

How To Negotiate *Successfully*

Prakash J. Shah



Sultan Chand & Sons

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PREFACE

The subject of negotiations is important for all of us. We are engaged in negotiations at all times, at all places. It may be a conscious process, or an unconscious one: We may be aware that we are negotiating, or we may be engaged in the activity unawares. But negotiating we are. We have a multiplicity of needs. And each of these needs requires negotiation.

This small book discusses the subject of negotiation scientifically. It aims at familiarizing the reader with all aspects of this subject so that he can become a successful negotiator. After all, if negotiating is such an intimate and important activity, why not learn it systematically and aspire to be a master of it.

I am confident that you will be benefited by a close study of this book. I shall be eagerly waiting for your views on the subject. Please feel free to write to us and share your views and experiences with us.

GOD BLESS YOU.

Prakash J. Shah

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{ 1 }

WE ARE ALL NEGOTIATORS

Our world is like a giant negotiating table. Right from our birth till the last day of our life, knowingly or unknowingly, we are engaged in countless negotiations. We have several needs. And since we cannot meet them ourselves, it requires negotiating with others to meet them. The need to negotiate, therefore, arises from our unsatisfied needs.

A child is hungry and he starts crying. He invites his mother's attention by doing that. The mother picks up the child and gives him milk to satisfy his hunger.

In this example of ours, the child is the negotiator and his mother is the opposer. Since they have a close bond of natural affection between them, the negotiation is completed in an atmosphere of love and affection and both are satisfied with the transaction.

But it does not always happen that way.

In most of the negotiations, there is a resistance from the opposer, and the negotiator has to work intelligently, painstakingly, and in a planned manner to remove the resistance and close the deal.

How to overcome the resistance? How to win the full approval and co-operation of the opposer? How to interpret and understand his gestures and so direct the negotiations that both of them feel equally benefited? These are important questions to be answered by the negotiator to get the desired results.

In the last few years, people have started paying more and more attention to the art and science of successful negotiation. (Negotiating is, indeed, a mixture of both art and science.) This is a very happy sign for all of us. It means that people are constantly educating themselves. They are now far more serious to understand life in all its aspects and to make it qualitatively superior and more satisfying.

And it is, indeed, a fact that by paying close attention to the basic principles that have a bearing on the process of negotiation, we can all increase our

effectiveness as human beings. We can derive more joy and satisfaction from our own life and create a conducive climate for others also to make their life more and more rich, prosperous and rewarding.

Let us take some simple examples to understand the process of negotiation and the skills employed therein. I am giving six examples of an indicative nature. You can add many more from your experience.

1. You have passed the B.Com. examination with Higher Accountancy as your special subject, and are now looking for a good job, a first good opening to give an impressive exhibition of your capacities. You do not possess any previous experience. You are invited by a reputed company to appear for an interview.

You need a job to get a steady income. You need solid and sterling experience to climb up in your career. And so, as a young negotiator, you are very keen to get the coveted post. Your needs are very clear in your mind.

It is now time to adopt the you-approach (empathy) and you look at the situation from the point of view of your prospective employer, *i.e.*, from the opposer's point of view.

There are many candidates competing with you for the same post. Some of them have previous experience also. So why should the prospective employer extend you that precious opportunity and give you the job? Obviously, you will have to convince him that you are the person he really needs. You strive your best to bring your plus points in sharp focus at the time of the interview. Say, for example, your handwriting is very good. You are very quick at totalling. You have very good testimonials praising your honesty and the capacity to work hard. You are cheerful and extrovert. With these positive attributes of yours, you convince your employers that you will do everything within your capacity to further their interests. You succeed in your efforts and the 'deal' is completed in your favour.

2. Let us take the example of young Vishal, a student in an English-medium school at Dahisar (an extended suburb of Bombay). His class-teacher has organized a 3-day trip to a nearby hill station – Matheran. It is a trip at concessional rates and the participating student has to contribute only Rs. 125,

inclusive of travelling expenses, boarding, lodging, *etc.*

It is a very good opportunity. Vishal is earnest in his studies and his performance at the 'Unit Tests' has been commendable. Moreover, he has set apart Rs. 100 for the trip. He needs the signature of his father Shri Jitendrabhai on the bottom line of the form.

He plans his approach on scientific lines. His father returns home at about 8 p.m. or so. Vishal waits for him at the main gate of the Shiv-Shakti Complex where they live.

When he sees his father from a distance, he runs towards him and takes up his bag. He greets him with a broad smile.

They walk together. Little Vishal studies the mood of his father. He mentally notes that his father is in a happy mood. They enter the home together.

Vishal puts on the fan. Then he brings a glass of cold water from the kitchen. His mother Minal Ben is aware of all this.

He hands over the inward mail to Jintendrabhai and allows him enough time to have a look at the letters. Everything is fine.

Vishal then says, “Papa, I need your permission to join a 3-day trip to Matheran. It will cost you Rs. 25 only.”

Jitendrabhai laughs and signs the form. The negotiation is over and both the parties are fully satisfied with the ‘deal’.

3. Once Akhshay brought a big apple from the market. His elder sister Arpita was present in the house.

The apple was very tempting. Both of them wanted to have a bigger share of it. They began to argue fiercely about it.

Their father Shri Arunbhai suggested that one of them should cut the apple in any way he/she liked. But the other would have the right to exercise the first choice as to which piece he/she would like to have. This suggestion ensured a fair distribution. It pleased both of them and the negotiation was over.

4. A man may feel the necessity to negotiate even on his death-bed. I reproduce below an amusing story that I once read somewhere. A very rich man was lying on his deathbed. He was under an oxygen tent.

At his bed side stood his loyal servant with eyes full of tears for his dying master.

Just then the master whispered, “Do not grieve. I appreciate your faithful services of very long years. I am leaving you all my money, houses, shares and other property –”

“Thank you very much, Sir,” said the servant gratefully and added, “can I do anything more, now?”

The master said with a good deal of effort, “Stop pressing your foot so hard on the oxygen line.”

The dying man wanted some more oxygen and he was negotiating for it!

5. In January 1991, the World Bank announced a big loan in favour of our country to tide over our balance of payments problem and partially meet the increase in cost of our imports of oil because of the Gulf War. This loan could not be sanctioned in one sitting. Our Government had to make persistent efforts to persuade the World Bank authorities to sanction the loan. Both the sides had to examine several aspects and go into complicated details before the loan could materialize.

6. In the international field, agricultural countries have to enter into trade agreements with industrial countries to get (to import) finished goods. They export primary products against which import bills are to be “set off. Truly speaking, international trade is nothing but barter trade in a refined form. In these cases, long drawn negotiations are required between the trading countries to arrive at terms mutually advantageous to both the parties.

If peaceful negotiations fail to bring out amicable solutions to the problems involved, the results may be quite disastrous. In the beginning of 1991, the world witnessed the outbreak of the catastrophic Gulf War because President George Bush of the U.S.A. and the U.N. authorities failed in their talks with the Iraqi President Saddam Hussein could not persuade him to withdraw his troops from Kuwait. That nightmarish experience should be still fresh in everyone’s mind.

In some negotiations two individuals are directly involved with each other. It is relatively easy to understand each other’s needs and the negotiations are a fairly simple process.

If the negotiations involve two organizations, it is their representatives who have to discuss matters and

the whole process may be quite a complicated one. Say, for example, a sick company is to be taken over by a prosperous company. Many related issues will have to be sorted out before a final decision is taken. The same thing applies when nations are locked in the process of negotiations.

By now you must have noticed that all negotiations involve people. So if you have the ability to read people accurately, you can derive good results from any negotiation

At this point of writing, I am reminded of a good quotation. I end this chapter with the same.

**WHY SHOOT IT OUT
WHEN WE CAN STILL
TALK IT OUT?**

GOD BLESS YOU!



{ 2 }

OUR NEEDS ARE THE STARTING POINT

We have countless needs in life. We have our own scale of preferences, on which we place our needs in a descending order. Urgent needs like that of food, clothing and shelter (roti, kapda aur makari) occupy the topmost position on this scale, and we have to satisfy them first. It is only after they have been satisfied that we proceed to the satisfaction of other less urgent, less pressing needs. Our needs and their satisfaction play a very important part in our negotiations with others.

If people had no unsatisfied needs, they would never negotiate with other people. Negotiation presupposes that the negotiator and his opposer want something from each other.

A labor union wants a higher basic pay and a higher dearness allowance linked with cost of living index

number for its members. Moreover, the members want other amenities as well.

The management, on the other hand, wishes to maintain industrial peace and avoidance of strikes in the factories so that the production does not get hampered. Many managements agree to take workers' representatives on the board of directors to keep in line with the concept of 'Participative Management' basically to avoid any undesirable eventualities.

The Bonus to be Paid is Linked With Productivity. For Such Purposes of Negotiations take place between the parties concerned.

A newcomer who has just come to the 'mahanagar' of Bombay, wishes to acquire a small house in his modest budget. He contacts a dependable estate agent for that. The estate agent does have some good houses with him, but he wants to get the maximum possible price for them. Moreover he may not be in a position to accept the full amount through an "A/c. Payee" cheque for obvious reasons and may insist on receiving a certain percentage of purchase consideration in cash below the table.

Many times the land allotted for economically backward classes has the stipulation from the concerned authorities that the price of a flat should not exceed a stipulated amount. So in such cases, the agreements are drawn for a lower amount. Nothing is mentioned about the balance money in the agreement. For all these purposes, the bargain starts and many a time it continues for weeks and even for months.

Prof. Abraham H. Maslow has made a significant contribution in the field of negotiation. In 1954, his book entitled *Motivation and Personality* was published. He divides our human needs in seven categories. If we understand this framework of human needs, we can take a more scientific approach in our negotiations. The seven categories of needs are as follows:

- 1. Physiological needs;**
- 2. Safety and security needs;**
- 3. Love and belonging needs;**
- 4. Esteem needs;**
- 5. Needs for self-actualization (these needs relate to the inner motivation to become what one is capable of becoming);**

6. Needs to know and understand; and
7. Aesthetic needs.

Physiological needs are common to all members of the animal kingdom. Their goal is the satisfaction of biological drives and urges such as hunger, fatigue, sex, *etc.*

The recently developed concept of Homeostatic needs attempts to define this category of needs more accurately. It refers to the automatic efforts of the body to maintain itself in a normal, balanced state.

Homeostatic needs are undoubtedly the most important of all our needs. They come on the top of the list. A person may lack many things like love, safety, social esteem, but if, at the same time, he is really hungry or thirsty, he will not pay any heed to them till his hunger or thirst is satisfied.

It explains why sales people who sell drinks or food articles find it relatively easy to sell their goods as compared to a salesman selling books or a painter trying to sell his pictures. A hungry person does not have to be persuaded to buy a food item. A person

with a parched throat needs no prompting to buy a cold drink

To sell a book or to sell a painting in an undeveloped country requires more efforts. In such economies, such a salesman does the work of a pioneer. He works hard to lift the level of the general masses among whom he works and spreads the message of love, purposefulness, beauty, *etc.*, and helps the community. He leads them on to higher planes of life. In the short run, his efforts may not bring any noteworthy results but in the long run such results would be there. So such type of salespeople should work hard with the attitude of a "tough minded optimist". For them I would say, Failure is not a crime but low aim is.

After the physiological needs are satisfied, a man is concerned with his safety needs. People at large seek protection and stability in such things as money in the bank, job security, retirement benefits, *etc.*

When insurance salesmen develop their sales – talk, it is this human need that they seek to satisfy. “There is no substitute to life insurance”¹, they say to their prospects and convince them that by taking a

suitable insurance policy, they will be well protected in their old age or in times of sickness, accident, *etc.*

After the physiological and safety needs have been reasonably satisfied, a person craves for love and affection. In this context, Sydney Smith says, "To love and to be loved by others is the greatest happiness of our human existence." Nobel Prize winner, Mother Teresa also exhorts us to widen our nets of love as much as we can. We all need good friends, well-wishers and admirers to lift up the quality of life. When people do not get enough of love and affection from others, it leads to many maladjustments. Sometimes people are driven to the extreme step of committing suicides. Love is a many-splendoured thing. Sex may be there, or it may not be there. For true love and affection to exist, sex is not a 'must'. In fact, it may be affirmed with a firm conviction that

Life- Love = 0

We need good friends. We need good colleagues. We need good sweet-hearts on whom we can pour our selfless love. In our negotiations, if we extend our

love to our opposers, our chances of coming out successfully will be much increased.

It is a pity that modern people are becoming more and more self-centred and inconsiderate in their dealings with one another. People at large are fast losing the element of love, understanding and friendship in their day-to-day transactions. We will have to make deliberate efforts to bring back love and affection in our negotiations.

For negotiations to be satisfactory, a basic requisite is that they are a co-operative, friendly and social process in which all the participating members are expected to win. No one's feelings should be hurt and no one should come out with a pulled down face. A satisfactory negotiation should be a 'Win-Win game' for all participants

Next in the hierarchy of basic needs comes the need for self-esteem.

This is a multifoliate need. First and foremost, it is the desire for freedom. Together with this, a person looks for strength, competence and confidence while dealing with others. Here he makes deliberate

attempts to lift his reputation or prestige. He strives for a good social status. The satisfaction of esteem needs helps a person to feel that he is useful and necessary in the world.

So when charitable institutions appeal to wealthy people for big donations, they keep this human need at the centre of their appeal. Big functions are organized to honour such people, or their nameplates are displayed to publicize their generosity. The most healthy self-esteem is based on a genuine respect from others and it is well deserved. It does not come out of cheap flattery. It comes from genuine praise.

In almost all his books, Dale Carnegie has emphasized this need over and over again with countless examples. Buy all these books, study them intensively and put the principles recommended to work. I am so sure that you will develop into a very-very capable negotiator.

Research and experience continually demonstrate the power of 'esteem' needs in motivating human beings. Various studies attempting to find out what makes people feel good about their jobs support this

established fact of life. Good sales are done not for the sake of money but for deep satisfaction. Good books are not written with the sole aim of earning good royalties but to help other people in the contemporary world and earn their gratitude.

Money is a good motivator up to a particular level, but after that it is self-esteem that motivates a person to do his/her best in any area of human endeavor.

Let us assume at this stage that all the needs just mentioned have been adequately satisfied. But the individual may still be discontented and restless. What need does he now seek to fulfill?

It is a well-observed fact that most people are not happy unless they are working at something they feel they are fitted for...

A musician wants to create good music. An artist wants to paint a master-piece for his own self-expression. He pours his heart into that. In the celebrated English picture, *To Sir With Love*, Sidney Poittier gave superb performance. His self-motivation came from the feeling that the students were his children and he should give the best of himself.

This almost universal need has been termed by Prof. Maslow as self-actualization need.

Broadly speaking, self-actualization need covers all the desires and strivings to become everything that one is capable of becoming. These strivings take various forms and differ from individual to individual.

In every normal person, there is a basic drive to seek knowledge about his environment. He wants to explore the possibilities to use this environment in the best possible way. He has lots of curiosity which motivates him to undertake experiments. From simple things, he wants to go to the mysterious and the unknown. He wants to increase his awareness about his environment.

This need to know and understand presupposes a condition of freedom and safety in which curiosity can be exercised.

Many advertisements released in newspapers, periodicals and other mass media of communication first arouse curiosity in the minds of the people about their products and services and create a favorable background. In January 1991, newspapers carried big display advertisements promising safety + security +

high return + free insurance + housing loan + liquidity + Tax benefits + growth + bonus by the GIC MUTUAL FUND – Industrial Assurance Building, Churchgate, Bombay – 400 020.

As expected, curiosity of the readers was aroused strongly and they were invited to write for a detailed brochure about the scheme. The copy writers had used this need to Know and understand very effectively to invite people and negotiate with them. Last of all, human behavior is actuated by certain cravings that might be called aesthetic needs. Some individuals get sick in ugly surroundings, and are cured when they are removed to a beautiful setting. Naturally this longing for beauty is strongest among the artists. Some of them cannot tolerate even slight ugliness. Artists have dreams of their own as to how things should be done. They strive to better the world with their artistic fantasies.

So we have discussed the seven basic needs of human beings. Keep them in your mind when you are preparing for any important negotiation with an individual, with an organization or with your opposer across your own land in some distant foreign country.

Prof. Maslow pictures each successive need as emerging after a prior need has been satisfied. This is not to imply that one need must be 100 per cent satisfied before the next one takes over, nor that each emerging need shows up suddenly like a 'jack-in-the-box'. Usually the previous need has only been partially satisfied before the emergence, bit by bit, of a new need begins to be felt.

Let us sum up now. An individual's existence is a constant struggle to satisfy needs. Human behavior is the reaction of the organism to achieve a reduction of need pressures and behavior is directed to some pre-desired and pre-selected goal. Our objective is to employ these facts relating to human needs in successful co-operative negotiations.

GOD BLESS YOU!





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**KNOW IN DEPTH
THE PEOPLE WITH WHOM
YOU NEGOTIATE**

We negotiate with people. We cannot negotiate with lifeless things like computers. Therefore, to negotiate successfully, we must have a sound knowledge of people.

Alexander Pope says: “The proper study of mankind is man.” For the negotiator, the study of mankind assumes much greater importance. It is a must for him to negotiate effectively with an individual, with a group, with a company, or with his opposer beyond the national borders in some foreign country.

We learn about people by reading. Here we take advantage of other people’s experiences to enrich ourselves. Aldous Huxley rightly says, “People who

have the habit of reading have the capacity to multiply their personality.” So I suggest that you read good books on human psychology and other related subjects.

We also learn by listening. A good negotiator does not talk much. He listens much. He observes people for the signals sent out by them through non-verbal communication, through their gestures, knowingly or unknowingly.

We can learn about human nature through newspapers, in our travels in trains or buses, in our talks with strangers on the roadside, in gardens, or in restaurants. We must be constantly on the look-out to increase our fund of knowledge about human behavior.

In initial stages, you should take one man to develop your study about his nature, his behavior, his habits and his instincts. Say, for example, you know that a person likes to drink. In that case at some leisure time, you can invite him to have drinks with you. Many times good friendships are built up on drinking tables. Once you build up a friendly approach with him, it will be relatively easy for you to have negotiations with him.

If you observe a man with an ungainly hairy growth on his face, wearing shabby clothes, bearing tobacco stains on his fingers and unsystematic in other ways, you can draw a conclusion that his working methods are not well organized. In all probability, he is a moody man and readily gives in to his whims and fancies. In this case, you will have to wait for a suitable occasion when he is willing to negotiate with you.

When you have acquired sufficient self-confidence in your study of individuals, you may move to study people in groups of five, six, seven, and so on. Say, for example, you enter the canteen of some big factory, where some workers are sitting, talking, smoking and drinking coffee leisurely. Sit near them. Listen to their talk. Observe them well. Make a guess as to who is the leader of that group.

Then suggest to the leader that their manager was talking to you some two to three hours back and indicated that the factory is in need of stepping up production. The manager would be happy to give liberal overtime and would be glad to serve you coffee and snacks in the evenings. Sell that idea to the

leader and leave it to him to convince his friends. If he likes your proposal, he will take pains to talk to his group members successfully. Here your knowledge and study of group behavior pays you good dividends. Conduct a few such experiments and you will gradually develop necessary skills required by a good negotiator.

Look at the rationalizations given by your opposers. Say, for example, a vacuum cleaning equipment has been brought to a house by the concerned salesman, with prior appointment with the concerned housewife. The salesman has given an impressive demonstration of how it works and he has handed over the literature as well. At that time he is also in a position to offer the vacuum cleaning equipment at a special price. There is a considerable saving if the housewife buys it on the spot.

But somehow or the other the housewife does not wish to take a decision at that time. She would say to the salesman, "Brother, thank you very much for the trouble taken. Your equipment is fine. Your price is reasonable. But I shall have to consult my husband before buying it. He is out of town for a couple of

weeks. Please try after that period, *etc.*” Here the housewife rationalizes her decision and does not buy the equipment.

If a boy does not get good marks in his English paper, this is how his defence is shaped: “The question paper was not up to the mark. Many corner questions were asked. Moreover on that day I had a severe headache, otherwise I should have got 70% marks.” See how he rationalizes his poor marks.

A good negotiator tries to anticipate such answers. He mentally prepares himself to give suitable answers.

Sometimes people take emotional decisions. So study the basic emotions of people like that of love, patriotism, craving to get attention of others and use such emotions in your favour.

People often give vent to their disagreeable reactions or expend their aggression on a person or object that is not the actual cause of their difficulty. They seek a ‘scape-goat’. The husband returns from office hurt and indignant, because his boss took him to task for some lapses in his work. He could not give

satisfactory answer to his boss. So when he returns home, he kicks the door to give an outlet to his suppressed emotions, or the telephone bell rings and there is some relative's unpleasant voice coming from the other side. He shouts 'Wrong number' and bangs the receiver down. This unwarranted display of outraged emotion is termed displacement.

If the negotiator feels that his opposer is behaving in an unpleasant manner to give displacement to his wounded feelings, the best thing to do is to keep quiet for a few minutes.

Do not argue with your opposer. Allow him time to cool down. You may resume the negotiations when you feel that he is sufficiently composed and is in a proper frame of mind to listen to you.

Study the self-image of the people with whom you negotiate. Some people have earned a solid reputation for their honesty. When you deal with such honest people, you can safely depend upon the fact that for upholding their fine self-image, they will deal with you honestly. They will protect their unwritten promises also. But if the opposer has the reputation of being 'cunning like a fox' you will have to be very careful in dealing with him.

People play multiple roles in their life. In the role of the father, a person may be kind to his young son, but when he enters his office as the manager, he has to be strict with the people working under him. So in this role of a manager his behavior will be much different.

When people become angry, their behavior radically changes. In an angry mood, even a reasonable man may take a doggedly unreasonable line of argument.

In Germany, many years back there was a rule in the army that if a soldier was upset and t? Wanted to express his dissatisfaction in writing, he was sent on leave for 24 hours, 48 hours or even 72 hours before he could do so. He had to sleep during that period. If at the end of that period, he still had the desire to complain in writing, he was allowed to do o .at. But in most of the cases the soldiers changed their mind and did not complain in writing. So when your opposer is angry or upset to. a large extent, leave him alone and meet him after some days. This technique of withdrawing from the scene has paid good dividends to many people. You should know when to withdraw gracefully.

I close this chapter with Nirenberg's words*

“The experienced negotiator can look at a man across the table and make a pretty good guess about how he is acting and what is causing that action. But mankind is a life-long study. The true negotiator never stops learning.”

GOD BLESS YOU!



{4}

MAKE SOUND PREPARATIONS FOR NEGOTIATIONS

In our student days, we were repeatedly advised by our teachers, “Do your home work well and you need not worry about any examination. You are bound to come out with flying colors”. The same holds true with any negotiation that you are going to enter into.

An ancient Greek philosopher said, “Know thyself first” This is your basic preparation. Try to possess intimate knowledge about yourself.

If you can be easily goaded to anger, you are very apt to be tricked into an unfavorable settlement because of your emotional state. For people in an emotional state cannot think in proper perspective and they are particularly susceptible to the power of suggestion from a clever opposer. Besides, an angry

person cannot instantly change his stand even if he finds that he has just made a ridiculous blunder.

The person who can be excited easily is like a clay-ball in the hands of a calm, even-tempered negotiator. Develop yourself in such a way that you can preserve your equanimity even in the most provocative of the situations. If you can control your emotions, it will be relatively easy for you to negotiate well.

If, in your negotiations, you need professional help, do not hesitate to take such help. Say, for example, if you are negotiating big property worth lakhs of rupees, the title to the ownership must be clear. If there are any encumbrances on it, at a subsequent date you may find it difficult to exercise your ownership rights fully. So take the help of good solicitors to make a thorough scrutiny of the documents.

If you are going to invest large amounts in any partnership concern, make it a point to get the partnership deed drafted by a good and dependable lawyer who specializes in such a job.

Develop patience. You will not be successful in one or two attempts. 'Rome was not built in a day/it

took centuries to build it. If you develop the priceless quality of patience, and if you are not chasing very quick results overnight, step by step you will be able to master the necessary skills to make you a successful negotiator. Remember: Patience wins in the end.

Whenever you are going to participate in an important negotiation, don't forget the 'you-approach'. An example may not be out of place here.

When American President Kennedy was preparing to go to Vienna for the first summit meeting with Khrushchev, he made it a point to study all of Khrushchev's speeches and public statements.

He also studied all other available material relating to the premier, including his preference in breakfast food and his tastes in music; So President Kennedy was in a position to win love and goodwill from his Russian counterpart.

When you are negotiating with big firms, important information can be collected from the following sources:

1. Their budgets and how their expenditures have been allocated in the past.
2. Their house organs can give you important tips about their top executives and key staff people.
3. Through your bank, you can get credit reports from their bankers. This report will not be directly made available to you. Such reports are very necessary when you are negotiating with foreign business houses. So you should be prepared even to pay for them.
4. Their advertisements and press releases.
5. Reports can be had from Chambers of Commerce.
6. If you can meet some of their executives and key staff members on social grounds, you may get some valuable tips.

When you have collected useful information about them, you can use your own judgment and chalk out a suitable strategy by which you can successfully negotiate with them.

In short, it means that you should listen to all the people, gather information from all the sources, but

after doing that, you will have to take a decision as per your inner voice.

Many people build up their spiritual powers and they are able to successfully complete the negotiations which they have undertaken. You can also do that.

Sometimes, before big groups meet opposing groups on the negotiation table, some brain-storming sessions are held. In this type of session, the effort is to put forward the strongest possible arguments to convince the opposing group.

To enhance the value of a brain-storming session, the group divides its members in two equal groups. One group presents the arguments in support of the proposal. The other group tries to argue against the proposal. By staging such an exercise, we get valuable clues as to what type of opposition may have to be faced by us in actual negotiation that is going to take place.

In anticipation of the arguments that may come from the opposer, we prepare in advance to give suitable replies to that.

Adequate preparations will instill self-confidence in your mind. You will be able to take a scientific approach and win over the opposer's goodwill and the whole transaction will be completed with satisfaction for all the concerned people.

GOD BLESS YOU!



{5}

NEGOTIATIONS ON TELEPHONE

Telephone is assuming more and more importance in our modern life. People buy and sell more and more products, services and ideas on the telephone. Isn't it amazing to see how people are using more and yet more creative imagination in their life? In an interesting book, *Your Creative Power* (sub-title : *How to Use Imagination*), the author Alex Osborn asks an important question: "If a boy scout can think up one good turn to do each day, why can't I think up a new idea each day?"

Besides individuals, our newspapers are also applying imagination to render better and brighter services to their esteemed readers and others.

I will give you one concrete example in this connection. The Bombay edition of the *Indian Express* publishes absolutely free classified

advertisements to help their readers to buy, sell or barter things on telephone. They publish advertisements with phone numbers only.

When only telephone numbers are given, people cannot meet each other personally without first having a conversation on phone. Let us suppose that the reader wishes to find out the full name and address of the party concerned. Still he will have to first ring up the opposer and talk on the phone. Only then can they proceed in their negotiations. Let us now consider some important points related to the negotiations on phone.

The telephone is a very vital link in our modern life for communication with others. On a daily basis we probably use a phone more often than we use a knife, fork or spoon. A phone is attractively shaped. It is smooth to touch. It is easy to pick and communicate with others. So more people try to buy and sell things on phone.

Hence it has been rightly said, "Telephone is a powerful economic force, millions of rupees are

gained or lost according to the degree of understanding with which it is used."

Telephone saves a lot of time, energy and money needed in undertaking travel and meeting prospective clients in person.

Besides, telephone commands our attention. When it is ringing persistently, there is always the instinctive thought: Who wants me?

But telephone has its limitations also. While negotiating on telephone, visual 'feed-back' is missing. We cannot observe the facial expressions of the opposer and other behavioral clues. Sometimes reception may be poor and he may not be able to listen to us properly and clearly. So it is easier to be misunderstood on the phone than in person.

Another disadvantage of negotiating on the phone is that it is effortless -and uncomplicated to say no on the phone. Let us suppose, I dial your phone number and politely request you, "Mr. Mehta, please do me a favor if you do not mind"

You may listen to me with half attention and quickly say, "I can't. I am very busy right now. Thanks for calling anyway..." Click-Click-Click.

Because we are not face to face, you have no difficulty in turning me down. But if I had seen you in person at your office, you could not have got rid of me so easily.

So, experienced and seasoned salespeople do not talk about specific proposals on the phone. They politely ask the would-be client, "Sir, may I see you this evening or tomorrow morning?"

When such alternatives are placed before the opposer, he has to grant an interview. Then in the face-to-face interview they put forward their proposals in detail.

Herb Cohen in his nice book entitled, *You Can Negotiate Anything*, says: "After long experience in the field, I would give you this simple advice. If you are serious about getting something, first telephone the prospect but present your proposal in person only."

Let us put this in another way. The telephone helps us a lot to increase our sales and carry out

successful negotiations but it cannot be used as a 100 per cent substitute for personal visits. We must judiciously choose where to negotiate personally and where or to what purpose to use the telephone.

If we are negotiating with a friendly buyer with whom we have had happy association and we have a profitable and attractive proposal, it would be worthwhile to give him suggestive outlines on the phone.

In such a preliminary phone call, we should be able to prepare enough background and then follow it up in person for closing the deal. Because of our cordial relations with the opposer, he will think over our proposal in a responsive positive manner.

Some people have the bad habit of directly plunging into conversation without first establishing their identity. Besides, they begin with talking about irrelevant matters. And their prefaces are unduly long. Such people prove to be very irritating. They weaken the merits of their own case. Perhaps they presume that the listener has recognized their voice and is feeling gratified in listening to their long harangue!

Just for an example, I would like to tell you how I like a telephone negotiation (where the caller is a stranger to the listener) to begin: “I am Prakash Shah, Director, Parul’s Institute of Public Speaking and Personality Development. I wish to inform you about our new book. It is called How to *Negotiate Successfully*”.

Then I would wait for the opposer’s reaction. Only after listening to him very attentively, can I find out whether he is interested in my proposal or not. Then I can decide how to proceed in the matter. As far as possible I avoid mentioning price of my books. My books are low priced. Low price does not mean that my publishers compromise with quality of their publications.

Many people have the natural gift of a pleasant, sonorous voice. When they speak on the phone, the people on the other end feel very much delighted to listen to them. If you have such a rich natural asset, please accept our warm compliments: But if you do not have such an advantage, do not get disheartened. In big cities, classes are conducted in speech improvement techniques in which the trainers help

you to cultivate a nice, cultured voice. In Bombay, such classes are conducted by the Indo American Society. You can make necessary inquiries for such classes in your. Respective cities/towns.

One more tip before I end this chapter. When you talk on the telephone, talk in a happy, cheerful, optimistic and sanguine tone. The Bell Telephone Company of England used to advise their operators like this:

“When you start your duties in the mornings, tell your own self that you are very happy, very cheerful and very healthy. Even if it is not so, pretend for some time and act strongly on that basis, and after some time you will really start feeling like that.”

It works successfully. Such a deliberate effort will considerably enhance your chances of success.

GOD BLESS YOU!



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WHEN YOU NEGOTIATE FOR A STARTING

It is a complicated and difficult area in which we are now entering. We will not act quickly, otherwise we will fall into a dangerous trap. We will have to adopt a cautious and cool approach. The title of this chapter must have given you a hint that I am going to discuss how to negotiate for a starting salary.

It is sad but it is true that, in our country, people are more concerned with the price of a product or that of a man.

In many Situations Vacant advertisements, they ask. “What salary do you expect?” Alternatively, they word it like this: Apply with “salary expectations”.

I find this a very undesirable practice. When you hire a man and put him on your payroll, you don't

hire him only on money considerations. Other factors are equally important. For example, if you hire a raw, inexperienced typist on a comparatively lower salary in your organization, and if he commits many mistakes in the typing work, the concerned officer will have to spend more time and more energy in showing him corrections. In some cases the entire typing work will have to be re-done. Such an employee will not show any appreciable output. He will also be wasting a great deal of office stationery. Thus it will prove to be an unwise policy to employ incompetent staff at a comparatively low salary.

Let us come back to the applicant's plight. The poor applicant is trapped in a bad way. The salary-clause mentioned in the advertisement acts as a two-edged destructive weapon. If he states a low salary of say Rs. 500, the Personnel Manager will form a poor opinion of his abilities.

He would think on somewhat these lines: "This applicant has quoted a very low salary in comparison with others who are demanding a salary in the neighborhood of a thousand rupees a month. He must not be a competent person." In this way, he gets

prejudiced against the applicant even before he has seen him.

If, on the other hand, applicant asks for a starting salary of Rs. 1250 in face of competition with other unemployed, educated young people, the applicant's case is weakened from another line of defective and lop-sided thinking.

The Personnel Manager will now think like this: "This applicant asks for a higher salary when other young people with equal qualifications are clamoring for an opportunity. Why should I pay him more?" His application is filed away and it starts collecting dust! All of us must contribute our mite to rectify this situation at the earliest. Recruitment agencies, placement services and prospective employers should wake up to the fallacies of the considerations involved and use their collective wisdom to set things right.

When we are considering salary, not only monetary considerations, but other considerations will play an equally important part. I am very briefly discussing some of them here.

Salary has two main components—basic salary and other allowances in which dearness allowance is on the top of the list.

The Company in which the applicant is applying may have a fixed D A. system or it may be fluctuating and linked up with the cost of living index number.

In organized sectors like banks; insurance companies, D.A. goes up with rise in the cost of living index number. In these days of galloping inflation, this automatically rising D.A. offsets the hardships to some extent.

So D.A. is very important when we are negotiating our starting salary anywhere. In our first job, it assumes still greater importance because of the fact that when you leave your first job and try for another assignment, the last salary drawn in the previous assignment becomes the starting point to negotiate a higher salary. By that time you have also collected more experience of the real world in which you have worked. Your utility graph has gone up. You have gathered more strength to bargain for better pay-scales.

You can assert yourself better but for all these you have to work hard... Hard Work Is Your Best Investment.

Some other points also merit consideration. What are the chances of promotion in the organization? In our banks, a B. Com., B.Sc. or B.A. who has passed both parts of the C.A.I.I.B examination conducted by the Indian Institute of Bankers get three increments and with five years of completed service becomes eligible to compete for written tests conducted to promote clerks/cashiers to become officers.

Once they become officers, their pay scales, status, terminal benefits, contribution to provident fund, gratuity, *etc.* will go up. These are some advantages to be enjoyed by them.

Many progressive companies and factories provide bus facility for their staff members from stations to work-places in the morning and from work-places to stations in the evening. When such facilities are provided by the Company, there is less wear and tear on the bodies, minds and the entire personality makeup of the staff concerned.

Some employers give first-class pass reimbursement to their staff members.

In many organizations, they make their staff members work for five days a week—Monday to Fridays. On the remaining two days of the week, they can enjoy refreshing weekends and return to work rejuvenated.

Many organizations provide tea to their staff members twice a day besides a mid-day lunch in their canteens. The staffs, members are not required to go out and eat cheap, unhealthy food on roadside stalls or carry their lunch boxes with them. Much time and energy are saved. Such facilities also promote interaction among the members and create cordial relations between the management and the members of the staff. This is very good.

Some jobs are transferable from one place to another throughout the country. Bank officers and managers are liable to be transferred to any place within the country. The implications of such transferability should be clearly understood by the applicants.

Many organizations do not offer any job security. People are hired and fired like lifeless things. It is an undesirable practice, but unfortunately this is what usually happens in the private sector where it is only the employer's whim that matters. People accepting such jobs would naturally demand higher salaries.

All these factors should be considered seriously by the applicant when he is negotiating for the starting salary.

GOD BLESS YOU!



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ON NEGOTIATION IT SELF

In the first six chapters of this small book, I have included enough useful material to help us become successful negotiators. It takes time to develop any skill. But if we follow the principles evolved and discussed in these chapters, we shall certainly acquire the capacity to negotiate. I have no doubt about that.

I have evolved this book slowly. Many books, articles and discussions with like-minded people have helped me in this project. I owe a deep sense of gratitude to them. I say to them, 'Thank you very much, Sir, for your noble help.'

While writing this book, I have kept our country's background constantly before my mind's eyes. Many technical terms and jargons have been avoided by me with much care. Still if you have any doubt in your mind or if you want to ask me a

question, please feel free to communicate with me. My address is given in the preface.

On the day of the negotiations, make a point to reach the venue at least thirty minutes early. Be in a relaxed mood. Observe the people there. Observe what is going on there. It is quite likely that some of the hints which you have picked at that time can be gainfully used during the negotiations.

Remember your goals very clearly. Say you are going to effect the sale of a property for which you wish to have a minimum support price of Rs. 25 lakhs. Then in that case make it very clear that you cannot accept anything less than that. Be firm and don't make any compromise on that.

Remember the pre-conditions if there are any. Ensure that you are in a real position to honor them. Say a factory wants to buy raw material from you, but they insist that it should be delivered in one lot within a week's time. They are prepared to agree on your prices, provided both these conditions are fulfilled. If you accept the conditions, make sure that you honor them.

Listen, listen and listen. Some people want to dominate the negotiations. They monopolies the speaking part ironically. Since they are all the while talking, they are unable to concentrate on the points raised or clarifications sought. Sometimes this leads them into trouble. God has given us one mouth to speak but He has given us two ears to listen. So let us make it a point to listen twice as much as we speak.

Study non-verbal expressions also. People express themselves as much through speech as through facial expressions, gestures, eye glances, *etc.* In this context, I would like to recommend a book of mine entitled *How to Read a Person Like a Book* written in collaboration with Dr. Shubhaben Milter, it is also published by our own publishers, I am sure reading this book will prove beneficial to you.

Don't get disheartened if some negotiations do not succeed, learn important lessons from your past mistakes and try to improve your negotiating ability. Try to analyze and ascertain why your negotiations have not followed an anticipated course. What went amiss? What made you fail? If need be, allow small concessions to change the situation in your favor. But

keep your goals constantly in your mind and don't make big concessions to defeat such goals. There should be perfect harmony between your goals, your behavior, your talk and your gestures.

Sometimes, some terms may not be acceptable to you and you may have to say 'no' to them. Say 'no' by all means but let it be a very polite 'no'. Your 'no' should not be thrown at your opposer like a heavy cement bag! You may not be able to oblige people at all times, but you can surely speak in an obliging, pleasing way. Be firm but do not be impolite to anyone.

To keep up good human relations should be your paramount goal. You may lose some deals, but you should not convert your opposer into an enemy. Meet your opposer as a friend, negotiate with him as a friend and take your departure as a friend.

Don't let fear enter any negotiating situation. In other words, do not be forced to accept anything out of fear. President Kennedy very rightly said, "We do not fear to negotiate with anyone but we will not negotiate out of fear".

You are great. You have tremendous latent capacities within you. Trust your own self. Trust your instincts. Trust your country, in which countless opportunities are constantly being created for you and your first rate development. Trust in GOD. With that trust and guidance, you will be able to go higher and still higher in your negotiating abilities, in your life.

GOD BLESS YOU!



INTEREST
QUESTIONER
PROBLEM
WIN-WIN
ULTIMATUM
TACTICS
DISCUSSION
BUSINESS
RESOLUTION
PROJECT
DECISION
ZERO-SUM
DISAGREEMENT
RAPPOR
CHECKLIST

BUSINESS
NEGOTIATION
ZERO-SUM
SUCCESS
RESOLUTION
OFFER
INTEREST
NEGOTIATION

INTEREST
SUCCESS
PROPOSAL
SCENARIO
DECISION
DEADLOCK
MEETING
NEG
COMPENS
ULTIM
OUTCOME
AGREEMENT
NEGOTIATOR
SKILLS
ALTERNATIVE
SS

