

The Global Edge:

Winning Strategies for Professional Negotiators



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Negotiation



Almost “everything” is negotiable!

Whether or not the negotiation is easy is another thing.

Negotiation – What is it?

'The process by which we search for the terms to obtain what we want from somebody who wants something from us'

Gavin Kennedy

To negotiate is to trade something we have for something we want.

Roger Mitt

Confer with others to reach a compromise or agreement.

Concise Oxford Dictionary

'Negotiation is an explicit voluntary traded exchange between people who want something from each other'

Epili Dumbaru



In practical terms...

- Negotiation is the **art of letting the other person have YOUR way!!!**
- Which, frankly, is just a polite way of saying:
 - *'I'm right... but you can take a moment to feel good about it.'*

Debunking Negotiation Myths

- **Myth 1: There must be a winner & a loser**
- **Myth 2: Appears to involve conflict**
- **Myth 3: Negotiation is not an option**
- **Myth 4: Only cheap, petty people haggle**
- **Myth 5: A good negotiator is manipulative**

Negotiation Key Concepts

- BATNA
- Reservation Price
- ZOPA
- Value Creation through Trades

Know your BATNA!

- Best Alternative to a Negotiated Agreement (BATNA)
 - Your best backup plan if negotiations fail
- Typical example: negotiate or go for arbitration
 - If no deal is reached, arbitration becomes your fallback
 - *Only accept a deal better than your BATNA*
- Why BATNA Matters
 - Gives you *leverage and confidence*
 - Prevents you from accepting a bad deal
 - The *stronger your BATNA*, the stronger your position

Know your BATNA!

- How to Improve Your BATNA
 - *Market yourself better* to attract more interest
 - Strengthen your *resources, timing, or partnerships*
 - Keep developing *real alternatives*
- Analyze the Other Side's BATNA
 - Use *competitive intelligence* to identify their fallback
 - Understand their pressures and constraints
- Strategically Weaken Their BATNA
 - Limit their options or time
 - Create doubt about their alternatives
 - Increase their need to make a deal with you

Reservation Price

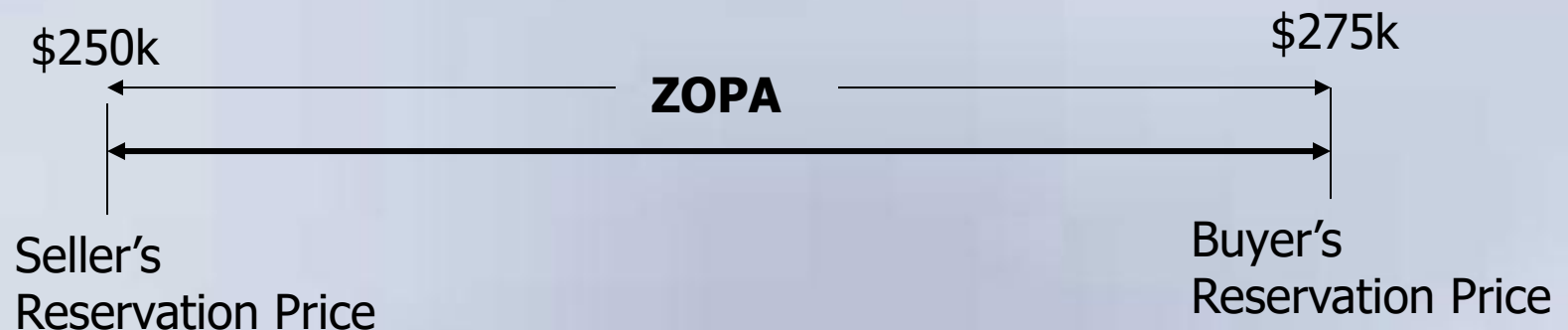
- The lowest acceptable offer you're willing to accept in a negotiation
- Also known as your “walk-away” point

Example:

- You're searching for larger office space in Hong Kong
- Your BATNA (Best Alternative to a Negotiated Agreement) is \$20/SF
- You set your Reservation Price at \$30/SF
- If the landlord insists on \$35/SF, you walk away and pursue your BATNA

ZOPA

- Zone of Possible Agreement (ZOPA)
- The difference between the Seller's Reservation Price and the Buyer's Reservation Price



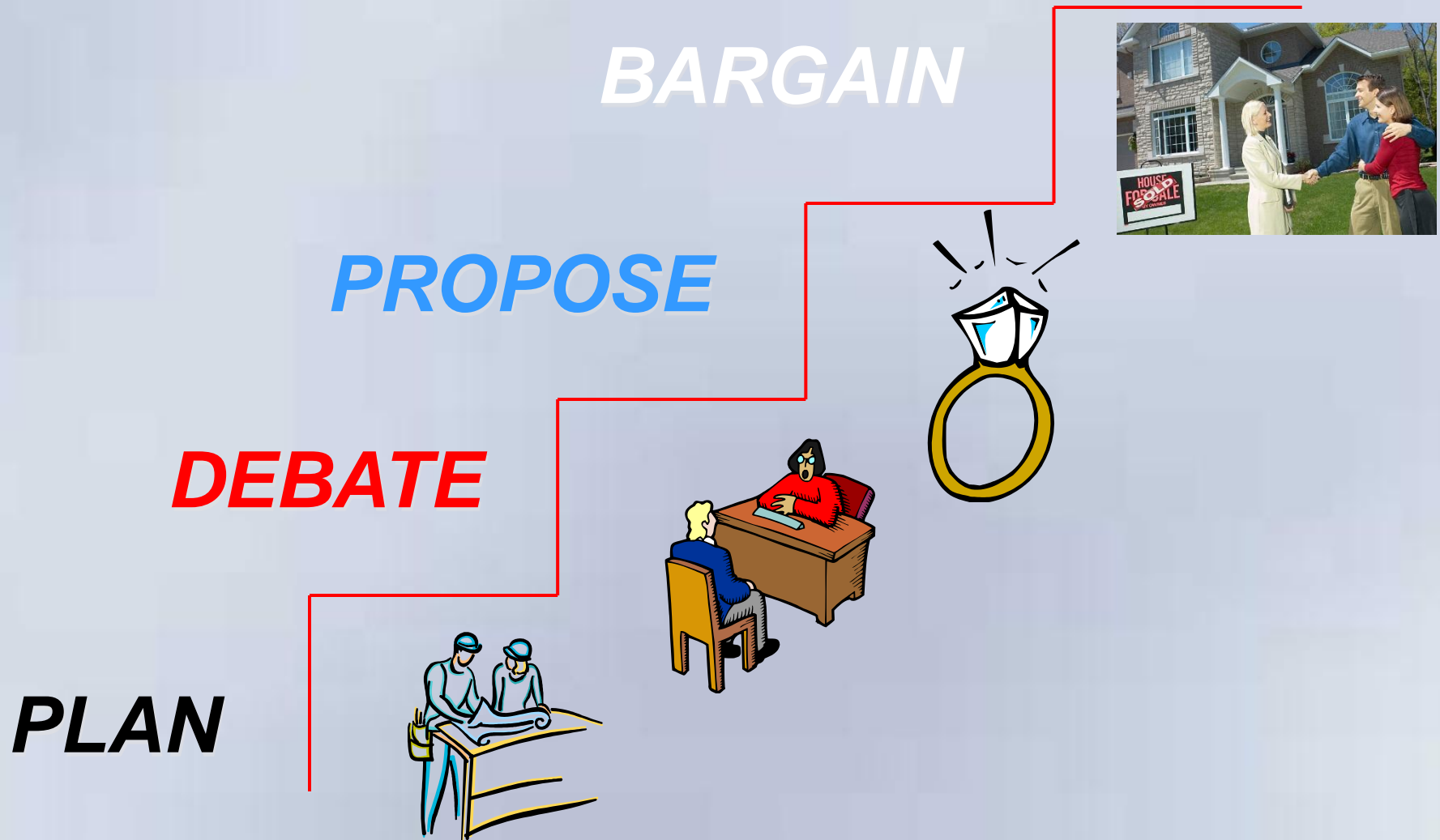
What happens if positions below are reversed?

That means there's no overlap—no mutually acceptable deal—and unless one party changes their position, the negotiation will likely fail.

Value Creation through Trades

- Trade What You Value Less — and They Value More
 - Make smart trades by offering what costs you little but matters more to them.
- Examples of Smart Trades:
 - Supplier:
 - As a customer, you value faster delivery. They value extended delivery time for better planning. Offer time in exchange for a better price.
 - Customer:
 - As a seller, you prefer not to discount. They value an extended warranty more than a lower price. Trade accordingly.
 - Employee:
 - As a manager, you want to control costs. They value remote work over a higher salary. Offer flexibility in place of raises.
- Key Insight:
 - Look for asymmetrical value — what's cheap for you but rich for them.

The Four Phases of Negotiation



Step One - Prepare

- Consider what a good outcome would be for you and the other side
- Identify potential value-creation opportunities
- Identify your BATNA and Reservation Price, and do the same for the other side
- Shore up your BATNA
- Anticipate the authority issue
- Learn all you can about the other side's people and culture, their goals, and how they've framed the issue

Step Two - Debate

- Listen carefully
- Ask questions
- Clarify
- Summarize
- Don't argue, interrupt or assume

...BUT

Step Three - Propose

- Make proposals
- State conditions
- Express concerns
- Search for common interests

AND

- Use positive body language

Step Four - Bargain

- Key words are IF and THEN
- Start making concession:
 - Every concession should have a condition
(IF you ... THEN I will ...)
 - Conserve your concessions - don't give everything away too soon
 - You don't have to share every piece of information with the opposing side!
 - Don't be afraid to say no

Classic Bargaining Tactics

- Acting Crazy
- Big Pot
- Get a Prestigious Ally
- The Well is Dry
- Limited Authority
- Whipsaw / Auction
- Divide and Conquer
- Get Lost / Stall for Time
- We Noodle
- Be Patient
- Let's Split the Difference
- Trial Balloon
- Surprises

Classic Bargaining Tactics

- Acting Crazy
 - Pretending to be irrational or unpredictable to throw the other side off balance.
 - The idea is to make the counterpart unsure of how far you might go, which can pressure them to concede more quickly to avoid escalating conflict.
- Big Pot
 - Throwing a large number of issues or demands into the negotiation.
 - This creates room to make concessions on less important items while holding firm on what truly matters to you—giving the illusion of flexibility.

Classic Bargaining Tactics

- Get a Prestigious Ally
 - Bringing in someone with status, credibility, or expertise to strengthen your position.
 - This can influence the other party by adding weight or legitimacy to your proposals.
- The Well is Dry
 - Claiming you've reached your limit—there's no more flexibility, money, or room to negotiate.
 - This tactic can be used to push for final agreement by signaling you've given all you can.
- Limited Authority
 - Saying you need to check with a higher-up or don't have full decision-making power.
 - This allows you to delay commitment and can protect you from pressure to concede on the spot.

Classic Bargaining Tactics

- Whipsaw / Auction
 - Letting both parties know that others are bidding or negotiating with you.
 - This creates competition and can drive better offers from each side trying not to lose the deal.
- Divide and Conquer
 - Trying to create internal disagreement within the other party's team—either by appealing to different interests or isolating a weaker or more agreeable member to negotiate separately.
- Get Lost / Stall for Time
 - Delaying the negotiation, going silent, or disappearing temporarily.
 - This buys time to regroup, rethink strategy, or increase pressure on the other party who may grow impatient.

Classic Bargaining Tactics

- We Noodle
 - Engaging in open-ended, creative brainstorming without committing to anything.
 - This helps surface new ideas, gauge reactions, and explore possibilities without locking yourself in.
- Be Patient
 - Deliberately slowing things down.
 - Patience can wear down the other side, especially if they are under time pressure.
 - Often, the more patient negotiator ends up with the better deal.
- Let's Split the Difference
 - Offering to meet halfway as a quick way to close the deal.
 - While it sounds fair, it may not reflect actual value or needs—it can be a shortcut that benefits one party more than the other.

Classic Bargaining Tactics

- Trial Balloon
 - Floating a hypothetical idea or proposal to test the other party's reaction before officially committing to it.
 - This is a safe way to explore possibilities and adjust course without showing your hand.
- Surprises
 - Introducing unexpected information, offers, or terms to shake up the negotiation.
 - Surprises can create momentum or throw the other party off balance—used strategically, they can shift leverage.

Step Five - Agree

- Usually final concession :
“IF you do that, THEN we have a deal!”
- Gain commitment
- Record and agree results
- Leave satisfied

Cross-cultural negotiations

- I once asked a potential client what his strategy was for negotiating across cultures!
- He said:
 - *'Simple—I just speak louder and slower... in English.'*
- Ladies and gentlemen! That is how deals are **NOT** made!!!!

In global negotiation preparations, is Culture a good reference point?

- YES!
- But, beware of stereotyping!
 - Not everyone therein shares the same values and attitudes,
 - Subcultures exist within nations,
 - Some people have internalized more than one culture, or
 - Cultural similarities link groups from different countries.

Relationship Building

- Getting to know one's contacts and *building mutual trust*
- Relationship building may entail social events, tours, ceremonies, and non-task sounding (*nemawashi*) — general polite conversation and informal communication before the meeting
- Use an intermediary if you are new to a given scenario

Exchanging Task-related Information

- Cultural differences remain an issue
 - Mexicans can be suspicious and indirect
 - The French enjoy debate and conflict
 - The Chinese ask many questions, but provide ambiguous information in return
- Show understanding of the other viewpoint

Persuasion

- Challenge: Different uses and interpretations of verbal and nonverbal behaviors
- Brazilians interrupt more often and use more touching than Japanese or Americans
- The Japanese use more silent periods

Concessions and Agreement

- Russians and the Chinese start with extreme positions
- Swedes start with what they will accept
- Starting with extremes may be most effective

Comparison of Negotiation Styles

Japanese	North American	Latin American
Hide emotions	Deal impersonally	Emotionally passionate
Subtle power plays	Litigation, not conciliation	Great power plays
Step-by-step approach	Methodical organization	Impulsive, spontaneous
Group good is aim	Profit is aim	Group/individual good is aim

Successful Negotiators: Americans

- Know when to compromise, but stand firm at beginning
- Refuse to make concessions beforehand
- Keep cards close to chest, but make other party reveal his/her position
- Keep maximum options open, operate in good faith

Successful Negotiators: Arabs

- Protect honor, self-respect, dignity and, thus, are trusted and respected
- Avoid direct confrontation
- Come up with creative, honorable solutions
- Are impartial and can resist pressure

Successful Negotiators: Swedes

- Quiet, thoughtful, polite, straightforward
- Overcautious, but flexible
- Slow to react to new proposals, but eager to be productive and efficient
- Able to hide emotions, afraid of confrontation

Successful Negotiators: Italians

- Have a sense of drama, do not hide emotions
- Good at reading facial expressions and gestures
- Want to make a good impression and use flattery, but are distrusting
- Handle confrontation with subtlety and tact

Negotiating with the Chinese

- Challenges to be aware of:
 - Desire for Extensive Detail
 - Chinese negotiators often request thorough documentation and clarity on all aspects of a proposal, which may **slow the pace of negotiation**.
 - Perceived Insincerity and Limited Authority
 - Negotiators may appear noncommittal or vague.
 - This is often due to their limited authority to finalize agreements, as approval must typically come from state-owned trade corporations—sometimes represented at the table.

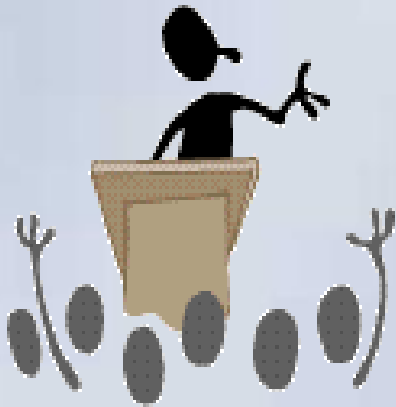
Negotiating with the Chinese

- Cultural Concepts to Understand
 - Saving Face (Mianzi)
 - Preserving dignity, reputation, and social standing is central
 - Public confrontation or direct criticism can damage relationships
 - Lien (Moral Character)
 - Reflects personal integrity and behavior in social and business settings.
 - Mianzi (Prestige)
 - Reputation gained through rank, political influence, or social standing.

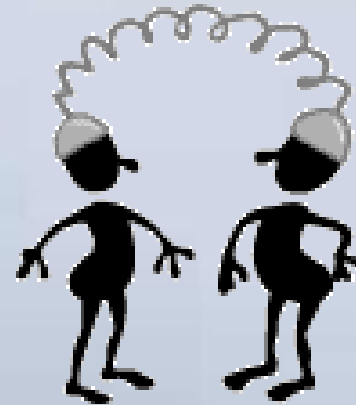
Negotiating with the Chinese

- Recommendations
 - Be **patient** and prepared for slow, relationship-oriented progress.
 - Accept the possibility of **delays or stalemates** as part of the process.
 - Avoid **unrealistic expectations** or pressuring for quick decisions.
 - Anticipate and respectfully manage moments of **shaming or loss of face**.
 - Refrain from **assigning blame** during setbacks.
 - Make a genuine effort to **understand and respect cultural norms** to build lasting, trust-based partnerships.

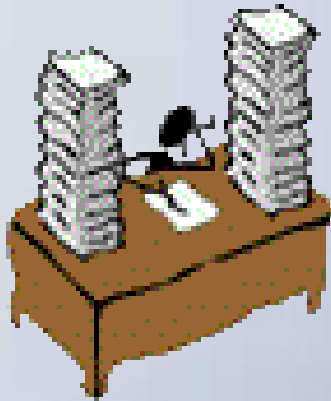
Think about your influencing style



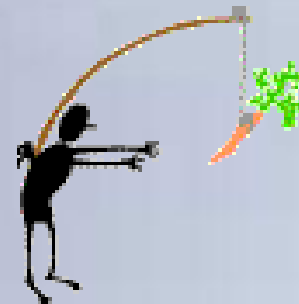
Inspirational



Personal



Logical



Forceful

7 Deadly Sins of Negotiating

- Pride - Be prepared to compromise
- Gluttony - Don't bite off more than you can chew
- Anger - Handle objections calmly
- Covetousness - Prioritise needs/wants
- Envy - Know competitors' strengths & weaknesses...
AND your own
- Sloth - Do your homework
- Lust - Don't look desperate to settle



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Questions

