

## **Unit 318 (B&A 57): Principles of business communications and information**

### **Handout 10: Negotiate in a business environment**

## **The importance of negotiation in business**

When two parties need to reach an agreement that is acceptable to both.

It is not necessarily about 'winning' as it is likely to involve compromise.

Good negotiating is about both sides feeling they achieved what they wanted.

## **Negotiations may be:**

- distributive – aim is to ‘beat’ the opposition and ‘win’
- integrative – both parties recognise the need to reach a mutually acceptable agreement.

## **In a business context, negotiation could be used in:**

- contracting
- buying
- selling
- staffing
- financing.

## Styles of negotiator

- Competitor
- Collaborator
- Compromiser
- Pleaser
- Avoider

## **Collaborator**

- Best to achieve the best outcome whilst still retaining a good relationship with the other party.
- Another style may be adopted tactically in order to put pressure on the other party.

## Negotiation skills

- Communication
- Flexibility
- Objectiveness



## **Communication skills**

- Both verbal and non-verbal.
- Tact – choose your words carefully.
- Do not give away too much information.
- Practise active listening.
- Avoid jargon and technical expressions.



## **Flexibility**

- The ability to receive and act on an offer you may not have previously considered.
- Easier in written negotiations where there is more time to consider the offer.

## Objectiveness

- To consider options without emotion.
- To keep focused on the intended outcome.

## Active listening

How to listen actively:

- make eye contact
- pay attention to the words, expressions, and body language of the speaker
- use positive body language [\[1\]](#) to express your continued concentration
- use encouraging phrases such as 'I see' or 'Go on'
- do not interrupt – allow the speaker to finish
- give the person your complete attention
- summarise the discussion to bring the conversation to a close.

## Confirming understanding

- Paraphrasing
- Clarifying
- Probing
- Verifying
- Summarising

## Body language

- Posture
- Gestures
- Facial expressions
- Be aware of the messages your body language gives
- Read those of the other party

## Confidence

- Preparation
- Practice
- Rehearsal

