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The art of strategic negotiation

It is a skill that can be learned

THE ability to negotiate and resolve differences with other people, whether they are colleagues, customers, suppliers or business partners, is a critical skill for success in business.

In fact, the art of negotiation is a cornerstone of leadership, and needed to achieve success in corporate life.

For complex negotiations, you need to be a strategic negotiator. This involves thinking several moves ahead like a chess master, and applying the seven key principles of strategic negotiation consistently. These seven guiding principles are:

FRAME YOUR CASE POSITIVELY

Framing is persuasive messaging with a favourable frame of reference. Use compelling themes to frame the negotiation in your favour.

Effective framing is about presenting information persuasively. Enhance your value proposition with compelling framing. Begin by anchoring your point with strong facts early in the negotiation process.

FOCUS ON INTERESTS OVER POSITIONS

Go beyond what is articulated to find out exactly what the other party's interests are. Note that there is a difference between a position and an interest.

Positions are more specific and measurable, while interests are more general and subjective. Interest is the underlying motivation for the position. In other words, a position is what one wants, and

the interest is why one wants it.

Imagine that positions are at the tip of an iceberg – you have to explore beneath the tip to gain a true understanding of the broader interests. Uncovering and identifying interests allow both parties to be more creative and productive in looking for a win-win situation.

STRESS COMMON GROUND, NOT DIFFERENCES

You can build a relationship with the other party even as you negotiate. Good negotiations are rarely adversarial in nature. Look for common ground: deadlines, interests, shared experiences.

Commonalities create positive feelings and a sense of shared destiny. Do this as early as possible in the negotiation process to establish the right emotional footing for a conducive negotiating climate. According to research by Roger Fisher and Daniel Shapiro of Harvard Negotiation Project, positive emotions can make it easier to meet interests by reducing fear and suspicion.

MANAGE INFORMATION SKILFULLY

Information is a game. Those who know how to leverage and uncover information will perform better than those who do not.

Knowing what information to share and when to share it can help you build rapport and trust. By skilfully uncovering information from the other party, you can link

your value proposition to their interests and needs.

Strategic negotiators often ask more open-ended questions than average negotiators. They encourage the other party to do most of the talking, while they listen carefully. Sometimes, information has to be traded like a bargaining chip to advance the information-gathering process. In strategic negotiation, the quality of your question determines the quality of the information you get.

AIM HIGHER

Top negotiators set higher targets for all aspects of the negotiation. Communicating a higher target influences the other party's perception of your value.

When you ask for more, you expand the range of reason, and tend to get more. It also builds negotiating room into your proposal. The famed statesman Henry Kissinger said: "Effectiveness at the conference table depends on overstating one's demands".

UNDERSTAND AND LEVERAGE YOUR POWER

You can increase your competitive advantage in a negotiation by understanding power sources and leveraging them. Typical power sources come from factors like financial strength, information, situations, time, technology and people. In negotiation, your personal power derives from your conviction,

confidence and negotiation skills.

CONCEDE STRATEGICALLY

In a negotiation, how you concede is as important as what you concede. Your concession pattern will send a message to the other party. Set your targets high enough to give yourself room to accommodate concessions. Be reluctant to give away concessions.

Go for the quid pro quo ("something for something") approach. If you give away a concession without asking for something in return, you are encouraging the other party to ask for more. Negotiation should start off as an exchange of information and then progress to an exchange of value. Trading concessions is a natural part of that process.

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