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Some aspects regarding negotiation in business

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Some aspects regarding negotiation in business

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Abstract. Paper presents some aspects regarding negotiation process used in technological transfer, negotiations strategies, partners orientation in negotiation time, WIN-WIN, or WIN-LOOSE, or LOOSE-LOOSE position, tactics and technics used in negotiation.

1. Introduction

Negotiation is the most important part of the technology transfer process. Negotiations between partners to grant a technology license are usually complex because it involves many basic conditions and each of them can generate different positions from those more advantageous to the most uninteresting [3].

The negotiator has the difficult task of keeping in mind the basic conditions and all the different positions, to deal with the technical aspects of the project and to constantly assess how the basic conditions can affect the commercial objectives of the license. As a rule, the negotiator has to fight for the most advantageous position, with the two components: offensive or compromise position.

It is preferable to draw up a list of internal conditions, questions on the subject and the conditions in which the negotiations are to be negotiated. When starting a negotiation, it always has to start from the idea that the other team is just as determined and competent.

The ability to analyze and appeal permanently to the relationship between the basic terms of the contract and the objectives proposed is the one that will determine the success of the negotiation for three reasons:

- The position is known; the permissible bargaining margin and the possibilities of compromise are known.
- Success in negotiations means being able to explain to the other side what its needs and objectives are in a clear and convincing way and, last but not least, at the right time.
- Discussions are conducted in a calm tone, with competence and self-confidence. Aggressive behavior clearly leads to failure and not to top-level discussion.

2. Negotiation strategies

Concerning the negotiation strategy, the negotiator has several choices:

- Integrative or distributive orientation;
- offensive or defensive orientation;
- taxing or adaptation behavior;
- between the widening of the bargaining field and its narrowing;
- between a total agreement and a partial agreement;



- between an immediate one or after a certain amount of time.

Choosing an integrative or distributive strategy is of the utmost importance, as the others are subsumed.

Gain: those who adopt such a mentality will not necessarily lose others; they do not follow what happens to the other side, this is secondary, irrelevant. It is essential for them to achieve their purpose, to achieve what they are pursuing. In the absence of rivalry and competition, gain orientation is probably the most common approach in everyday negotiations. The person with this mentality is thinking of securing their own interests and letting others take care of their own.

Integrative orientation has the following variants:

- win - win,
- winning or non-trading technique.

Win-win is a state that the benefit in any mutual interrelation is mutual. Understanding and solutions are mutually beneficial, mutually satisfactory. In this type of negotiation, the negotiator recognizes the other party as a legitimate partner, who is not challenged the right to defend their own interests, even if they are contrary to their own. An essential interest in win-win integrative negotiation is that the agreement, once found and concluded, is likely to be respected by the parties because it was obtained without resorting to the pressure of the force ratio [1].

Winning or non-trading technique is sometimes considered to be superior to win-win. Non-marketing essentially refers to the case where, in the absence of mutually beneficial solutions, it is mutually agreed not to conclude a business. No expectations have been created or contractual conditions have been established. The parties do not engage in collaboration because their values and objectives are divergent. The win-win or non-trading approach appears to be realistic at the start of a business relationship, but in the long run, it could become a non-viable option, creating difficulties in affiliated businesses because in the effort to maintain friendship relationships, many make a compromise. This is how serious problems can arise, especially if the competition operates on the win-win principle.

Distributive orientation variants are:

- win - loss;
- loss - win;
- loss - loss.

The *win-loss* orientation has the slogan: if I win, you lose. Those who adopt such guidance prevail in order to impose their will on their influential, power, accreditation, wealth, personal ascendant position, etc. For the attitude of such an attitude, conflict is not a possible source of progress, but an obstacle to be removed from the path they have drawn. In terms of game theory, the gain-loss negotiation corresponds to a zero-sum game, that is, everything that someone gains, loses someone else. The negotiator who opts for this orientation has the objective of finding or even imposing a solution, be favorable, without taking into account the interests of the adverse party (sometimes they are even denied).

Loss-win orientation is considered surrender, manifested in the form of yield or renunciation. Rarely, this orientation can be deliberately taken in order to find information about someone who might later be used in the relationship with someone else. For example, the false testimony tactic, in which you engage in a negotiation to make a preliminary (trial) order asking for a lower price and delivery facilities, justified by the high costs of introducing, launching and market promotion and the hope of subsequent massive orders. In fact, what is of interest is in fact only the bill (which is paid, even if we are not interested in the goods bought - loss-earn), which can be used at any time in negotiations with another competing supplier as proof of the existence of a favorable variants.

The *loss-loss* orientation is specific to the gain-loss negotiators, that is, 2 determined, stubborn, selfish, individuals, have something to divide, the result leads to loss-loss. Both parties behave demandingly, wanting everything or wanting to act on any side of the side. Loss-loss attitude is based on the philosophy of conflict, adversity, is the philosophy of war.

The most common variants in practice are win-win and win-loss negotiation, the remainder occurring in circumstantial situations or during a negotiation stage for certain criteria.

Choosing a particular type of bargaining is not simple, because in practice, situations such as those described above are rarely encountered. The dilemma comes from the fact that the followers of these different, even contradictory orientations are often face to face in the same negotiation and interact at their attitudes. Certain situations, by their nature, allow employment in an integrative bargaining style, and others do not. Choosing the type of negotiation is also based on personal adherence to a particular ethic [2].

Attitude in the negotiation process is permanently marked by the so-called "home account".

3. Negotiation tactics

3.1. The YES...BUT tactics

It is the kind of tactic that makes us more agreeable for the negotiating partner. "NO" is a direct and categorical negation that cuts, breaks and hits. It poses the risk of offending the partner and blocking the discussion. "NO" irritates and reverses. It is devoid of delicacy. People with tact avoid it with great care. A formula like "YES ... BUT" can be used in the sense of negation, while retaining two other options. It has three possible nuances: one that means "YES", one that means "maybe" and one that even means "NO". Anytime you can continue on the desired option. The secret of "YES ... BUT" is that it allows the formulation of your own opinion as a continuation of what the partner said and not as a direct contradiction of his opinion.

3.2. The tactics of the false offer

In short, it can be characterized as "a bargaining tricks with ... little theater". Negotiating the price is always a zero-sum game in which one can not win without the other losing. As far as possible, opponents manipulate each other, at least to the limit of loyalty and morality. One of the somewhat unfair tactics, rarely seen in manuals and often in practice, is where the buyer makes the seller an attractive price offer to eliminate the competition and motivate him to conduct the transaction. Once he has this, he finds a reason to change his initial offer. Then begins the "bargaining" that convinces the seller to accept the new offer, which is usually much more moderate. As far as possible, the seller is in the situation to have no choice.

3.3. The tactics of stress and traction

In a word, it weakens the opponent's physical and psychological resistance. As an exception and as rare as possible, when negotiating with a difficult, inconceivable and disagreeable adversary, willing to engage in useless in tough and prolonged negotiations, it is recommended to use some tricks and tactics of stress and traction. Some sort of lateral maneuvers can be used, although they are not directly offensive and humiliating, have the role of sacrificing and disturbing the opponent, prompting him to rush the end of the negotiations. The opponent can be worn vigorously through the manufacturing halls and the company's warehouses. He can be accommodated in a room exposed to infernal noises that prevent him from sleeping. At the table, it can be placed in the sun or another source of irritating light. He can be seated with his back to a door that spins and someone closes it and pushes it openly, as if by chance, can be placed on a seemingly luxurious, but uncomfortable, screaming, the only available one, unfortunately. He stays in the heap and gets tired quickly. When the long-term relationship does not interest us and we are proposing the use of such means of pressure, we must do this under the guise of the most perfect innocence and courtesy, apologizing and pretending to be victims with our opponent.

3.4. Tactics of time pressure

This tactic is based on the simple idea that, after all, there is a negotiation agenda and a negotiation agenda for the negotiators. These elements can be organized and manipulated so that the delicate

problem remains at the expiration of the time spent on the negotiation process. For this purpose, any tertip and maneuvers of delay, bypass, and postponement may be used. Towards the end of the negotiations, things usually begin to precipitate. One of the discussion partners must catch the plane or the train, a strike is about to burst, etc. Under such conditions, the pace of the negotiations must be speeded up and the opponent can easily make mistakes. One of the simple but effective maneuvers for delaying the end is the recapitulation and the detachment of intermediate conclusions. Other delays may be based on a lack of documentation, one's health, departure, need for urgent travel, etc.

3.5. Tactics of "salami slice"

Also called "small steps" or "salami" tactics, it is based on the simple idea that it is easier to get the salami slice by slice, than all the sudden. When we ask too much, too quickly, the opponent can be overwhelmed for the moment and tends to resist. It seems to me much easier to respond by a refusal. It becomes increasingly difficult for him to continue playing under pressure. In return, by getting repeated partial benefits, with more time and patience, it can be easier to achieve a total win in the end. Little successes can go unnoticed, but there can be a lot of little and no success, to consolidate your position and achieve great achievements. The "step by step" tactic is exactly the opposite of "bottom-up" dealings.

3.6. Alternate tactics of negotiators

The basic idea is that when the partner changes the negotiator, you have to take everything from the beginning. A first version of this tactic makes the head of the negotiating team look really gentle and reasonable, but utterly helpless in the face of pressure from the team's specialists. Deliberately and forever premeditated and simulated, the rest of the team is tough, stubborn and seemingly irresponsible. During the negotiation process are introduced engineers, merceologists, lawyers, accountants, etc. which displays a tough and intransigent position. In this way, they create a psychological pressure to which the partner prefers to work only with the team leader and accept his more reasonable proposals. He, the faces, disagrees completely with his teammates, but he cannot go too far on them. A second version is the actual change of the negotiator. This means that during the negotiations, just when you expect less, the adversary replaces the negotiator. It can be a hard blow, difficult to deal with, because it's less pleasant to take everything from the beginning. The new negotiator has the possibility to invoke new arguments, to revoke some of the agreements already made or even to withdraw some of the concessions granted by his predecessor. The new negotiator is usually the top man who takes you away when his predecessor has already exhausted you. In diplomacy, this tactic gives excellent results.

4. Technics of negotiations

Here are the main techniques used in a negotiation. These are useful to have an overview, each technique requiring a specific, detailed and exemplary approach in order to be able to apply it effectively. Technics such as:

- *"Uly and Dove" or "Good Boy - Bad Boy"*: In a team of two negotiators, one of them will lead the negotiation at the beginning, and after lead the other colleague for the final stages.
- *Eludation technics*: the negotiator, in the desire to exert pressure on the partner, seeks to talk with the superiors or even with the colleagues of this important person; in this way he seeks to undermine his position, isolate him.
- *"It is important to me"*: it reflects how to act on issues that are not essential to us in order to satisfy our partners.
- *Gambit technics*: the experienced negotiator launches, besides real demand, another application that is not necessarily exaggerated and does not need it in particular.

- *Lack of empowerment*: the negotiator realizes that he is forced to yield more than he would want. One can argue that it does not have the power to sign an agreement in terms that have been discussed.
- *Dominating discussions*: A partner continues to dominate the talk initiative by holding his partners under pressure from his demands while seeking to unbalance their position.
- *Making or avoiding the first offer*: two extremes must be avoided: a) Not to make a very high bid, which would cause the other party to interpret it as a bluff; b) Do not make an offer too low because it could be interpreted as a weakness and ignorance of reality.
- *Use of time*: the request is launched at the last moment, leaving to the negotiating partner a very short time to take a decision.
- *Delay technics*: the negotiator seeks to avoid making a decision motivating lack of documents, health, holidays, travel, urgency, etc.
- *Paraverbal*: we have to talk in the same manner with the negotiating partner because only so he can understand better us, and we can enter the same wavelength.
- *Sell the Senses*: call for previous collaboration, personal or national pride, to remembrance of pleasant moments together.
- *Stimulation and follow-up*: negotiating partner is asked a series of questions about situations that have already happened and which are going to happen being stimulated memory and imagination.
- *"That's all I have"*: a buyer says "I like your product but I do not have that much money".
- *Colombo's technics*: when we do the unconscious.
- *Escalation*: the two parties (seller and buyer) have set a certain price, after which the seller raises the price, placing the buyer in an unpleasant situation.
- *Exaggerated politeness*: to a polite, friendly partner, no desire can be denied.
- *Introductory questions*: a partner will seek to gain further benefits by gathering information about partners and will build them a picture in which they can find the weaker, vulnerable points.
- *"Get-yes" technics*: a negotiator will make a small concession after the small concession made by opponents.
- *Red and Black Technics*: before the interlocutor decides, you suggest him to choose between two variants.
- *"Pocker-like"*: the negotiator will have a hard position, impenetrable; will not show anything by expression, tone, or gesture.
- *The negotiator's change*: used by warrior negotiators and difficult to cope with.
- *Application of exaggerated requests*: the possibility of later making a series of concessions
- *Partner's engagement*: Negotiation is a tiring process.
- *Estimation Technique*: A correct presentation of the product will make the partner want it more while the product is better off than your hesitation to sell it.
- *The positive association technique*: we will especially remember the positive and negative feelings, and whenever we have to deal with an event or similar action, the sentiment.
- *Technics of the assumption*: the premise that one can and supposes that everything is possible.
- *Toes Technique*: The golden rule of negotiation is never to take the word when you can very well keep silence.
- *The tender offer*: a buyer enters into a bargain with a bid high enough to remove the competition from the start. Once this has been achieved, the presumptive buyer withdraws his initial offer and thus the initial negotiation loses its validity.
- *The negotiation tactic with the proud people*: do not negotiate a price, do not negotiate services, negotiate with the interlocutor's pride. You have to beat it with your own weapons.

- *Technics of Voice Involvement*: In order to gain access to a person's unconscious, a change of speech rhythm must be made, most often in lowering the tone of the voice and its intensity.
- *Technics of using the impasse*: to request either termination of the negotiations or additional concessions
- *Moving in time and space*: placing the negotiation in another context / space or moving it over time.
- *"I do not sell to anyone" technology*: you sell nothing, you help your partner to grow, you do not lack customers.
- *Identification of the decision-maker*: identification of the decency, the user, the beneficiary and the elimination of: the clerks (secretaries, porters, service women, assistant managers etc
- *"You could do more than that" Technique*: confuses the seller, usually taking advantage of the buyer.

The above techniques find their effectiveness in using them. They must be adapted to context, to the environment in which negotiations are held. So you have to adapt the tactics to your potential to use it. Not all of the above techniques can be used by anyone and at any time. Depending on your personality, some of these techniques will be easier to use with better results. Therefore, we need to use those techniques that lead to maximizing results. But we must not forget about a principle of modern negotiation, namely WIN - WIN (in a negotiation it must win both sides). It is also very important that these tactical techniques are adapted to the personality of our interlocutor.

5. Conclusions

Negotiation is much easier when you find out what the needs and fears of the other are, when you know, beyond your expected result to put yourself in its place, try to understand empathy with your point of view. If you manage to make your negotiating partner easy to say "yes" then the solution is somewhere close. To avoid a Defendant - Winner situation, this is one of the best approaches for a win-win partnership on long-term. Whenever the solution presented by the other party is not convenient, try not to look at things personally, not to confuse the person with what is being done.

Negotiation means beyond a positive attitude, a winner and a lot of patience, pertinent insistence as well as profound engagement.

A solid basis in the negotiation process is trust. The more honesty, integrity and credibility, the more trust your business partner has, the more successful the negotiation is. If for some reason your partner considers you inferior, unreliable, it is difficult to obtain even minor concessions. When it comes to gaining someone's trust, actions say more than words. Here is a succession of things on which to build trust in the negotiating partner: demonstrate your competence; make sure that your non-verbal signals fit with your statements; maintain a professional image; communicate your good intentions; do what you say you want to do; go beyond the conventional relationship; listen; communicate as much as possible; discuss what is not to be discussed; provides accurate information without hidden thoughts; be honest, even if it costs you something; be patient; attention to fairness; negotiate for abundance and not for poverty; assume calculated risks.

"Leaders should not finish first. They have to make sure that everyone else crosses the finish line".

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