

The

F E A R

of Negotiation

BY THOMAS REID

For many business deals that go wrong, the root cause of the failure often stems from poor negotiation. Understanding where this fear comes from and how to manage it will help you succeed.



Psychologists tell us that we are born with three innate fears: the fear of loud noises, the fear of falling, and the fear of abandonment. While we are all born with these fears, we learn to deal with each one as we grow. Sadly, we also replace these fears with many other irrational ones. While we might say that we fear heights, or spiders, or closed-in spaces, these are learned fears that generally we can overcome.

The same is true for those fears that we develop that hinder our professional progress and performance. In the business world we see the fear the failure, the fear of not being liked, and the fear of self-doubt, among others. Each of these is a learned fear that can be unlearned.

For many people the biggest impediment to developing effective negotiation skills is quite simply—fear. While it may manifest itself in a great variety of ways, it's still fear. Why do so many professionals, whose livelihoods depend on effective negotiation, have a fear of negotiation?

No experienced contract manager would question that negotiation skills are at the top of the list of skills necessary for the profession. Yet we have all experienced and been victimized by poor negotiations, resulting in deals that are not win-win, or otherwise turn out to be bad business deals or arrangements because the negotiations yielded a bad agreement. Perhaps it was because reasonable events were not foreseen,

or maybe too much was left on the table. Perhaps the terms and conditions placed too great of a risk on one of the parties, or perhaps one of the parties bargained in bad faith. Regardless of the reasons, we have all seen bad deals, and this experience alone could be one source of a person's fear.

In a recent survey concerning New Year's resolutions, fear came in fifth as the most common reason that people did not pursue their resolutions with more vigor. According to this survey, 36.4 percent said that fear was a major reason for not achieving their resolutions. Jill Koenig, author of "Resolution Roadmap: How to Achieve More in the Next 12 Months Than You Have in the Past 12 Years," says, "Fear can be a very powerful force. Sometimes fear serves us by alerting us to potential danger, but too often it is not harnessed for what it really is—a signal to be used for evaluation or conscious examination."¹

This is the key difference between the fear of failure (or success) and the benefits of harnessing our fears to facilitate future success. Let's take a look at how fear manifests itself in negotiations and the types of fears we most commonly encounter, and then we will turn our attention to how to use this fear constructively to improve our negotiation skills.

Manifest Fear

An exhaustive survey of fears, even if we limit examination just to the business world, is beyond what can be covered in this article. So accepting that this is merely a slice of the bigger pie, let us focus on those fears that we see most often during negotiations. Grouping them into three major categories, this article will explore the fear of looking foolish, the fear of the unknown, and what we often try to explain as our more "rational" fears, those fears stemming from past bad experiences.

Looking Foolish

We all want to look good. We want to appear as leaders, as good parents, and as competent business people. If you ask

any large group of people how many of them consider themselves above average in a particular trait or skill, nearly every hand will go up. Obviously, though, statistics tell us that half of them are wrong! We do not wish to be perceived poorly or even below average. When we approach a negotiation, we know whether we are prepared. If not, we will probably be found out. And have you ever tried to define the "perfect deal"? Ask 10 people and you will get 10 different answers. So no matter what the final deal looks like, there will be some, perhaps your superiors, who will challenge you because you did not get the best deal, or left too much on the table. Even when a deal is concluded, an arrangement that looks good on paper can still yield a bad outcome from either external or other unforeseen events.

Whether justified or not, any of these outcomes will reflect on you. You will be "tainted" by the results, even if you did not cause the outcome or reasonably could have seen the possibility of a bad outcome. People will think poorly of you. Your reputation will be tarnished. This is often called the fear of rejection, where a person internalizes the feeling as, "If you reject my deal, you reject me personally."

But most of these fears are not only unwarranted, but downright false. While the baseball analogy is overused, it's true that even the best batters only hit .333. In business we hope for something above a 50 percent in success rate. Success is an amorphous concept. You can never know what might have been—only what is. Being able to capitalize on positive risks and minimize negative risk will do more to define success than whatever appears on the final contractual document.

We will all make mistakes. We will all have situations that contain unforeseen and sometimes unfortunate outcomes. But if you let your fear dominate you, you will become frozen with that fear and never accomplish anything. We are often our own worst critics. It has been said that if you're not making mistakes, then you're not doing

anything. You are stagnating, or being completely overwhelmed by progress in which you do not share. Accept your mistakes. You don't ever truly fail until you stop trying. Your peers will accept your failures if you accept responsibility for them and then try to learn what caused the bad outcome. Making mistakes is accepted; making the same mistake repeatedly, however, is not. Learn from them and move on.

The Great Unknown

There is without question more that we do not know than that we do. You can't know everything and should not try to. On the other hand, you should never attempt anything without the proper training and preparation. Some people are thrust into negotiations without any formal or informal training. Occasionally, people are sent into negotiations without any real substantive knowledge of the situation. Would you send a small purchase buyer alone into a negotiation for the next generation of aircraft? Of course not; but each of us can cite examples

of where a basic lack of substantive knowledge hindered our negotiations.

Others enter negotiations without an appreciation of the process itself. Does the first person to speak automatically lose? Is good cop/bad cop a legitimate technique? When is it appropriate to slam your fist on the desk and walk out? Negotiation is a process, not an event (as some would try to make you believe). The process should yield an outcome where both sides are better with the final deal than they would be without it.² Are you familiar with that process? Do you know what goes into a win-win negotiation? Do you know how to identify and deal with a win-lose negotiator across the table? Knowledge of the process is important.

The other great unknown that engenders fear is change. It is said that the only constant in life is change. People have a natural bias against change and resist moving outside of their comfort zone. Negotiating with a new vendor will require

adjustments. Whether your fear of the unknown is related to what you will encounter during the negotiation process or what the effect of actually implementing the agreement will be, the fear of change can paralyze you.

Unpleasant Experiences

Often we rationalize our fears based on our past experiences. And yes, experience is an excellent teacher. What is sad is when you hear people say, "I tried that once, and I'll never do THAT again!" You have a single data point and you are going to extrapolate that to an entire universe? Now that's just foolish! Yet we are all guilty of doing this at some point.

Many negotiations go poorly, and for reasons far too numerous to list here. But they do. It's a fact. Perhaps you were abused by the other party, or bullied by a win-lose negotiator. Perhaps your character or honesty was called into question. We don't like abuse, and we tend to dislike on a personal



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level those who abuse us. We want revenge; we want retribution. It's a natural reaction, but not one that leads to a positive negotiation outcome.

Perhaps the other party had superior knowledge about an aspect of the deal and you felt that they took advantage of you. Or perhaps the negotiations went fine. It was only in the execution of the deal that you realized that they intended to take advantage of you or not honor the agreement. These are all bad experiences that link to negotiations. We don't like it. As a natural tendency we want to avoid bad experiences from ever happening again.

Perhaps the most serious of unpleasant experiences arise from the basic failure to develop the relationship. Bob Lewis has advocated the treating of your customer Rotten. He advocates, rightly, that we should always put Relationships Over Transactions.³ Deals are important for the life of a business, but to enter into a transaction that does not put the relationship first can be bad business. Taking advantage of someone will not create a positive relationship. Clearly we are not advocating that you make bad deals just for the sake of a friendship—that is unwise; but a skilled negotiator can make a firm deal, or even no deal, and still preserve the relationship. We must learn to separate the business deal from the business person. It is always preferable to do business with someone you like, but liking them is not a prerequisite to securing the deal. The real issue is one of trust.

What to do

So now that we understand where these fears come from, what do we do about it? For present purposes, I suggest exploring the following four areas: preparation, study and practice, understanding power, and understanding fear. Armed with these four levels of knowledge and understanding, you will experience much greater success in your negotiations in business and in life.

#1 Preparation

You should never approach any activity unprepared. Pilots would not get behind the controls of an airplane without preparing for the task by looking over the airplane, checking fuel levels and weather, and filing a flight plan. If you have a negotiation planned, you must prepare yourself. You must understand the subject matter and the business objectives that you are trying to achieve. Is cost more important than schedule on this project, or is it the other way around? Be well rested and well nourished. Have enough time to devote to the negotiations, and spend considerable time developing your alternatives. This last item is often referred to, thanks to our friends at the Harvard Negotiation Group,⁴ as your best alternative to a negotiated agreement (BATNA). By knowing with a fair degree of certainty when the deal being structured begins to fall outside of your best interests, you have confidence in your actions. You are less likely to leave anything on the table, and you have at the very least made a conscious decision without getting caught up in the moment.

#2 Study and Practice

It's rare that one develops a skill through osmosis. In fact, it's a pretty safe bet that you can't think of a single skill that you have where it just "happened." The development of any skill takes practice and study. Have you read any books on negotiation lately? Have you taken a class in negotiation? Excellence takes hard work and if you are not reading about some topic related to your field every day, then you have to ask yourself if you are truly the professional you think you are.

There is no better way to learn something than to actually do it. In fact, there is no better way to conquer your fear than to just do whatever it is that you're afraid of—plow into the darkness and seek the finish line. So if you want to overcome your fear and develop your negotiation skill, go negotiate! While most people don't realize it, we are all constantly negotiating. The better part of your day is spent negotiating at some level. Have you talked to your spouse about who is going to pick up the kids? Have you talked to a co-worker about where to go to lunch? Has the boss requested that you per-



form a new task? These and countless other examples are opportunities to practice negotiation. And given that these are not “big deal” negotiations, you have nothing to lose by practicing. Little by little, you will discover that the things you fear are not that fearful. You will gain confidence, you will understand the process, and you will have experience with a greater variety of negotiation styles and skills from the other party. You will know what a “good” negotiation looks like and will be able to drive each one in a positive direction.



#3 Understanding Power

Power is like money—it is, in itself, neither good nor bad. What makes it good or bad is what you do with it. Often in negotiations the concept of power is the least understood, and therefore, the most feared aspect of the negotiation. The first thing to understand is that everyone has power. Power comes in a lot of forms, such as positional power, economic power, knowledge power, brute power, and many, many others. Most often power is more of a perception than a reality. Both sides of a deal will often perceive that the other side is the more powerful. Accept

that in any negotiation you enter with some degree of power. Whether you are the buyer or the seller, you are both there to create synergy; to make the sum of your respective powers greater than they would be alone. At some level, you need each other.

The one who comes to the negotiation more prepared will also exhibit greater power. If you understand the interests that both parties are trying to fill, if you understand the dynamics of the current project, if you understand the economy that is affecting the supply of raw materials, then you have come prepared. You have power in the situation. Your goal is not to overpower the other party, but by coming prepared you are better equipped to deal with your own fears. A caution, however, about what you think you know: As humorist Will Rogers said, “It ain’t what we don’t know that’s the problem; it’s what we know that ain’t so!” In other words, check your facts. Overconfidence in bad data can lead to a bad outcome.

Most often your misconception of the other side’s power is due to your inexperience, uncertainty, or recollection of past bad outcomes. And while perception can be reality, it doesn’t have to be. In fact, it will only be your reality if you allow it to be. By fully developing your BATNA you can overcome any power the other side has, whether perceived or real. By being able to present better options as solutions,

or by suggesting objective standards by which to measure performance, you can better control the negotiations and thereby contain your fears.

Buyers want to buy; sellers want to sell. You both have power so don’t let your misperceptions overwhelm you.

#4 Understanding Fear

So with all of this preparation, study, practice, and power, what are you still afraid of? Yes, there is a natural “fight or flight” fear that is

real and necessary for our survival. Negotiations are not usually like that. Most fear is self-generated. It comes from what we tell ourselves. Worry is simply one manifestation of fear, regardless of the facts or lack thereof. When we catch ourselves worrying about or fearing something, understand it as a signal—a warning. Turn your brain on, your emotions off, and seek to understand the circumstances that are causing the worry. Is this truly a fight or flight situation? Probably not. Is it a “get the facts, prepare, study, practice, and understand the situation” event? Probably so. Treat fear signals as an opportunity to explore. What has you concerned? What is the worst possible outcome? Fear is ever-present in some form, even before positive events. Treat each fear moment as a signal for positive change—a chance to rise to the next level of a breakthrough moment for you.

In win-win negotiations, one of the fundamental underpinnings is that negotiation is a process, not an event—a process based on the continuing development of a positive relationship. If you treat negotiations as an event that begins with eye contact and ends with the handshake, then you are missing the opportunity to develop the relationship. You are not fearful around those you know. Work on the relationship. Make friends with the other party. You have common interests. It reduces your fear of the situation.

What if you didn’t get the best deal? What if you have buyer’s or seller’s remorse? What if after you shake hands you discover you forgot something? Again, fears! So what if you did? If the relationship is solid, and if there is an expectation on both sides of a continuing relationship, you reopen the negotiations and work hard on the relationship. Worrying about it only increases the fear. Seek the facts.

Conclusion

Most events are “either/or” situations. In a negotiation, you will either reach an agreement or you won’t. The agreement will either be win-win or it won’t be. You will either succeed or you will use your BATNA. The negotiations don’t care (as if we could personify them!) You need to press forward,

deal with the issues, and succeed or move on. It really is that simple. Motivational speaker Zig Ziglar said it best:

The problem is not getting rid of fear, but using it properly. Dr. Judge M. Lyle said, "... There are legitimate fears. Fear of ignorance causes you to seek an education and fear of poverty makes you work. ...Fear of failing a class will drive a student to spend extra time in the books. Fear of losing our family inspires us to be faithful to them, work hard for them, and show them love on a daily basis."

From time to time, I use the acrostic "F-E-A-R" for "False Evidence Appearing Real." However, if the evidence is real, we should certainly have some healthy fear. There's real fear in walking across a busy street without using the crosswalk. There's legitimate fear in driving your car at excessive speeds under any conditions, but particularly where the visibility is poor or the streets are slippery.

We must learn to distinguish those helpful fears from the harmful ones. When you can do that, fear is a friend. Until you learn to do it, however, fear can be an enemy.⁵

Don't fear negotiations. With the proper preparation, study, and understanding of the process and relationships, negotiations can be a tremendous amount of fun. When you close a good deal that is win-win for both parties, and you have furthered the relationship with the other party, your fears vanish, your confidence rises, and you put yourself in a position to help the next young negotiator in your organization. Accept the responsibility of fearless success and your professional career will soar. **CM**

ABOUT THE AUTHOR

THOMAS REID, CPCM, FELLOW, is chief problem solver for Certified Contracting Solutions, LLC, based in Denver, Colorado. He is a member of the Denver Chapter and a past

member of the NCMA National Board of Directors. He can be reached at www.ask-tom-reid.com.

Send comments about this article to tom@certifiedksolutions.com.

ENDNOTES

1. "Resolution Roadmap: How to Achieve More in the Next Twelve Months than You Have in the Past Twelve Years," by Jill Koenig, Success Systems (2008), p.5. Accessed at www.goalguru.com/resolutionroadmap.
2. The details of a win/win negotiation are beyond the scope of this article, but to learn more, pick up a copy of the seminal work, *Getting to Yes*, by Roger Fischer, William Ury, and Bruce Patten. 2nd ed. Penguin Books, (New York; 1991).
3. Bob Lewis, "Keep the Joint Running Bob Lewis, Keep the Joint Running," (August 2, 2004). Retrieved February 3, 2008 from www.issurvivor.com/ArticlesDetail.asp?ID=468. Bob Lewis can be reached at rdlewis@issurvivor.com.
4. Fisher and Ury, Op Cit.
5. "Healthy Fear," by Zig Ziglar. Excerpt from "Messages from the Masters," a daily newsletter published online by Beliefenet.com. Not archived.

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