

CONCESSIONAL BEHAVIOUR

During a recent workshop the participants realized that they had a quite a negative attitude towards tradeoffs. We thought it would be valuable in this article to examine this issue.

The media often appear to view any trade off as something that is weak or undesirable. On a radio interview recently we noticed that the reporter questioned very negatively, a Cabinet minister, for trading some of the things the Government wanted in regard to Australian market access in the USA, in return for an extended trading agreement with that country.

The attitude of the reporter seemed to be that if the Australian Government didn't get everything it asked for without having to give something in return, then somehow it wasn't strong enough. In fact the reporter's implication was almost that we had been "done" by a more powerful adversary.

This seems to be a common belief and in our experience frequently shows up in what we call the Monday morning "You could have done better" syndrome. Corporate management has a tendency to send their negotiators off with a list of objectives to be achieved and an expectation that in reaching these goals no concessions need to be traded.

This attitude raises several major problems.

It usually indicates that the preparation phase has not been done with enough rigor in that the objectives have not been prioritized into 'must', 'should' and 'could' gets. Good preparation allows you to trade off the 'could gets' in return for the 'must gets'. To criticize this trade after the negotiation is complete shows a sad lack of understanding of the process.

To require a negotiator to present a list of demands and achieve a deal without any trading is frankly not negotiating. It is purely an exercise in brinkmanship.

Even if this works this time it does not lead to a win/win result. The next time the two parties meet, you can be sure that the opposition will be tough and uncompromising and may even be seeking revenge.

In the majority of situations when a deal is not achieved because of unwillingness to trade, the negotiator assumes that the issue is not negotiable. This is frequently not the case.

The negotiator's personal problem then becomes: How to state your initial position (wants) including your ambit claim (could gets) without the media or the managing director accusing you of backing down after you have successfully used your ambit claims as tradeoffs. In the public arena this is particularly difficult. If for instance the PM goes to France to negotiate a halt to nuclear testing in the Pacific and he comes back having achieved that in return for an agreement to label Australian wine with non French names, his critics will have a field day. Although this is an unlikely example it is useful to reflect on how often it happens in real life. Has this ever happened to you?

The only answer is for the negotiator to educate his principals and critics about the value of true negotiation. The purpose of negotiation is to trade that which is relatively cheap for you to give (and valuable for the other party to receive) in return for that which is valuable for you to receive (and cheap for them to give)

Brinkmanship - the big win - may give you a good press and a reputation for toughness but it will lead to a short career in negotiations where the power balance is against you.

PS. We were recently asked if an organization could duplicate our newsletters for distribution to previous participants or reprint them in the company magazine. We are delighted with the interest that has been shown and are pleased to extend the permission to reprint, to all of our clients.

This newsletter has been prepared by Rose and Barton - Negotiation professionals. Rose and Barton offer negotiation representation, training and their own Total Resilience package, to help insulate your business against the pressures of modern business. Please contact us on (03)5428 3002 to discuss what we can do for you.