

Skills 360 – Negotiations 1: Doing your Groundwork

Discussion Questions

1. In your job, what do you have to negotiate?
2. How do you usually prepare for a negotiation?
3. What do you think are the keys to successful negotiation?

Vocabulary

Negotiable: if something is negotiable, it can be changed through discussion before reaching an agreement; "The delivery date is negotiable because we don't need the products immediately."

Groundwork: to prepare, or research; "Before interviewing for a new job, it's important to do your groundwork."

To overstate: to describe something as bigger or better than it really is; "It's never a good idea to overstate your skills in an interview."

To head into: to enter a place or begin discussions; "Mr. Klassen is heading into a meeting. Can I take a message for him?"

Party: the people or company on one side of a debate or negotiation; "Both parties were disappointed with the judge's decision in the case because they felt it was a poor compromise."

Analytical: if someone is analytical, they use rational thought and examination to consider ideas; "Being an accountant in an advisory role requires strong analytical skills."

Emotional: if someone is emotional, they use feelings or instinct to consider ideas and make decisions; "Janelle is too emotional to be a good manager."

Passive: if someone is passive, they accept things without trying to change or control them; "Charlene was so passive that she never complained about the uncomfortable work situation."

To tailor: to design something for a very specific set of needs or situation; "Our design team can tailor the website to your company's needs."

To open: to begin speaking, often for a presentation or speech; "Every week, the sales manager opens the meeting with a bad joke."

Rational: based on logic rather than emotion; "A rational person would not make such a dangerous decision."

To put someone off: to make someone dislike something; "The smell of the blue cheese put off most of the customers in the restaurant."

To come down to: "come down to" is used to describe the most important thing to think about in a problem or situation; "For most shoppers, everything comes down to price."

To craft: to create, especially with care or skill; "Please ask the new administrative assistant to craft a letter of apology to the client."

Consensus: an agreement reached by all the members of a group; "If we can reach a consensus about the timeline, I will email everyone the plan."

Top dog: the most important or powerful person in a group or company; "After six years as the top dog in Greenwich Consulting, I've decided to leave the company."

To sway: to convince or persuade someone to agree with you; "It will be very difficult to sway the client that we are correct."

To sign off: to give authorization for something, often a project or a financial investment; "Once management signs off on the new schedule, it will be posted for all the staff."

To do one's homework: to gather all the background information on a person, company or situation; to prepare; "Brenda, it's clear you've really done your homework. You've covered every question I had."

Inside information: information that is generally only known by people within a company or situation; "Oscar has hired someone who worked for the competition because he hopes to get some inside information."

To play around with something: to try and change something; "Even after playing around with the numbers, I can't get the quote under \$8,000."

Time-sensitive: if something is time-sensitive, it must be completed quickly or by a firm deadline; "This package is time sensitive, so please send it out by the end of the week."

Immensely: very much or a lot; "We are immensely thankful to the department head for all his work."

Position: in a negotiation, a position is the basic set of ideas or benefits that a person or party wants to put forward or push for; "The union defended their position strongly but eventually had to settle for less than they wanted."

A deal breaker: in a negotiation, a deal breaker is something that must be in the deal or else the deal cannot happen; "The warranty extension is a deal breaker. I want the warranty doubled or the deal is off."

To settle for: to accept a situation or decision, though often unhappily; "Though most staff want a higher wage, they will settle for a basic wage with good benefits."

To compromise: to give up certain things you want in order to reach an agreement; "In the end, Frank compromised and agreed to give the staff three extra sick days a year."

Anxious: nervous or worried; "It's quite normal to feel anxious before an interview."

Power play: something which is intended to intimidate or force a person to do something; "Poor managers feel that constant power plays are necessary to control staff."

Subordinate: having less power or authority than another person; "Roger is unwilling to take any criticism from subordinate staff."

Transcript

Welcome back to the Skills 360 podcast. I'm your host Tim Simmons, and today we're going to explore the topic of negotiations.

Negotiation is something we all have to do on some level. You might be part of a team discussing a huge contract, or on the phone trying to get a good deal on office supplies, or in your manager's office asking for a raise. Negotiation happens every day. In fact, you might say that in business *everything* is [negotiable](#).

To kick off, we're going to look at what you do *before* you start negotiating. That's right, this is about doing your [groundwork](#). It's impossible to [overstate](#) the importance of being prepared, no matter what type of negotiation you're [headed into](#). The more you know and understand going in, the better deal you'll walk out with.

So where do you start? Well, good preparation begins with learning about the other [party](#). You want to understand their style, personality, and the way their groups work. And you also want to understand their negotiating style. What exactly do we mean by "style"? No, this isn't whether they dress conservatively or casually. This is about *how* they negotiate. Are they formal or informal? Are they [analytical](#) or [emotional](#)? Are they aggressive or [passive](#)? Knowing these things will help you [tailor](#) your response and approach. For example, if you walk into a negotiation and [open](#) with an informal and slightly aggressive approach, but the other party is accustomed to more formal and [rational](#) negotiations, you may [put them off](#).

Of course, a lot of negotiating style [comes down to](#) culture. Germans, Koreans, Russians, and Indians will all negotiate differently. So do a bit of research and find out how these groups typically approach a negotiation. This will reduce misunderstanding and help you [craft](#) your own approach.

Beyond style, you need to know how the other group operates. How do they make decisions? Are they aiming for group [consensus](#)? Or is there a [top dog](#) who you need to focus on [swaying](#) your way? Does the person in front of you have the authority to [sign off](#) on a deal? These are things you need to know. So [do your homework](#) and find out exactly what you'll be facing.

Great. Now you also need to understand the other party's position. That is, what exactly do they want and need? And what are they willing and unwilling to give up? To do this, you can try to get [inside information](#), analyze their business situation, and find out about previous deals. Why did they succeed or fail?

Everyone [heads into](#) a negotiation with a list of priorities. It might not be written down anywhere. It could just be a general idea like: we can't [play around](#) with price too much, but the timeline is less important. If you know this, you have power. You can also benefit from information about their options. If they can't make a deal with you, do they have others waiting? Or are you the only one who can give them what they need? How [time-sensitive](#) is a deal? Can they wait? Or is that simply not an option for them? Again, this type of information will help you [immensely](#) during the negotiation.

Understanding the other party's [position](#) is also necessary in order to figure out your own basic positions. And you shouldn't have one position in mind. In fact, you should have three. There's your dream deal, your expected deal, and your [deal breaker](#). Put another way: what do you really hope for, what can you be satisfied with, and what will you not [settle for](#)? Remember, your reach must exceed your grasp. In other words, aim for more than you think you're likely to get. But don't forget that you're probably going to have to [compromise](#) somewhere.

The final aspect of preparation I want to touch on is *mental* preparation. Be strong, not **anxious**. Think of the negotiation as a discussion between equals, not a boxing match in which there's a clear winner and loser. Making too strong of a **power play** or appearing too **subordinate** will hurt you. So relax and treat the negotiation as a problem to be solved with the other party.

In this way, negotiation is just like anything else in life. The more prepared you are, the more likely you are to succeed. So don't leave too much to chance. Get ready, and get negotiating.

That's all for today. I'll be back next week with some tips on what to do *during* the negotiation. We'll talk about control, concessions, and, yes, money.

If you'd like to test yourself on what we've just covered, have a look at the www.myBEonline.com website. There you'll find a quiz about today's show as well as a complete transcript.

So long. And see you again soon.

Review

1. What does good preparation begin with?
 - A deciding on your basic positions
 - B learning about the other party's way of negotiating
 - C understanding the other party's budget
 - D discussing negotiating strategies

2. According to Tim, why is it important to understand the other party's style?
 - A in order to know what to wear to the negotiation
 - B in order to know how to determine your position
 - C in order to anticipate their position
 - D in order to tailor your approach

3. Which of the following does Tim mention as things you should know about the other party? (Select all that apply.)
 - A their position
 - B their cultural mode of negotiation
 - C their personal habits
 - D their company's financial health
 - E their perception of your style
 - F their style and personality

4. Tim explains that everyone goes into a negotiation with a list of _____.

5. What are the three basic positions that Tim mentions?
 - A your first deal, your second deal, and your third deal
 - B your perfect deal, your hopeful deal, and your compromise deal
 - C your dream deal, your expected deal, and your deal breaker
 - D your best deal, your okay deal, and your worst deal

6. Tim says that you should think of a negotiation as a _____.
 - A boxing match
 - B discussion
 - C power play
 - D solution

Review Answers

1. What does good preparation begin with?
B learning about the other party's way of negotiating
2. According to Tim, why is it important to understand the other party's style?
D in order to tailor your approach
3. Which of the following does Tim mention as things you should know about the other party? (choose all that apply)
A their position
B their cultural mode of negotiation
F their style and personality
4. Tim explains that everyone goes into a negotiation with a list of _____.
priorities
5. What are the three basic positions that Tim mentions?
C your dream deal, your expected deal, and your deal breaker
6. Tim says that you should think of a negotiation as a _____.
B discussion

Online Practice

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