

EFFECTIVE NEGOTIATION SKILLS



INSTRUCTOR GUIDE 1-DAY COURSE

HRDQ[®]

EFFECTIVE NEGOTIATION SKILLS

Copyright © 2008 TreeLine 2008
Published by HRDQ
2002 Renaissance Boulevard #100
King of Prussia, PA 19406

Phone: (800) 633-4533
Fax: (800) 633-3683
Web: www.HRDQ.com

No part of this publication may be reproduced or transmitted in any form or by any means except as permitted under HRDQ's End User License Agreement, and the 1976 United States Copyright Act (17 U.S.C.) sections 107 and/or 108. Inclusion in any publication, whether for commercial or non-commercial purposes, is prohibited. Requests for permission to reproduce or reuse this content outside the terms of the End User License Agreement, should be addressed to permissions@hrdq.com or (610) 279-2002.

For additional Reproducible Program Library licenses please contact the HRDQ Client Solutions Team at (800) 633-4533.

The material in this publication is provided "as is." HRDQ disclaims any warranties, expressed or implied, regarding its accuracy or reliability, and assumes no responsibility for errors or omissions. To the extent permissible by law, HRDQ accepts no liability for any injuries or damages caused by acting upon or using the content contained in this publication.

Version 2.0
Last updated September, 2008

ISBN 978-1-58854-485-8

Reproducible Program Library—End-User License Agreement

IMPORTANT! PLEASE READ!

The following terms and conditions are a legal agreement between Organization Design & Development, Inc. DBA HRDQ (“HRDQ”) and You, Your organization, its subsidiaries, affiliates, and legal partners (“You”) regarding the Reproducible Program Library (“RPL”).

You may use the RPL only in accordance with the terms of this agreement as set forth below.

1. License Grant. HRDQ hereby grants You a non-exclusive and non-transferable license to download, reproduce, customize, and otherwise make use of the RPL within the terms of this agreement.
2. Proprietary Rights. The RPL is the sole and exclusive property of HRDQ and/or its authors including all right, title, and interest in and to the RPL. Except for the limited rights given to You herein, all rights are reserved by HRDQ.
3. Term. This Agreement is effective upon acceptance, and will remain in effect in accordance with the term of the license purchased. The specific term of this Agreement is defined on the sale invoice provided You at the time of purchase and available thereafter from HRDQ.
4. Authorized Use of Library. For the term of this license, You may:
 - (a) Store the RPL on a computer,
 - (b) Amend, edit, and change the RPL provided that all original copyright notices, and trade and service marks, remain intact and appear on this agreement and amended versions and reproductions thereof,
 - (c) Print and distribute paper copies of the RPL for educational or training activities, whether with direct employees, students, agents, or clients, and,
 - (d) Resell the RPL, in whole or in part, provided You have a current reseller agreement with HRDQ.

You may not:

- (a) Translate, reverse engineer, decompile, disassemble, or create derivative works based on the RPL,
- (b) Include the RPL, in whole or in part, in any publication, product or service offered for sale,
- (c) Lease or loan the RPL,
- (d) Distribute the RPL through the means of a removable storage medium, such as CD-ROM or DVD,
- (e) Copy or upload the RPL onto any bulletin board service or public Internet site, or,
- (f) Sublicense or reassign this license.

5. Termination. Failure to perform in the manner required in this agreement shall cause this license to automatically terminate and HRDQ may exercise any rights it may have. Upon natural expiry of the term, unless renewed by You with HRDQ, access to the download site will be denied and all passwords rendered inactive. Upon termination, for whatever reason, You must destroy all original and amended versions of the RPL, in any and every format, and certify as such, in writing, to HRDQ upon request. All provisions of this license with regard to the protection of the proprietary rights of HRDQ shall continue in force after termination.

6. Warranty. The RPL is provided “as is.” HRDQ warrants that the RPL does not violate any copyrights, trademarks, trade secrets, or patents of any third parties. HRDQ disclaims all other warranties, expressed or implied, regarding its accuracy or reliability, and assumes no responsibility for errors or omissions. To the extent permissible by law, HRDQ accepts no liability for any injuries or damages caused by acting upon or using the content contained in the RPL. If any part of the RPL is defective in workmanship or materials, HRDQ’s sole and exclusive liability, and sole and exclusive remedy for You, shall be replacement of the defective material. HRDQ’s warranty shall survive the termination of this agreement. Some states do not allow exclusions or limitations of implied warranties or liability in certain cases, so the above exclusions and limitations may not apply to You.

7. Permissions. Any other use of the RPL not defined in this agreement is subject to the written approval of HRDQ.

HRDQ, 2002 Renaissance Blvd. #100, King of Prussia, PA 19406, 610.279.2002, www.hrdq.com.

Instructional design and learning philosophy

We are committed to providing the best core skills content possible for Instructor-Led Training (ILT). The following principles are applied in the development of programs:

Sound Instructional Design

All course content is developed using a variety of research techniques. These include:

- Brainstorming sessions with target audience
- Library research
- Online research
- Customer research (focus groups, surveys, etc.)
- Subject Matter Experts (SME)
- Interviews with trainers

Expert instructional designers create imaginative and innovative solutions for your training needs through the development of powerful instructional elements. These include:








- Learning objectives — effective tools for managing, monitoring and evaluating training
- Meaningfulness — connects the topic to the students' past, present and future
- Appropriate organization of essential ideas — helps students focus on what they need to know in order to learn
- Modeling techniques — demonstrate to students how to act and solve problems
- Active application — the cornerstone to learning — helps students immediately apply what they have learned to a real-life situation
- Consistency — creates consistent instructions and design to help students learn and retain new information
- Accelerated learning techniques — create interactive, hands-on involvement to accommodate different learning styles

Application of Adult Learning Styles

Adults learn best by incorporating their personal experiences with training and by applying what they learn to real-life situations. Our experienced instructional designers incorporate a variety of accelerated learning techniques, role-plays, simulations, discussions and lectures within each course. This ensures that the learning will appeal to all learning styles and will be retained.

Course timing

Module One: Effective Negotiators Prepare

Type of Activity	Segment	Time
	When do you negotiate?	15
	Identify and create negotiable moments	15
	Case study: The battle for the budget	30
	Understand yourself	10
	Understand the other side	20
	Develop your alternatives	20
	Case study: The battle for the budget	20



Reading



Written Exercise



Facilitate






Group Activity

Module Two: Effective Negotiators Listen


Type of Activity	Segment	Time
	Be a good listener	20
	Listen to build a relationship	15

Course timing (cont.)

Module Two: Effective Negotiators Listen (cont.)

Type of Activity	Segment	Time
	Uncover "hidden" messages	20
	What do you do with what you hear?	10
	Maintaining your composure	40

Module Three: Effective Negotiators Persuade

Type of Activity	Segment	Time
	Your roadmap	10
	Acknowledge mutual needs	10
	Be silent	10
	Concede on unimportant items	10
	Apply your leverage appropriately	20
	Deflect "dirty" tactics	30



Reading



Written Exercise



Facilitate



Group Activity

Course timing (cont.)

Module Three: Effective Negotiators Persuade (cont.)

Type of Activity	Segment	Time
	Respond ethically but assertively	20
	End the negotiation	10
	Wrap-up	10



Reading



Written Exercise



Facilitate



Group Activity

Contents

Licensing agreement.....	iii
Instructional design and learning philosophy.....	iv
Course timing.....	v
Course objectives.....	x
Module One: Effective Negotiators Prepare	
When do you negotiate?	2
Identify and create negotiable moments	3
Case study: The battle for the budget	4
Understand yourself	6
Understand the other side	7
Develop your alternatives.....	8
Case study: The battle for the budget	9
Module Two: Effective Negotiators Listen	
Be a good listener	12
Listen to build a relationship.....	13
Uncover “hidden” messages	15
What do you do with what you hear?	16
Maintaining your composure	17

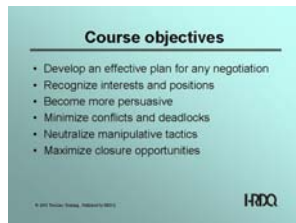
Contents (cont.)

Module Three: Effective Negotiators Persuade

- Your roadmap..... 20
- Acknowledge mutual needs 21
- Be silent..... 22
- Concede on unimportant items 23
- Apply your leverage appropriately..... 24
- Deflect “dirty” tactics..... 25
- Respond ethically but assertively..... 27
- End the negotiation 29
- Summary 31

Appendix

- Pitfalls to avoid 34
- Negotiating “on the fly” 35
- Action plan..... 36
- Course review 37
- Solutions for every training challenge 39



Course objectives

Successful completion of this course will increase your knowledge and your ability to:

- Develop an effective plan and strategy for any negotiation
- Recognize interests and issues and avoid unnecessary positions
- Become more persuasive
- Use techniques that draw information from the other party
- Minimize conflicts and deadlocks
- Ask and answer questions to control the negotiations
- Deflect personal, hostile, or irrelevant objections by reestablishing common ground in the negotiations
- Create a list of concessions that can be "given" during the negotiation to use as bargaining tools
- Read body language, facial expressions, and other signals to uncover "hidden" messages
- Neutralize manipulative tactics
- Maximize closure opportunities

ModuleOne



EFFECTIVE NEGOTIATORS PREPARE



Use this page as an icebreaker activity. Have participants list all the negotiating situations they can think of. Encourage participants to include a wide variety of situations—not merely those that involve money or work. You could offer a small prize (e.g., a \$1 bill) to the person who thinks of the most, or the most unusual. To make this an icebreaker, have participants work with someone they don't know, or have them work alone, then share with a partner or in small groups. Debrief with the entire group to find out what types of negotiating participants find most difficult.

Possible nonwork responses:

- Where to go on vacation
- Dinner options
- What type of car to buy
- Amount of computer time for kids
- Curfew for teens
- What age to retire

When do you negotiate?



Identify and create negotiable moments

Recognize underlying interests

Ask:

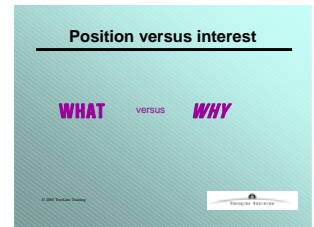
- Why am I taking this position?
- Why are they taking that position?
- What interests are reflected in those positions?
- What interests might they have that are not met by those positions?
- Are there any other positions that are more acceptable to the other side, or to me, that meet our underlying interests?

Examples of underlying interests:

- Tight deadlines
- Unrealistic sales targets
- Staff limits
- High prices by outside vendors
- Excessive demands

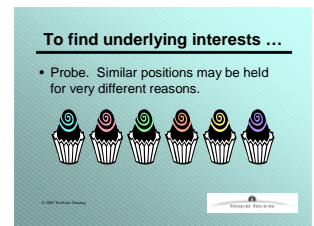
Success comes from mutual dependence

- Ability to listen in order to discern real needs, not just stated ones
- Ability to identify your own real needs and formulate proposals that meet your needs and the needs of the other side
- Ability to communicate your proposal in a persuasive manner
 - Without offending the other side
 - Without forcing them to shut you out
 - In a manner that allows them to recognize the costs of not coming to an agreement with you



Introduce the concept of position versus interest. Positions are the “what” of negotiations; interests are the “why.” Spend a good bit of time distinguishing between positions and interests; give several examples.

Most inexperienced negotiators remain so focused on their position they ignore creative solutions that would meet their underlying interests. In this program, we will focus almost exclusively on interests.



Activity: Have participants refer to the negotiating situations they listed on page 2. Ask participants to identify underlying interests for some of them.

In order to create an opportunity to negotiate, you must find some mutual interest or dependence that affects both you and the other party.

Betty and Bob will be our protagonists for the day. Refer to them, and use them as examples as you work through the material during the training. You will, of course, want to include your own stories and examples of successful and unsuccessful negotiations.

Refer to the Trainer Supplement for details about facilitating the case study.

To begin, ask the group to share their initial feelings about the situation and the personalities of Betty and Bob.

Case study: The battle for the budget

The best way to learn and improve your negotiation skills is to practice. We will use this case study to give you an opportunity to practice the strategies that will be presented during this training. You will revisit Bob and Betty throughout the training to help them work out an agreement.

Meet Betty and Bob

Betty, the boss

Betty is a 48-year-old single mom who has been with the company for 18 years. She feels comfortable in her routine and believes things are going smoothly now; however, it's at a cost—she feels overworked and stressed out. She has a successful track record in budget management and has received compliments about her budgeting skills. She believes the budget is a very important part of her job and enjoys working with numbers. She is a perfectionist. On the personal side, she wants her employees to feel comfortable and enjoy their jobs. She is a little resistant to change and has a tendency to say “yes,” but lacks follow-through.

Bob, the team member

Bob is a 29-year-old from Boston who has been with the company for 18 months. Bob's a mover and shaker. He has been promoted to this department recently and believes he has the time to do more than he's doing currently. He has a desire to learn new skills, wants to feel respected by his peers and believes he has real leadership ability. He has previous successful budgeting experience and enjoys working with numbers. He's concerned about job security in the current market. He has a domineering personality and often comes on strong. He is irritated by a “stick-in-the-mud” approach.

The issue

Bob wants to take over the budgeting responsibilities for the department, and he wants a raise for taking on the additional duties. He will be approaching Betty to discuss this issue.

Case study: The battle for the budget

Bob's interests	Betty's interests

Bob's positions	Betty's positions

Have participants work in their small groups to identify Bob's and Betty's interests and positions. Remember to have every group fill in both sides of the table, and highlight the differences that arise between the "Bob" and "Betty" groups.

Preparation begins with understanding yourself thoroughly. You must know what you want and why you want it.



Activity: Have participants prioritize the interests they listed for Betty and Bob on the previous page. For each person, have them rank order their interests, starting with 1 being the most important or highest priority item. This prioritization will become more important later when participants consider what concessions to make.

Setting expectations: Your goal is to develop expectations that are high and ambitious, as well as realistic and feasible. Study after study has shown that people with high expectations usually come close to getting what they seek, while people with low expectations also come close to getting what they demand. As the saying goes, "If you don't know where you're going, you'll never get there."

Understand yourself

Identify and analyze your real needs and expectations

Write down your perceived interests

Ask, "Why do I want these things?"

Rank your perceived interests

Setting high expectations

Some people fear offending others; remember, set expectations high while remaining realistic

It's not about "thinking big"; rather, it's about preparing and researching

Support your expectations with research, benchmarks, precedent, etc.

Write down your expectations, and talk to others about them—it will help build your commitment to the expectations

Understand the other side

Collect information from multiple sources

What to gather

- The other side's real limits — how much they are willing to sacrifice to make the deal
- Their alternatives
- Their deadlines
- Their financial situation
- Their priorities
- Their negotiating style
- Their track record with previous negotiations

How to gather

- Ask questions during initial meetings
- Offer or give up some information on your part to create an atmosphere of reciprocity
- Ask the other party's competitors
- Search the Internet or public records

Case study: The battle for the budget

Bob's preparation	Betty's preparation

Emphasize that gathering information takes work. Remind participants that the more effort they put into their preparation, the more likely they are to achieve their desired outcome.



Gathering information: Sometimes it works to “play dumb.” The more confused and defenseless you appear during initial meetings, the more readily the other party will help you with information and advice. You can also be straightforward, “Please help me understand your concerns.”

Remind participants that successful agreements can arise not only from finding common ground, but also from finding value in differences. For example, if one side dislikes taking risks and the other side embraces it, a trade-off could be made around that.

Have participants work in their small groups and identify steps Bob and Betty can take to prepare for their negotiation. Debrief with the entire group.

Your alternatives are the tangible result of your preparation. The better your alternatives are, the greater your power. Some say the ultimate alternative is the ability to walk away without making a deal.



Make certain participants understand that the alternatives they consider at this point are just a starting point. As we'll see in the next chapter on listening, negotiators need to remain flexible throughout the process, react to what the other side is saying and adjust proposals to meet both sides' interests.

Discuss the three types of leverage. In Module Three (persuasion), we'll discuss how to use leverage.

In the ideal negotiating scenario, both sides would desire to brainstorm together to come up with proposed alternatives. Even if you can't do this with the other side, working through the issues on your own is helpful in your preparation.

Optional activity: In order to help participants open their minds to creative solutions, conduct the following activity: Have participants work in small groups, and ask them to create a contraption out of the following items: empty soup can, straw, cotton balls, piece of string and stack of paper plates. Allow about 10 minutes, and then have each group share its contraption.

Develop your alternatives

Think good, better, best

Make a list of actions you could take if no agreement is reached

Determine the worst that could happen if no deal is reached

Convert some of the ideas into practical alternatives: Research other vendors, suppliers, employers, employees

Create competition by seeking other vendors, employers, etc.

Know the other side's deadlines, and use time to your advantage

Rely on experts

Find experts or people with authority to make the case for you, or refer to their views to make the case for yourself

Identify your leverage

Positive: Something you could provide in exchange for something you need

Negative: Something you could withhold in exchange for something in return

Normative: A way you could appeal to the other side's emotion or their perception of fairness or morality

The ideal scenario

Brainstorm (with the other side, if possible)

Define your purpose

Choose a few participants, including a facilitator

Change the environment—don't make it feel like another meeting

Clarify ground rules (record all ideas, no criticizing, withhold judgment until evaluation period, etc.)

Star the most promising ideas

Set up a time to evaluate ideas and decide

Case study: The battle for the budget

Have participants work in their small groups and identify possible alternatives Betty and Bob can present to each other as they begin the negotiation process. Debrief with the entire group.

Bob's alternatives	Betty's alternatives






Reproducible Training Library



DELIVERING HIGH-QUALITY, CUSTOMIZED TRAINING HAS NEVER BEEN SIMPLER.

The Reproducible Training Library offers a full suite of training solutions, in three formats:

-  Instructor-led Classroom programs with reproducible instructor and participant guides
-  Self-study e-Learning with freely distributable self-study module in Microsoft PowerPoint© format
-  e-Books in freely distributable pocket book Microsoft Word© format

All formats can be easily customized so it's your training, your way. Why spend the time when we've done the work for you?

Get started today!

Download the Info Kit hrdqstore.com/rtl-info or call our Customer Service Team at **800-633-4533**

ABOUT US

HRDQ is a trusted developer of soft-skills learning solutions that help improve the performance of individuals, teams, and organizations. We offer a wide range of resources and services, from ready-to-train assessments and hands-on games to facilitator certification, custom development, and more. Our primary audience includes corporate trainers, human resource professionals, educational institutions, and independent consultants who look to us for research-based solutions to develop key skills, such as leadership, communication, coaching, and team building.

At HRDQ, we believe an experiential approach is the best catalyst for adult learning. Our unique Experiential Learning Model has been the core of what we do for more than 30 years. Combining the best of organizational learning theory and proven facilitation methods with an appreciation for adult learning styles, our philosophy initiates and inspires.

**DOWNLOADABLE,
CUSTOMIZABLE, REPRODUCIBLE
& AFFORDABLE**

For more information or to place an order, please call or visit us at:
HRDQSTORE.COM | 800-633-4533