

1990

How to Win in Any Negotiation: The Key to Success in the Resort and Commercial Recreation Industry

E. L. Dick Shafer
Pennsylvania State University

Julia Stratton

Follow this and additional works at: <https://scholarworks.bgsu.edu/visions>

[How does access to this work benefit you? Let us know!](#)

Recommended Citation

Shafer, E. L. Dick and Stratton, Julia (1990) "How to Win in Any Negotiation: The Key to Success in the Resort and Commercial Recreation Industry," *Visions in Leisure and Business*: Vol. 9: No. 3, Article 7. Available at: <https://scholarworks.bgsu.edu/visions/vol9/iss3/7>

This Article is brought to you for free and open access by the Journals at ScholarWorks@BGSU. It has been accepted for inclusion in Visions in Leisure and Business by an authorized editor of ScholarWorks@BGSU.

HOW TO WIN IN ANY NEGOTIATION:
THE KEY TO SUCCESS IN THE RESORT AND COMMERCIAL RECREATION INDUSTRY

BY

DR. E. L. DICK SHAFER, PROFESSOR

SCHOOL OF HOTEL, RESTAURANT, AND INSTITUTIONAL MANAGEMENT
THE PENNSYLVANIA STATE UNIVERSITY
UNIVERSITY PARK, PENNSYLVANIA 16802

AND

MS. JULIA STRATTON, MANAGEMENT/COMMUNICATIONS CONSULTANT

3913 WATSON PLACE, NW
WASHINGTON, DC 20016

ABSTRACT

This paper is a collage of contemporary view from the management science literature on how to negotiate. The objective of the paper is to counsel professionals and students in the resort and commercial recreation industry on how to bargain successfully for anything.

Negotiation is a means of getting others to agree with what you want. It is a give and take communication aimed at reaching an agreement when you and the other side share common interests while simultaneously debating the pros and cons of your differences. Negotiation involves the use of information and perceived power to effect the behavior of the party you are dealing with.

In the resort and commercial recreation industry you don't get what you deserve, you get what you negotiate. You negotiate with a boss in order to translate an idea or concept into action and to sell the idea to the boss based on the needs of the boss and the values of the organization. You may negotiate with clients, customers, suppliers, vendors, peers, or government agencies. These are people in different functions, different disciplines, different geographic locales, and all of that involves negotiation skills. Everybody negotiates something every day. All of us are doing it all the time--especially resort and commercial recreation professionals.

This paper describes some of the procedures that seem to work most of the time in being a successful negotiator and covers such things, for example, as:

- Common misconceptions about negotiations
- Techniques for doing as much advanced research as possible prior

- to the formal negotiation process
- How to aim high for what you want
- How to convey a sense of power
- How to empathize with the other party's point of view
- How to listen first, then talk
- Why money isn't everything
- How to avoid deadlocks
- Why everything happens at the deadline
- How to scan all possible solutions
- How to generate competition for your point of view
- How to take risks
- How to get the other side to invest time and energy in the process
- How to insulate yourself from your own emotions

More things are negotiable than most people realize. Several procedures are summarized that may help both parties win in any negotiation. Money, justice, prestige, all are negotiable. In a world that is a great negotiating table the ability to negotiate successfully can be the key to future success at home, at play, and on the job in the resort and commercial recreation industry.

HOW TO WIN IN ANY NEGOTIATION:
THE KEY TO SUCCESS IN THE RESORT AND COMMERCIAL RECREATION INDUSTRY

INTRODUCTION

The objective of this paper is to counsel professionals and students in the resort and commercial recreation industry on how to bargain successfully for anything. The paper contains a collage of contemporary views from the management science literature on how to negotiate. This is not a research paper in the traditional sense. Rather, it is a brief review of some of the important literature on a hot topic in today's resort and commercial industry where professionals must move faster, communicate more clearly, and involve everyone in a focused effort to serve ever more demanding customers.

In the hospitality and travel industry, you don't get what you deserve--you get what you NEGOTIATE.

You negotiate with clients, customers, suppliers, vendors, and government agencies.

You negotiate with your boss to sell an idea based on his or her needs and the values of the organization.

- You also negotiate with your peers.

To get a job done, you need the cooperation, help, and support of many people: people at different levels, people with differing functions, disciplines, geographic locales, and perspectives. All of this

involves and requires negotiation skills. Everybody negotiates something every day, even when they are unaware of doing so.

You want one thing, the other person wants another. Negotiation is the tool to get others to agree with you. It's a give and take communication process aimed at reaching an agreement based on common interests and the simultaneous debate of pros and cons. The spirit and attitude you use to iron out these differences can make the difference between successful negotiation and an irreconcilable standstill. Negotiation involves the use of information and perceived power to affect the behavior of the party you are dealing with.(3, 11)

A common misconception about negotiation is that there are only ten marbles in the pot. If one party gets eight, the other party gets two. This spells T-R-O-U-B-L-E because each party begins to view each other adversaries. Instead of aiming for an agreement, the stage is set for conflict. The tension builds, the communication process is stifled, and both parties talk rather than listen.

Most important, it changes the emphasis and thwarts the very purpose of negotiation. There's a feeling of NO rather than YES. To negotiate successfully, each party should focus on WIN WIN, even though each party will try to do as well for themselves as possible. These two aspects of negotiation operate simultaneously, and both parties need to remember that at all times.(1)

Massey (8) suggests that Americans, unlike other peoples in different cultures, are "value programmed" in a fixed-price society. When we shop for consumer goods, we pay the ticket price. If the hotel room costs \$150 a day, we pay it. In Mexico, on the other hand, it's common to negotiate a price with local merchants for anything from hats to paintings. The give and take is fun.

TECHNIQUES THAT WORK

What techniques are effective to negotiate successfully?

From the outset and throughout the entire negotiation process, negotiators should aim high. Those with lower expectations invariably achieve them. In any negotiating situation, one can redefine the world. Witness Gorbachev.

START EARLY

Do as much advance research as possible prior to the formal negotiating process. Very likely, you won't be able to uncover any information from the other party--they're not about to give you any edge! "Wander around".(12) Talk with secretaries, clerks, people in different functions, people who've dealt with the party before, and, of course, competitors--these people may perceive of themselves as not having anything to lose.

During this pre-negotiation stage you should not only be gathering facts, you should be sharing information as well.

LISTEN FIRST

It's imperative to do more listening rather than talking, especially at the critical early stages of negotiations for it not only sets the tone of the process but enables you to gather information, which, later on, may give you an edge. Listening is not an easy skill. If you listen naively (13), you'll get a great deal more information.

Read the subtle cues. Body language reveals a great deal about the other person.

Good negotiations also allow or encourage the other party to quote their terms and numbers first. Initially, this tells you something about the scope, or boundary lines, of the other party's field of play.(3, 10, 11)

To extract information from the other party, frame your questions hypothetically, based primarily on other terms. "If you were to do this, and we were to do that, how much would that be worth to you? Suppose we were to throw this in, and add that? Suppose you had to put a dollar figure on it, how much, would you say?"

CONVEY A SENSE OF POWER

FDR had it. Churchill had it. Sam Rayburn. John McCormack. Tip O'Neill, Margaret Thatcher and Golda Meir Bill Marriott Jr., Lee Iococca, Ted Koppel and ABC's Nightline, Katherine Graham of The Washington Post--all of them know the value of power.

You too must believe you have the ability to get things done by exercising and exerting control over people, events, situations, and yourself. Live it, breath it, wear it.

Power. Is it a feeling? An attitude? Belief? Behavior? Everyone's style is different, unique to their character and desires. What exactly is power? Power is the production of intended effects, focused, directed for the express purpose of conveying to another party your sense of control over them and the situation at hand. In and of itself, power is neutral: not good, not bad; not moral or immoral; not ethical or unethical. It's point blank neutral.

Power is about perception. Which is why it's imperative to gauge the other party's perspectives, attitudes, beliefs, and goals. "The only limits of power are the bounds of belief".(6)

Sources of power are: competition, legitimacy, precedent, risk taking, commitment, time investment, persistence, attitude, status, symbols, location, and rituals.

1. Competition

You must always generate competition for something you have. When someone believes others value you, it enhances and augments your power. And you must believe you have options. Power is not a constant--it goes up and down in degree. Thus, the future is always negotiable.(10)

2. Legitimacy

The printed word, the printed form, the document--they lend legitimacy to your points of view. Printed material that quantifies the values you're negotiating is a powerful tool in any negotiation process.(2)

3. Precedent

Nothing makes you look better than to be recognized for your achievements. Those with published articles or books, those who speak publicly at prestigious meetings, and those with a track record of success have the ball in their court. Precedent, it works! Only you can control how others perceive you, so get your name in print, excel in your job, and become your own best public relations expert.(4)

4. Risk-Taking

Be willing to take risks but never a risk more than you can afford to lose. Any loss that results from risk-taking needs to be managed by you.(11, 14)

5. Commitment and Involvement

Never say, "This is my idea, my program, my proposal. If anything goes wrong, I'll go down with it." Rather, get others committed and involved. This spreads the stress, diffuses the risk and often gives you a greater sense of power.(7)

6. Time Investment

When negotiating, get people to invest time and effort in the process. It makes them more malleable. A concession made too fast (or too large) sends a message of uncertainty to the other party.(10) Are we asking too much? Maybe we're in trouble ... Should we break the deal? Why's he pressing me so much?

7. Persistence

Persist, persist, persist. You've negotiated all week, it's 3:00 p.m. on Friday, you have a nice weekend planned, the dry cleaning to pick up. But, you must persist.

Persistence is to power what carbon is to steel. Most people give up when all hope seems lost. This is precisely the time when you have to persist the most, in the face of extreme adversity.(1)

8. Attitude

Negotiators tend to underestimate their own power because they're keenly aware of their own attitudes and of the pressures they face. All too often they're unaware of the pressures and problems the other party faces.

Successful negotiators conduct practice negotiation sessions, in which they role play. Role playing can give you a real insight into the other party's reasoning, potential problems, and outlook.(5)

9. Status

Impressive titles go a long way. Doctor, Research Coordinator, Senior Vice President carry a lot of weight. Not only will you have entre, people feel they owe respect to those with status. Next time you take someone to lunch, mention your title to the waiter, and you may get the best table in the house. Status coupled with power symbols belong to the heavyweights.(14)

10. The Symbols of Power

Think it's silly to stand tall? Or wear a dark suit, a Rolex watch, or carry an expensive black leather briefcase? Polished Brooks Brothers shoes make you look powerful. Even the right clubs are important.

Think again! People with power take power very seriously. Power's the most serious game in town.

Other symbols include: the corner office (especially if it's near other power brokers), the big leather chair, the executive washroom and bar, and yellow legal pads. Yes, legal pads, because others infer you know the facts.(6)

In addition to attire and accoutrements, get to know your face. Take a good, long look at it. Develop a trust-worthy gaze, a confident, relaxed mouth. Rocklike immobility looks stilted, but you must learn to eliminate signs of nervousness.

Be impassive, alert, but at all times be visible.(5, 14)

11. Location

Lest you think location is unimportant to your power, think again. Location is key.

Remember high school football games "at home?" The home team always has the advantage.

Whenever possible, make others come to you. Home turf reverberates power. If you're lucky enough to have a limo, others automatically assume you're a man on the go, with important business.

Taking others to a well-heeled restaurant of your choice also impresses others. But, be sure it's a restaurant you've frequented so

you're given high level treatment and service. To maximize your power, have others come to your office and have the limo take both of you to lunch.

12. Rituals

All power is ritual and myth. Meetings and meals are salient examples.

Meetings represent a gathering of the "tribal elders" and symbolize the "soul and continuity" of the tribe.(6) Regularly scheduled meetings suggest that tribal life cannot be broken; meetings called by you suggest the ball's in your court.

Like meetings, meals connote a sense of obligation. After you've broken bread with the other party over lunch, be sure to pick up the tab. Seemingly an impromptu generous gesture, paying for a meal forces others to feel they have an obligation to you. A one hundred dollar lunch may just win you the deal.

MONEY ISN'T EVERYTHING

In the stage play Cabaret, we are told "Money makes the world go around, the world go around." But, what motivates people to agree in a negotiation involves much more than dollars, goods, or services. People say yes for myriads of reasons--even wrong ones when under pressure to adhere to a deadline, tiredness, or lack of self-confidence. Sometimes their reasons are as simple as their liking your style and confident, easy manner.

Not rushing through the negotiating process enables you to uncover those important, hidden messages.(4, 11) Once you know their hidden agenda, your able to acheve a WIN-WIN outcome.

You say \$100; the other party balks and offers \$50. And you wind up at \$75. This is NOT negotiation. This is splitting the difference. When you split the difference, you run the risk of NEITHER party being happy with \$75. In fact, both parties will feel as though they are "losing" if they accept anything less. Never ever deal with numbers in isolation, they're just one piece of the pie. Negotiation is far more intricate, complicated, and subtle than that.

DEADLOCKS--AVOID THEM

Deadlocks make all of us feel frustrated, angry, even recalcitrant. Negotiators should make certain they have their company's support before walking away from a negotiation. It's far easier to explain a lousy negotiating than one which was stymied because neither party could, or was unwilling to, un-do the deadlock.

If you want to avoid deadlocks, focus on your own attitude and

demeanor. Massy (8) offers several suggestions to aid you.

1. Relax Breathe deep try to see the lighter side of the negotiation process.

2. Insulate Detach yourself from your own emotions. Mentally buffer yourself against your own prejudices and predisposition.

3. Scan Look at all the possible solutions. This requires careful listening. Listening may be your most important tool.

4. Empathize Put yourself in the other party's shoes. Ask yourself how you'd feel if you were negotiating from his/her position or point of view. Always, always, always approach people collaboratively, and the process will begin to work for you.

CONCESSIONS

To avoid deadlocks, you'll have to make concessions. Again, don't rush, you may give up too much. Make concessions in small increments over a graduate period of time. A concession that is either too fast or too large sends the message of weakness and uncertainty to the other party.(1, 10)

Some concessions actually benefit you--if they're the right ones. Why? Because the other party views you as sincerely collaborative. In addition, you can use the concession as a bargaining chip for something of greater importance to you. Know when, what, and how to concede.

DEADLINES

People tend to make their biggest concessions when they think they're running out of time. Be careful, watch yourself, observe the other party as the deadline nears!

Deadlines are just as negotiable as everything else.(14)

Every negotiation has a deadline, or, to be more accurate, a perceived deadline. Whether it's a tough business decision or something like filing one's income tax, most people make concessions at the last minute, when the deadline approaches.

Give a student two months to write a term paper, and when will it be turned in? Right at the deadline--if you're lucky.

Knowing the other party's deadline gives you a distinct advantage. Use this knowledge. If they know your deadline and you don't know theirs (or they appear more flexible, unconstrained by a deadline), very likely you'll make more concessions as the deadline approaches.

Remember, everything that affects consensus happens at the deadline.

As the deadline approaches:

1. If the other party appears relaxed, probably they are really churning inside. They're under the gun, just like you.
2. Bear in mind the pressure and stress they face.
3. Your deadline is probably more flexible than you realize.(2)

Always analyze a deadline. Ask yourself what you'd be risking if you went beyond the deadline. Will you be penalized in some way? What is the certainty of that penalty? Once in a while, move the deadline back so you can consummate a more effective deal.

When you negotiate too quickly, you may--and likely will--end up with a bad deal because the outcome is likely to be extreme for one party, particularly if he or she is unprepared for it.

SUMMARY

Money, justice, prestige--they're all negotiable. Almost everything is.

This paper has focused on procedures to help both parties achieve a WIN-WIN result. Gather information long before formal negotiation begins and approach others collaboratively--it'll take you further. Train yourself to generate competition for your point of view. Invest in your own power and use it. Use legitimate (printed documents) to support your point of view. Be willing to take risks, but never more than you can afford to lose. Persist, nothing succeeds like persistence. And maintain a confident, positive attitude.

If possible, let the other party quote numbers and terms first. To each consensus, it is imperative you understand the other party's psychological needs, the hidden agenda. The key to getting what you want often is not readily evident. The other party's psychological needs are often as important as their material needs. Avoid deadlocks. Relax. Insulate yourself from your own emotions. Scan all possible solutions. And above all, empathize with the other party's point of view. Finally, remember most concessions happen right at the deadline.

Be patient, be informed, be personal--you can bargain successfully for anything. The ability to negotiate may be the key to future success at home, at play, and on the job in the resort and commercial recreation industry. Good luck!

REFERENCES

1. K. Blanchard and N. V. Peale, The Power of Ethical Management, William Morrow and Company, New York, New York, 1988.
2. H. Cohen, You Can Negotiate Anything, Bantam Books, New York, New York, 1980.

3. P. Drucker, The Frontiers of Management, Truman Talley Books, New York, New York, 1986.
4. R. Fisher and W. Ury, Getting to Yes, , Penguin Books, New York, New York, 1985.
5. R. Heller, The Naked Manager, Truman Talley Books, New York, New York, 1985.
6. M. Korda, Power, Balantine Books, New York, New York, 1987.
7. F. A. Manske, Secrets of Effective Leadership, Leadership Education and Development, Germantown, Tennessee, 1987.
8. M. Massey, The People Puzzle, Reston Publishing Company, Reston, Virginia, 1979.
9. M. H. McCormack, What They Don't Teach You at Harvard Business School, Bantam Books, New York, New York, 1984.
10. K. Ohmae, The Mind of the Strategist, Penguin Books, New York, New York, 1982.
11. F. H. Patton, The Psychology of Closing Sales, Prentice-Hall, Englewood Cliffs, New Jersey, 1984.
12. T. Peters, Thriving on Chaos, Alfred A. Knopf, New York, New York, 1988.
13. T. Peters and N. Austin, A Passion for Excellence, Warner Books, New York, New York, 1985.
14. R. Wess, Leadership Secrets of Attila the Hun, Warner Books, New York, New York, 1987.