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Quality relationships are at the core of successful global negotiations and interactions.





The Nonnegotiables of Business Negotiations

BY JON GORNSTEIN

As the international marketplace expands, it is shaping the future of business. And the future of business requires global organizations to build long-term, quality relationships—relationships built on trust. In fact, conflicts most often arise when relationships aren't developed correctly.

The Mandate Team Concept

The ultimate goal of negotiations is to build quality relationships that benefit both parties. In a negotiation, each negotiator has a team (the mandate team) to fulfill the negotiation's outcomes. Each complex negotiation is best seen as three separate negotiations:

1. The first negotiation is with negotiator A's mandate team to determine what it is willing and unwilling to implement in the negotiated agreement. The negotiator must know the mandate team's limits before starting negotiations. The execution of the agreement will fall apart if the mandate team is not willing to do what was negotiated.
2. The second negotiation is between negotiator A and B. During this process, the parties determine and approve the agreement's details.
3. The third negotiation is back with negotiator A's mandate team. This is where the negotiator shares the terms of the negotiation so the mandate team understands how to execute the agreement. If the team's original terms were exceeded during the negotiation, the negotiator will need to negotiate with the mandate team to get its buy-in to fulfill the agreement. Also, in complex negotiations, there may be gray areas that the negotiator will need to explain to the mandate team.

How negotiations evolve are important in building and sustaining relationships. The goal of a negotiation is an agreement that is beneficial and profitable for both parties. Without solid negotiations, the execution of the agreement may not be as effective or as complete as either party desires. Often, both negotiating parties come to the table with positions. During the negotiation, it's crucial to get past these positions to reach an agreement that fulfills each party's actual needs.

Many executives in companies headquartered outside the United States already recognize that transitory relationships don't result in the same level of sustained profitability over the long term. That's why it is essential for companies to commit to and focus on mutual-cooperation skill development as one of the highest-ranking training priorities in their toolkits. In this context, offering training by a professional consultant who has expertise in the art of interpersonal skills is one major step toward building a managerial culture that can achieve long-term, quality relationships across business cultures.

Successful relationship building

It is no secret that international trade's importance and influence are intensifying. As such, interactions on a global level between people from different countries and business cultures will continue to increase. "More and more, we are interconnected around this world. You have to work with people who support you, people you don't see every day, people who might be in a different country, and people whose performance of what they promised you is critical to your own ability to succeed," says Robert Parker, an expert in relationship building in global supply chains and co-author of *Beyond Negotiation: Redeeming Customer-Supplier Relationships*.

If individuals don't handle interactions correctly, unnecessary conflict occurs. To minimize and prevent this, it is important to adopt universal principles and guidelines that ensure business negotiations and relationships not only start on the right footing but also evolve and continue to grow stronger. Those parameters set the stage for building long-lasting, successful relationships and help reduce misunderstandings.

The components of a successful business relationship include a spirit of cooperation and an attempt to understand the other party. These are the cornerstones of building trust. "You can't buy these relationships," Parker explains. "They must be built on trust. Both parties must believe that they have a reason to trust the other party. When this is accomplished, both parties can do marvelous things."

Core values of relationship building

Two core values capture the strategy for successful sales, negotiations, or relationships. The first is to be unconditionally constructive in matters of character. Even if the other party is not constructive, it's

crucial for you to continue to be constructive for as long as the other party wants the relationship to last.

The second core value is to strive for a win-win or decide on no agreement in matters of substance. Negotiations often are viewed as two parties competing to see which one wins and which one loses. In reality, there are three types of negotiation agreements: win-win, win-lose, and no agreement.

In any negotiation, both parties are ultimately looking after their own needs and what is important for them. To create an agreement beneficial to both parties, it must be a win-win agreement. Both parties must feel good about the agreement and believe they will be satisfied with the future outcomes. According to *Getting to Yes: Negotiating Agreement Without Giving In*, "The basic problem in a negotiation lies not in conflicting positions, but in the conflict between each side's needs, desires, concerns, and fears."

A win-lose agreement means one party is taking advantage of the other party. A long-term relationship will not last with this type of agreement. Finally, a no-agreement option occurs when it is better for one or both parties to walk away, at least for the moment. As stated in *Getting to Yes*, "In any negotiation it is highly desirable to be sensitive to the values, perceptions, concerns, norms of behavior, and mood of those with whom you are dealing." Relationship building means both parties care about their long-term relationship and the other party's success.


The three primary practices of relationship building are initiate and sustain cooperation, understand the needs of others in the relationship, and build confidence in the relationship. Each practice uses specific methodologies and skills, but a common thread throughout these practices is continuous communication.

Initiate and sustain cooperation

Cooperation is better than competition and springs from anticipated reciprocal cooperation. You can build a relationship with anyone if there is common ground between you and the other party. Each party assumes the other wants to cooperate and finds a prudent way to be open and vulnerable first.

There are four traits of initiating and sustaining cooperation.

Begin a relationship by proactively advancing cooperation. Start building the relationship by showing why you are beneficial to the other party. Then create upfront process outcomes and mea-




Skills training on
the essentials of
cooperation increase
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business relationships.

asures for the relationship to reach the longest lasting agreement possible in each situation.

Be principled through self-disclosure. Lack of cooperation affects outcomes. If the other party is not holding up her end of the agreement, inform her of the consequences of continuing this behavior. You must be principled and remind her that this was not what you agreed upon in terms of outcomes.

Parker explains, "I have to believe that when you tell me you'll do X, that you will move heaven and earth to do X. And if you aren't able to do X, you will let me know before it hurts me, because in this big complex world, what you're doing affects me. I don't want you to hold your problems out of my sight if I could possibly help you solve your problems. It's very important that I trust that you will do what you said you will do."

Be forgiving. Resist the natural human tendency to get even. If you once again begin demonstrating that you are working toward upholding the agreement, then the other party needs to reconfirm her willingness to return to cooperation. It is vital for her to demonstrate her commitment to continuing and checking for any misunderstandings. At that time, both parties clarify their needs and corresponding actions.



It is essential for companies to commit to and focus on mutual-cooperation skill development.

Be consistent. Practice being cooperative, principled, and forgiving consistently.

It's important to discuss mutual payoffs, from demonstrating a willingness to trust to engaging in clear cooperative behavior. Extend this cooperation by doing something positive and unexpected for the other party.

Understand the needs of others in the relationship

Everyone comes to the negotiation with a set position. To succeed at relationship building, the parties need to work to get behind these positions to cooperate based on interest. The goal is to establish others' needs as opposed to their wants.

Accomplish this by communicating and being empathetic about the other party's interests and concerns. Both parties should discuss the gaps between the present and the ideal situation. Then they should agree on the first steps each party will take toward achieving the ideal situation.

Build confidence in the relationship

Four interpersonal behavioral characteristics contribute to building trust:

- **Be reliable.** Simply stated, this is doing what was promised. You want others to know that you always do what you say you'll do. And the other party has to do the same.
- **Be accepting.** Be nonjudgmental of others and accept their differences. In essence, be willing to listen and appreciate others. React to data and not rumors.
- **Be open.** Initiate self-disclosure by revealing your feelings and thinking process. Volunteer information and share details.
- **Be honest.** Building trust means stating opinions, wants, and needs, even if they are different from others. At the same time, encourage honesty in others.

When building confidence in relationships, strive for continuous improvement. This enables both parties to create more benefit in and for the relationship.

An additional characteristic of relationship building, negotiation, and cooperation is developing clarity. Ask questions and clarify that the other party understands your issues and needs and vice versa. This process creates mutual understanding, which is important for creating trust.

Get the best out of relationships

Many U.S. companies do not teach their employees the value and associated skills of relationship building and cooperation. In the United States, the primary focus is on the business side rather than the relationship side. Yet, skills training on the essentials of cooperation and its principles and practices increase the likelihood of stronger international business relationships. Follow-up sessions after the initial training program strengthen the overall effort by providing employees with deliberate practice opportunities.

In many non-U.S. cultures, people develop relationships and trust first. Business transactions occur only after the other party returns a commitment to the relationship. Trust is the key to building long-term, quality relationships. Without it, neither party will get the best out of that relationship, because there is no incentive to improve. Learning how to develop interpersonal skills—including relationship building, trust, and cooperation—is vital if these international partnerships are to succeed.

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Relationship-Building Resources

- *Getting Together: Building Relationships As We Negotiate* by Roger Fisher and Scott Brown
- *Getting to Yes: Negotiating Agreement Without Giving In* by Roger Fisher, William Ury, and Bruce Patton
- *The Evolution of Cooperation* by Robert Axelrod
- *Beyond Negotiation: Redeeming Customer-Supplier Relationships* by John A. Carlisle and Robert C. Parker