ALUMNI STORY

Oxford Programme on Negotiation

Negotiating to build relationships and trust

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'So when I applied to join the Oxford Programme on Negotiation, a little part of me assumed that it would not have much to teach me. How wrong I was.'

I work in the logistics industry, which is highly competitive, and I have some pretty tough clients. This meant that for years I thought of negotiation as an adversarial game – and the aim was to win. I was used to being good at this game too: I had a reputation within the company as a strong negotiator.

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Mutual benefit in negotiations

My 'lightbulb moment' came very early in the programme, during a simulated negotiation with one of the other participants. As usual, I finished the exercise thinking that I was the winner. But then I realised that actually I felt uncomfortable and guilty. My fellow programme participant had not got what he needed from the negotiation.

It occurred to me that had he been a client rather than another participant he would not have wanted to do business with me in the future. I might have had a short-term win but, long term, I had done nothing to create trust or ensure that there was a sense of mutual benefit from the interaction.

As we discussed afterwards with the tutor, in a really successful negotiation there is not just one winner: everyone feels that they have won something.

This is what I have been trying to put into practice since completing the programme.

It has not been easy: my clients too are used to an aggressive style of negotiation. But what I am trying to do now is to understand their needs and what is important for them, in order to build a relationship.

Involving all stakeholders

Often I am negotiating with an individual who has a specific set of objectives but does not necessarily speak for the whole organisation or hold all the power. In that case I try to bring other stakeholders on board (the programme tutors called these 'potential allies'). For example, my normal first point of contact is purchasing, but I now seek to involve people from the operations department and sales in order to understand what is important for the company as a whole ('people outside the table'). The purchasing department understandably focuses on price, but other departments care about service, the relationship, and what value can be added for their customers.

Something else I learnt from the Oxford programme was to try to understand how the client is going to analyse your offer – what weight they put on price compared with service, for example. Each stakeholder will put a different weight on each aspect of the deal so I have to work out how they are making their decisions. This in turn helps me work out what I can offer them. According to the principle of reciprocity, which we also learnt about on the programme, if you give someone something, they will feel under an obligation to give you something in return. Obviously the trick is to give them something that is of value to them, but little value to you – but it still makes for a more generous and positive discussion.

The need to negotiate internally

So how has my company reacted to this new style of negotiation? Well, I do have to keep selling the idea to them internally as, like almost all companies in this industry, they are focused on maximising profit. But I do exactly what I do in negotiations with clients, and pull in different stakeholders. I talk to the finance director but also the business team, operations, and marketing, to convince them that this is the way to cultivate long-term relationships. And while the finance director continues to be interested in profit, those other teams will argue also for the benefits of relationships, reputation, brand congruence, and others.

All of this helps me plan negotiations better. The competitive approach went hand in hand with an improvisational style that others may have admired but meant that I could be missing opportunities. I did not map the key stakeholders or consider other players: rather, I would get to the table and see what happened – which in hindsight was actually quite risky. Now I structure my negotiations so that I know who I'm talking to, what they want, and what my own 'red lines' are – just what concessions I am prepared to make and what concessions I have to obtain from them.

Keeping clients and winning more business

The overall impact of this has been significant for the business. Some clients of mine have moved companies, but actively wanted to keep the relationship with us and explore opportunities with their new employers – so that's a double win. These continuing relationships are a sign that the approach to negotiations taught by Oxford builds trust.

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