

10 YEARS OF RED SHEET

What the last 10 years have taught us about negotiation

December 2016

Negotiation

The Red Sheet® negotiation approach is the tool of choice by many negotiators and companies the world over, whether in sales, purchasing, HR, project management or security services.

As the Red Sheet negotiation approach celebrates its 10th anniversary, this month we reflect on what these exciting 10 years have taught us about negotiation.

Learn to dance, like peas in a pod, watch how everybody's talking, always have an alternative, and close when close.

That's what the last 10 years have taught us in just 20 words.

Everyone knows that it is important to plan ahead of a negotiation. But planning often isn't enough. Understanding the nuances of negotiation is what can make the difference between a good negotiation and an outstanding one.

Beyond the myriad books and resources that give advice on negotiation tactics and techniques, these five skills can help tip the scales in your favour when you find yourself feeling your way through the uncertainties in search of a great outcome:

I. LEARN TO DANCE

The animal kingdom abounds with amazing courtship displays – elaborate performances where two animals will dance around each other to attempt to win a mate.

Negotiation is a dance too and to be effective we need to learn to dance well. Just like in animals, the dance must be done if we are to reach the goal; it is not something we can shortcut. Instead we should embrace the dance, learn to enjoy it and practice staying in control of it.

In a negotiation, the dance is about the steps each party takes towards reaching agreement across the various negotiables. These steps are important and necessary; success comes from how these steps or concessions

are planned and managed. If you want to get someone to do something they don't want to do you must take them there one step at a time or they will simply resist. If you want to get a good outcome in a negotiation, you need to dance one step at a time, drawing from your repertoire of tactics and techniques with each designed to advance things a little further forward and secure a series of concessions.

2. LIKE 'PEAS IN A POD'

Perhaps you have experienced meeting someone when 'things just clicked' and you felt instantly at ease with them. Sometimes this happens by chance or because some people seem to have a natural ability to do this. However, building rapport is also a technique that can be learnt and it is the home ground of sales people, who often receive training to improve this skill.

Rapport is simply getting on well with the other person by having things in common. Rapport creates a connection and a sense of trust with another in no time. Rapport creates accord and affinity by demonstrating understanding of the other's position. It seeks to connect with, and share, their current experience and empathize with their emotional state by simply 'being on their side'. Once rapport has been built with another it becomes much easier to lead them towards a particular outcome.

Rapport-building is the magic component that turns average negotiators into highly effective negotiators because it works by converting an opponent into a partner who sees you as like-minded and may even like you. Much of this happens at a sub-conscious level.

Rapport-building is an entire topic on its own but one that can be learnt easily. Those skilled in this will seek to pace themselves with the other by matching their energy, spoken tone, body language postures and gestures (without being seen as mocking) so as to be 'just like them'. They will also use affirmative behaviour such as nodding and good eye contact, but the single most effective means to build rapport is simply to be intensely interested in the other person and their position.

3. WATCH HOW EVERYBODY'S TALKING

Body language gives more away about a position than any other factor in a negotiation and often happens without the individuals realizing that they are doing so. It is what seasoned negotiators are most watchful for.

Even the most experienced negotiators have to work hard to prevent inadvertently revealing a position. The reality is that our brains are working constantly to protect us and as a negotiation that matters to us plays out, it can trigger all sorts of involuntary reactions or movements when we feel uncomfortable, threatened or excited.

Few people can deliver a bluff or say something that they know is untrue without some sort of eye or limb movement, or shift in position that a trained negotiator could spot.

This means that to be good at negotiating you need to understand body language in others and be self-aware and able to manage your own. This skill requires more than just reading a book about the subject and applying interpretations about specific actions.

Interpreting body language in a negotiation is about looking for changes and clusters of changed actions that might provide insight into what is happening in the individual's mind at that moment. It is also about learning how to not be read by others, an invaluable skill to any poker player.

4. ALWAYS HAVE AN ALTERNATIVE

Power in negotiation can come from many sources, but the ultimate power comes by having alternatives. Without an alternative, we need to cut the deal and that can be easily spotted by a well-trained opponent.

However, if we negotiate knowing that we can use our alternative if we don't get what we want, then we are likely to be braver and our entire demeanour will be naturally more determined. Maybe you've experienced this if you've ever been fortunate enough to have two job offers at the same time and pushed for a bit more before making a decision.

There is always an alternative, we just might need to use a bit of brainpower to think of it – a different product or service, a different specification, holding off until another day, walking away and so on.

Crucially you must believe in your alternative if it is to impact how you negotiate.

5. CLOSE WHEN CLOSE

One of the most common failings in negotiation is to keep negotiating beyond the point where there is the best deal to be done.

Sales people are taught when, and how, to close a sale. Closing a negotiation is no different regardless of which side we are on. The natural tendency in a negotiation exchange is to keep the exchange going as if waiting for them to say 'OK I agree' or something similar, as if presenting options for the other party to agree on and waiting for them to do so. However, this rarely happens.

This mindset is born from lack of confidence because in practice it's hard to know when to close as we rarely know for certain if we have really taken things as far as we can, therefore it feels safer to keep going. This can, however, be counterproductive as the longer a negotiation goes on, the more the other side will find to push for, and potentially we risk giving more concessions than we need.

Effective negotiation is about learning when to close the deal as early as possible, spotting the signals and using hypothetical questions to test the ground.

With these five things in mind, a good negotiator can develop his or her capabilities and become an outstanding negotiator.

Jonathan O'Brien, CEO of Positive Purchasing Ltd, is a leading expert on negotiation and works with global blue-chip organizations to help transform negotiation and procurement capability, and he helped pioneer the Red Sheet® negotiation methodology. He is also an award-winning author and has written three core texts in this field.