
Negotiation Frustration

By Lothar Katz

This feeling may be familiar: you just conducted a complex and lengthy negotiation. Many aspects required extensive discussions with the other party. Reaching agreement was time-consuming and capturing the agreement in a contract required many rounds of going back and forth before you were able to work out all the details. Now that the document bears the parties' signatures, you try telling yourself that you should be excited. In reality, though, you are just tired and worn out, while a feeling nags you that you left something on the negotiation table. If anything, you're just glad that the ordeal is over.

As a negotiation coach and trainer, I rarely meet people who enjoy negotiating. Most frequent and casual negotiators describe the process as an unpleasant experience that makes them feel powerless, stressed out and under-valued. At best, they consider negotiating a necessary evil. It doesn't seem to matter whether they conduct formal negotiations that lead to binding contracts or if they are simply seeking informal agreement with peers or team members. Each of these exchanges has significant frustration potential, while apparently offering few rewarding moments to the participants in the process.

It does not have to be like this. Your biggest obstacle to becoming a better negotiator (and learning to enjoy the ride) may be realizing that troubling negotiation experiences are usually self-inflicted. Whether you are negotiating across cultures or dealing with a familiar fellow in your home country, how good you feel about the process and how content you are with its outcome has a lot to do with personal attitudes and expectations. Let's look at three common negotiation issues, with a few hints on what causes them and what you can do to avoid or alleviate them:

“It takes too long”

Formal negotiations tend to be long and complicated. In the U.S., detailed terms and conditions are deemed necessary and important, substantially slowing the progression from reaching principal agreement to signing the contract. Negotiating across cultures, there are many other reasons for the process to be slow, from expectations of lengthy up-front relationship building to a preference for extensive bargaining and haggling.

Whether you think that a negotiation “takes too long” depends as much on your expectations as it does on its actual duration. The key is to do your homework upfront: find out about the parties' expectations, constraints, stakeholders, and decision processes. Then, assess realistically how long the different phases of the negotiation, from getting to know each other to exchanging information, bargaining, making decisions, and reaching/documenting closure, are likely to take. Don't forget to factor in cultural aspects, and add some margin to your resulting estimate. As a result, you'll feel you have much greater control over the overall negotiation process. An impatient negotiator is likely to fall victim to pressure tactics and rarely achieves the best possible outcomes.

“I have no real bargaining power”

Most inexperienced negotiators feel that the other side has more power. Acting in accordance with that perception, they end up not getting what they want. Some complain that

they “keep giving and the other side keeps taking.” In select cases, this perceived imbalance of power may have a nucleus of truth, for instance, when a small firm is dealing with a large one or when a sales person offers a commodity product or service. However, in most situations, these included, negotiators tend to overlook sources of power. One such source is having a distinctive value proposition: even commodity vendors usually offer something that distinguishes them from their competitors and improves their bargaining position if they manage to convey it in ways that appeal to the other side. In international negotiations, another aspect that can make your bargaining position powerful is the existence of a strong personal relationship based on trust and mutual liking.

Never reveal in a negotiation that you are weak. Instead, focus on exploring the other side’s weaknesses (they all have some) and use them to your advantage. That large company you’re dealing with may be desperate for a solution that you can offer them better or faster than anyone else, which –in spite of all their heft– means your position is ultimately stronger than theirs is.

“My counterpart is out to get me”

One of my biggest surprises was finding out how many negotiators are convinced that they are dealing with irrational counterparts. This applies especially, but not only, to international negotiations, where cultural differences amplify the effect. The world seems filled with maniacs who happily ignore a great deal or demand unreasonable terms out of the sheer pleasure of making the other side suffer. Upon close inspection, however, I have been unable to find any such irrational negotiators (although I have dealt with a few tough ones).

When negotiating formally or informally, remind yourself that if a counterpart acts strangely, he or she probably has a valid reason for doing so. Maybe your counterpart believes that acting tough is advantageous (which it rarely is in negotiations), maybe he/she views the exchange as a game in which “all bets are off,” maybe the person has different information from yours that lets the deal appear in a very different light – whatever the reason, you will be much more relaxed during the negotiation exchange, and likely much happier with the result, if you can identify this reason. The worst you can do is to make assumptions about your counterparts’ motives, which in all likelihood will lead you down the wrong path and leave you in emotional distress.

Successful negotiators are patient and persistent, believe in the value of their positions, and refrain from making assumptions. You can do that, too! Sound like fun?

Lothar Katz is an International Business Advisor and the author of “Negotiating International Business – The Negotiator’s Reference Guide to 50 Countries Around the World”. He has a wealth of experience in achieving productive cooperation across cultures and driving business success on a global scale.

A seasoned former executive of Texas Instruments, a Fortune 500 company, Lothar regularly interacted with employees, customers, outsourcing partners, and third parties in more than 25 countries around the world. He teaches International Project and Risk Management at the University of Texas at Dallas’ School of Management and is a Business Leadership Center Instructor at the Southern Methodist University’s Cox School of Business.
