World-Class Negotiating Strategies*

Frank L. Acuff

If I listen, I have the advantage; if I speak, others have it.

From the Arabic

There are many negotiating strategies that tend to work very well in one culture but are ineffective in other cultures. A case in point is the Miami-based project manager who put together a very detailed, thorough, research-oriented proposal and presentation for his Brazilian client. "I felt good that we had done our homework," he later noted. "I was very disappointed, however, to find that the Brazilian representatives were flatly uninterested in the details I was prepared to explain. A similar approach worked extremely well in Germany only four months earlier."

In spite of the many different negotiating approaches required among cultures, there are 10 strategies that tend to be effective anywhere in the world. While there may be local variations in how these strategies are applied, their basic premises remain viable.

**TEN NEGOTIATING STRATEGIES THAT WILL WORK ANYWHERE**

The 10 strategies that tend to be effective in negotiations throughout the world are as follows:

1. Plan the negotiation.
3. Maintain high aspirations.
4. Use language that is simple and accessible.
5. Ask lots of questions, then listen with your eyes and ears.
6. Build solid relationships.
7. Maintain personal integrity.
8. Conserve concessions.
9. Make patience an obsession.
10. Be culturally literate and adapt negotiating strategies to the host country environment.

**Strategy 1: Plan the Negotiation**

Everybody wants to get a good deal, to get a sizable share of the pie, and to feel good about the negotiation. Everybody wants to be a winner. Yet not everyone is willing to do the homework necessary to achieve these ends. The essential steps necessary to plan your negotiation are as follows: (1) identify all the issues (2) prioritize the issues (3) establish a settlement range and (4) develop strategies and tactics. Make this preparation a habit and you will set the stage for getting what you want.

There are other factors to consider prior to global negotiations. You can use the Tune-Up Checklist to ensure that you put yourself in the strongest possible position before the negotiation.

The Tune-Up Checklist: Prior to the Negotiation  This is the data-gathering stage where you should get background information related to The Other Side (TOS), to his or her culture and its effects on the negotiating process, to TOS’s organization and other potential players in the negotiation, and to the history of any past negotiations. What do you know about:

TOS
• Family status (e.g., married, single, children)?
• Leisure or recreational activities?
• Work habits (e.g., long hours, early to work)?
• Behavior style (e.g., perfectionist, “big picture”-oriented, task-oriented, people-oriented)?
• Number of years with current organization?
• Stability in current position?
• Overall reputation as a negotiator?
• What special-interest groups might affect the negotiator?

TOS’s Culture and Its Effects on Negotiations
• Are meetings likely to be punctual?
• What can you expect the pace of the negotiations to be?
• How important is “saving face” likely to be?
• Are differences of opinion likely to be emotional or argumentative?
• Will TOS bring a large team?
• Will you need an agent or interpreter?
• Should you prepare a formal agenda?

TOS’s Organization
• What is the organization’s main product or service?
• What is its past, present, and projected financial status?
• What organizational problems exist (e.g., downsizing, tough competition)?
• Who is TOS’s boss, and what do you know about him or her?
• Is the organization under any time pressures?

Past Negotiations
• What were the subjects of past negotiations?
• What were the main obstacles and outcomes of the negotiations?
• What objections were raised?
• What strategies and tactics were used by TOS?
• How high were the initial offers compared with the eventual settlement?
• How was the outcome achieved, and over what period of time?

There are many ways to plan negotiations. One study identified five approaches skilled negotiators share when planning their negotiations:

1. They consider twice as wide a range of action options and outcomes as do less skilled negotiators.
2. They spend over three times as much attention on trying to find common ground with TOS.
3. They spend more than twice as much time on long-term issues.
4. They set range objectives (such as a target price of $50 to $60 per unit), rather than single-point objectives (e.g., $55). Ranges give negotiators flexibility.
5. They use “issue planning” rather than “sequence planning.” That is, skilled negotiators discuss each issue independently rather than in a predetermined sequence or order of issues.¹
Strategy 2: Adopt a Win-Win Approach

We don’t adopt the win-win approach simply because we are wonderful human beings. It helps us get what we want. There is a difference between how skilled and unskilled negotiators prepare for the win-win approach. Skilled negotiators, for example, tend to spend less time on defense/attack behavior and in disagreement. They also tend to give more information about their feelings and have fewer arguments to back up their position. This last point may seem odd. It might seem that the more arguments one has for one’s position, the better. Skilled negotiators know, however, that having only a few strong arguments is more effective than having too many arguments. With too many arguments, weak arguments tend to dilute strong arguments, and TOS often feels pressured or manipulated into settlement.

To achieve a win-win situation, you must tune in to the frequency with which TOS can identify: WIIFT (“What’s In It For Them”). This means different things in different cultures. For example, in Saudi Arabia a certain amount of haggling back and forth on terms may indicate your sincerity about striking a deal. To refuse a somewhat expressive give-and-take would be an insult to many Saudi negotiators. A Dallas-based commercial building contractor now experienced in Saudi Arabia discovered this on his first trip there. “I really got off-base in our early discussions in Riyadh. I felt we were being extremely polite as we patiently explained the reasonableness of our proposal. We fell flat on our faces. The Saudis felt we were inflexible and not serious about doing business. The next project we bid had a lot of fat built into it. We haggled back and forth for four meetings, and they ended up loving us. That’s what they wanted—someone to bargain with back and forth. It showed them we cared.” This negotiator adds, “I still get a knot in my stomach sometimes when I go through a Saudi negotiation, but at least I know what works now.”

Fortunately for this negotiator, he quickly learned the win-win approach for his Saudi client. Yet the very idea of haggling would be a sure win-lose proposition in many parts of the world. In England, for example, it would be hard to come up with a worse idea than to engage TOS in an emotional afternoon of haggling back and forth. The British idea of win-win is somewhat formal, procedural, and detailed discussion of the facts.

Achieving a win-win result also requires careful scrutiny of both parties’ overall goals. You may be seeking short-term profit and cash flow, while your Japanese counterparts may be more interested in long-term viability. In many cases, different goals can lead to overall win-win results. Consider the company president negotiating a joint venture in Hungary in order to take advantage of a skilled, inexpensive workforce, while her TOS is motivated to find business linkages outside Eastern Europe.

Wherever you negotiate, focusing on win-win results sharply increases your chances for success, particularly in the long term.

Strategy 3: Maintain High Aspirations

In the spring of 1978, the International Air Transport Association (IATA) discontinued its policy of airline ticket price compliance. IATA had been for many years a powerful enforcer that had maintained a firm grip on the airline ticket prices of the world’s domestic and international airlines. Immediately after this announcement was made, Leroy Black, my boss, suggested I contact the airlines to determine what, if any, ticket price concessions we might extract as a result of this policy change. The Middle East Division where we worked was located in Dubai, United Arab Emirates, a small oil sheikdom adjoining Saudi Arabia. Our 3,500 workers and many of their family members collectively logged millions of air miles per year.

“That’s a good idea,” I remember telling Leroy. Shaving 5 or 10 percent—perhaps even 15 percent—would amount to substantial savings on our $4 million annual airline expenses. I was stunned, though, when Leroy suggested we ask for a 50 percent price decrease in ticket costs.
“Are you kidding?” I asked, quite shocked.
“I think that 50 percent is about right,” Leroy said serenely.
Our first appointment was with representatives from British Airways. They told us, in a reserved, nice kind of way, to take a hike.
Then KLM, in a not particularly nice kind of way, suggested the same recourse as British Airways. The same with Lufthansa. “We really are being a bit chintzy on this thing,” I thought to myself.
“Leroy, let’s try asking for a little less and see what happens,” I suggested.
“I don’t know. Let’s hang in there awhile longer,” Leroy insisted.
Next was Alitalia. As in our appointments with the other airlines, I went through a short prologue explaining the company’s position, and assertively put forth that we would like to see a 50 percent reduction in future fares. This caused quite a commotion with the Alitalia representatives, who waved their arms and with great conviction gave us several reasons why this was not possible.
“This is really a little embarrassing,” I thought.
They then asked if they could privately telephone their regional headquarters staff. They returned in about 10 minutes in a solemn mood.
“Mr. Acuff,” one of the representatives said with a grave look on his face. “What you ask is quite impossible. The very most we can offer you is a 40 percent reduction,” he said apologetically.
“Excuse me?” I asked. He repeated his offer.
“Unbelievable,” I thought to myself. “Give us some time to think about it,” I replied.
As soon as they were out of earshot, Leroy and I almost jumped for joy. As it turned out, this was the first of several key concessions we received from the various airlines, ranging from 15 to 45 percent discounts. British Airways, KLM, Sabena, and Lufthansa all soon after reduced their rates well beyond my initial expectations.
This situation was a valuable lesson with regard to aspiration levels in negotiations. What at first seemed like a brash, overbearing approach to business turned out to be very positive. But was it win-win?, you ask. Didn’t you just bleed the airlines at a time when they were vulnerable? Not at all. We later found out that the airlines were quite pleased with the new arrangements. They thought discounts might be greater than they were, and, of course, some of the airlines were delighted that they had negotiated better terms than their competitors.
We have all kinds of negative fantasies about high initial demands (HIDs):
“They won’t like me anymore. I’ll make them really mad and it will hurt the relationship.”
“I’ll price myself out of the market.”
“Maybe we aren’t being reasonable.”
“This is embarrassing.”
In spite of these concerns, there are compelling reasons to go for it, which are summarized in the following World-Class Tips.

**World-Class Tips:**

Seven Reasons Why You Should Have High Initial Demands

1. Don’t take away your own power. TOS may do it to you, but don’t do it to yourself.
2. HIDs teach people how to treat you.
3. They lower the expectations of TOS.
4. HIDs demonstrate your persistence and conviction.
5. You can always reduce your asking offer or demand. HIDs give you room to make concessions.
6. Remember that time is on your side. Making HIDs gives you more time to learn about your counterpart, and time heals many wounds.
7. There is an emotional imperative for TOS to beat you down. It’s important for TOS to feel that they’ve “won.”

World-Class Tip 7 is especially important. Many negotiators find it hard to accept that there is an emotional imperative for TOS to beat you down. To illustrate this point, let’s get in the other person’s shoes to see how the TOS might feel. You are in Germany to negotiate the purchase of the Drillenzebit, a precision tool-making machine from a Munich-based firm. You say to yourself, “This time won’t be like the other times. This time I’m going to do my homework—I will read appropriate industry periodicals and talk to consultants, clients, suppliers, and others who know a lot about the Germans, the German business environment, and the competitive market for precision tool-making machines.” So you do your homework and begin to negotiate with the Germans for the Drillenzebit machine. When the subject of price arises, you are ready. You’ve got the facts, figures, and some savoir-faire about German negotiating practices. So you say, “Mr. Dietrich, today I’m going to offer you one price and one price only for this fine Drillenzebit machine. That final price is $74,000—that’s U.S. dollars.”

Dietrich looks at you for a moment and says, “Let me see if I have this right. That’s $74,000—in U.S. dollars?”

“That’s right,” you repeat, proud that you’re sticking by your guns.

“Seventy-four thousand dollars. You’ve got it. The machine is yours!” he beams.

How would you feel in this situation? Wonderful? Exuberant? If you are like most people, you would have a morbid, sinking feeling that you had just been taken. Your first thought would probably be, “Damn. I should have offered less.” Is this reaction logical? No. You did, after all, get what you asked for. You reacted as you did because only part of your needs were met—the logical part—while the emotional part was not.

There are cultural differences as to how high our aspiration level should be with our foreign counterparts, but as a rule of thumb, go for it! If you really want $30,000 for your widget machine, don’t ask for $30,500. Ask for $60,000. Put TOS in the position of saying to his or her boss, “You know, this woman came in asking $60,000. This price was completely off-the-wall. Excellent negotiator that I am, I got her down to $38,000. I saved us $22,000.” And if you are in a competitive bidding situation, stress the quality, service, and other aspects that make your price an excellent value.

**Strategy 4: Use Language That Is Simple and Accessible**

American English is filled with thousands of clichés and colloquialisms that make it very hard for others to understand. Phrases such as “getting down to brass tacks,” “getting down to the nitty-gritty,” wanting to “zero in on problems,” or “finding out where the rubber meets the road” only clog communication channels.

Don’t assume that because your foreign counterpart speaks English, he or she fully understands it. This individual may know English as it was taught in school but may not be able to speak it or understand it in conversation with an American. An American executive who regularly travels to Taiwan makes this point. “When I first asked my Taiwanese client if he spoke English, he told me yes. I found out the hard way that his understanding was very elementary and that I used way too many slang expressions. We still do business together, but now I speak more slowly and simply, and I’m learning some Chinese.”

This doesn’t apply only to slang. Make sure you use the simplest, most basic words possible. Exhibit 1 provides examples of simplified words and terms you should use, even if you’re speaking English.

This reliance on slang makes it very difficult for TOS to grasp our meaning, even if TOS speaks English. By using simple, straightforward language, we can help ourselves by helping others understand us.
Don’t use this … when this will do.

| annual premium | annual payment |
| accrual interest | unpaid interest |
| maturity date | final payment date |
| commence | start |
| utilize | use |
| acquaint | tell |
| demonstrate | show |
| endeavor | try |
| modification | change |
| proceed | go |
| per diem | daily |

Phrases |

| Typical Meanings |

| “What’s your game plan?” | “What’s your approach to this negotiation?” |
| “We’re not going to throw in the towel.” | “We’re not going to give up.” |
| “They’re trying an end run.” | “They are going around normal organizational channels.” |
| “You threw us a curve.” | “We didn’t do well in this situation.” |
| “You’re batting a thousand.” | “You’ve had all your demands met.” |
| “Have we covered all the bases?” | “Have we considered all the options?” |
| “That’s the way the ball bounces.” | “It was unpredictable but it is over now and there is no use to worrying about it.” |

Sport

| American football, basketball, etc. |
| Boxing, American football, etc. |
| American football |
| Baseball |
| Baseball |
| Baseball |
| American football, basketball, etc. |

EXHIBIT 1  Simplifying English words and terms.

TEENAGE WHAT?

The session had been interesting, with a good exchange of ideas. About thirty top Russian managers were learning about “How to Negotiate With Americans.” Each of the participants was wired so that we could communicate with each other through an interpreter. I would say a few words and wait four or five seconds for the translation from English to Russian to be completed, listening through my earphones to the translator’s crisp, confident tone.

All this was working fine until we began discussing Americans’ need for achievement and how this affected the competitive approach of many American negotiators. One of the participants asked about what heroes represented this achievement orientation, and whether this achievement orientation impacted American children. I made a few observations about various American heroes and then made my big mistake. I noted that, yes, American children have their achievement-oriented heroes too, and I mentioned the Teenage Mutant Ninja Turtles as an
example. Suddenly there was silence from the translator. I looked to the back of the room where he was sitting in a booth. The participants looked around nervously at him. He had a blank look on his face. Finally, after about 15 seconds, some tentative, awkward sounds came forth.

Then I realized how impossible a job I had given him. What would his translation possibly be...something like, "Turtles in their teenage years...who have physical deformities...and practice Far Eastern martial arts?"

**Strategy 5: Ask Lots of Questions, Then Listen With Your Eyes and Ears**

Asking good questions is vital throughout the negotiation, but particularly in the early stages. Your main goal is receiving information. Making a brilliant speech to TOS about your proposal may make you feel good, but it does far less in helping you achieve your ends than asking questions that give you data about content and the emotional needs of TOS.

Exhibit 2 illustrates the importance of asking questions. Skilled negotiators ask more than twice the number of questions as unskilled negotiators. They also engage in much more active listening than those who are less skilled.

There is one important consideration when asking questions: Don't do anything that would embarrass your international counterpart. Questions can be much more direct and open in cultures such as the United States, Canada, Australia, Switzerland, Sweden, and Germany than in Japan, Taiwan, Brazil, or Colombia, where indirectness is prized.

*Judge a man by his questions rather than by his answers.*

Voltaire

Effective listening is especially challenging when different cultures are involved. This can be the case even when English is the first language of TOS. Mike Apple, an American engineering and construction executive, found this to be the case in England and Scotland. Apple notes that even though English is spoken, one must listen very carefully to English and Scottish negotiators because of their dialects. "When I first got to Scotland, I wondered if some kind of challenge was in the making when a union negotiator told me he was going to 'mark my card.' I asked a colleague about it. As it turned out, the term is one used by Scottish golfers to explain the best approach to the course for those who

**EXHIBIT 2** Questioning and listening in skilled and average negotiators.

<table>
<thead>
<tr>
<th>Negotiating Behavior</th>
<th>Skilled Negotiators</th>
<th>Average Negotiators</th>
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<tbody>
<tr>
<td>Questions, as a percentage of all negotiators</td>
<td>21.3%</td>
<td>9.6%</td>
</tr>
<tr>
<td>Active listening</td>
<td></td>
<td></td>
</tr>
<tr>
<td>■ Testing for understanding</td>
<td>9.7</td>
<td>4.1</td>
</tr>
<tr>
<td>■ Summarizing</td>
<td>7.5</td>
<td>4.2</td>
</tr>
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</table>

haven’t played there before. The union negotiator was only trying to be helpful,” Apple notes. “The lesson learned here? When in doubt, ask for clarification.”

If the communication pattern is from high-context countries, such as Japan, China, Saudi Arabia, Greece, or Spain, listening is even more challenging for Americans. In these cultures the message is embedded in the context of what is being said. Mike McMahon, a former managing director for National Semiconductor’s Singapore plant, found Singaporeans reluctant to respond directly to questions. He notes, “I had to listen very carefully to figure out what was really on their minds.”

Here are some additional tips for effective listening:

- Limit your own talking.
- Concentrate on what TOS is saying.
- Maintain eye contact (but don’t stare).
- Paraphrase and summarize TOS’s remarks.
- Avoid jumping to conclusions. Be postjudicial, not prejudicial, regarding what TOS is saying.
- Watch for nonverbal cues.
- Listen for emotions.
- Ask for clarification: Assume differences, not similarities, if you are unsure of meaning.
- Don’t interrupt.
- Pause for understanding; don’t immediately fill the voids of silence.

Some of the rituals of international negotiating serve dual purposes of entertainment and information gathering. Foster Lin, director of the Taiwanese Far East Trade Service Office in Chicago, considers formal Taiwanese banquets and other entertainment as a prime opportunity to gain information on one’s negotiating counterpart. Says Lin, “Entertainment demonstrates courtesy toward our foreign guests. It also helps us find out more about the individual person. Is this someone we can trust and want to do business with?” Such occasions can help you as well. Careful listening in this “offstage” time, away from the formal negotiating sessions, can give you another side to the negotiators. Use this time to gather additional data on your counterpart.

A key part of listening relates to body language. TOS may encode messages, making sophisticated, cogent arguments. However, one thing almost always happens during a moment of insecurity or deception: body movements change (e.g., the person literally squirms in his or her seat or blinks more rapidly). Also, be aware of the impact of your own nonverbal behavior. For example, if your gestures are quite expressive and TOS is from Sweden and quite reserved, tone it down a bit. Alternatively, if your facial and arm gestures are unexpressive and you are meeting a Brazilian who is very expressive, loosen up a bit—smile and use expressive hand and arm gestures.

**World-Class Tips: Five Positive Things You Can Do Without Saying a Word**

1. **Smile!** It’s a universal lubricant that can help you open the content of the negotiation. A genuine smile says very loudly, “I’d appreciate doing business with you.”

2. **Dress appropriately and groom well** Shined shoes, combed hair, clean nails, and clothes appropriate for the occasion show that you respect yourself and your counterpart. It also communicates that you are worthy of your counterpart’s business.

3. **Lean forward** This communicates interest and attention in almost every culture.

4. **Use open gestures** Crossed arms in front of your chest may be viewed as disinterest or resistance on your part. More open gestures send a signal that you are open to your counterpart’s ideas.

5. **Take every opportunity to nod your head** Don’t you like it when people agree with you? Let TOS know that you are listening by this simple action.
Strategy 6: Build Solid Relationships

Stay away from value issues, which are full of potential land mines. When is the last time you won an argument on politics? On religion? That’s right; you never have and you never will. Discussion of subjects such as politics, religion, race, and the role of women in the workplace will not help build a relationship with your negotiating counterpart, even if the other person brings up the subject or there is potential agreement. No matter what our particular view on these subjects, we tend to think that we have God, truth, and light on our side.

The personal relationship you develop with your counterpart provides the basis, or context, for the content portion of the negotiation. In many cultures it is the quality of the relationship more than the work accomplished that counts. There is more emphasis on building a solid personal relationship in some cultures than others. In Brazil, Japan, Greece, Spain, and the Czech Republic, for example, a strong personal relationship almost surely precedes any deal. In other countries, such as Germany and Switzerland, the content portion of the negotiation usually precedes any substantial relationship building. In most cases, a strong relationship is critical to even short-term success. In all cases, it is critical to long-term success.

Be a pleasure to do business with. Even if you don’t agree on the content part of the negotiation, you want TOS to have a positive view of you when they see you coming.

World-Class Tips: Fifteen Statements That Will Help Build Solid Relationships (Or at Least Keep You Out of Deep Soup)

1. “I’m very pleased to meet you.”
2. “Could you tell me more about your proposal?”
3. “I have a few more questions I’d like to ask you.”
4. “We might be able to consider X if you could consider Y.”
5. “Let me try to summarize where we stand now in our discussion.”
6. “I’m very happy to see you again.”
7. “Could you tell me more about your concerns?”
8. “Let me tell you where I have a concern.”
9. “I feel disappointed that we haven’t made more progress.”
10. “I really appreciate the progress that we’ve made.”
11. “Thank you.”
12. “Can I answer any more questions about our organization or proposal?”
13. “What would it take for us to close this deal?”
15. “I haven’t talked to you since we signed the contract. I just wanted to follow up with you to see how things are working out.”

Even when you mean well, there are some terms and phrases that carry negative overtones. One study found that skilled negotiators used only 2.3 irritating words and phrases per hour in face-to-face negotiations, compared with 10.8 “irritators” per hour for average negotiators. Irritators included such phrases as “generous offer,” “fair price,” and “reasonable arrangement.”\(^3\) Exhibit 3 is a “dirty word list” that details other phrases that tend to upset others, regardless of the culture involved.

There’s another word that should be taken out of your business vocabulary: negotiate. Yes, we use it when discussing the subject, but in real-life situations, all kinds of images come to mind when you tell someone, “Let’s negotiate this deal.” There’s the feeling that something manipulative is about
<table>
<thead>
<tr>
<th>These Words:</th>
<th>May Provoke These Reactions:</th>
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<tbody>
<tr>
<td>You always/You never...</td>
<td>I always, I never? Perhaps I often or seldom behave in that way, but not always or never.</td>
</tr>
<tr>
<td>What you need to understand...</td>
<td>I'll let you know if I need to understand it.</td>
</tr>
<tr>
<td>Be reasonable...</td>
<td>I didn't think I was being unreasonable. (Have you ever met anyone in your whole life who told you, “I don’t tend to be very reasonable, and I just thought I'd let you know?”)</td>
</tr>
<tr>
<td>Calm down!</td>
<td>If they were calm, they won't be after you tell them this!</td>
</tr>
<tr>
<td>Needless to say...</td>
<td>Then why are you saying it?</td>
</tr>
<tr>
<td>Obviously...</td>
<td>You've somehow cornered the market on what is and is not obvious?</td>
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<tr>
<td>The fact of the matter is...</td>
<td>You know what is factual and I don't?</td>
</tr>
<tr>
<td>You can't tell me...</td>
<td>You bet I can tell you—that is, if you'll just listen!</td>
</tr>
<tr>
<td>Listen...</td>
<td>I may choose to listen, but I don't want to be directed to do so.</td>
</tr>
<tr>
<td>As you know...</td>
<td>Maybe I do and maybe I don't.</td>
</tr>
<tr>
<td>Most people would...</td>
<td>Are you suggesting that I'm some kind of oddball if I don't happen to agree with you?</td>
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| EXHIBIT 3  Words and phrases to avoid. |

to happen. Instead, say something like, “Let’s work out something that is good for both of us” or “Let’s discuss the concerns you have.”

Reaching a deadlock or impasse is a common and often frustrating experience. This can happen even when both parties are bargaining in good faith and are trying hard to reach an agreement. When you reach an impasse with TOS, take steps to break the deadlock and yet keep the relationship strong. The following list of World-Class Tips provides some helpful methods.

**World-Class Tips: Seventeen Ways to Break Deadlocks and Yet Keep the Relationships**

1. Recap the discussion to ensure there really is a deadlock.
2. Emphasize mutual interests.
3. Stress the cost of not agreeing and situations you want to avoid.
4. Reach an agreement in principle, postponing difficult parts of the agreement.
5. Try to find out if the problem is based on something TOS isn’t telling you.
6. Change the type of contract.
7. Change contract specifications or terms.
8. Add options to the contract.
9. Hold informal discussions in a different setting.
10. Make concessions that are contingent upon settling all of the issues.
11. Form a joint study committee.
12. Change a team member or team leader.
13. Discuss how both you and TOS might respond to a hypothetical solution, without committing either party to a course of action.
14. Tell a funny story.
15. Take a recess.
16. Consider setting a deadline for resolution. Deadlines create a sense of urgency and encourage action.
17. Be patient.

Keep in mind that both the tone and the content of the current negotiation will impact future negotiations with TOS. This is true even if you don’t successfully conclude the current negotiation; sometimes you are really setting the stage for the next one. It’s like arguing with the umpire in American baseball. Why do baseball managers do it? They never prevail. Aside from pleasing the crowd, the manager argues with the umpire for one simple reason—not for this call, but for the next call! So, too, in your negotiations, put markers in TOS’s mind for the next time you sit down to do business. Leave him or her with two thoughts: (1) you’re a good person for TOS to do business with and (2) here are some expectations to keep in mind.

**Strategy 7: Maintain Personal Integrity**

A few years ago a businessman came up to me before I was about to make a speech on negotiations. He said that he was a good Christian and, as such, didn’t know if he should stay for the speech since he assumed I’d be talking about scheming ways to manipulate other people. I told him that while I didn’t know whether or not he should stay, negotiators who use manipulative, scheming, hidden agendas do not do very well in negotiations. He seemed somewhat shocked but relieved by my response.

Personal integrity is absolutely critical for your effectiveness as a world-class negotiator. My conviction on this point is not related to religion but to pragmatism. There are two reasons why personal integrity and trust are vital. The first reason has to do with information. No one tells you anything of importance if he or she doesn’t trust you.* If you are not viewed as trustworthy, people will tell you only what they must tell you because of your position or title. For example, if you are trusted, after a negotiating session TOS may ask for some confidential “whisper time.” She may confide in you as follows:

TOS: *Look, I know we’ve been pressing for A, B, C, and D in there. But, off the record, what we’re really interested in is only C and D.*
You: *But you’ve been really pushing hard for A and B.*
TOS: *I know. But if you can find a way to give us C and D, we’ve got a deal.*

This is a rich disclosure. This is the stuff that will make you successful, not because you are technically brilliant, but because you are trusted. Risky, key data are shared with you only if your personal integrity is unquestioned.

*Herb Cohen talks about this effectively in his video *Persuasive Negotiating.*
Personal integrity is vital to building your negotiating strength for a second reason: *Issues of trust are the most difficult relationship problems to repair.* In fact, these are often irreparable. With some hard work, some skill, and a little luck, other types of relationship problems can be healed, but the trust issue hardly ever gets fixed. Think of the people you really don’t trust in your professional or personal life. Is there anything they can do to repair the relationship and get back in your good graces? If you are like most people, the answer is “nothing.”

American negotiators sometimes try to resolve issues of trust by formalizing the intent of the parties in an ironclad contract. We then hold TOS to the contract, regardless of how much we trust them. In many cultures, however, it is the person or the relationship that your counterpart trusts, not a piece of paper. Making and keeping contractual commitments is not a high priority for many of your international counterparts. Much of this view relates to the relative uncertainty felt by those from other cultures compared with Americans. Malaysians, for example, prefer to have exit clauses in their contracts in case things don’t work out. They feel little control over future business events or even their country as a whole and want provisions for a respectable withdrawal should future circumstances make their compliance impossible. In much of the Arab world, negotiators stress mutual trust and see themselves doing business with “the man” rather than a company or a contract. In Britain, there are strong legal precedents but less reliance on formalized contracts than in the United States. Tom Wilson, a British management consultant, observes, “Detailed legal contracts are seldom the order of the day. The British feel aggrieved when outsmarted by clever contract language. Besides,” he adds, “a legal decision will not enforce that for which there is no will to perform.”

Building trust can be a long process, particularly in global negotiating, and it can be harmed in subtle ways. This is why you should avoid excessive use of phrases such as “to be honest with you…” (are you not normally honest?), “to tell you the truth…” (are you not normally truthful?), and “frankly…” (are you not usually candid?). Though TOS may not be conscious of why he or she doesn’t trust you, too many of these phrases lead to a conclusion that you are not trustworthy, even if you are honest.

If you are viewed as trustworthy by TOS, protect this aspect of the negotiation at all costs. Remember, *lose the deal if you must, but keep the trust.* This will be vital for your next negotiation with TOS.

### Strategy 8: Conserve Concessions

Concessions give valuable information about you, your style, and your resolve. How you use them sets the tone, not only for a current negotiation, but for future negotiations as well. Your current concession pattern teaches TOS how to treat you in the future.

Let’s say you’re in Budapest, involved in a tough negotiation with the Hungarians. You have traded data with them and made logical defenses of your negotiating position for five long meetings. The negotiation seems to be going nowhere. This particular negotiation is price-sensitive, and in the first meeting, you quoted $80 per unit for your product. The Hungarians have offered you $20. You know that building a good relationship is important in any negotiation. They haven’t budged from the $20 since the first meeting.

In order to break the logjam, you show your good faith in working out this negotiation by making a counteroffer of $45. This, you think, shows that you mean business in resolving this issue and that you are acting in good faith. Besides, your “really asking” price is $40, and you will certainly have gone more than halfway. The Hungarians will surely do the same, and you can all conclude the session, have some vodka, and go home.

It may not work out this way. In fact, in the case related above, you can bet you are about to get clobbered. Like many negotiators, you might feel that making a concession will create goodwill or
soften up TOS. Unfortunately, a much more likely scenario is that such a concession will suggest weakness on your part, make your counterpart greedy, or even make your counterpart suspicious. You must therefore be extremely careful in making concessions.

**World-Class Tips: Ten Guidelines on Making Concessions**

1. Don’t be the first to make a concession on an important issue.
2. Never accept the first offer.
3. Make TOS reduce a high initial demand; don’t honor a high demand by making a counteroffer.
4. Make small concessions. Lower the expectation of TOS.
5. When you make concessions, make them slowly (like wine, they improve with time).
6. Make TOS feel good by making concessions of low value to you but of perceived high value to TOS.
7. Defer concessions on matters that are important to you.
8. Make contingent concessions (i.e., get something in return, or concede only on the condition that all issues be settled).
9. Celebrate the concessions you get. Don’t feel guilty.
10. Don’t feel that you must reciprocate every concession made to you.

The number of initial concessions differs among cultures. One study found that Japanese negotiators made fewer initial concessions per half-hour bargaining session (6.5) than did negotiators from the United States (7.1) or Brazil (9.4). As a rule, the fewer the concessions, the better.

Also, beware when TOS asks for a concession on the grounds of “fairness.” Whenever your counterparts tell you that they want you to make a concession because their offer to you has been very “fair” or “reasonable,” don’t believe them. More often than not, this is a manipulative tactic to make you feel guilty.

**Strategy 9: Make Patience an Obsession**

Since almost every stage of a global negotiation tends to take longer than the domestic, patience is not only a virtue, but a necessity. Patience serves three vital functions: (1) It facilitates getting information from TOS, (2) it builds the relationship by sending out signals of courtesy, and (3) it increases your chances of effective concession making. Patience is linked to concession behavior because impatient negotiators tend to make both more counterproposals and more concessions. Skilled negotiators make fewer counterproposals than do less skilled negotiators.

Patience may also be one of TOS’s negotiating tactics, since TOS tries to wear you down with their patience. They are counting on your becoming anxious and making concessions that you otherwise wouldn’t make. Don’t be a victim. Take these countermeasures:

- Give yourself plenty of time.
- Relax and make yourself comfortable.
- Prepare your own people back home for a long negotiation.
- Recognize that it may be tougher on TOS than on you.
- Consider setting a deadline.

Patience, as important as it is, can be hard work. One manager from an American oil company illustrates this point in the Pacific Rim: “Negotiating in Indonesia is like drinking a thousand cups of tea—very challenging and very slow.” Ted Cline, who has negotiated many large contracts in the Middle East, stresses the importance of persistence. “I tell my people: If you beat your head on the wall, it will get bloody. But if you keep constant pressure on the wall, some day it will fall down.”
JUST-IN-TIME MANAGEMENT

I was in the small Central American country of Belize to address a management conference. I was scheduled to speak at 9:00 A.M., so I was ready to go about 8:00 A.M., waiting for my hosts in the hotel lobby. They weren’t there. 8:15—no one. 8:30—nobody. 8:45—nope. I checked with the front desk to make sure I had set my watch to the correct time zone. 9:00—9:15—still no one. Now I’m getting out my letter of invitation, thinking, “Could this be my worst nightmare? Could I be in the wrong country on the wrong date? At about 9:20 my hosts showed up, and we drove to the hotel where the conference was being held. After a short discussion about my flight, the weather, and related items, I said, “It’s about 9:30. Wasn’t I on the agenda for 9:00 A.M.?” No response.

“I’m just curious, but if it’s about 9:35, aren’t we late for the conference?” I persisted.

“Oh no, Mr. Acuff,” one of my hosts said jovially. “Nothing here in Belize starts at the time on the agenda. We’ll be quite early. The conference won’t start for another hour or so.”

“Thank you,” I said, relieved. My life was good again.

Strategy 10: Be Culturally Literate and Adapt the Negotiating Process to the Host Country Environment

By acquiring insight into the culture of TOS, as well as into your own cultural predispositions, you can bridge the cultural gap to become a more effective negotiator. You can be empathetic with TOS only if you understand the culture and environment in which TOS operates. Every step of the negotiating process must be seen through the lens of the host-country culture. Increasing your cultural IQ pays off in every step of the negotiating process, from the initial planning and greeting TOS right down to setting the stage for future business.

Cultural savvy takes many forms. Witness, for example, a supplier of oilfield technology that sent a program administrator to resolve the snags associated with a Russian joint venture. Despite the progress on technical details, the Russians continued to be very standoffish. Only later did the firm learn that sending a midlevel manager with the title of program administrator was an insult to the Russians, who felt that anyone with such a lowly title was unlikely to have the authority to negotiate a substantial deal, and that sending a midlevel manager was disrespectful of them. Such title and rank considerations are important to Russian negotiators. In this particular case, the firm’s vice-president of international projects relates that now, when the program administrator travels to Russia, his title is revised to “managing director of special projects.” The vice-president notes, “The title change makes the Russians feel like they are dealing with the right level of person, and all it costs us are new business cards.”

Moira Crean, manager of contracts administration for MasterCard International, finds that cultural savvy takes the form of sensitivity to age in mainland China. “Age,” she explains, “can be a key aspect in a big negotiation. Our Chinese partners have been known to dismiss a young person—let’s say, a 35-year-old vice president—and say, ‘Send over the old guy.’”

Even concession making must be seen through a cultural perspective. Exhibit 4 illustrates different perceptions of your good intentions. The reaction to a large concession may range from pleasure (a U.S. negotiator) to dismay (a Swiss negotiator).

If you just remember the following two guidelines, you will not only be culturally literate, but you will be a superb global negotiator.
<table>
<thead>
<tr>
<th>Negotiators From</th>
<th>Likely Reaction</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>“I gotcha.”</td>
</tr>
<tr>
<td>Netherlands</td>
<td>“I cannot trust you.”</td>
</tr>
<tr>
<td>Japan</td>
<td>“This has hurt the harmony.”</td>
</tr>
<tr>
<td>Switzerland</td>
<td>“This person did not prepare well.”</td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>“This is how business is done.”</td>
</tr>
</tbody>
</table>

EXHIBIT 4 How a large concession from you might be perceived by negotiators from different countries.

1. **Adopt the Platinum Rule**  Most of us grew up with the Golden Rule or something similar: “Do unto others as you would that they do unto you.” This works well when we are surrounded by people like us—whoever “us” might be. We know how to treat the other person because of shared backgrounds and traits. With our international counterparts, the Golden Rule is no longer very helpful, because how you want to be treated may indeed be very different from how Chin, Suresh, Ivan, Miguel, Mohanuned, Isabella, or Isa wants to be treated. Instead, adopt what I call the Platinum Rule: “Do unto others as they would have done unto them.” You might be comfortable with a firm handshake, with being direct and open, and with getting right down to business. But if the culture of TOS encourages other behaviors and your cultural savvy enables you to engage in them, you will be ahead of the competition. As you increase your comfort zone with others, so too will you increase your negotiating effectiveness.

Is there a place for common courtesy? You bet, as long as such courtesy isn’t defined only on your terms. If common courtesy means a smile upon greeting or not interrupting others, this works almost anywhere. If it means inviting TOS to lunch, picking up the tab, complimenting TOS about his or her office, extending a firm handshake, or providing a gift as a token of your appreciation, then your courtesy may be another person’s idea of irritating behavior. Tact has been called intelligence of the heart. In global business affairs, tact includes knowledge of the host-country culture.

2. **Conduct Yourself as an Effective Foreigner**  The idea is not to go native, but to be culturally savvy while remaining a foreigner. Don’t worry about minor gaffes in the many rituals and customs associated with every culture. If your handshake is a little too firm in Rio de Janeiro, or you can’t remember that phrase you learned in Polish, it is not the end of the world. TOS will normally give you an A for effort even if the details of the execution need a little work. Be culturally savvy, but also be authentic. If the sight of fish eyes makes you squeamish in Singapore, if it means you’re going to spend an hour being sick in the bathroom, don’t eat the fish eyes.

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**MIDDLE EAST BUSINESS PRACTICES 101: WHEN COMPLIMENT ARE COSTLY**

The Labour Minister for the United Arab Emirates was in my office to help negotiate an end to a work stoppage by the local Dubai construction workers. The meeting went well until we finished our discussions. While walking with His Highness to the door of my office, I mentioned that he had a beautiful briefcase (mine was in a general state of disrepair). As I reached the door I noticed that he was no longer walking with me. I turned around to see His Highness emptying the contents of his briefcase on my desk.

(continued)
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"Did you lose something?" I asked, trying to be helpful.

"No, no," he replied. "I want you to have," he added, as he presented his briefcase to me.

"This is for you. You are my friend."

After profusely apologizing, I convinced him that I really couldn’t accept the briefcase.

The lesson learned? In that part of the world, don’t go around complimenting people on their possessions. You just might end up with them.

NOTES


2 Ibid.


5 Rackham, "The Behavior of Successful Negotiators."


10 Adler, International Dimensions, 187.