

Negotiation Skills

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Executive summary

NEGOTIATION is critical in our everyday interactions, whether this involves agreeing the fee we charge clients or the price we are charged by suppliers, whether it is the schedule to which work is to be undertaken or the approach we will take. Becoming a master of negotiation skills will enable us to achieve the best results for both ourselves and our firms in all such dealings.

Negotiation is an area that is often neglected, but that can improve a firm's profitability as well as its standing in the eyes of its clients. At the same time it can assist an individual in achieving their personal objectives and provide them with a richer lifestyle than they might otherwise enjoy. This report has been written to provide guidance in negotiation skills to lawyers and senior support staff alike, focussing on improving your negotiation skills to ensure you can:

- Achieve the desired outcomes whilst creating synergy and fostering good, long-term relationships;
- Obtain the best value and profitability in your negotiations;
- Identify, and neutralise, difficult negotiators and their tactics;
- Enter into and conduct negotiations with the utmost confidence;
- Know how and when to walk away from a negotiation;
- Alter your negotiation style to suit different situations;
- Identify, and avoid, the common pitfalls in negotiation strategy.

Chapter 1 looks at the different negotiation styles that people adopt and the outcomes that may be achieved. Whilst historically producing a result of a 'win' for our client

or ourselves has been seen as a successful result, regardless of the cost to the other party, the more constructive, modern approach is to seek a 'Win – Win' scenario in which both parties are able to go away satisfied. This is significantly more difficult to achieve and requires a greater level of patience and skill on the part of the negotiator.

Chapter 2 considers the principles of negotiation and, in particular, where each party derives their power from. The chapter explores the significance of understanding the real value of the transaction, to ensure that the negotiation is based on reality rather than myth or misunderstanding, before going on to consider the importance of shared business risk for a successful outcome.

It is critical to spend sufficient time preparing for a negotiation. Together with the other phases of the negotiation process this is considered in Chapter 3. Whilst it is all too easy to push through an agreement and rush towards its implementation, documenting and clarifying what has been agreed is as important to the successful result as the preparation.

The language you use, both verbal and physical, will have a major impact on your success in negotiation. So too will the psychology and integrity of your approach. Chapter 4 explores a wide range of topics and techniques, from ethics to diversity, from silence to non-verbal messages. A key challenge for the negotiator is moving from theory to practice and here we consider the everyday techniques that can make the difference. A successful negotiation may be similar to a game of poker in which holding your nerve can be as important as the cards you have in your hand.

Chapter 5 goes into specific detail for negotiations in a number of scenarios. Focussing on pricing work and the approaches that can be taken, it puts the advice given in the preceding chapters into context. It goes on to look at the negotiation issues relevant to the negotiation of deadlines and budgets and the points to consider in the negotiation of a general contract. Chapter 6 considers the ever-present risk of getting it wrong.

Part 2 of the report sets out Expert Opinions and Case Studies from a cross section of the industry and is designed to put the learning from Part 1 into context. This section provides more detailed information on both negotiation styles and Emotional Intelligence. It combines this with a specific look at credit management, salary packages, pricing and supplier contracts. Participating organisations include Shoosmiths, Wiggin LLP, Davies Arnold Cooper, Lester Aldridge and Visualfiles. These are combined with Expert Opinion from specialists Peter Kilmister of The Peak Partnership, Geoff Coughlin of Emphasis on Skills Ltd, and Tim Percival.