by means of logic. Because he loves clarity, he categorizes these sensations very strongly. The act of sensing (feeling) is at the center of his emotions. He thus judges according to his subjective feelings, mainly taking into account values, ideals or interpersonal aspects.

- *J/P—Judging/Perceiving*

This describes the certainty with which one makes decisions and then sticks to them. Either one is more open to new experiences which is reflected in being able to change decisions and plans in view of new information. This means, though, that one is spontaneous and flexible and can adapt to irregular circumstances (Perceiving). In contrast, the determination of being judgmental (Judging) means that the mind is made up and decided before all the information is available, and prevents any further consideration once the decisions are taken and chosen. Sometimes even under adverse circumstances this resolve remains fixed. This type prefers to be systematic and work to plans. If necessary, those plans are customized, but these types are reluctant to ever completely discard them. The judgment type also has a greater tendency to dominate and take control in negotiation situations. He shows less spontaneity in action, but in return for more discipline and consistency.

Theoretically what results is a combination of 16 personality types. However, as this quickly becomes confusing, it is advisable to focus on the so-called core types. These result from the combination of the characteristics of the two central dimensions, Intuition/Sensing (I/S) and Feeling/Thinking (F/T), resulting in: SF, ST, IF, and IT. These dimensions describe how a person receives information and

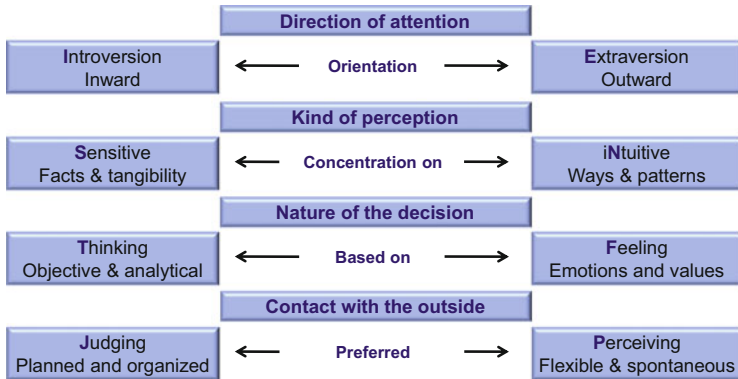


Fig. 2.3 The Myers-Briggs Type Indicator (MBTI)

then makes decisions. An overview of the categories are given in the following diagram (see Fig. 2.3).

There are many sites available on the Internet where you can perform such a personality test free of charge. Although it is highly recommended that you personally complete such a test, you can of course not have everyone with whom you are negotiating undergo such a test. But you should in the future consider which type your negotiation partners are so you can better assess the influence of their character on their actions and their goals. This will depend on the following considerations:

- How is the person influenced by the way he thinks and behaves?
- How do they think and act under the same conditions?
- What you need to do to make your interaction successful?

Using the so-called *style compass* can be a quick and easy way to assess how you can best influence a person. Think of a person who you want to influence, and try to find their features in the compass, as exemplified in Fig. 2.4.

The application of the MBTI and the style compass will be briefly illustrated by an example below.

Example

Imagine you are negotiating with a potential customer. Each negotiator has his own style which you should be aware of. Excellence as a negotiator depends on the ability to assess the implications of the personality type of your negotiating partner:

- *Your negotiation partner is ST*

This type is resistant to high-flying ideas and concepts that are not specific to him. Make sure to aim for completeness in your explanations, answers, presentations and reports, because your opposite number is interested in

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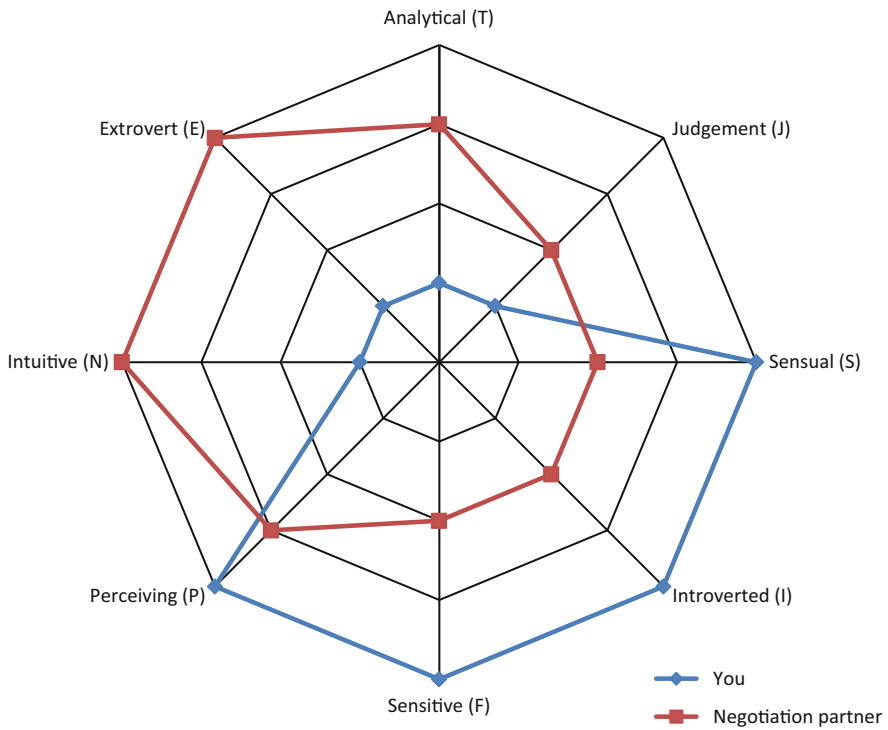


Fig. 2.4 The style compass

details. When selling you emphasize such aspects as being “realistic”, “possible”, and “reasonable”. Your arguments are questioned by your negotiating partner as he usually tends to quantify information. This type is open to rational arguments and prefers a quiet and thoughtful approach. He values sober negotiations and an analytical style. In negotiations he always keeps the logic of his models in the foreground and proceeds in a strictly methodical manner.

- *Your negotiation partner is EF*

It is also possible in the SF types for feasibility and experience to play a major role. SF negotiators are interested in harmony, and avoid anything that may appear to be a dynamic approach to you, but which he would consider confrontational. Their arguments are therefore primarily based on emotion.

- *Your negotiation partner is NT*

This type does not cope well with too many details, in contrast to the ST negotiator. Instead they are satisfied by the bigger picture. He feels the

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need to keep track of events, and so if you want to achieve something you need to show how certain processes are checked. Prove your competence and show confirmations of this. In your arguments you should stress logical links and use phrases such as “intelligent solution”, “logical conclusion” and “new approach”.

- *Your negotiation partner is NF*

For the NF type range you have to make sure you focus on the essentials in your presentation. Demonstrate the importance of relationships to your counterpart. An NF-negotiation partner is enthusiastic for new ideas and innovation and appreciates creative solutions and will actively deal with new proposals. They can be less impressed by constraints and so are open to considering new approaches. This type has difficulty with routine tasks and standard solutions, and decisions are thus often based on gut instinct. To succeed you will have to sell new ideas and requirements as challenges. Since for this type harmony is very important, they argue at their best by recognizing common features.

Although such typing of negotiating partners—as already pointed out above—is an oversimplification, you should keep the MBTI and the style compass as two powerful tools in hand: they will help you find a structured means of organization and allow the preferred method of dealing with each negotiating partner to be more quickly assessed so you can align your approach to the properly targeted group orientation.

Use the Myers-Briggs Type Indicator (MBTI) together with the style compass as a guide for setting the stage for negotiations, and to help you appropriately tailor individual arguments to the relevant stakeholders and also respond effectively to possible obstacles.

2.4 Create the Perfect Atmosphere

Successful negotiators consider the perfect setting for a meeting to be an extremely important factor: “the better the mood, the better the agreement,” says an old principle of negotiation. Make sure that your negotiating partner feels comfortable. The more pleasant the atmosphere is for talks, the better the mood of the interlocutor and thus the better the prospect of positive results.

The following conditions can have a positive influence (if any):

- the venue
- the hearing and the length of meeting
- the composition of the participants
- the agenda

Influence of ambient/space design Regarding the location of the meeting, this may be in your negotiation partner's office, in your office or at a "neutral site". Your partner will feel most comfortable talking to you in his own office and here he enjoys a psychological "home advantage". But the reverse is of course equally true for if you invite your negotiating partner it means that he has to move out of his familiar environment into a foreign territory where he will not feel so naturally at home. But you can do a lot to reduce this effect:

- Always make sure that your conversation is not interrupted by phone calls or other interruptions. Set your phone to off. Although this might sound obvious it is an act of courtesy that is all too often ignored. During a hearing if you read a text message or take a phone call it is just the same as disregarding your negotiating partner. This is also emphasized by the experienced, professional negotiator *Heinz Schelwat*, who is president of Sea & Sun Technology GmbH, a worldwide operator in marine, energy and environmental technology: For him, at each meeting, a top manager will know that the conversation partner is worthy of his full attention, which means that the phone is always off.
- Sit down around a conference table, if your office has such an option, as this will symbolically afford the other party a kind of equality. If, on the other hand, you stay sitting at your desk and offer the other a visitor's chair, he will consciously or unconsciously perceive this as a downgrading of his status. Make sure that you sit at the same seat height as your negotiating partner. Avoid the option of using a separate meeting room.
- If you choose a separate meeting room in your home for the meeting, this should be sufficiently bright, with comfortable seating and space for materials, drinks etc. Make sure that the seats are all equally comfortable and nobody feels at a disadvantage. If there are just two of you at the meeting then sit so that your negotiating partner is to the right or left of you in a corner. Do not sit directly opposite as this could be seen as unconsciously confrontational. You should thus be facing each other diagonally, as this creates a favorable position. It is important that at the hearing you are near to your closest confidants, so, for example, your assistant should be seated close by so that you can exchange notes, accounts or documents as required. Prearrange signals that can be detected quickly. Finally, the seats should be aligned so that no one is obstructed and everyone has a clear view of flip charts and similar forms of presentation. Furthermore, it is conceivable that your negotiating partner may wish to withdraw for a short internal consultation. A second meeting room should therefore be close by.

Appointment and duration Set the date for the meeting in such a way that all parties are free of any external pressure regarding time. A good way is for all parties to offer two or three dates to choose from, and then select the one that is most ideal for the negotiators (and especially for the most important one). The quality of the meeting is always at risk when a person is under time pressure.

Setting the appointment is not enough as the duration of the meeting also deserves attention. As part of the written invitation you should specify the start and end time of the meeting, and possibly offer an agenda. Especially in complicated negotiations you should also allow sufficient time for breaks. So plan time for a group breakfast, lunch or similar. In a pleasant and polite atmosphere you can more openly address any problems which would otherwise be difficult to resolve in a poor negotiating atmosphere. In a casual setting you will get to know and appreciate your negotiating partner better.

Composition of the participants During the selection of the participants you should invite the decision makers before everyone else. Note that you can already control the negotiation through the invitation. If you invite your boss to be a negotiating partner this can be quite advantageous. On the other hand, the hearing may also fail if you do not invite someone specific: Some leaders are very sensitive when they feel they have been ignored. Therefore, answer the following questions:

- Who decides?
- Who can take binding decisions?
- To what extent is the decision dependent on . . . ?

The agenda As mentioned above, you should list the planned agenda in the invitation. Ideally for each agenda item assign an immediate time-frame. Check in advance with your negotiation partner if there is a specific point that they wish to address. Make a point of telling your negotiating partner that you are open to changes and supplementary suggestions. Ask a few days before the trial date if your negotiators have addenda and amendments for the agenda. Take this opportunity to see if everything else is in order or if there are any open questions. Finally, you should already make sure in advance of the negotiations that during the meeting a protocol is prepared that summarizes the results of each agenda item.

Invest enough time to create an ideal atmosphere through adequate preparation of the setting's environment (venue, hearing, trial duration, composition of participants and agenda) in order to positively influence the meeting.

Tips for Success

- Select the location, space and seating wisely.
- Choose a time/space that is convenient for both sides.
- Be consistent when it comes to attracting the right people to the negotiating table.
- Always avoid spontaneous negotiations without adequate preparation.
- Create a compelling agenda and agree upon this before starting.

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- In the agenda refer not only to your own needs but those of your negotiating partner.
- Make sure that the agenda is followed and that a record of the results is made available.

Conclusion

In a Nutshell

- Preparation in negotiations is called the A and O, the most essential ingredient. Through adequate preparation, you avoid being random. By being very specific you will be successful and achieve better results.
- The model of SMART goals supports negotiators effectively by formulating clear, realistic and ambitious objectives. Make sure that your goals are always SMART: specific, measurable, ambitious, realistic and time-bound.
- For each negotiation define three different targets: Your best results (Nice-to-have, ideal goal), your realistic result (Want-to-have, core target) and your stop line (must-have, retreat destination).
- In negotiations always disconnect the person from the matter in hand. Negotiate effectively and appropriately by formulating the problem and include the negotiating partners in the problem-solving rather than criticizing them personally.
- Gather as much information as early as possible about your negotiating partner, the company and the decision-makers involved.
- Designate people who are influenced by the negotiated settlement agreement as interested groups or stakeholders. These are people for whom the negotiated result is of great importance because they can have an impact on the negotiations by confirming, blocking or preventing them.
- In complex negotiations emphasize systematic and structured stakeholder management to identify all possible solutions to anticipate risks and thus to negotiate successfully.
- Do not try to win the hearing, or only work with your own arguments, but always ask yourself what your negotiating partner wants and show him the way to meet those needs. Help them satisfy his needs and solve his problems.
- Analyze and consider the motives and interests behind the positions of your negotiating partner so as to move away from a fixed position and be open to a mutually beneficial meeting.
- Use the Myers-Briggs Type Indicator (MBTI) together with the style compass as a guide to set the stage for negotiations, so that you can

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individually and appropriately tailor arguments to the relevant stakeholders and respond effectively to possible objections.

- Invest enough time to create an ideal atmosphere by preparing the main setting (venue, hearing, meeting duration, composition of participants and agenda), in order to positively influence the process of the session.



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