

Negotiating

Are You a Deal Maker
or a Deal Breaker?

KINGSTON

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REAL ESTATE BROKER



ProAlliance Realty
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Ice Breaker

**Test Your Knowledge on
International Negotiating**

Question #1

In Hong Kong, you and your counterpart share a cup of tea. During the negotiations, you notice that he keeps moving his cup either closer to you or further away. Why?

- A. This is a method used in feng shui to gauge positive energy.
- B. This represents how far away/close you are to agreement.
- C. This indicates nervousness and should be capitalized on.

B

This represents how far away/close
you are to agreement.

Question #2

During intense negotiations, the Russian negotiation team keep pressing you on a particular point you absolutely cannot budge on. You have politely indicated your position to no avail. They are insistent. Which of these options would be most advisable?

- A.** Keep politely insisting you are unable to offer any leeway. The Russians will eventually understand.
- B.** Drag your negotiation team out of the room dramatically. The Russians will then appreciate concessions on this point are unlikely.
- C.** Concede slightly. The Russians will then feel they have gained some sort of concession and move on.

C

Concede slightly. The Russians will then feel they have gained some sort of concession and move on.

Question #3

Which of these statements are true?

- A. German decision making can be very slow.
- B. Germans take a casual approach to punctuality.
- C. Germans expect humour in a business context.

A

German decision making can be very slow.

Question #4

When meeting in France in a business environment, which of these is best to avoid?

- A. Personal questions
- B. Eye contact
- C. A formal demeanor

A

Personal questions.

Question #5

During negotiations in Italy, two of the Italian negotiation team members keep taking phone calls. Why?

- A.** This is a sure sign they have little interest in your proposal.
- B.** This is a well-known tactic to make foreigners feel uncomfortable and expose weakness.
- C.** They are probably taking calls from superiors; to not answer would be rude.

B

This is a well-known tactic to make
foreigners feel uncomfortable
and expose weakness.

Negotiation- Definition

*The act or process of having a discussion
in order to reach an agreement.*

Negotiations are challenging, complex, and exciting, and require a mixture of knowledge, skills, experience, and intuition. Every negotiation is unique!

Negotiating successfully goes beyond mastering tactics and strategies. In order to achieve superior results, it also requires the right attitude and mindset, planning, resilience, creativity, and knowing your bottom-line.

Examples of Everyday Negotiating

Your thoughts and experiences are
welcomed, please share.

Principles of Negotiating



"They give one to everyone as a negotiating tactic.
Just stay focused and try not to snuggle."

Principles of Negotiating

- Clients' interests are always paramount
- Let silence do the heavy lifting
 - Silence is uncomfortable. Present your position with confidence and say it proudly, then say no more. It forces the other party to concede or agree. The person who speaks first loses.
- Great negotiators are great listeners, not great talkers.
- Know who you are dealing with. Some cultures like to waltz and some like to get to the dance.
- Gradual persuasion: moving the other party to an available compromise.

Principles of Negotiating- cont'd

- Splitting the difference is a great tool when both parties are worn out. However, don't do this too early in the negotiations, otherwise, the other party will use it against you and want to split it again.
- Don't pull numbers from the air, always do your homework and come prepared.
- Don't use completely round numbers. It will show you analyzed and thought about what you could do, sounds credible.
- "Puff it up". If negotiating small increments back and forth, make your last one a big step, it may not be your highest point, but that may do it.

Benefits of Skilled Negotiating in Business

- Creates real value for your organization
- Secures cost-effective and reliable flows of supplies
- Enhances the financial value of mergers and acquisitions
- Settles potentially damaging disputes with union leaders or government officials
- Resolves internal conflict constructively

Negotiating is Psychological

What's Your Approach?

A- The Rational Self

- Logical
- Analytical
- Fact-oriented
- Good with numbers

B- The Safekeeping Self

- Cautious
- Organized
- Systematic
- Neat
- Timely
- Well-planned
- Obedient
- Risk-averse

Negotiating is Psychological- cont'd

C- The Feeling Self

- Friendly
- Enjoy human interactions
- Engage in open communication
- Express their emotions
- Enjoy teaching
- Supportive of others

D- The Experimental Self

- Think holistically, see the big picture
- Creative
- Comfortable with uncertainty
- Future-oriented
- Willing to take risks

Strong vs. Weak Negotiators



"Can't you see? This isn't a real offer! They're just tossing us a bone!"

What Makes a Strong Negotiator?

- Feeling comfortable in the negotiation situation
 - tolerate uncertainty, deal with unexpected behaviour, take measured risks, and make decisions based on incomplete information.
- Solving problems and creating opportunities, rather than winning or losing.
- Keeping an open mind to learning new techniques
- Understanding it's a mix of rationality and intuition
- Developing trust slowly
- Expressing empathy while negotiating assertively
- Understanding your counterpart
- Having a strategy and sticking to it

What Makes a Weak Negotiator?

- Lack of confidence
- Assuming that something is non-negotiable
- Not building relationships first
- Not asking
- Talking too much
- Failing to prepare
- Being afraid to offend
- Not listening
- Being emotional, caring too much
- Focusing only on price
- Trying to win
- Giving an ultimatum
- Not knowing your BATNA (Best Alternative to a Negotiated Agreement)

Negotiating Styles

There are several different negotiation styles, and each style has distinct characteristics. Each style also has strengths and weaknesses that affect the success of a negotiation. There are five negotiation styles, we'll focus on the two most common:

- Compromising
- Accommodating
- **Competing**
- Avoiding
- **Collaborating**

Competitive vs. Collaborative

Competitive (Win-Lose)

Competing is an aggressive style of negotiation. It can be confrontational and usually they have nothing to offer. It's win-lose orientation relies primarily on power and dominance, so one party gains at the other party's expense.

Tactics such as ultimatums, threats, and intimidation are frequently used as part of the competing styles. These tactics result in hostility and resentment, and the competing style does not create long-lasting solutions or relationships.

Competitive vs. Collaborative- cont'd

Collaborative (Win-Win)

Collaboration involves both parties working together to achieve mutual objectives.

Collaboration establishes long-term relationships that provide maximum satisfaction for both parties. Although collaboration is the most time-consuming negotiation styles, it helps each party understand the mutual objectives from different points of view. Collaboration encourages creative thinking and problem solving, and builds trust between participants.

Challenging Negotiations

Challenging negotiation situations should be addressed carefully. The following guidelines will assist you in conducting a challenging negotiation:

- Ask for documentation when you suspect a bluff
- Provide rationale if the other party makes an unfair offer
- Emphasize the need for cooperation

Pitfalls to Avoid

You may be tempted to react negatively during a challenging negotiation. However, negative reactions can result in a breakdown of the negotiation environment. You should avoid the following pitfalls:

- Threatening the other party
- Becoming emotional
- Using sarcasm

Creating Win-Win Deals

- Effective negotiations, unlike competitive sports, can produce more than one winner.
- It takes motivation by both parties to find creative alternatives that fulfill their interests to create a win-win outcome.
- To promote win-win deals, effective negotiators focus on the substantive issues of the deal (price, terms of payment, quality and delivery schedule); negotiating on multiple issues simultaneously.

Creating Win-Win Deals- cont'd

- Formulating a social contract between the negotiators- the spirit of the deal.
- Identifying and leveraging differences in the interests of and the risks to the other party.
- Understanding what's important to the other party.

A black and white photograph of a desk. On the left, a pair of hands is clasped together. In the center, a pair of glasses is folded. On the right, another pair of hands is clasped, holding a pen. A pen lies on the desk in the lower center, and a glass is in the lower right. The text is overlaid in the center.

**"Let us never negotiate
OUT OF FEAR.
But let us never
FEAR TO NEGOTIATE."**

-John F. Kennedy

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Thank you

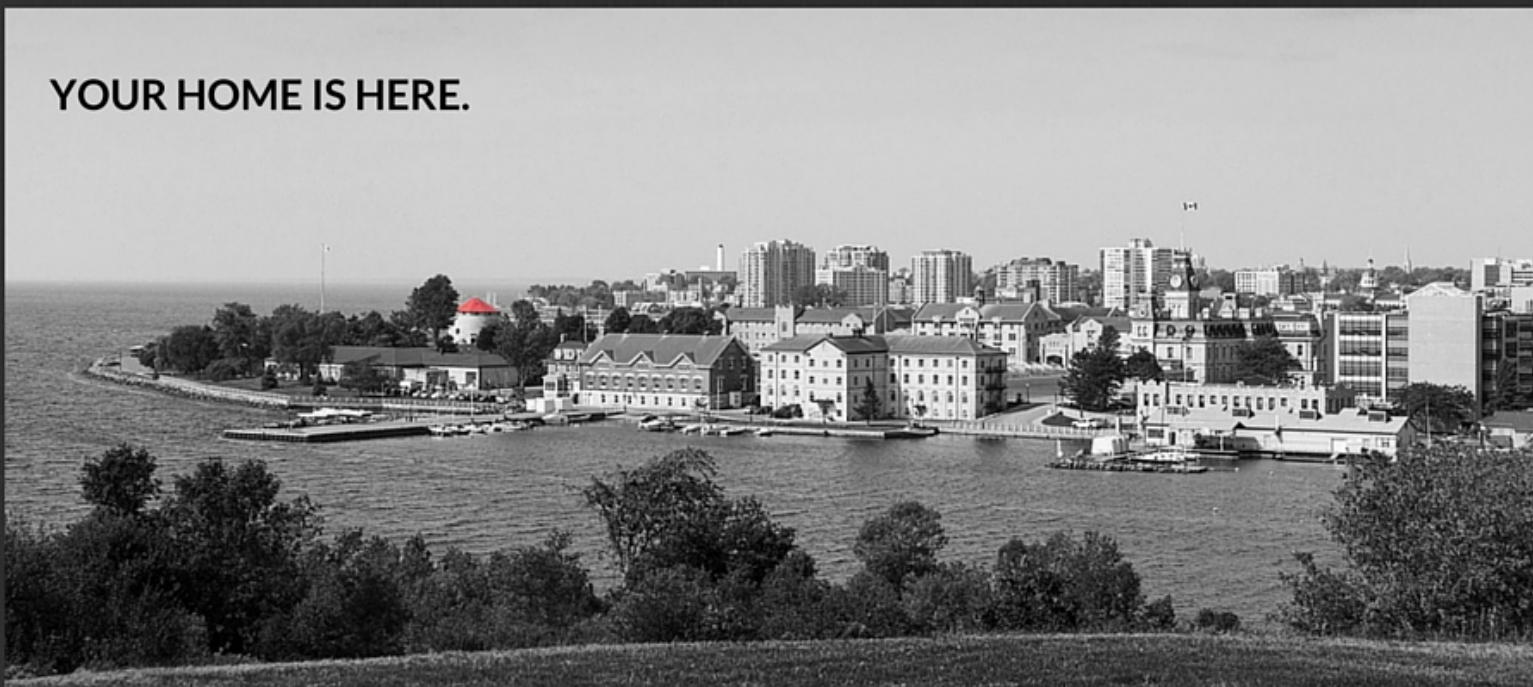
*I enjoy the opportunity to create long-term relationships
and build my business through referrals
of your friends and family.*

*I would love to negotiate your next
real estate move.*



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