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Negotiating internationally - language, skills and culture

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Some questions

- How would you define a successful negotiation?
- How does culture influence negotiations?
- What are the qualities of a good international negotiator?



A successful negotiation

Close the deal with my terms
Have a good feeling (both parties)
Meet expectation of customer
Continue business
Leave as friends
Establish win-win situation
Fix negotiations points (commitment)
No emotions leading the negotiation
Find compromises
Be creative



Influence of culture

Often 'hidden' influence
Misunderstandings common
Hierarchy can affect acceptance
How to get commitment
How to reach a compromise
Role of relationships vs content/facts



Qualities of a good negotiator

- Respect the culture
- Overcome the language barrier
- Listen carefully
- Keep in mind business mentality
- Speak “same” language
- Understand customer requirements
- Knowledge about country/culture
- Understand your own culture
- Patience
- Know how other cultures see your culture



Negotiation Definitions

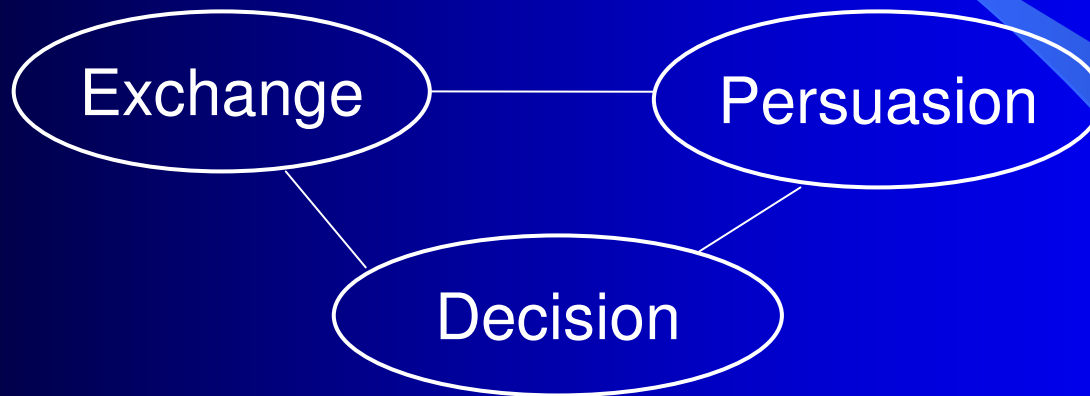
The use of information and power to influence behaviour

A process in which one individual tries to persuade another to change their ideas or behaviour.

Back-and-forth communication designed to reach an agreement when the two sides have some interests that are shared and others that are opposed.



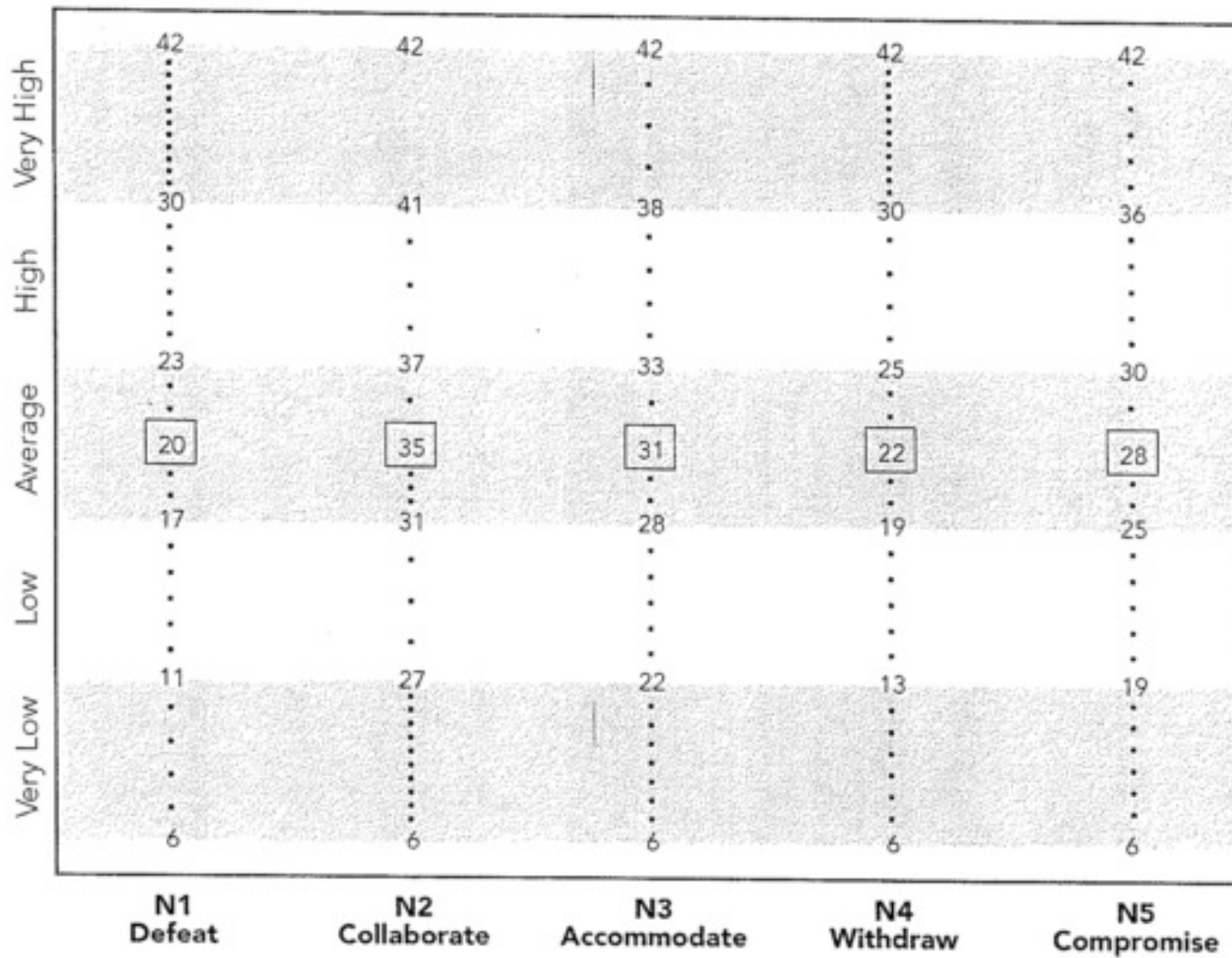
What is Negotiation?



“Negotiation is the process by which a least two parties with different assumptions, needs and expectations try to agree on a matter of mutual interest”.



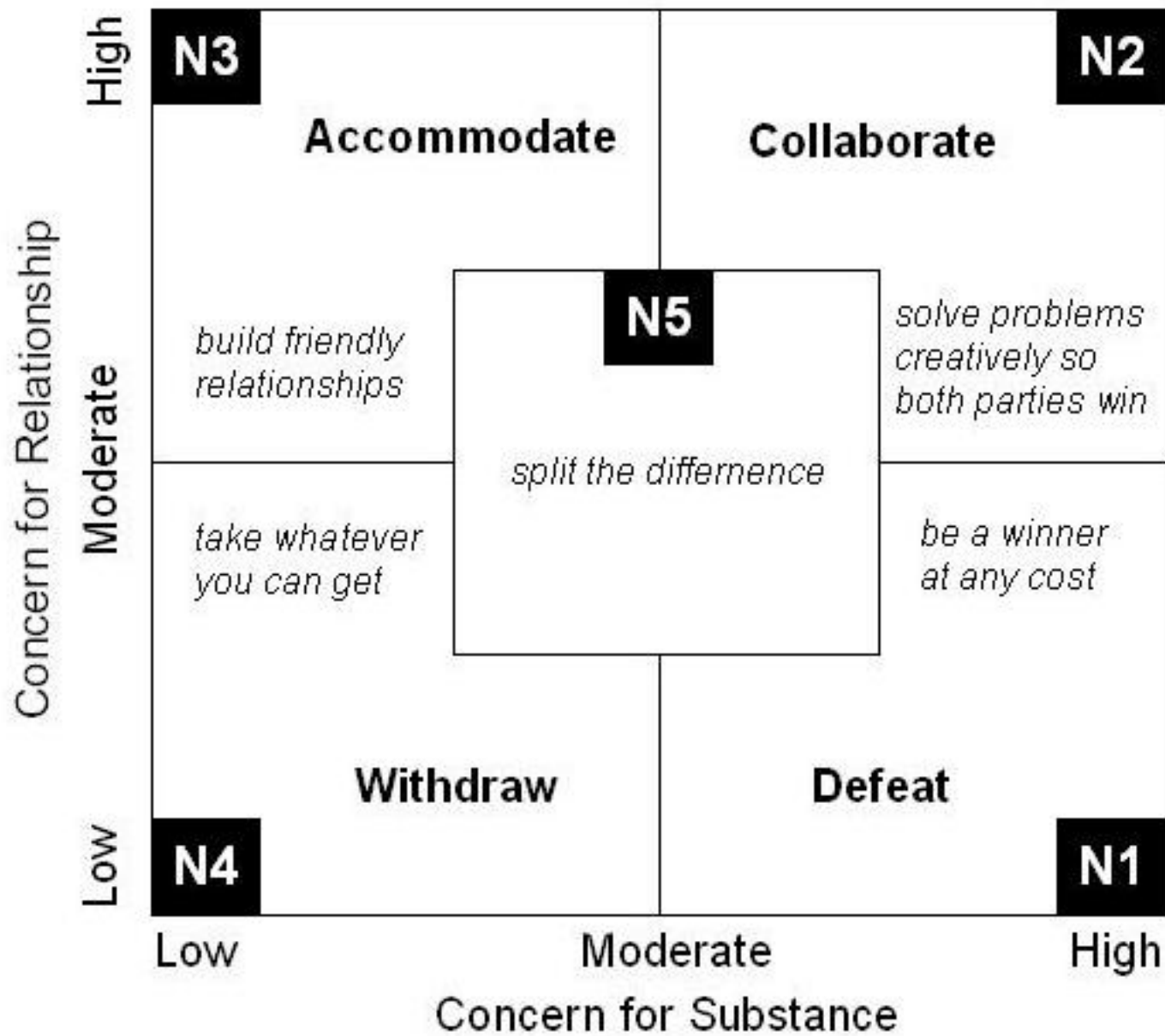
PROFILE OF NEGOTIATING STYLES



Five negotiating styles

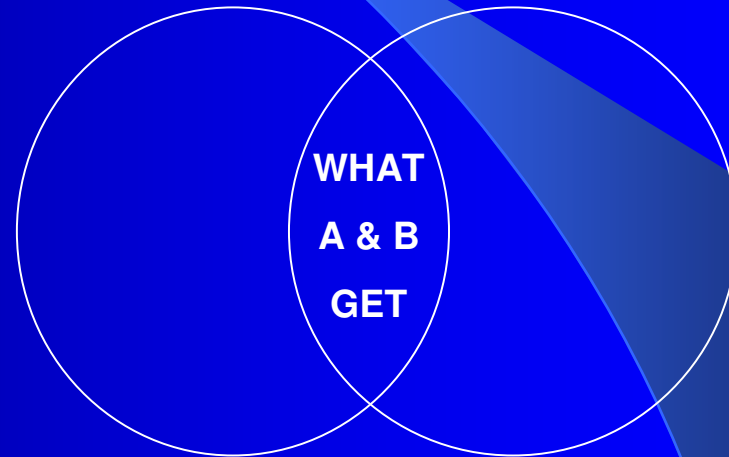
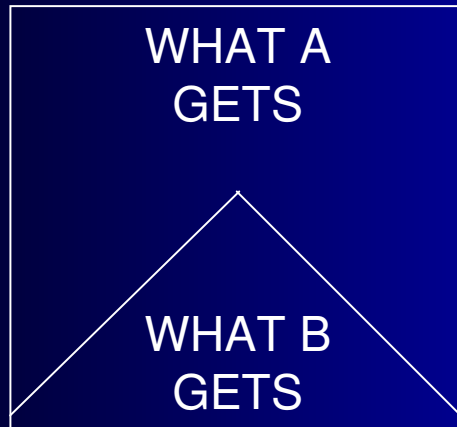
- Defeat the other side
- Collaborate
- Accommodate
- Withdraw
- Compromise





COMPETITIVE

CO-OPERATIVE



Win – lose approach

- Do the best for yourself – more for me, less for them
- You want $\$X$, ask for $\$X+$
- Trade concessions reluctantly
- ‘Poker face’ (make $\$X+$ believable)
- Show no empathy for legitimate claims from the other side
- Use ‘tactics’ to disturb the other party



Collaborative approach

- INTERESTS – focus on interests not positions
- OPTIONS – generate options for mutual gain
- LEGITIMACY – use objective criteria
- SEPARATE THE PEOPLE FROM THE PROBLEM – keep emotions at bay
- BATNA (Best alternative to negotiated agreement) – decide on yours, look for theirs

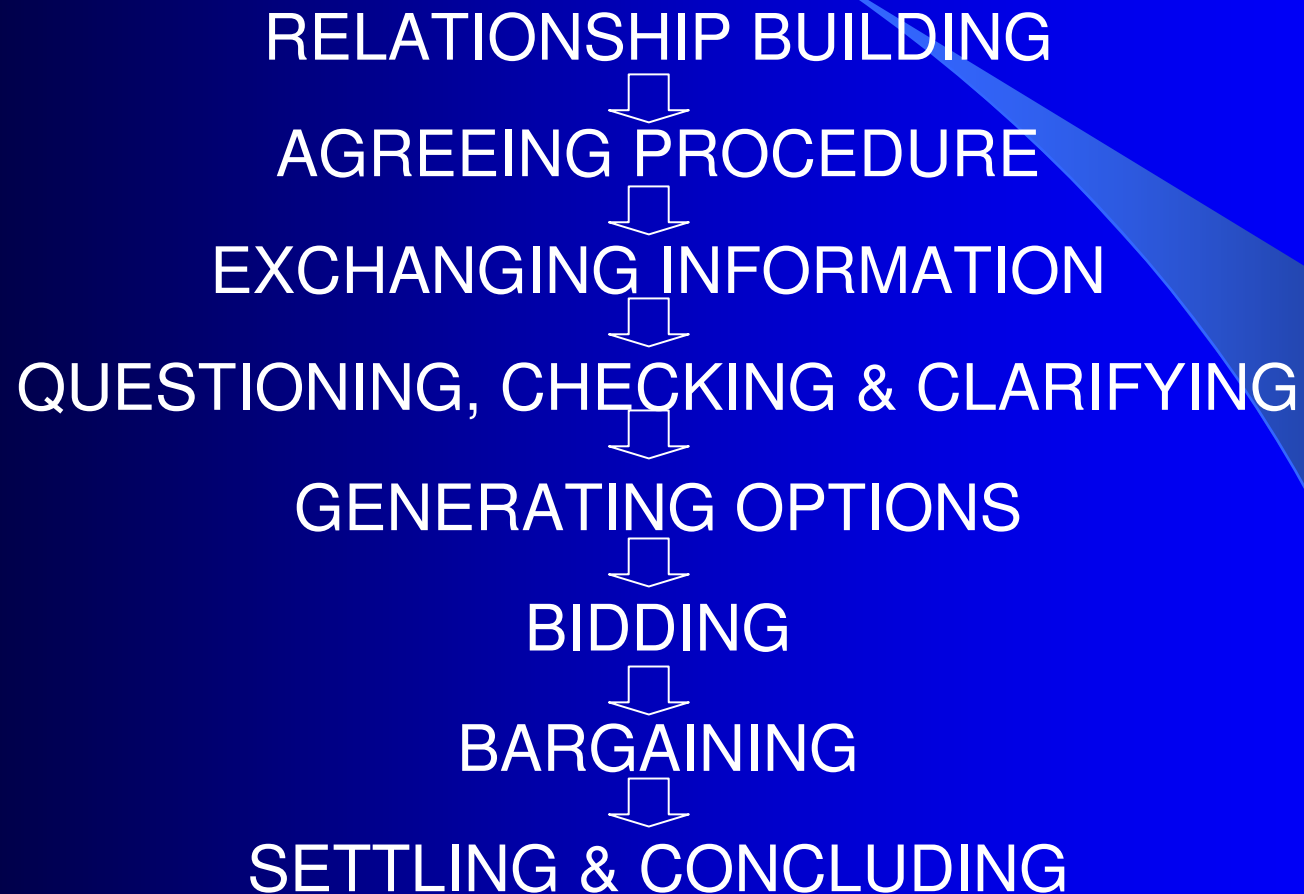


Skills for Collaborative Negotiating

- Be firm in your behaviour
- Build a positive climate
- Use active listening
- Be sensitive to non-verbal behaviour
- Confront and work through any differences



Negotiation Stages



Agreeing procedure

Buyer: Could we now agree on the order in which we want to talk about things?

Seller: Certainly.

Buyer: Right. Well, what's most important for us is the question of quality control, so I think we should start by discussing that. Would you go along with that?

Seller: Yes, indeed. We've just introduced new quality control procedures, so that's very relevant.

Buyer: OK. So we could spend the first half hour on that topic. Is that OK with you?

Seller: That's fine with me.

Buyer: We'd then like to talk about schedules. Does that sound OK?

Seller: Yes, that's a good idea. And while we're on that subject, I'd like to talk about delivery costs. Is that OK with you?

Buyer: Fine. We'll make that the third item then.



Questioning

Seller: Can I just ask about your buying policy?

Buyer: Yes, of course.

Seller: Roughly how much coffee do you buy per year?

Buyer: Around 1,000 tonnes in total, from a number of suppliers.

Seller: I see. When you say a number of suppliers, do you mean a fixed number of regular suppliers?

Buyer: No, but there are some which we do use regularly.

Seller: Can I just move on to another question? What emphasis do you place on quality in relation to price?

Buyer: It depends on which target group we're aiming at. Quality is our top priority if we're buying for the premium coffee market.

Seller: I see. So roughly what percentage of your annual requirement is for premium coffee?

Buyer: In the region of 10 percent.



Tactics of skilled negotiators

- Avoid **irritators** - *fair price, generous offer*
- Use **signalling** - to indicate direction
- Use **active listening** - to check and clarify
- Ask lots of **questions** - to exchange information
- Avoid **defend/attack spirals** – focus on the issues and seek common ground
- Avoid **argument dilution** - use only their strongest arguments



Questions for observers of negotiation simulations

- What is the overall climate – helpful, uncooperative, friendly?
- Does the negotiation have clear stages?
- Do the parties show awareness of each other's interests and concerns?
- Do they use active listening & questioning?
- How quickly do they get down to bidding and bargaining?



Impact of culture in negotiations

- Role of relationship building and building trust
- High or low context style – how much detailed information is needed
- Attitude to time – linear or flexible
- Argumentation – impersonal or emotional
- Communication style – direct or indirect; role of face saving
- Bargaining approach – limited and controlled or a game
- Decision making – taken on the spot or referred to a higher authority. Group or individual preference
- Role of hierarchy – who has the power
- Agreements – how binding are contracts



Strategies for Collaborative Negotiating

- Prepare comprehensively
- Set the tone of the negotiation at the start
- Explore each party's needs
- Use creativity to develop alternatives
- Use objective criteria to evaluate arguments
- Define the agreement clearly at the end



Seven lessons for cross-cultural interactions

- Don't assume sameness
- Be aware that your norms and values might not be shared
- Familiar behaviours may have different meanings
- Don't assume that what you meant is what has been understood
- Don't assume that what you understood is what was meant
- You don't have to like 'different' behaviour, but you should try to understand why it is like it is
- Most people do behave rationally, you just have to discover the rationale



To find out more

- www.dialogin.com and www.sietareu.org
- *Negotiating International Business* – Katz
- *Working Across Cultures* – Pilbeam (Pearson)
- *Global Negotiation: the new rules* – Requejo & Graham (Palgrave MacMillan)
- *The Mindful International Manager* – Comfort & Franklin (Kogan Page)
- Attend one of the LTS trainers' courses in Bath
 - *Developing intercultural training skills*
 - *Designing and delivering intercultural training*www.lts-training.com/ICTTcourse.htm



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