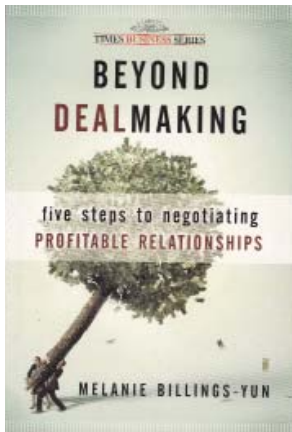


## BOOK REVIEW



### Beyond Deal Making Five Steps to Negotiating Profitable Relationships

**Melanie Billings – YUN**

#### Book Reviewed by:

Dr. H. Gayathri  
Deputy Director, Professor - Marketing  
Shri Dharmasthala Manjunatheshwara  
Institute for Management Development (SDMIMD), Mysore

The book comprises of twelve chapters focused on the relationship negotiation.

In chapter one the author says that, signing on a good deal by both the parties may not mean that the deal will have a good outcome. It is important for both the parties to commit to a successful working relationship by maintaining transparency, two - way communication, respect, reliability etc to build long term mutually beneficial deal. Further, the author says that, in a deal, the focus is generally on an agreement, instead if the deal focuses on relationship, then, it will lead to mutually beneficial outcomes. Most deals, see the other side members as opponents, whereas, in a relationship negotiation both are expected to work towards each other as preferred partners.

Chapter two focuses on fairness in the deal. The author says that, it is important that every good negotiation believes in a fairness of a deal. If the deal is unfair, the negotiators will not feel like honoring the contracts. Fairness in negotiations has a powerful impact on the willingness to implement agreements. Negotiators, particularly who are treated unfairly believe that ethics is a two - way street. Process fairness is a requirement that needs to be built into the negotiation as it creates long lasting value. A good agreement can be operationalized

only when it has balanced risk and creates profit for both the parties.

Chapter three deals with trust between both the parties' leads to pursuing common goals by sharing relevant information and maximizing value creation for both. Another important point the author makes is that when the party listens to the opponent respectfully by showing personal interest it will lead to gaining acceptance of the ideas instead of defending positions. The author recommends 3 "A" s prescription i.e., **Admiration** to the other party instead of treating them with superiority tone. Showing **affiliations** by working cooperatively and by **acknowledging** the merit of other party's ideas and thoughts.

Chapter four highlights that the four pillars of relationship negotiations that needs to be applied are i.e., Productive relationship, Pursue outcomes; not points, Search for solutions; not victory and focusing on fairness. The productive relationship focuses on win-win approach by collaborating with the other party for mutual benefits. The problem with most negotiators are that they focus on achieving the list of points in their favor rather than finding solutions for the outcome of the negotiating issues. When the focus of the negotiation is on the points, the negotiations are bound to fail.

The biggest asset of a negotiator is the problem-solving skill/ability. The problem – solving approach helps in working out differences leading to mutually beneficial outcomes. As mentioned earlier fairness in negotiation helps build trust, which focuses on common interests of both the parties.

In chapter five the author says that, Negotiators should watch out for tactics which are used for their advantage. Negotiators should never give - in to one - sided demands on the issues as it leads to making greater demands and encourages negative approach to the process. Negotiations should provide valid reasons for any positions they take to proceed smoothly in the process. They also need to justify any concession given to the other party to ensure the relationship is kept intact by using the disclosure technique in the process. In case, the other party is over demanding and unreasonable it is best to walk - away from the deal and look for substitute or BATNA (Best Alternative to the Negotiated Agreement).

Chapter six highlights that a successful negotiations strategy requires thorough preparation. The first part of preparation focuses on understanding the issues and requirement and then knowing the other party's issues and their requirement. Having knowledge about our's and other party's competitors and the factors related to the external environment will have a positive impact on the negotiation. The second part of preparation focuses on what kind of moves the other party will make and also the kind of questions and objections they will raise and how to handle them. The last part of preparations is about the art of connecting with the other party. Here, the negotiations style, the authority of the other side to close the deal, their receptivity to the whole process, knowledge about the issues, value creating for mutual benefit are examined by creating a conducive atmosphere for connecting & taking the process forward.

In chapter seven the author says it is very important to know the goals of the negotiation. Once the goals are known, it is essential to identify the walk - away situations, zone of resistance, the 'needs', 'wants' and the desires w.r.t. the negotiation. This helps the negotia-

tor to differentiate the 'needs' from 'wants' i.e., from 'must have' from the negotiation to 'should have' from the deal. Goals help in prioritizing our needs, wants and our aspirations of the deal. This exercise has to be done for both the sides as it helps in to understand commonalities for the parties and the possible trade-off leading to problem solving approach to the negotiation.

The author in chapter eight focuses on concluding negotiation. The author says that the competitive approach with others may leave a bad taste in the process as it focuses on 'I' win and 'you' lose. The other approach is 'creatively collaborating' with the other party which focuses on win-win approach. This approach helps achieve both content of the deal and positively manage relationship, value creation and value trade-off which will help strengthen the relationship by achieving the negotiation goals. The author says depending upon how the other party responds, different questioning techniques can be used to elicit the right kind of answers. It is important to anticipate how the other party may respond to our clarifications and questions.

In chapter nine author highlights that an "agreement" in a negotiation does not mean quarreling, instead it should be treated as a factual evidence for taking positions legally. It should provide an opportunity for mutually acceptable reason for all the issues placed on the table. This sharing of information and offering explanation helps in understanding the issues, which will demonstrate trust and respect. The objective of all negotiations should be to reach an agreement and not win a debate.

The author in chapter ten focuses on substitutes and says that all negotiators should have a backup plan. Substitute/backup plan is also referred to as BATNA. We need the alternative backup, in case the existing negotiation does not yield positive results. If the negotiator knows the Walk - Away line, it becomes easy for the negotiator to back - off the current negotiation and opt for the substitute or backup option. A Walk - Away is an understanding that beyond a certain point, the negotiation will fail to achieve the minimum requirements, or the deal would come at a higher cost or offer

fewer benefits than the substitute. The author says a substitute may be disclosed at any point of negotiation depending upon the situation. However, he says care should be taken to inform the other party about the Walk - Away only at the last moment before Walking - Away.

Chapter eleven focuses on persuasion as an important step to win over the other party. The First step, focuses on balancing the interests of both the parties. The other factors to be kept in mind are attentive listening, positively presenting the issues, open discussion etc., The right questioning techniques helps achieve the above. Negotiation will benefit, if a persuasive opening is made which focuses on common interests rather than disagreements. Empathizing during the course of discussion will set a very positive tone for negotiation. Persuasive negotiators generally align themselves to the communication & decision - making styles of other

parties which will lead to solution-oriented negotiations which are mutually beneficial.

In the final chapter, the author says that if anybody practices the following five steps, they will become effective negotiators. The five steps are: 1) Goals --- identifying, prioritizing and understanding them for both the parties is very important. 2) Routes --- explore all opportunities to satisfy and maximize value for both the sides. 3) Arguments --- both the sides should provide necessary evidence to support and validate the arguments. 4) Substitutes --- Understanding the Walk - Away Line for both is essential and planning substitutes is mandatory. 5) Persuasion --- listening and understanding the other side's perspective helps focus on problem solving of all the issues. By following all the above five steps, the negotiation will be a rewarding experience as it will lead to mutually beneficial outcome.