



Negotiating doesn't need to be a distressing battle to win...

Fail to negotiate well, and you can set your business back.

Succeed at negotiating, and you put your business on the road to sustainable success.

And it doesn't have to be an emotionally-charged battle.

For long-term business success, negotiation should not be seen as any kind of battle.

Whether you love negotiating, or like most of us, you feel anxious about negotiating, you can get better at it.

And for the success of our businesses we need to be better at reaching well-constructed agreements.

Well-constructed agreements with your employees, your customers, your landlords and even the tax office can determine the profitability, the capital value and the cash flow of your business.

In a nutshell

You negotiate better agreements when you stop seeing negotiation as an "I win, you lose" conflict.



The key to success is seeing every negotiation as a path to mutual agreement.

Camels clearly show there's always a way to win...

A memorable story from the Middle East tells of a dying father leaving his 17 camels to his 3 sons. To his first son he left half

the camels, the second son he left a third and the youngest son he left a ninth of the camels.

The sons argued hard but could reach no agreement. 17 does not divide by 2, nor does it divide by 3 or 9.

Eventually the sons consulted a wise old woman who thought for a long time about the camels. She wasn't sure she could help but let them have her 1 camel so they had 18.

The first son took 9 camels, half of 18. The second son took 6, his third. The young son took 2, a ninth of 18.

$9 + 6 + 2 = 17$. So they gave back the remaining camel to the wise old woman. Every negotiation has a solution.

Here's a proven solution for you...

Prepare and plan for you both to win and your negotiations will be less stressful and more successful.

Key moments, key agreements...

Your business will have key moments where your skill at negotiating will have a big impact on the results of your business.

You might be negotiating a salary package with an important new recruit or an important existing employee.

You might be agreeing a vital property purchase or rental agreement.

You might be negotiating a contract with an important new client or long-standing existing client.

"I win, you lose" is likely to be a stressful battle...

Such a combative approach might work on a street stall in a market when negotiating over a Persian rug. But not with a long-standing client, valuable team member or strategic supplier.

Successful negotiating preserves important relationships AND gets the result you want.

Which is why in this report, rather than refer to your 'negotiation opponent', you'll see us refer to them as your 'negotiation partner'. You're in it together, seeking a mutual "win, win".

Separate the people from the problem...

The sons did the right thing getting the wise old woman to help with the 17 camels. The old woman was not tied up with the personal issues, just the problem.

In *Fisher and Ury's* landmark book on negotiating – *Getting To Yes* – they urge us to separate the problem from the people too.

This worked when the 'Good Friday' agreement brought two warring Northern-Irish factions into Government together. Both parties succeeded partly by separating the problem from the personalities.

In your negotiations, a third party like the wise old woman can also help, but it's your **analysis** and your **preparation** that will help you most.

Where do the best negotiators start?

The world's best negotiators point to the need for top-quality preparation.

"When the pressure is on, you don't rise to the occasion, you fall to your highest level of preparation" – Chris Voss from 'Never Split The Difference'

Fisher and Ury suggest three stages to successful negotiation:

1. Analysis
2. Planning
3. Discussion

The discussion part is what most people see as negotiation, but it's just the tip of the negotiation iceberg.

The analysis and planning is most of the negotiation iceberg, and like the Voss quote suggests, preparation decides your



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negotiation success when the pressure is on.

Anticipating your negotiating partner's wishes, interests, reasons and concerns will help you prepare well.

It also pays to prepare your best outcome, your minimum walk-away result and your BATNA – Best Alternative To A Negotiated Agreement.

To help with this you'll find a preparation checklist in the download tools that come with this report (see back page).

1. Seek understanding by preparing and asking great questions...

So what do you ask? What do you want to know? How do you ask?

Great communication starts with preparing great questions. Because when negotiating, a badly-constructed question can set a negotiation back or ruin it completely.

Respectful and deferential questions show you are seeking a collaboration towards an agreement.

"Why are you insisting on 3 months payment terms?" – could easily be seen as an aggressive question.

"What brought you to conclude that 3 months for payment is needed?" – sounds more like a humble question seeking genuine understanding.

Check out the downloadable tools and resources accompanying this edition of Business Bitesize for a whole armoury of respectful questions.

2. Show that you understand both facts and feelings

When demonstrating you understand facts, Chris Voss suggests we should repeat the last three words of any statement by your negotiation partner.

Follow this with a silence and you prompt

greater sharing at a deeper level. It's a great way to demonstrate you're listening to the facts.

Fisher and Ury rightly point out that people make decisions based on how they feel, more than they decide using logical reasoning.

Like the car buyer who likes the way the acceleration makes her feel, then justifies her decision with the safety record and fuel economy of the car. Ignore emotions in a negotiation and your negotiation will be less of a success than it could have been.

What's important is that people feel genuinely understood when they know you appreciate how they feel.

So start by spotting the way your partner is feeling. Use words to describe these feelings and share these words carefully, respectfully.

A phrase like *"It seems like this is frustrating you"* or *"it looks like you're really upset about..."* can help.

Allow a silence after such a statement and you may hear the magic words *"that's right"*. *"That's right"* is a sign you have demonstrated genuine understanding not just about the facts of their situation but the way they feel about it too.

3. Seek multiple options around which you can seek agreement

Seeking the **single best option** makes finding a mutual win/win deal much harder.

Use your well-prepared questions to **hunt for multiple options** that might work. Not options around a negotiating position but around the interests and reasons.

Like the 12 year old twins arguing over the last orange in the house – both want the orange. When dad gets fed up with the arguing he grabs a sharp knife and each

gets half.

But, like the twins, dad has simply listened to the position of the twins not the interests or reasons behind why they wanted the orange.

Digging deeper into not just what people want but why they want it in a humble, respectful way can result in everyone getting what they want.

Both girls could have had a whole orange to themselves because:

- One twin wanted the rind to bake an orange cake
- The other wanted the flesh to quench her thirst!

Go hunting for interests, reasons and options and you'll be better at achieving a successful negotiation.

TIME TO DISAGREE

“What if the other side is focused on win/lose and doesn't care about win/win?”

If there's no long term relationship to be preserved then do what you can to get the best result you can. The ideas and skills in this report will still help.

If there is a long term relationship in need of protection then you can share your goal of win/win with the other party.

You should use the ideas and skills here to help you look beyond their stated position and still seek out options. If they use tactics you don't like, raise this in your discussion and make it clear you're not willing to respond to threats and tactics. This may be enough to stimulate a more constructive discussion.

Use the Business Bitesize Support Tools And Resources

to help you make the most of this edition of Business Bitesize – go here: www.businessbitesize.com/pentlands

“What if the other side says no rather than yes?”

According to the experts, getting a 'no' is really good for your negotiation. Asking questions and seeking options that gets you a 'no' can be good because every 'no' eliminates what they don't want.

A 'no' also makes your negotiation partner feel safe, secure and feel a sense of control about the discussion too. Seek a yes too soon and you're likely to be trading positions and haggling rather than discovering interests and seeking options.

So celebrate every 'no' and seek to understand the reasons behind a 'no'.

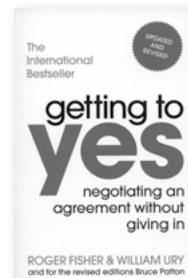
“Please tell me more”

Despite negotiating being a daily happening, few of us are armed with the effective negotiating skills focused on mutual problem solving.

Both the Fisher and Ury book “Getting To Yes” and the Chris Voss book “Never Split The Difference” cut through the jargon of negotiating. Both deliver insights, knowledge and skills that will make you a stronger negotiator.

Both are surprisingly small books and worth diving into.

You'll also find more insights, exercises and resources by checking out the downloadable tools that come with this edition of Business Bitesize.



Get Your Bitesize Support Tools Now

Your feedback is important to us. We'd love to know what you think of this edition of Business Bitesize and how you use it or plan to use it. Also we'd welcome your suggestions for future editions of Business Bitesize. To give us your thoughts please use the simple feedback form here: www.businessbitesize.com/pentlands



4 helping hands for you...

Seeing every negotiation as a problem to solve **together** rather than a battle to win sets you up for stronger results.

Because negotiation is a stressful and emotionally charged affair it pays big time to be prepared.

And so these four helping hands focus on your question preparation more than anything else.

It pays to restate the quote by Chris Voss:

“When the pressure is on, you don't rise to the occasion, you fall to your highest level of preparation”

So prepare well:

1. **Analyse, prepare and plan your negotiation discussion**
2. **Prepare and ask great questions**
3. **Show that you understand both facts and feelings**
4. **Seek options that might work based on the interests and reasons**

ULTIMATE ARGUMENT:

“How do I know that this approach to negotiating will deliver better results for my business?”

Good preparation will always pay off. No preparation or weak preparation hands the control to the other party.

By separating the problem from the personalities and seeking multiple options to discover preferences, you'll ultimately reach agreement in which both parties succeed.

OR would you prefer to simply haggle like a market-trader with the most important people in your business – your team; your customers; your suppliers?

STOP focusing and haggling over negotiating positions

START seeking to understand what your partner wants and why and create multiple options



Your next steps:

Your business success depends on your ability to reach agreement with the key people in your business – team, customers, suppliers, landlords.

The bigger the deal, the bigger the risks and the better you need to be at negotiating.

Start by seeking a deeper understanding behind people's negotiation positions

You don't want to have to halve an orange when you could both have a whole orange!

So ask questions about people's positions and reasons. And identify more options from which you can both choose.

And don't underestimate the power of listening to the answers and seeing the way people feel. Show them you understand.

You'll then set yourself up for greater negotiation success.

More tools and information for you:

To download more insights and supporting resources use the URL link below.

Your future success is more secure when your negotiating skills improve...

Negotiating is personal. As a business leader you'll be negotiating every day or every week in some way with the people that are important to your business and your life.

- Parent vs Teenager
- Customer vs Seller
- Manager vs Worker
- Wife vs Husband

These important relationships are so far removed from the street haggling you see at a market. And so it pays to seek out a mutually beneficial solution to your negotiation rather than see negotiating as a battle.

1. Analyse, prepare and plan your negotiation discussion

Being clear on your best outcome, your 'walk-away' outcome and your BATNA (Best Alternative to a Negotiated Agreement) will help you prepare your questions. Working out how your negotiation partner sees their best and worst outcomes and their BATNA can also influence the questions you ask.

2. Prepare and ask great questions

Negotiation is a problem-solving discussion. And healthy discussions start with great questions.

3. Show that you understand both facts and feelings

Great questions have you both sharing valuable information, facts and feelings. Capturing these and sharing these so your negotiation partner knows they have been heard means you're on the road to a win/win agreement.

4. Seek options that might work based on the interests and reasons you both have

Rather than focusing on one outcome, seek options based on the interests and reasons behind your negotiation partner's position. By working on creating multiple options together you'll both head towards a win/win negotiation.

YOUR SUPPORT TOOLS ARE HERE: Go to the link below and you'll find a selection of practical support tools to help you get a deeper understanding and develop greater skills for negotiating success.

Find the support tools to help you here - www.businessbitesize.com/pentlands

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Negotiating doesn't need to be a distressing battle to win...

Start by asking yourself:

When you're about to negotiate something important, what do you do to prepare well?

CONTENTS:

1. The one 'Negotiation Success' question you must ask yourself to make all your negotiations a success
2. Your 'Negotiation Success' checklist
3. Watch William Ury walk you through negotiation at the highest international levels and Chris Voss talking at Google...
4. Questions to use in successful negotiations...
5. The books on negotiating that can transform your skill at agreeing win-win deals...

STOP focusing on and haggling over negotiating positions

START seeking to understand what your partner wants and why and create multiple options

1. The one 'Negotiation Success' question you must ask yourself to make all your negotiations more successful is...

When you're about to negotiate something important what do you do to prepare well?

Where is the value in this question?

The value in this question prompts you to stop diving straight into haggling over positions like a market trader would.

The question prompts you to remember that your actual negotiating discussion is the smallest part of the iceberg above the water.

Analysis and preparation is what mostly determines your success at negotiating, so it pays to spend time and energy in preparing well.

Check out the rest of the tools here to help you prepare brilliantly so that you succeed.



Negotiation Iceberg

IMPORTANT: The question is about getting you to delay your negotiation long enough to get your preparation and analysis in place.

Check out the negotiation checklist below and the way to ask humble and respectful questions so that you're better prepared to succeed in your negotiation...

2. Your 'Negotiation Success' checklist to give you certainty that you are making the best possible decisions...

A. About You

(Tick each box when you can honestly say you have answered the questions)

- What is your overall goal?** Force yourself to be clear.
- What are the issues you have?** This is not about the position you want to achieve but the desires you have, why you want the goal, the challenges you face.
- How important is each issue to you?** Develop a scoring system for evaluating offers:
 - (a) List all of the issues of importance from above.
 - (b) Rank order all of the issues.
 - (c) Assign points to all the issues (assign weighted values based on a total of 100 points).
 - (d) List the range of possible settlements for each issue. Your assessments of realistic, low, and high expectations should be grounded in industry norms and your best-case expectation.
 - (e) Assign points to the possible outcomes that you identified for each issue.
 - (f) Double-check the accuracy of your scoring system.
 - (g) Use the scoring system to evaluate any offer that is on the table.
- What is your “best alternative to negotiated agreement” (BATNA)?**
- What is your resistance point** (i.e. the worst agreement you are willing to accept before ending negotiations)? If your BATNA is vague, consider identifying the minimum terms you can possibly accept and beyond which you must recess to gather more information.

B. About the Other Side – your negotiation partner

(Tick each box when you can honestly say you have answered the questions)

- How important is each issue to them** (plus any new issues they may have)?
- What is their best alternative to negotiated agreement (BATNA)?**
- What is their resistance point?**
- Based on questions B.1, B.2, and B.3, what is your target?**

C. The Situation

- What deadlines exist?** Who is more impatient?
- What fairness norms or reference points apply?**
- What topics or questions do you want to avoid?** How will you respond if they ask anyway?

D. The Relationship Between the Parties

- Will negotiations be repetitive?** If so, what are the future consequences of each strategy, tactic, or action you are considering?
- Can you trust the other party?** What do you know about them?
- Does the other party trust you?**
- What do you know of the other party's styles and tactics?**
- What are the limits to the other party's authority?**
- Consult in advance with the other party about the agenda**

For a full and detailed explanation on how to use this checklist use this URL link -
<http://scholarship.sha.cornell.edu/cgi/viewcontent.cgi?article=1675&context=articles>

3. Watch William Ury share his life-long negotiation experience in just 18 minutes...

If you negotiate regularly or you have a serious negotiation coming up it's worth investing some time watching this valuable interview.

William Ury is a mediator, writer and speaker, working with conflicts ranging from family feuds to boardroom battles to ethnic wars.

Ury is the author of "Getting to Yes."

In just 18 minutes you'll get valuable insights Ury's wide and varied negotiation successes...



https://www.ted.com/talks/william_ury#t-89813

As top negotiator at the FBI for 7 years Chris Voss applies the behavioural economics of Nobel prize winner Daniel Kahneman to winning negotiations.

Practical, obvious, and powerful insights that are mostly ignored in negotiations. Chris Voss about the skills of negotiation to help you become a master negotiator...

<https://www.youtube.com/watch?v=quZa7mQV110>



4. Great questions are the route to genuinely successful negotiation

Some questions can be combative questions. Combative questions can raise the temperature of a negotiation and even derail an agreement.

The art of asking great questions lies in the pursuit of respectful understanding.

Great questions also rely on a breadth and depth of the vocabulary you use.

For example using the word 'deal' can tarnish a discussion by making it sound less than wholesome. Perhaps a better word would help keep the conversation flowing and avoid creating resistance in your negotiation partner?

Deal or agreement, contract, bargain, promise, arrangement, understanding, plan?

Questions – like the ones in the checklist below – help move you from automatic, natural, unconscious by-accident questions to well-thought-out questions around possibility thinking. They also help you get others positively involved in considering options rather than defending their point of view or position.

Here are some powerful questions to help you make the shift to smarter thinking, smarter decision-making and smarter results too...

On-the-hoof, in-the-moment, thinking-on-your-feet, in-your-face, insensitive or even aggressive questions...	Considered, respectful and even humble but well-prepared questions...	What's there to learn...
<p><i>Below you'll find a selection of questions that could easily be considered aggressive, confrontational or just too blunt. And because your preparation and your resulting conversation is designed to identify options and issues rather than just trading positions you want to create a healthy and informative conversation. Column 1 shows the blunt questions. Column 2 shows the less blunt, arguably more respectful questions. Column 3 describes the insights about how a humble approach to questions can help your conversation flow. There's no way of predicting every possible question you'll face but these examples will help you see how to 'soften' your blunt questions and create a productive discussion:</i></p>		
<p><i>Why are you insisting on 3 months payment terms?</i></p>	<p><i>Payment terms can have an important bearing on these sort of arrangements tell me what brought you to conclude that 3 months for payment is needed?</i></p>	<p>Why questions are often seen as too searching or confrontational. Framing the question first can help and turning the question from a WHY to a WHAT makes the question less intense, less aggressive.</p>

<i>How come you're insisting on...?</i>	<i>It looks like this aspect of the discussion really matters to you?</i>	Strong adjectives like 'insisting' may well reflect the strength of feeling about an issue but when thrown back at them like the first question it can easily raise the temperature of the negotiation. Instead of dealing with the issue try reflecting the depth of feeling. This reflecting feeling shows that you're also caring about their depth of feeling. And turning this statement into a question with a downward inflection at the end can help stimulate further comment especially if you allow for some silence after you make the statement/question.
<i>Why are you being so confrontational?</i>	<i>Situations like this can easily turn into a confrontation, so I'm wondering what it is that matters so much about this part of the agreement?</i>	Framing a question like this can help the conversation flow rather than dealing with the aggression directly like the first question does. Also talking about the emotions experienced in the discussion and as a result of an agreement helps prevent you drifting towards haggling over positions.
<i>What do you want to use the funds from this agreement for?</i>	<i>When you own the house/car/resources/company what does the future hold for you?</i>	Talking about the future with a successful agreement is a good way to keep a conversation flowing, just as it is good to talk about the past or the background to the agreement.
	<i>How will you use the result of this agreement?</i>	Talking about a result rather than the hard cash softens the question making it easier to answer. And shows real interest in the outcomes for them.
	<i>What does the future hold for you after we've reached an agreement?</i>	A more general look to the future is less probing and can be a good start to understanding the future interests involved.

<i>What are you trying to achieve as a result of this deal?</i>	<i>How does your situation improve when this contract is finalised?</i>	Talking about the 'situation' is softer and more respectful than talking about 'you' which is pointed, aggressive and could prevent an open and honest discussion about the background issues.
<i>Why do you want to delay the agreement?</i>	<i>What impact does the time of the agreement have on you and your circumstances?</i>	Another WHY question looking like an aggressive stance. The WHAT version makes it less so and softening it by talking about them and their circumstances makes it more respectful too.
<i>Why are you wanting to sell/buy/ask this?</i>	<i>Tell me what's the background to this for you? What has led you to want to sell/buy/ask for this?</i>	Talking 'background' or 'overview' is an easy way to get a conversation going plus it helps signpost a number of issues or insights you can ask about. The tone is lighter, less aggressive this way.
<i>Why do you want such a large sum?</i>	<i>In what ways will this amount help your situation?</i>	Avoiding labeling the scale of the amount (large - which is emotive as they may not feel it is a large sum) and also talking about 'your situation' instead of 'you' helps keep the volatility low and helps the conversation flow.
<i>How can you justify such a large pay rise?</i>	<i>What results have prompted you to request this level of pay rise?</i>	Can you see how using the word 'justify' and 'large' raises the temperature of the discussion? The second question is again looking for the background for the 'request'.
<i>When do you want to agree a deal?</i>	<i>What impact does it have on your situation if this arrangement is delayed?</i>	The first question prompts a discussion about timing as a position (remember we're wanting to find options and issues). The second question moves from talking 'you' to 'your situation' and also seeks to understand what impact different timings have on 'the situation'.

<p><i>Why do you want to have a speedy agreement?</i></p>	<p><i>The speed of an agreement can have an impact on the way an agreement is reached and on the results for both of us, tell me how come these timescales are so important to you?</i></p>	<p>Timing again is a good subject as it signposts all sorts of possible insights and issues. But ask a 'why' question of 'you' and you're inflaming the discussion with confrontation. Using 'how' tones the question down a little. Using a 'framing' statement, talking about 'both of us' and reflecting the importance being felt shows genuine desire for understanding and care.</p>
<p><i>What exactly do you want?</i></p>	<p><i>Would you tell me/share what your expectations are?</i></p>	<p>The 1st question is direct but focuses everyone's mind on a single position - you're straight to haggling like a street trader. We want to build an understanding about possibilities and interests and issues, not one single position. A 'would you' question gives your negotiation partner the opportunity to say no or yes or share some background to the negotiation. Talking expectations helps by asking for more than one answer.</p>
<p><i>You can see from some of the examples above how helpful framing a question can be. Keeping a conversation focused on possibilities helps too. Here's a framing statement that helps achieve both - "When seeking an agreement that works well for us both it often helps to talk about the background to our thinking, and working out what matters most to each other, tell me...?"</i></p> <p><i>Please note the use of the phrase 'tell me'- this can be a big help in keeping a conversation flowing.</i></p>		

5. The two negotiation books that can transform your skill at make you a successful negotiator...

Chris Voss' book makes a strong point about the value of preparation:

“When the pressure is on, you don’t rise to the occasion, you fall to your highest level of preparation”

– Chris Voss

And so if you want a successful negotiation and you want to preserve the relationships involved you must prepare well. The insights and experiences of both authors will set you up for success.

William Ury, and his co-author Roger Fisher, share the negotiation insights from the Harvard negotiation project. Chris Voss shares his experiences of being the lead FBI negotiator and how his insights apply to business too.

Please find below the Amazon links to both of the books:

<http://bit.ly/amazonneversplitdifference>

<http://bit.ly/amazongettingtoyes>

