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1

Why negotiate

We negotiate instinctively every day of our lives. We can't always have everything we want. So we have to give and take – in other words, to negotiate. And whether we're discussing a family outing or negotiating a major IT contract for our company, the best outcome is likely to be a win/win agreement that everyone can live with.



Introduction

“To confer with others in order to reach a compromise or agreement.” That’s the dictionary definition of negotiation. It’s something we do every day, like it or not. It doesn’t have to involve contracts or business deals. It might just mean agreeing a deadline for the task you’re doing, sorting out office space or talking to your boss about your vacation plans.

We can’t always have our own way. Sometimes we have to settle for less than we would ideally like. We have to give and take – in other words, to negotiate.

Whether we know it or not, we’re all negotiators – even children. In some ways children are better negotiators than adults. They use any means they have to get what they want:

- A baby screams when it’s hungry or it needs a clean diaper
- A child soon learns that eating up every last bit of broccoli will get them the ice cream they really want
- A teenager may bargain a clean and tidy room against permission to go to a late-night party.

Parents use the same negotiating techniques. “Can I have some chocolate?” asks the child, and the parent responds: “If you clear all your toys away, I’ll think about it.”

Negotiating is something we do instinctively every day of our lives – with our family, with shopkeepers and sales people, and in the workplace.

Some books assume that negotiation is all about buying and selling. Of course, if you’re buying or selling something you’ll want to get the best deal you can. That goes without saying. But buying and selling is not the be-all and end-all of negotiation. Far from it: there are many other scenarios.



We all negotiate instinctively every day of our lives.

Negotiating scenarios

Partner or family

If you have a partner or a family, chances are that you won't always agree about everything. And usually it's not the big things in life – things like religion or politics – that cause most conflict. Often it's the little things. Those are the things we tend to argue about – things like:

- Which TV program shall we watch?
- Shall we take the children to the park or the beach?
- Which restaurant shall we go to?
- Which route shall we take?
- Which brand of coffee shall we buy?

However close we are to those around us, we often want something slightly different. That's life. Most of these things are pretty unimportant and the little decisions we have to take don't matter very much; most of these are everyday, run-of-the-mill decisions, taken on the hoof. Probably the decision will not be given much thought. It may depend on the personality of the people involved or the mood they happen to be in or how strongly they feel about it. If you're not too bothered, you might simply accept what someone else suggests. You might just want a quiet life.

If, on the other hand, if you do feel strongly about it, you'll want to argue the toss and to suggest something that suits you better. You might not get exactly what you want; but you might well be able to avoid something you would really hate. By negotiating (even if you don't call it that or even recognize it as that) you'll have come up with something that you can both live with.

Friends and neighbors

Outside the home, too, there are many situations and circumstances in which negotiation skills come in useful. For example, you might find yourself negotiating with neighbors about babysitting, or looking after the dog or cat while you're away, or sharing responsibility for the school run, or keeping an eye on your house while you're on vacation.



A negotiation is not a battle.



Look to build a long-term relationship with the other side.

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Companies and customers

If you're buying a new car, you'll want to get the best deal you can. You'll probably haggle over the price; over what's included in the deal. There are lots of things that can be thrown into the melting pot, like the delivery date, method of payment, the color and a hundred and one extras that you may or may not need. Then you'll have to take out insurance, and you may be able to haggle over the premium and the terms and conditions. You can negotiate different deals with different energy suppliers, telephone companies and internet service providers. Some will say: "This is what we can give you: take it or leave it." Others may be prepared to negotiate on some aspects of the deal.

Buying or selling an apartment or a house is a common negotiating scenario. If you're buying, you'll probably want to offer less than the asking price. If you're selling, you'll need to be clear about the minimum you will accept. Both buyer and seller will need to take account not only of their own personal circumstances and priorities, but also of external factors such as interest rates, the state of the housing market and so on.

If you work in sales or purchasing you'll probably be involved in discussions with customers or clients or agents about prices, delivery dates, commission rates, product specifications, transportation, servicing and so on.



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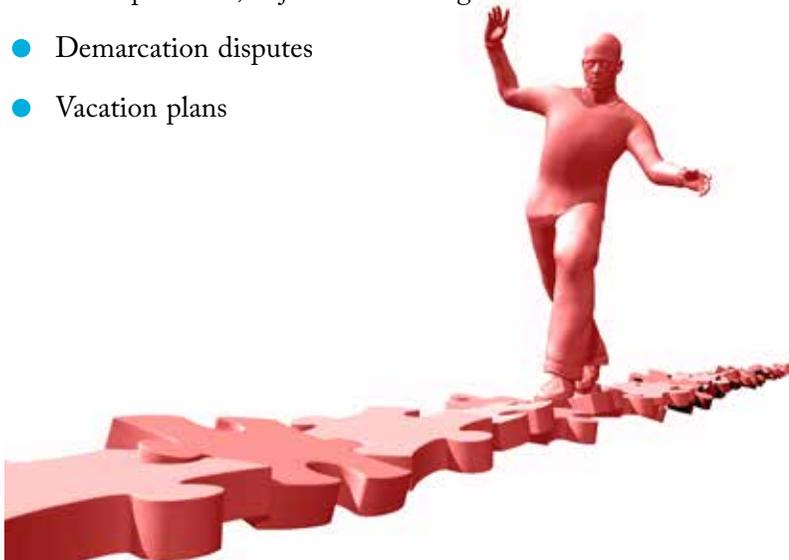
Professional contacts

Depending on the type of work you do, you might find yourself involved in discussions and negotiations with professional contacts such as lawyers, accountants, academics, etc.

Colleagues at work

There are lots of situations – some relatively straightforward and unimportant, others complex and critically important – where decisions need to be taken and you have to reconcile what you want with what your colleagues or your organization are prepared to give. These discussions are not always called “negotiations”, but very often, in order to arrive at a solution which everyone can accept, you have to settle for less than you would ideally like. You need to give and take – in other words, to negotiate. Common examples include:

- Budget allocations
- Job roles and responsibilities
- Pay and working conditions
- Office accommodation
- IT equipment
- Work priorities, objectives and targets
- Demarcation disputes
- Vacation plans



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Contractors

These days most organizations contract out a whole range of support services – things like:

- Office cleaning
- Travel
- Transport
- IT support
- Training
- Security
- Catering

Someone has to negotiate all those contracts.

Government agencies

There's often scope for arguing about the interpretation and implementation of laws and regulations on such things as planning, taxation, health and safety, company law, and so on. You could find yourself discussing stuff like this with government agencies, regulatory bodies and others.

Internal stakeholders

For any important negotiation you'll almost certainly need to have some internal discussions first. You'll need to get all the key people on board and signed up to your negotiating objectives. These discussions will probably include senior colleagues in your department or in other parts of the organization and other key internal or external stakeholders who are affected.

These internal negotiations are sometimes the most difficult of all. When I worked at the Department of Trade and Industry and represented UK interests at EU negotiations in Brussels, the preliminary discussions between different Whitehall departments, thrashing out an agreed UK negotiating position, were sometimes more difficult than the subsequent negotiations in Brussels.

There are many different negotiating scenarios. The good news is that the principles and techniques of effective negotiating apply to all of them.

The need for compromise

Compromise is not a dirty word. On the contrary: it's the name of the game. Negotiation implies compromise. The key objective – always – is to reach an outcome that is acceptable to both parties. A good negotiation is not a battle. It's a contest, with each side trying to get the best deal it can of course – but not at all cost.

Shafting the opposition is unlikely to be a good idea. You'll almost certainly have to deal with them in the future. So it makes sense to ensure that the other party also gets something out of the negotiation. That way, you have a much better chance of building a long-term, mutually beneficial relationship. Sometimes maintaining a good long-term relationship is even more important than the outcome of a single negotiation.

So it makes sense to make sure you understand where the other side are coming from, and to show concern for their objectives. The aim should be a win/win outcome. Whatever the context (except, perhaps, buying a second-hand car from a salesman you'll never see again), it's always sensible to think long-term. If you pull a fast one on someone today, they may do the same to you tomorrow. If the outcome of a negotiation is a clear win/lose and the losing party feels that they have been taken advantage of, they are likely to remember this for a long time. That's human nature. It's only natural for the losing party to resolve to get their own back next time.



Negotiation means compromise.



Summary

- We negotiate instinctively every day of our lives
- Negotiation is not just about buying and selling
- By negotiating you might not get everything you want, but you might well avoid something you'd really hate
- You can negotiate with family, friends, neighbors, companies, customers, clients, professional contacts, work colleagues, contractors, government agencies, internal stakeholders
- The same principles and techniques apply to all negotiating scenarios
- Often in order to arrive at a solution everyone can accept, you have to give and take – i.e. to negotiate
- Preparatory discussions with internal stakeholders can sometimes be more difficult than the negotiation you're preparing for
- Negotiation means compromise
- Look to build a long-term relationship with the other side
- If you pull a fast one today, the other side may do the same to you tomorrow
- Aim for an outcome that's acceptable to both sides
- A good negotiation is a contest, not a battle