NEGOTIATION SKILLS **D** Prof. Dr. Ahmed Fahmy Galal Faculty of Commercee Cairo University

People negotiate all the time . Friends negotiate to decide where to have dinner Children negotiate to which television program to watch. Businesses negotiate to purchase materials and to sell their products. Lawyers negotiate to settle legal claims before they go to court. The police negotiate with terrorists to free hostages. Nations negotiate to open their borders for free trade.

Negotiations occur for one of two reasons:

- 1)To create something new that neither party could do on his or her own.
- 2)To resolve a problem or dispute between the parties. Because people can negotiate about so many different things, understanding the fundamental processes of negotiation is essential for anyone who works with other people.

Characteristics of a Negotiation Situation

- 1. There are two or more parties that is, two or more individuals, groups, or organizations.
- 2. There is a conflict of interest between two or more parties
- 3. The parties negotiate because they think can use some form of influence to get a better deal.

- 4. The parties, at least for the moment. Prefer to search for agreement rather than to fight openly
- 5. When we negotiate, We expect give and take.
- 6.Successful negotiation involves the management of intangibles as well as the resolving of tangibles

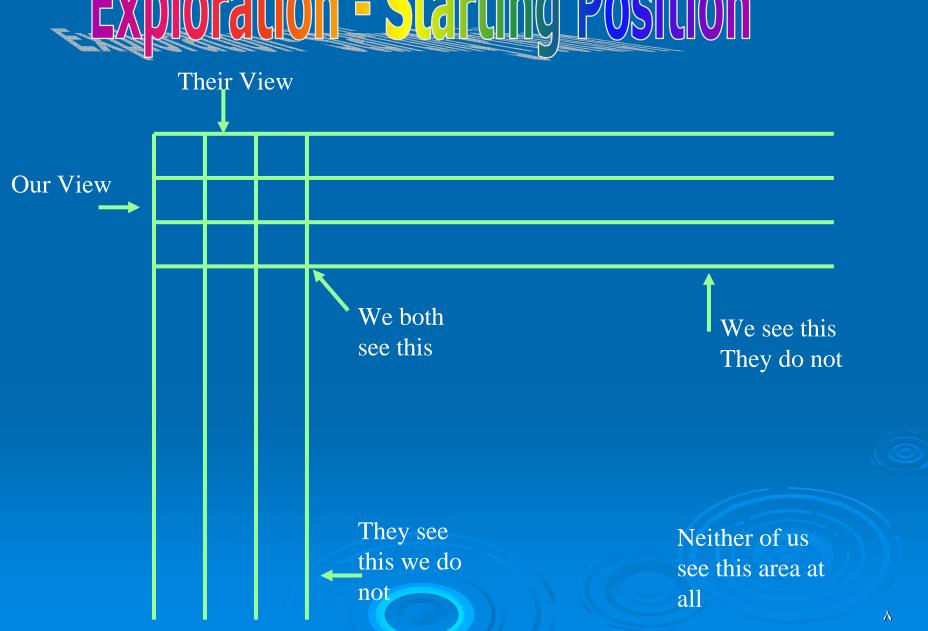
The Climate

The very first thing that happens when parties meet to negotiate is that a climate begins to form. This happens when energy is high and the climate is established very quickly. Once established, it will not be changed easily. First impressions last

Bill Scott Explores the issue of climate thoroughly in his book, "The Skills of Negotiating". The conclusion he reaches is that we need a climate which is:

- CORDIAL
- COOPERATIVE
- BRISK
- BUSINESSLIKE

Exploration - Starting Position



Why Negotiation?

- 1. There is no surer way to survive than to improve your negotiation performance.
- 2. In many cases there is a better deal than that one on offer waiting to be discovered
- 3.If you don not negotiate, you can only get what they want you to have i.e they decide what is good for you.
- 4. IN life every body negotiates about almost every thing

- 5. Every things you want is under the control of some body else.
- 6. You can get any things you want through negotiation.
- 7. Possibility of agreement:
 - We all right
 - Needs are different

In life everybody negotiates almost about every thing

In Business: we negotiate with customers & suppliers

within our organizations:

We negotiate with colleagues with the boss etc.

In private life:

We negotiate with spouse, Children, your dad etc.

Poor Negotiation Costs money, time, and perhaps lost of chances of happiness

Negotiation

- 1. MAKES YOU SUCCESSFLL IN EVERY ASPECTS OF LIFE.
- 2. TAKE CONTROL OF YOUR LIFE & ACHIEVE WHAT YOU WANT.
- 3.DEVELOP POWER OVER OTHERS.
- 4.YOU ARE NEGOTIATING ALL THE TIME.
- 5.EVERY THING YOU WANT IS UNDER CONTROL BY SOMEBODY ELSE.

Principles of Negotiations

1. The worst thing you can do is to "ACCEPT **HIS FIRST OFFER "**

Especially if it is too good to refuse

- 2. Don't just state a grievance, negotiate a REMEDY.
- 3. The negotiator's most useful question is " WHAT IF"
- 4. The negotiator's dilemma in negotiating we do not Know for sure what the other party will accept. Use add on technique

5. Handling of concessions is probably the most difficult problems facing negotiators. If I concede, why should he does like wise, he -even- might induce you to concede more. Do not think you are displaying good will, really you are displaying your weakness.

Do not leave any thing unless you get something in RETURN.

6. Shock them with your opening offer.

Negotiators are always unhappy if you agree too easily with their opening offers, so make them happy by haggling

- 7. ONO: Or Nearest Offer, it weakens your position i. e you are willing to accept less
- 8. Toughen up your negotiating style, toughness generates the opposite response from an opponent.

Open with a very high demand stick to your offer make a few concession be undisturbed by threats.

9. The negotiator's most useful two letter word is IF.

By using the word if you protect the integrity of your proposals

10. Who has the power?

If you believe that the other party have the power, then they have it.

- 11. How to have a negotiating authority, Company policy, our rules etc.
- 12. There is not such thing as a fixed price.
- 13. How to stop conceding repackage the deal.
- 14. How to resist intimation
- 15. How to cope with threats beget threats, no body likes to be threatened

- 16. How to cope with deadlock how to make them recognize that the issue is a MUTUAL PROBLEM
- 17. Gambits, Ploys and tactics how to use and resist them.

The one sure thing a bout negotiating, is the fact that there is always room for surprise.

- to alter your opponent's perception of the strengthes of your position.
- to alter your opponent's perception of the strengthes of his position

We have no authority

We need a departmental approval

But: Walking out is like - wise a fast wasting asset,

Possiblity Of AGREEMENT

- 1. People do not want the same thing you wants.
- 2. We both <u>RIGHT</u> we see things from different perspectives.
- 3. Pressures is upon all parties, you do not only have the weaker hand.

Negotiation

- Negotiation involves the voluntary consent of both sides to the decision
- Win / win is constructive negotiation
- Power is the very essence of the negotiating process
- Pressure is upon all parties

PHASES OF NEGOTIATION

1. Creating the climate 5%

The critical period , the opening moments warm / cold .

Co-operative / defensive

- Meat & greet one another
- Open some pattern of conversation
- Seated
- Talk business
- Eye contact Non verbal messages .

Cordial
Very Friendly
Brisk
L
active

Collaborative

Work to-gather

Business like

The Climate

1. Friendly

2. Cooperative Win Win

3. Brisk Not aimless chat

4. Business like professional

1st few minuets: standing talk about neutral topics agreeing on procedures

Procedures

Purpose

Plan

Pace

Personalities

EXPLORATION

- ۱) كل فريق يبذل مجهود ضخم لكي يري الفريق الآخر ماذا يري ـ
 - ٢) الاستماع للطرف الآخر
 - ٣) تجنب مهاجمة أي شيء يذكره الطرف الآخر
 - ع)اسأل أسئلة للإستضاح وليس طلب مبررات .
- ٥)أذكر ما قاله الطرف الآخر في عبارات من عندك لكي تتأكد أنك فهمت موقفه .
 - ٦) أذكر موقفك وساعد الطرف الآخر لكي يفهم موقفك

Now state the points of differences, Find those issues which both parties would like to discuss

- Be Positive Seek agreement .
- Take a helicopter View
 Rise
- Establish Common goals.
- Be Open Don't lie or bluff



- 1. Preparation
- 2. Listening
- 3. Presentation

BIDDING

BID OFFERS

كل فريق يقدم العرض الخاص به فيما يتعلق بكل عنصر من عناصر موضوع التفاوض.

an Whatshould you bid?

The HIGHEST DEFENSIVE BID

How to present the bid?

Clearly

Firmly

Without Justification

Without Apology

c. How to respond to a bid

Understand exactly what they have bid

Does the figure include

Ask questions to clarify what you heard

Avoid asking questions starting with why

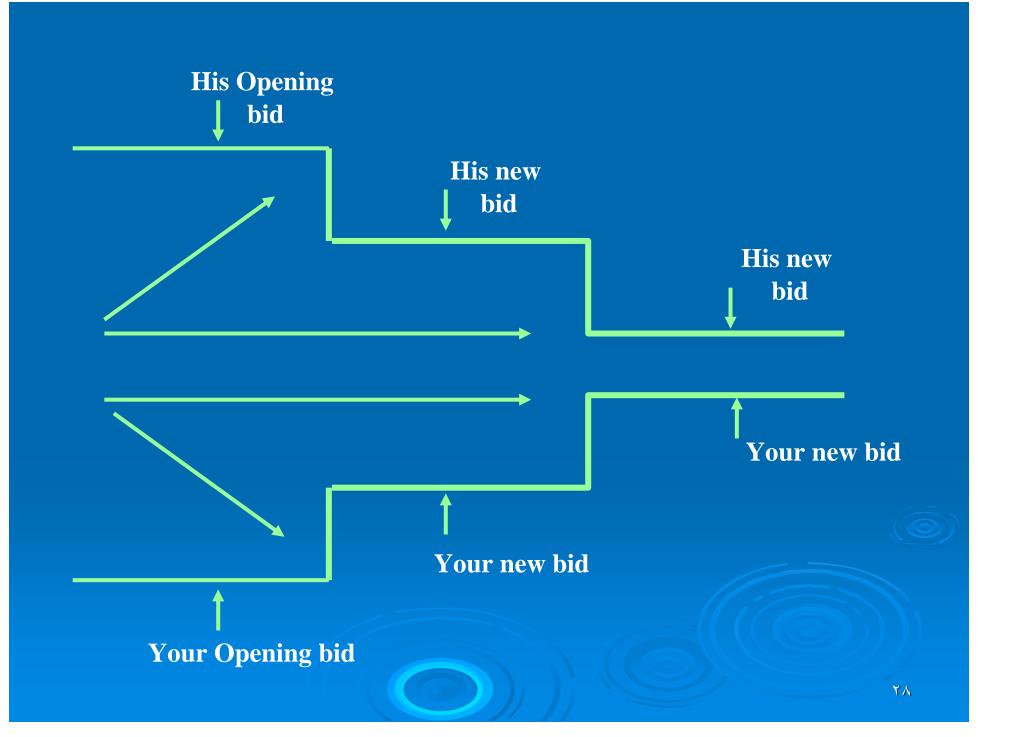
Make a counter offer

Identify areas of agreement and the areas of differences

BARGAINIG

Offering a change in your bid in return for a change in his bid

- Check each item of the other's bid.
- Whey they require that particular output.
- How important it is to them .
- How flexible the other party on this issue



Skills

- Be positive
- Take a helicopter view
- Avoid aggression
- Ask do not TELL
- Confront Issues not people
- Prepare
- Establish common goals
- Be open
- Do not tell the other party what is good for them