

# **Negotiating for Project Benefit**

Originally adapted from *You Can Negotiate Anything*, Audio Cassette, 1990  
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Subsequently modified to suit web presentation.

## **Introduction**

You're working on a project, right? In fact you are supposed to be in charge, but you don't feel that you have enough authority to get things done, right? You are not alone. In fact that is the way most projects really are. So, how do you get things done?

It's a matter of being able to negotiate. Negotiating is a vital part of every project leader's job. Whether you are negotiating at arms-length for goods and services for the project, or you are negotiating for coworker's commitment to the project, a good understanding of how to negotiate effectively will help considerably.

In every negotiation there are always three crucial components present:

1. **Information.** The other side somehow seems to know more about you and your needs than your side knows about theirs.
2. **Time.** The other side doesn't seem to be under the same kind of pressure and time constraints that your side feels under.
3. **Power.** The other side always seems to have more power and authority than you think you have.

For many of us, power is a concept with threatening implications stemming from our traditional view of the master slave relationship, and because of those intimidating consequences. For example, power may be employed in a manipulative, coercive or domineering way to control people as an end in itself rather than for achieving a legitimate goal. If there is no commitment to the goal, or the goal is not acceptable, even the most appropriate means will not make it right. Let us examine each of these components in turn.

## **Information**

### **How and where to get it**

Information is the first crucial component in negotiating because it is a big advantage to learn what the other side really wants, their limits and their deadlines. However, information is recognized as power, especially in situations where one side does not particularly trust the other. Consequently, it is often common strategy for one or both sides to conceal their true interests, their needs and priorities. So often we see that serious negotiations only get under way after sufficient pressure has built up "in the system" so to speak.

Obtaining information under these conditions, especially from an experienced negotiator in an adversarial situation, presents enormous difficulties. The chance of getting key information at this stage is very remote. So, the key is to start early because the earlier the start the lower the stress levels and the easier it is for information to be gathered. Once stress levels have risen in an acknowledged formal confrontation, attitudes become solidified, defensive and closed.

Some people assume that the more intimidating or flawless they appear to others, the more they will learn. Actually the opposite is true. The best approach is to quietly and persistently probe for information, not like a grand inquisitor but rather as a humble human being seeking genuine advice. The more apparently confused and defenseless the approach, the more the respondents are inclined to help, especially with information and advice. With this approach too, it is easier to listen more than talk, to ask questions rather than give answers. In fact, you should ask questions even when you know the answer because this way you can test the credibility of the other side.

Who are the best sources of information? Anyone who works with or for the other side, anyone who has dealt with them in the past, or third parties and even competitors. This includes secretaries, clerks, engineers, janitors, spouses, technicians or past customers and suppliers. They will typically be willing to respond if approached in a non-threatening way.

### ***Is there more to it?***

In most instances, there is more to gathering information than just described. It may be necessary to give information in order to get some in return. Perceptive people will not communicate with you beyond the chit chat level until reciprocal risks are established. That is, until you share commensurate information with them. However, by giving carefully worded and controlled information during this stage, you may be able to lower the expectation level of the other side.

Conversely, if you introduce new information late in the negotiation you may stall the proceedings because of the element of surprise. Instead, by introducing the same issue early and then raising it several more times at adroitly spaced intervals, it becomes familiar to the other side. As it becomes familiar, it somehow becomes more acceptable.

Remember that change and new ideas are only acceptable when presented slowly in bite sized fragments. Keep that in mind when trying to alter someone's viewpoint, thinking, perceptions and expectations. For most people it's easier and more comfortable to stay in a familiar groove.

When it finally comes to the negotiating event, practice effective listening techniques. By carefully concentrating on what's going on it is possible to learn a lot about what the other side is really feeling, their motivation and their real needs. Of course attentive listening and observation mean not just hearing what is being said, but also understanding what is not being said.

### ***Study the body language***

The study and interpretation of body language and related cues has become very popular in recent years. A cue is a message sent indirectly, whose meaning may be ambiguous and require interpretation. Essentially these fall into three basic categories:

1. Unintentional cues, in which behaviors or words transmit an inadvertent message. For example a Freudian slip
2. Verbal cues, in which the voice, intonation or emphasis, sends a message that seems to contradict the words being spoken
3. Behavioral cues, body language displayed by posture, facial expressions, eye contact, hand gestures, where a person sits at a conference table, who nudges whom or who pats whom on the shoulder, and so on. In our culture patters seem to have more power than pattees!

The interpretation of much body language is obvious, but beware of ascribing some universal meaning to an isolated gesture, without taking the circumstances into account.

How can we apply all this to a negotiating situation? The key information that any negotiator would like to have about the other side is their real limits, just how much they will sacrifice to make this deal. In other words, what is the lowest price the seller will sell for? Or, what is the absolute top figure that the buyer will pay? You may be able to determine this by carefully observing the other side's pattern of concession behavior.

## **Time**

Time is the second crucial element when you negotiate for anything. Most people think of negotiating as if it is a task with a fixed start and finish. If that were true, the time frame would be fixed so when would most concession behavior take place? In very public negotiations, such as trade deals, you will have observed that all the action takes place at the eleventh hour – or even the thirteenth, fourteenth and fifteenth hours!. So, in any negotiation, expect the most significant concessional behavior and settlement actions to take place close to the deadline.

The party with the tightest deadline experiences the most time pressure as the deadline approaches. They come under increasing stress and are therefore at a disadvantage. Who sets deadlines? Driven by the demands of the project's sponsors, the project manager is often the most vulnerable. The lesson here is to start as early as possible and endeavor to put the other party under their own deadline first. The best tactic is to design a flexible deadline well in advance. Remember the old saying: "Never enough time to do it right the first time, but always time enough to do it over?"

So, the way time is viewed and used can be crucial to success. Time may even affect the relationship. A delayed arrival may be seen as evidence of confidence or hostility, whereas an early arrival may be considered as anxiety or a lack of consideration for others. Time can favor either side depending on the circumstances and how it is applied.

## **Power**

What is power? It is the ability to get things done by exercising leadership and/or control over people, situations and events. Yet power is mostly based on perception. If the leader thinks he's got it, then he's got it. If he doesn't think he has it, even if he has, then he doesn't have it. For the project manager, power is the perception that project goals are realistic, achievable and beneficial, and that those working on the project will benefit as a result.

Consider the following fifteen aspects of power.

### ***The Power of Planning***

Just as the life cycle of a professionally-run project is based on the concept of first planning and then accomplishing, the art of negotiating anything can be viewed in the same way. The two phases in this case are "preparation" followed by the "negotiation". By understanding these two phases the crucial components of time and information can be used to develop a superior position. The more crucial the negotiation, the more important it is for you to invest time in preparation.

### ***The Power of Investment***

There appears to be a direct relation between the amount of time you invest and evident willingness to compromise. In other words, at the beginning of each encounter approach the other side collaboratively. You have plenty of time later to become competitive or to give an ultimatum, bearing in mind that you will only do this near the end – after the other side has made a significant investment of time and energy.

For example, suppose there is something difficult to negotiate, whether an emotional issue or a hard item like the explicit price for goods or services. Lead into it near the end of the negotiation when all other items have been disposed of and the other side has made its investment of time.

What if the emotional issue or quantifiable item surfaces at the beginning of the negotiation? Acknowledge it, chat about it then put it off until later, returning to it only after the other side has spent more time. It is remarkable how the other side's investment will cause them to become more flexible near the end of the negotiation.

### ***The Power of Professionalism***

The project manager's negotiating ability will be increased immeasurably when others are persuaded to identify with him or her. How can this be achieved? By not pulling rank or overplaying authority. You can gain people's cooperation, loyalty and respect simply by acting as a reasonable person and dealing professionally. By identifying with project participants and approaching them on a human level and speaking to their needs and aspirations.

### ***The Power of Expertise***

Why is it that highly qualified technical specialists are often made project managers, even though they may not have project management know-how? That is because technical knowledge, specialized skill and technical experience is perceived as providing a power base for leadership, even though experience on many projects shows that this is not necessarily true.

For the project manager this means establishing his/her background and credentials early in any negotiation. Take advantage of the fact that in complicated negotiations, participants often lack specialized knowledge of certain aspects of the matter being discussed. Whenever possible, obtain that expertise by preparing ahead of time.

On the other hand, don't be over-impressed by the "expert" on the other side. Keep in mind that if the other side didn't need what you have to offer, they wouldn't be there. Try an occasional "I don't follow", or "Can you explain that in layman's language" A dose of irreverence, plus a dash of innocence, when combined with polite persistence and the asking of questions will often change the attitude and behavior of a so-called expert.

### ***The Power of Precedent***

The project manager should not act as if his or her limited experience represents universal truth. Start by testing basic assumptions. Don't get locked into time worn ways of doing things by the argument "Don't make waves. You can't argue with success and we've always done it this way".

To justify what is being done or asked for, refer to other situations similar to the current one where others did so-and-so and the required result was achieved. If it suits, but only if it suits, try using the overwhelming logic of folklore, or popular tradition, even though such tradition may actually be illogical. Few are willing to pursue a philosophical debate during a negotiation, it wastes too much time.

### ***The Power of Attitude***

Perhaps the worst person to negotiate for the project manager is the project manager himself. It is always easier to negotiate on behalf of someone else. This is because setbacks tend to be taken personally and therefore too seriously. It leads to excessive pressure and stress.

In contrast, an intermediary can be more relaxed and more objective. The exercise can be handled more as a game plan, and there is always the option for the intermediary to check back to his or her superior for further instructions. An intermediary can often buy you time to develop a new strategy and ultimately lead you to a more satisfactory conclusion.

### ***The Power of the Knowledge of Needs***

In all negotiations there are two things being bargained for:

1. The specific issues and demands which are stated openly
2. The real needs of the other side which are hidden

If you can possibly establish a reasonable guess at what the other side's needs are, you can often forecast the outcome with remarkable certainty. Never forget that behind every apparently ruthless or uncaring organization or negotiator there are ordinary people desperately striving to meet their individual needs. What people say they want in their demands may not in fact satisfy their actual needs.

### ***The Power of Commitment***

Make the power of commitment in others work in three ways:

1. Take advantage of committed support to disperse the overall risk
2. Reduce individual stress level by sharing risk and anxiety with team associates
3. Demonstrate shoulder to shoulder team dedication and transmit awesome power vibrations in the face of opposition

So, obtaining the commitment of others to the project is crucial. You can form partnerships and alliances by offering a piece of the action, so that it is their action as well. Involvement begets commitment and commitment begets power.

### ***The Power of Risk Taking***

When negotiating, be prepared to take risks by mixing courage with common sense. Not to do so may result in being out-negotiated. That means avoid becoming emotionally attached to a position wherein the other party can manipulate you with ease. Intelligent risk taking involves a knowledge of the odds plus a philosophical willingness to walk away and absorb a manageable loss without worry.

### ***The Power of Competition***

Successful negotiators develop options. By creating competition, what you have to offer moves up in value. The more people who want to participate competitively in a project, the further the budget will go. This applies not only to products or services, but also to ideas. The more competition that is generated for creative ideas in support of the project, from whatever source, the more commitment there is likely to be towards the project and the more successful it will turn out.

### ***The Power of Rewarding or Punishing***

The perception that one party can help physically, financially or psychologically gives that party muscle in a relationship. The actual reality of the situation is immaterial, it is the perception that counts. Here are two things to remember:

1. No one will come to the negotiating table in any significant way unless they are convinced that their adversary might help them or hurt them.
2. In this adversarial relationship, never diffuse this perception of power, unless something is obtained in return. This might be a concession or a repositioning on their part that is truly beneficial.

### ***The Power of Legitimacy***

Another source of power for the project manager is the power of legitimacy. In Western society, people are conditioned to regard the printed word, documents and printouts as having

authority. Most people tend not to question them. By all means use the power of legitimacy but you should challenge that power when it is to your advantage to do so.

### ***The Power of Morality***

Inhabitants of the Western world are imprinted with similar ethical and moral standards, learned from school, church or simply from family situations. Concepts of fairness tend to be very much alike and few walk through life without believing that what they are doing is for the good of mankind. That's why by laying morality on people in an unqualified way often works.

By throwing oneself on their mercy, without defense or pretense, there is a chance that they may succumb. Why? Because they can relate and are hesitant to take advantage of someone who is truly defenseless. If they do take advantage, ask if that was fair and reasonable. That sort of question shakes up even the most worldly and self seeking.

Will this type of appeal work with people who have different values and other cultures? Not necessarily. Will it work with those whose imprinting is entirely different? No. People who are programmed in ways alien to us, often cannot comprehend Western concepts of forgiveness, cheek turning and extended olive branches. What they may understand much better is power, opportunism and revenge.

### ***The Power of Persistence***

Most people are not persistent enough when negotiating. They present something to the other side and if the other side doesn't buy it right away, they shrug and move on to something else. Many times, persistence eventually pays off.

### ***The Power of Persuasion***

Many project managers, especially those with technical backgrounds, rely too heavily on reasoning capacity to achieve their goals. Engineers and scientists learn to believe that logic must prevail. Yet logic by itself rarely influences people and, most often, simply does not work. If you want to persuade people to believe, do, or buy something, consider these three factors:

1. Develop analogies that relate to their experience
2. Produce evidence that is so overwhelming that it cannot be disputed
3. Make a convincing case that what is being sought will meet their existing needs and desires

Of these three factors, the third is by far the most important. Why? Because even if overwhelming evidence is presented and understood, if the conclusion proves to be depressing to the listener, he or she will remain unconvinced. The facts and logic may be unassailable, but without connection to needs and desires their acceptance will be only a remote possibility.

**Bottom line – If you want to persuade people, then show them the immediate relevance and value of what you are saying and  
Do it by presenting the information in terms of fulfilling their needs and desires.**