**THE ART OF NEGOTIATION**

**Адуцкевич Р. Г.,** специальность 1- 26 02 05 « Логистика»

Научный руководитель - Ларина Т. В., старший преподаватель

What is negotiation?

Negotiating is a part of everyday life, but in business it is absolutely critical to your success. Poor negotiation can cripple a company just as quickly as losing key customers. While most negotiating strategies seem like common sense, it is quite frequent for people to get caught up in the emotion of the moment and ignore their basic instincts. Emotion, luck and magic have no place in a successful business negotiation. It requires steadfast discipline, self-control and effort. These keys will unlock the ability to get the best deal possible under any circumstances.

Many people believe that if you are a top-notch negotiator you will always be regarded as impolite and hostile. They believe if you want to be "liked" in business, you are better off just to saying "yes" and forgetting about the negotiation process.

The ability to negotiate properly is absolutely critical in our day-to-day business activities. Yet, so many lack this crucial skill.In fact, researches show that people who don’t know the art of negotiation are 60 percent less successful than those who do!

It could impact the bottom line for business immensely if everyone in an organization knew how to negotiate things like media buying, copywriting services and office equipment leases.

So, what is negotiating? It can be defined as the process of bargaining between two or more parties to reach a solution that is acceptable to all parties.

About twenty years ago Casse and Deol identified three types of negotiation:

1) negotiation based on compromise

2) negotiation based on synthesis(all ideas are taken into account)

3) negotiation based on synergy(the result is greater than the sum of the parts).

These types have their advantages and disadvantages. For example : a compromise can not be found, there can be some irrelevant elements in synthesis,synergy requires a lot of time ,as well as a high level of flexibility, and open minds. Using one of these methods negotiators can overcome problems and move forward faster , integrate all the ideas and then make a creative product of interaction.

Negotiation strategy : common pitfalls to avoid

Whether you negotiate for your firm or for your position in it, you will do better if you avoid some common pitfalls.

Successful bargaining means looking for positives in every possible circumstance. "If I can trade off issues that I care about more and you care about less, then we've been able to create value in a transaction," says Margaret Neale, professor of organizational behavior and director of two Stanford Business School executive education programs in negotiation. "That's the silver lining."

Some common pitfalls are:

*2.1 Poor planning*

Successful negotiators make detailed plans. They know their priorities – and alternatives, should they fail to reach an agreement. You must know your bottom line, your walkaway point. In addition, you need to understand time pressures and know whether this is the only time you will see your opponents in negotiation.

*2.2 Thinking the pie is fixed*

Usually it's not. You may make this common mistake when both parties want the same thing. These negotiations fail because each side assumes that there is only a fixed amount to be negotiated and, in order for one person to win, the other must lose. To overcome this negotiation impasse, one or both of the sides must start considering acceptable compromises which permit them to expand the size of the pie.

*2.3 Failing to pay attention to your opponent*

Negotiators need to analyze the biases their opponents bring to the table. How will they evaluate your offers? One way to get inside your opponent's head and influence his attitude is to shape the issues for him, a technique called "framing." If you get your opponent to accept your view of the situation, then you can influence the amount of risk he is willing to take.

*2.4 Caving in too quickly*

Accepting a well-priced deal too quickly can cause anger on the other side, too. No matter what the price, always offer less – if only to make your opponent feel good about the deal.

*2.5 Don't gloat*

Finally, when you've cut a sweet deal, never do the dance of joy in public by turning to your opponents and telling them you would have done it for less. Gloating will only drive your opponent to extract the difference from you sometime in the future. You may find yourself on the same side of the bargaining table one day.

Sometimes negotiators fall into traps and leave resources on the table because they forget about this pitfalls.Avoiding these problems can increase profits from transactions and leave your partner has a good impression.

**Culture and negotiating**

There are various stages in a negotiation, each can be affected by cultural factors. Stages commonly identified include:

* Relationship building
* Agreeing procedure
* Exchanging information
* questioning
* options
* bidding
* bargaining
* settling and concluding.

Of course, the stages may not come in the order given. The list is itself cul­turally bound, since it suggests a linear approach to negotiation. In some cultures several stages would occur at the same time, or not at all.

Low-context cultures ( the USA, UK, Northern Europe) focus on problem-solving, deadlines are important, their communication style is direct, verbal, very few non-verbal signals, individuals are more important, than group.

High-context cultures (Japan, China, Middle East, Latin America) focus on relationship-building, time is flexible, their communication style is indirect, they dislike conflict and avoid saying no. Group harmony is more important than individuals.

High-context cultures will spend a long time on building relations, and getting to know the negotiating partner, before getting down to business, while low- context cultures get down to business straight away. In monochronic cultures, time will be spent on setting time limits, and possibly on allotting time far items on the agenda. More information will be exchanged in low-context cultures than in high-context ones, whereas in some other cultures direct questions can be perceived as rude, and therefore best avoided. In high-power distance cultures, only people high up in the hierarchy will be allowed to make decisions. In collectivist cultures, by contrast, there will be a need for consensus from the whole team.

The practice of bidding–to what extent it is acceptable to bargain, and what form the bargaining should take–varies widely across cultures. Even the final agreement can vary from being a contract which is legally binding in every detail, to a general statement of co-operation, with the precise details changing according to changing circumstances.

Knowledge of the behavior of the opponent can play in your favor, if you find the right approach to its culture.

**Literature:**

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