

WINNING IN NEGOTIATION

By Chester L. Karrass

This is the second of a series

Most people look at negotiation the wrong way. They see it as a contest in which one party wins at the expense of the other. But negotiation is not necessarily a contest. While elements of competition are undeniably built into the process it is far more than an adversary procedure.

There actually are five modes of negotiation going on all at once. A recognition of these five modes is guaranteed to help you. It will:

- (1) *Permit you to keep a negotiation alive that is leading nowhere.*
- (2) *Make you more comfortable.*
- (3) *Allow you to gain more information.*
- (4) *Avoid or break deadlocks.*
- (5) *Better understand the tactics you are using, or those that are being used against you.*

The first negotiating mode is the cooperative, or "both win" mode. The basic principle is that there is always a better deal available for both parties if they are willing to take the time to look for it. Both buyer and seller can increase their profit and satisfaction without one hurting the other.

Number two is the competitive mode. One fact that must be faced in negotiation is that there is an element of competition in it. At some point the gains which one party makes come out of the pocket of the other. Thus, this is sometimes called the "one party wins" mode.

Next is the attitudinal, or rapport, mode. In business we negotiate attitudes as well as goods and services. Part of the price are such factors as trust, friendship, integrity, good will, credibility, recognition of authority and legitimacy and recognition of status. Most of us would pay fifty or one hundred dollars more for a car if we were convinced that the seller were committed to our satisfaction. Recognize that compatible attitudes lead to better agreements. You can't trust a man's price if you can't trust the man. Take the time to get a commitment to mutual satisfaction.

The fourth mode is the organizational mode. Even when there are only two people sitting across the table, there are others present, but unseen. In every transaction the negotiators are but one part of a larger organizational entity. To be an effective negotiator, one must negotiate in depth. If you want to win in negotiation it is imperative that you understand your opponent's organization.

Last is the personal mode. The issues in a negotiation are more subtle than those on the agenda. What appear to be the big issues are not. Dollars, goods and services are important, but they are only the tip of the iceberg. There are masses of unseen issues that are never written into contracts. They are personal issues that neither party can demand out loud but without which no deal can be made. Examples: The fact that you're going on vacation for three weeks; you're coming down with the flu; or your wife wants you home early for a dinner party that night.

Understanding the five modes of negotiation will help you to become a better negotiator. Which opens the question, **what makes a good negotiator?**

That's a question that has fascinated businessmen and diplomats through the centuries. I've seen hundreds of good negotiators and hundreds of distinct individuals. Yet, the most effective ones seemed to have certain common traits.

Winning in negotiation, I've found, requires a combination of traits not ordinarily found in business. The process of negotiation demands both good business judgment and a keen understanding of human nature. These are the traits I look for in a good negotiator:



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- (1) *An ability to negotiate effectively with members of his own organization and win their confidence.*
- (2) *A willingness and commitment to plan carefully, know the product, the rules and the alternatives. He must have the courage to probe for and check information.*
- (3) *Good business judgment and an ability to discern the real bottom-line issues.*
- (4) *An ability to tolerate conflict and ambiguity.*
- (5) *The courage to commit himself to higher targets and take the risks that go with it.*
- (6) *The wisdom to be patient and thereby to wait for the story to unfold.*
- (7) *A willingness to get involved with the opponent and the people in his organization; that is, to deal in personal and business depth with them.*
- (8) *A commitment to integrity and mutual satisfaction.*
- (9) *An ability to listen openly and mindfully.*
- (10) *The insight to view the negotiation from a personal standpoint; that is, to see the hidden personal issues that affect the outcome.*
- (11) *Self-confidence based on knowledge, planning and good intraorganizational negotiation.*
- (12) *A willingness to use team experts.*
- (13) *Stability as well as the ability to negotiate with himself and to*

laugh a little. One who doesn't have too strong a need to be liked by others because he likes himself.

Obviously, it is a rare individual indeed who possesses all these traits, leading up to the greatest argument there is for team negotiations. In fact, there is so much going for teams that one has to wonder why the concept is not universally accepted. In addition to having, in combination, all the traits necessary for good negotiators, teams provide better coordination and internal negotiation; greater expertise; moral support; better listening; better planning; a show of strength; less chance for unnoticed errors; and better note taking.

Despite this, the reality is that many

people do prefer to go it alone. And, although there are arguments in favor of singletons, they run a poor second to those in favor of teams. The reasons for negotiating alone lie in the problems of coordinating with others, bringing them up to par as far as shared information is concerned, and an unwillingness to complicate problems by having a possible show of disunity on one's own side. But also to be considered is the fact that a negotiation without team support is, in effect, an off-the-record affair in which poor preparation can be well hidden.

And as we shall see in future columns, preparation and planning is the one absolute essential for winning in negotiation.