

THE SECRETS OF EFFECTIVE NEGOTIATORS

The deadline for agreement of the Local Delivery Plan is looming but the primary care trust and the local acute trust are deadlocked. The acute trust insists that the levels of activity proposed for funding in the Plan are inadequate to meet anticipated demand. The PCT is equally adamant that there is no additional funding available. The local media has picked up on the dispute and positions are becoming entrenched.

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including NHS chief executives, chairs and managers; clinicians at all levels of the health service; managers within the pharmaceutical sector.

A hasty compromise is reached in order to meet the LDP deadline but neither party is particularly committed to it and the wrangling will resurface later in the year as finance and activity performance measures come under scrutiny.

Do you recognise this situation? It's not uncommon in the NHS and that's perhaps not surprising when we consider that NHS managers typically spend much less time developing their negotiation skills than their private sector counterparts.

Companies such as UBS, IBM and Shell invest heavily in honing the skills of managers who are responsible for negotiations. This difference between public and private sectors seems odd in the light of the huge sums involved in many healthcare contracts, and the complexity of the commissioning and contracting process. It is even more odd, and rather worrying, when we start to consider that with the anticipated growth of independent sector involvement in healthcare provision, NHS directors and managers will find themselves creating deals with seasoned private sector negotiators who have undergone intensive training to develop their skills.

The need for highly developed negotiation skills is increasingly being recognised – a recent article by Kingsley Manning of Newchurch neatly summarised the core skills required of new PCT chief executives as persuasion, conciliation and negotiation.¹

We know, from decades of research, that highly effective negotiators behave in significantly different ways from average, or unsuccessful, negotiators. So, what are some of the key elements of successful negotiation?

1. Experienced negotiators never 'give owt for nowt'.

If the other party asks for some kind of concession, the skilled negotiator always asks for something in return. Negotiations based on a good understanding of each other's issues can allow these trades to add value for both parties.

2. Plan questions with a purpose in mind

Effective negotiators prepare lots of questions, and each question has a clear purpose, for example to seek reasons (uncover the other party's underlying concerns) or to seek proposals (to find out what the other party is willing to offer). The evidence base suggests that skilled negotiators ask a lot more questions than average negotiators. In fact, 21.3% of their communication is devoted to questions – twice as much as that of average negotiators.

3. Don't narrow the negotiation down to a single issue

Focusing exclusively on one single issue (eg price) doesn't give you room for manoeuvre and can lead quickly to stalemate. Before the meeting, consider other factors that you can bring to the table. In the scenario outlined at the beginning, negotiation is deadlocked around the value of the contract. Other issues that could have been discussed might have involved exploring approaches to demand management, quality of care or waiting times.

4. Take control of the meeting by using procedural proposals

Research shows that effective negotiators take control of the negotiation process. For example, they might put forward a proposal: "I'd like us to identify all the issues first, and then explore each of them in more detail." Process moves can significantly affect the way in which issues are heard in a negotiation. As Kolb and Williams have identified, "The agenda, the pre-negotiation groundwork, and the sequence in which ideas and people are heard – all these structural elements influence others' receptivity to opinions and demands."²

5. Express your feelings, both negative and positive

Expressing your feelings achieves two objectives. Firstly, it is a way of contributing to the negotiation without giving away valuable information, and secondly it builds trust within the relationship.

The 7 Secrets

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6. Identify areas of common ground before the meeting
7. Don't take it personally

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Talking about common ground early in the negotiation creates a positive climate. In our scenario, there may well be much common ground between the two parties, such as a desire to reduce preventable admissions or to see necessary specialist services developed locally. If the negotiation subsequently reaches an impasse, switching the focus to areas of common interest can help to break the deadlock.

7. Don't take it personally

One of the biggest hindrances to successful negotiations is the natural human desire to 'win'. This desire can get in the way of achieving a mutually acceptable outcome, and manifests itself in some of the 'irritator' behaviours exhibited by average or poor negotiators such as trying to do most of the talking, 'points scoring', and not focusing on the common ground. Skilled negotiators make very few comments which are likely to upset the other side – average negotiators make 10 times as many of these negative interventions.

Want to know more?

Over the next few months Dynamiq consultants will be bringing the best private sector negotiation skills training to the NHS in an intensive programme tailored specifically to the needs and context of senior NHS managers, particularly those responsible for:

- delivering major service reconfiguration
- developing effective relationships
- improving cost efficiency through negotiating better contracts with suppliers.

Dynamiq has a long track record of providing negotiation skills training to blue chip companies as well as the public sector. The programme will provide a thorough grounding in the skills and tactics used by some of the world's most effective and experienced commercial negotiators, and will cover how to attain genuine 'win-win' agreements to which all parties are committed. ■

IN ADDITION

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References

- 1 Kingsley Manning, 'Leadership in Commissioning', *In View*, Issue 10, June 2006
- 2 DM Kolb and J Williams, 'Breakthrough Bargaining', *Harvard Business Review*, February 2001, 93