

# Negotiation Essentials

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Early in life we learn that negotiation is an essential part of our life. Our 2 years olds try to negotiate a later bedtime and as teenager I'm sure we tried to negotiate a later curfew or chores assignments. In the business world more is at stake as we are negotiating salaries, trade union agreements and sales contracts. Therefore it is critical to cultivate negotiations skills as your successful or failure could have a significant impact on the business.

A negotiation is a strategic discussion that resolves an issue in a way that both parties find acceptable. The success of a negotiation is determined before the two parties met; in the planning and preparation phases. This is where consideration is given to what you wish to achieve as well as how you may be able to meet the other party's needs. Give consideration to the issues and determine a strategy for adequately addressing them.

While negotiating it is essential that adequate information is gathered, alternatives explored and options evaluated. Remember, there is usually more than one possible option and therefore you should thoroughly evaluate them before making a decision. However once a solution or position has been decided and agreed upon then it must be implemented. A negotiation is a failure if what has been agreed is never actioned upon and in fact this can cause problems for future negotiations.

Let's take a look at three important points to consider irrespective of the type of negotiation that you may be facing:

## **Remember that Win-Win is the best**

Oftentimes persons approach negotiation with the mind-set that there ultimately must be a winner and a loser. However, contemporary writers have highlighted that the best outcome of a negotiation is where both parties win; this is where both parties have their needs met.

Most persons think of compromising as negotiation which often involves splitting the difference, usually resulting in an end position of about half way between both party's opening positions. However, while half way between the two positions seems "fair" it ignore the fact that the people that take the most extreme positions tend to get more of what is on offer.

Win/Win" is about making sure both parties have their needs met, and as much mutual value as can be created is created. This is done through collaboration where you recognise that there are needs that must be met – but also acknowledge that the other party has needs that must be met too.

## **Pay attention to what you say**

"I insist that..." or "I can't live without..." are positional statements and these types of statements back the other party into a corner and does not let them find a way to address the real problem that you may have. Positional statements are generally the concrete action or item you want and they do not serve to move the negotiation along. It is better that you choose words that better convey where you need resolutions such as "I need to address the problem of..." or "Understand that..."

## **Know when to walk away**

It is a common belief that once you begin to negotiate you must come to an agreement. There are times when certainly this is true, for example in trade union agreements; in collective bargaining the parties must conclude the negotiation. However this is not always the case; imagine you are negotiating the price for a used vehicle, there is a threshold beyond which it may be better to purchase a new vehicle or repair your old one. The same applies to business negotiations. You should establish your thresholds to determine when an alternative arrangement may be better than seeking to broker a deal. These points should always be established before you even start to negotiate. You should examine all the alternatives solutions available to you and that information will inform you of when it's better to walk away.

Very often we approach negotiation being very guarded. We don't wish to reveal too much information or let the other side know our motivations. However, while we believe this, research has shown that this harms our outcomes. In fact you are better off building trust with the other party and sharing as much information as is feasible so that you can achieve a successful negotiated outcome which is beneficial to all parties involved.