

## Truth or Consequences: The Value of Effective Communications in Negotiations

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**Abstract.** Mastering the art of effective communication in today's business climate is a challenge. In both leverage and strategic negotiations, supply-management professionals must be aware of both the intended and unintended signals being given to the other party. To be an effective communicator, professionals must master both verbal and non-verbal communications to achieve their goals. When negotiating, you and the other party are at odds and effective listening is vital to clearly understand the other side's intent, knowing their strengths and weaknesses while earning their respect during the negotiating process. Effective listening will help you achieve your goals in all these areas.

For effective communications, one must go down the path of discovering what a person must consider when communicating. It is important to understand what people experience in daily communications including the art of listening, what we remember, what we absorb from our conversations and how we translate that information into useful communications methods to achieve business goals when negotiating.

**Commandments.** One can become a better listener by following the "Ten Commandments of Listening" in order to use effective communications to achieve his/her goals in a negotiation situation. The "Ten Commandments" are:

1. Stop talking
2. Create a comfortable environment for the speaker
3. Show interest
4. Remove distractions
5. Empathize, seek to understand
6. Patience
7. Avoid criticism
8. Avoid arguing and anger
9. Ask questions
10. STOP TALKING!

Sometimes using the "Ten Commandments" suggests avoiding a specific behavior, such as temper. Temper can be employed to convey disappointment and the possibility of not achieving a desired goal in negotiations, and the point to remember is to use the commandments in a productive way – this will be covered as well.

The need for empathetic listening is important as well as what is involved in realizing the idea that understanding someone is not the same as agreeing with them. This is a very powerful difference. Examples of the “do’s and don’ts” of good empathetic listening and the differences between understanding and agreeing are:

- Do’s
  - Listen with the eyes as well as the heart
  - Have a sincere desire to understand
  - Seek to understand before being understood
  - Be open and honest
- Don’t
  - Listen with the intent to reply
  - Project yourself
  - Use this as a means to an end
- Difference
  - Empathetic Listening focuses on the feelings and emotions not the words

Observing body language and messages that can be effectively relayed with non-verbal language. Most importantly, people will walk away with the skills to fully understand what someone is trying to convey while projecting the message you want to convey in order to achieve your business goals in the negotiation process.

**Communication pre-planning and preparation.** How do successful purchasing managers prepare for the most effective and efficient negotiations in order to gain the best value for the organization? They have mastered knowing when to use open, empathetic communications and when to use direct, stern communications to obtain the desired outcome. Pre-planning for the negotiation meeting is critical to the overall success as well. For instance, an individual who has a written framework of what he/she is trying to achieve specifically from their customer or supplier negotiation, can visualize how the conversation might flow back and forth. Verbal statements should be positioned carefully or deliberately to evoke emotional or logical thoughts. It allows the person across the table to understand that this meeting is of a great importance to the other party. Non-verbal methods such as body language and eye movement can be just as effective if used to express any number of a wide range of reactions to information such as approval, understanding, confusion, excitement, indifference or disagreement. It is important to know, in advance, which non-verbal conditional methods to employ that will have the greatest impact towards achieving the desired outcome in the negotiations.

**Leverage to strategic movement.** The ability to move a supplier from a leverage position to a strategic relationship is not easy. It requires a thorough understanding of the relationship over time as well as the ability to know and listen to the supplier’s business needs. For strategic negotiation to be successful, both parties must be effective and solid communicators. You must establish strong communications and create a collaborative environment of working together.

In conducting strategic negotiations, effective communications are just as essential, but the focus is different compared to tactical or short-term negotiations. In a strategic situation, the

relationship lasts for years, so sound communications are essential. Your goals in strategic negotiations will include:

- Building trust and showing integrity
- Clearly identify your company's needs
- Being open and encourage the other party to be open
- Being willing to share information

By collaborating and building trust in the long term buyer-supplier relationship, you gain the respect of the partner company and can then work together to negotiate effectively. As the collaboration continues and the relationship grows, the two companies can begin business negotiations that take into account the long term relationship and the linkage between the two companies. This is far different than a short term tactical negotiation that involves a one-time purchase and is over the minute an agreement is reached.

**Conclusion.** To achieve success in negotiations, effective communications must be a focal point of the strategy employed. From listening to communicating both verbally and non-verbally, all the signals sent (and received) affect the outcome of your negotiation efforts. You must develop an overall communication plan and know how as well as when to use the various communication skill techniques during the negotiation process. Understanding the difference between tactical and strategic negotiations will also affect the types of communication skills used and the degree of openness employed during negotiations.