



Negotiation in a Nutshell

This skill is a universal requirement for career success

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THERE ARE FEW JOB SKILLS THAT BRING as much overall value to your life and career as the ability to negotiate. Whether you work in the corner office or at a small corner of the lab bench, studying the interpersonal relations that go on in a negotiation can be very rewarding. The nice thing about this subject is that the 'cost vs. impact' ratio is great. It doesn't take an MBA or expensive classes in order to make a huge impact on what you know about the subject.

In this month's column, I have provided you with eight tips and techniques that you can use daily to increase your effectiveness in negotiation.

Negotiation Tips and Techniques

The list below has been distilled from my personal experience and research, as well as from classes I've taken on negotiation by professional trainers such as the Karrass organization. They are not listed in order of priority as each of them is equally weighted.

Tip #1: Consider the Culture

Sometimes different nationalities clash in the negotiation process. Have you visited a Mexican border town? If so, I'm sure you brought back a great buy on a rug, some glassware or a piece of pottery. Did you pay what the vendor requested? I hope not. In the culture of the border town, vendors are supposed to ask three or four times what they expect to get for a product. And shoppers are supposed to bargain with them until they get a fair price.

What negotiation traps lie in dealing with various cultures? A Japanese negotiator will skillfully use techniques like group consensus to his or her advantage, bringing a number of his or her colleagues to the table. A Russian negotiator will start with a very low offer, something that may be an affront to his American counterpart.

In the U.S., negotiation goes quickly back and forth like a game of ping-pong. It's important to remember that this isn't the way that negotiation proceeds around the world.

Tip #2: Up Your Expectations

That Russian who offered \$150,000 for your house listed at \$400,000 . . . can we learn anything from him? Actually, you can. You can learn to give yourself more room. While you wouldn't want to tell your boss you are seeking a \$20,000 pay increase when your goal is actually \$5,000, you need to start giving yourself more headroom.

At the time of a pay raise discussion, most people will ask only for that \$5,000 – but it doesn't pay to start a negotiation so

close to the bottom line. It's likely that there would be some budgetary reason to cut your request back to \$3,500. That's why increasing your aspiration level to \$6,500-\$7,000 may be a better idea in order to get to your needed \$5,000.

It's time to start achieving your goals instead of falling short. You can often do this by carefully raising your expectations to provide more headroom for the give and take that will result. Just watch that you don't push it too far, because that can create a deadlock.

Tip #3: Don't Forget To Flinch

What should you do when someone comes back seeking a whopping concession, or when they come at you with a low-ball offer? At this point, you should use what one expert calls "The Flinch." Dr. Chester Karrass, negotiation trainer extraordinaire, describes how effectively this technique works, "Simply by showing an immediate reaction, a visible sign of your dissatisfaction, you can make great progress in lowering the other party's aspirations."

Following the flinch with a comment such as, "You've got to do better than that," will often reinforce the other party's lowered aspiration.

Tip #4: Shut Up

It is best to keep quiet so that you don't give away a lot of unnecessary information to the other party. I remember the way my wife and I bought a car a few years ago. We fell in love with this little red beauty in the showroom, almost drooling over it while the salesman stood there watching. What happened when we later asked for a good deal on that vehicle? Not much.

Of course, this suggestion of "shut up" is one of the key ingredients of salary negotiation. He who speaks a number first, loses. Period.

Tip #5: What Lies Under the Surface?

Everyone who writes about the negotiation process describes how important it is for you to know all you can about the other party's situation. A great analogy is an iceberg, which shows only a tiny portion of itself above the water and yet has a massive heft under the surface. The same is true with your negotiation process. The price is clear, as are the actual goods or services. But other issues also play into the negotiation – sometimes deal breakers – and it takes detective work on your

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part to dig them up.

As an executive recruiter, one of the greatest problems I have in bringing good people to the table for my clients is that a spouse can make a huge impact on the negotiation process, but that discussion takes place below the surface. I must work hard to determine what *all* the issues will be for both parties involved in that often tricky employment negotiation.

Tip #6: Question Your Core Beliefs

While it's possible that you already know all there is about the other party's issues, my guess is that a great piece of your negotiating strategy is based upon certain core beliefs. One of the best investments you can make is to take the time to verify these major assumptions . . . in other words, to do the research that supports them.

For example, you may be assuming

that pay increases this year average 2.5% across the board at your company, because you've asked a few people what they ended up with in their paychecks, and it looked like a very simple calculation. This leads you to your core belief that the best you could do may be to get a 3% or 3.5% increase if you present an outstanding case to your boss.

But what if the same company also had a smaller number of individuals who had received merit and promotional increases of 7-10%? Would your aspiration level be higher, knowing that the employer does indeed recognize excellent performance with something greater than the average? Always question your core beliefs.

Tip #7: Manage Your Concessions

Give and take occurs in every negotiation, and we call these scenarios "conces-

sions." And the problem with most of these is that they are not a part of an overall strategy. By managing your concessions well, you will find a better result at the end of the process.

Remember not to give anything away without having a good reason to do so, and when you do give something, make certain that you don't follow it with similar concessions. For example, if you were negotiating with someone and each time you requested a concession they gave you a \$5 discount, what would you expect the next time you said that the price wasn't to your liking? Of course, you'd expect a \$5 concession. That's why one strategy behind the process should be to reduce your concessions as you go along . . . to make certain that the last little bit you give feels like it has been wrung out of a turnip. \$5, \$4, \$3, \$2, \$1, and finally . . . 50 cents.

Tip #8: Relationship Issues Close the Deal

Dr. Karrass did much of the research that his company uses today when discussing negotiation. He studied the three factors that result in successful negotiations: Best Price, Best Solution, or Relationship. While most people think it is the best price that closes the deal, this only occurred 6% of the time. The product or service that represented the best solution won out 38% of the time. The big winner? The relationship itself won out, at 56%. This means that more important than anything is the relationship that you have with the other party. Both parties should realize that you can't burn the bridge. Win-Win solutions only occur when the relationship between the two parties is preserved.

In Conclusion

Negotiation skills are a critical success factor. Read about them in books by authors such as Chester Karrass or Roger Dawson, or take any number of short courses and weekend training events on this topic. Any of these will arm you with a host of strategies that you can use in your next negotiation – whether it is asking for more money from your boss, or trying to get out of the toy store with a five year old! ■