

# DEVELOPMENT

## How to Negotiate

Can you deal like  
a dolphin?

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*This is part 1 of a two-article series on negotiation skills.*

What do you think of when you hear the word “negotiation”? Most of us tend to think in terms of win-lose scenarios: a training director fighting to get her budget increased or an overzealous car salesman doing his best to take advantage of a naïve buyer. In reality, almost everything in life is a

negotiation. Whenever two or more people gather to exchange information with the intent of changing their relationship in some way, they are negotiating. From merging onto the freeway in rush-hour traffic, scheduling an appointment with a client, to deciding which television program to watch with your family—every day involves some form of negotiation. When

viewed in those terms, you can probably think of several negotiations you've already participated in today.

Every negotiation ends in one of these possible outcomes:

- lose-lose—neither party achieves his or her needs or wants
- win-lose or lose-win—one counterpart loses and the other wins
- win-win—the needs and goals of both parties are met, so they both walk away with a positive feeling and a willingness to negotiate with each other again
- no outcome—neither party wins or loses, which most likely leaves both parties willing to return to the negotiating table at a later date.

### Creating win-win outcomes

It's in your best interest to foster a cooperative atmosphere to increase the chances of a win-win outcome. When both parties perceive that they are obtaining something of greater value in exchange for something of lesser value, they feel like winners. Each may have wished for more, but they are mutually satisfied enough to be willing to negotiate again later.

Following are the keys to creating a win-win outcome:

**Avoid narrowing the negotiation to one issue.** Focusing on just one issue sets the scene for a win-lose outcome. The most common example is arguing over the price of a product or service. Many factors in addition to price should be considered: delivery fees, timing, quality, indemnification, and additional goods and services. Bringing multiple issues to the table provides you with the opportunity to juggle the deal points and create a win-win outcome.

**Realize that your counterpart does not have the same needs and wants as you.** If you don't take this factor into consideration, you negotiate with the idea that your gain is your counterpart's loss, and vice versa. With that attitude, it's virtually impossible to create a win-win outcome.

**Don't assume you know your counterpart's needs.** It's common for negotiators to think they know what their counterpart wants. But each person in a negotiation has two kinds of needs: 1) implicit needs, which involve the negotiator personally, and 2) explicit needs, which involve the product or service.

Implicit needs are what drive the final decisions.

### Classic negotiators

Win-win negotiators are masters at understanding their counterparts. In every negotiation, you'll deal with one of these classic types: sharks, carp, or dolphins. Each type has a different pattern and style of negotiating and makes different responses to your moves.

**Sharks.** When asked, most people will agree they've dealt with a shark at one time or another. Sharks are the negotiators with the sharp teeth who are blinded by their attitude that someone must win and someone must lose in every negotiation. Sharks believe in scarcity, so they want to get as much as they can regardless of the cost. They feel they're entitled to do absolutely anything to ensure that they don't come out of the negotiation as the loser.

The overwhelming reason it's so difficult to negotiate with sharks is because they lack the ability to use creative strategies. When their takeover strategy fails, they become more focused on "the kill." Instead of trying a different strategy, they simply do more of the same, often at a louder, more intense level. Because they're determined to win at all costs, sharks cannot act otherwise—even when going up against the steepest odds.

**Carp.** Neither carp nor sharks are known as brilliant deal makers. In part, they're limited by their view of the world. Like sharks, carp believe that they live in a world of scarcity, a world of winners and losers. But unlike sharks, carp believe that they can never be the winners.

## Six Keys to Successful Negotiations

1. Have a questioning plan.
2. Move from expansive to restrictive questions. First build a relationship, and then narrow the focus.
3. Listen to your counterpart's full response. Tell yourself, "I will remain open. I am a good listener." The more information you get, the better able you'll be to uncover your counterpart's implicit and explicit needs, which will make it easier for you to achieve a win-win outcome.
4. Take notes. Whenever someone tells you something in a negotiation, write it down. It's amazing how much conflicting information can come up later. The ability to refresh your counterpart's memory with facts and figures shared in an earlier session will earn you a tremendous amount of credibility and power.
5. Unbundle issues for later discussion. Try to take care of one deal point before you move on to the next.
6. Paraphrase to ensure understanding. If you restate your counterpart's comments word for word, she'll believe you are parroting her. Doing so not only sounds awkward, but also makes your counterpart angry. The key is to restate the content using different words.

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Because they walk into a negotiation feeling they can't win, they focus their efforts on not losing what they currently have.

Carp don't like confrontation, so their normal response is to give in or get out. When used repeatedly, neither of those responses leads to positive outcomes. Carp, who repeatedly "get out" by avoiding negotiations, find themselves cut off and isolated from everyone except other carp. The give-in strategy doesn't work. In the worst-case scenario, carp eventually find they have nothing left to give up, so they're eaten alive.

**Dolphins.** The dolphin is the ideal negotiator. It possesses high intelligence and the ability to learn from experience. The major difference among sharks, carp, and dolphins is that dolphins believe in potential scarcity and potential abundance. Acting on that belief, they learn to leverage what they have and use their resources superbly.

Unlike sharks and carp, dolphins don't view negotiations as a finite experience. They know that over time all zero-sum strategies tend to degenerate into lose-lose strategies: Sharks run out of victims and trade-offs, and carp, using give-in strategies, end up with less and less. Only dolphins believe that successful negotiations can create synergy or more wealth for both parties. Dolphins have the following key characteristics for successful negotiations:

- Plan an infinite rather than a finite game.
- Avoid unnecessary conflict by cooperating as long as the other player does likewise.
- Respond promptly to a "mean" move by retaliating properly.
- Be quick to retaliate, but also quick to forgive.

Like sharks and carp, dolphin negotiators have a desire to win, but they don't have a need for their negotiating partners to lose. They accomplish their goals, but don't burn their counterparts in the process.

Strive to be a dolphin-like negotiator. If you do, your counterparts will feel positive about the outcome of the discussion and will look forward to negotiating with you again.

## Developing listening skills

Most people perceive negotiation as an active skill. To persuade and convince their counterpart of their point of view, they think they need to talk. But humans have two ears and one mouth, to be used in that proportion. Win-win negotiators are excellent listeners. When they do speak, it's usually to ask a great question.

The majority of questions used in negotiations are restrictive (closed-ended) and expansive (open-ended). Restrictive questions can be answered with a simple, short answer, such as yes or no. For example, Would you like to purchase the CDs to reinforce the training session? Or, Would you like to schedule that training program on Thursday or Friday? Use restrictive questioning when you want to gain a concession or confirm a deal point.

Expansive questions are used to gain information and build a relationship. Those questions typically begin with "who," "what," "when," "where," and "why." For example, What outcomes are most important in your upcoming training program?

## Mastering negotiation strategies

Win-win negotiators are masters at using strategies and tactics to obtain the desired outcome in a negotiation. Words like *strategies* and *tactics* make some people uncomfortable because they feel those terms suggest manipulation and dishonesty. Nothing could be further from the truth.

You should become familiar with the use of strategies and tactics for two important reasons. One, everyone uses them on a daily basis. Two, even if you choose not to use strategies, other peo-

ple will use them in interactions with you. To protect yourself, you need to be able to recognize the tactics and know how to respond to them. Knowing various counters helps you to retain or regain leverage, or neutralize the tactics used by your counterpart.

## Aiming high

The most important determinant of what you get out of a negotiation will probably be your level of aspiration. Set your goals high, and determine these deal makers and breakers:

- your wish level—what you'd be excited to achieve
- your point of comfort—the result that would make you reasonably pleased
- your bottom line—the point at which you would walk away.

Most people are tempted to start the negotiation at their point of comfort. Don't do that. Make sure to begin the negotiation at your wish level.

Negotiation is a skill. Like any skill, it can be learned. By learning, practicing, and mastering your skills as a win-win negotiator with a reputation for building effective, long-term relationships in which both counterparts come out winners, you'll have learned to deal like a dolphin.

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