

**\* STRATEGIC MARKETING MAGAZINE FEATURE ARTICLE \***

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Negotiations are merely a means of resolving issues of potential conflict, with an intention to agree. And regardless of your position, you will find yourself negotiating daily. Whether you are 'selling' your new strategy to your work associates or contemplating a new service level agreement (SLA) with a supplier, you'll need to know how to negotiate and bargain like an expert.

As with all relationships, the number one key success factor is trust. Irish Republic Foreign Affairs Minister, Garret FitzGerald said this:

*"The first thing in negotiation is to understand where the person you're negotiating with is coming from. What are their interests, their concerns? Why are they taking up that position? Unless you understand that it will be very hard to get agreement; and that involved empathy from the other side. Without empathy there will be misunderstandings and hostility."*

Building trust is even more challenging in a multi-cultural environment like South Africa, where because of our cultural idiosyncrasies, differences and history, there is often innate distrust. To avoid "doing battle" Sun Tzu in *The Art of War* recognised this "subjective" situation, and recommended we set our differences aside by rather focussing on finding common ground by looking for a mutually acceptable win-win deal. If this critical part of negotiations is not researched carefully, even with the best intentions, your negotiations can be severely compromised from the start. So from the handshake to the tone and tempo of the negotiations, "When in Rome, do as the Romans do."

Don't think that the best negotiators are loud and aggressive. The finest negotiators are polite, alert and relevant to their opponents, but most of all they are well prepared. Deepak Malhotra and Max Bazerman in their Harvard Business Review article *Investigative Negotiations*, suggest "The best way to get what you're after in a negotiation - sometimes the only way - is to approach the situation the way a detective approaches a crime scene." The expert negotiator thus has carefully looked at every issue or variable that will be raised by the other party, but has also

carefully prepared many probing questions to “test the waters” and find the other party’s preferred, acceptable and reservation (PAR) values. For example a trade union may be demanding a 16 percent wage increase (preferred), but a more realistic figure could be 10 percent (acceptable), but pushed to their limit will still consider an 8 percent (reservation) offer.

Now with a bit of background to negotiation skills, let’s look at my top-10 tips:

### **Top-10 Negotiation Tips**

1. Preparation is key. Research everything before setting your objectives.
2. In case the other party rejects your final offer, plan an alternative to the negotiated agreement. This escape route will give you confidence throughout the negotiations. For example, if your supplier does not want to sign the SLA, you can terminate the relationship and approach another supplier.
3. In an attempt to build trust, understand the subjective history between parties. Know the cultural differences, personality profiles and be a body language expert.
4. Think “win-win” but also don’t be afraid of a deadlock. Send out all the right body language messages and tones.
5. Ask questions to establish the other party’s position. The best question to ask is “What’s important to you with respect to this...?”
6. Know both parties objectives (yours and theirs). Establish an overlapping ‘zone’ of all the issues that need to be agreed to. In other words, attempt to find the range of what values are Preferred, Acceptable and Reserved (PAR) by both parties.
7. Aim high with your first anchor offer (your Preferred Value), but always be in a position to justify it. Know exactly what you will say if there is an objection. Eskom opened with 45% and settled at 35%.
8. Often use the line “If...then.” “If you want a 15 percent raise, then you will have to achieve a new set of key performance indicators.”
9. Never stop looking for new issues or variables which can be ‘rolled’ or exchanged for the variables that both parties want most.
10. Keep detailed notes and minutes. Get agreement before moving onto the next issue. Confirm and summarise in writing.

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