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BOOK REVIEW

The Art of Negotiation: How to Improvise Agreement in a Chaotic World by Michael Wheeler (2013). Simon & Schuster, NY, 303 pages. ISBN 978-1-4516-9042-2. List price \$26.00 (hardcover).

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In *The Art of Negotiation*, the author focuses on negotiation essentials, particularly in today's highly networked world. The need to be creative, patient, persistent, and proactive are key attributes of effective negotiators. In addition, the ability to improvise, adapt, and influence the other party are necessary to negotiate successfully. Doing business in a globalized economy where negotiators of different backgrounds interact with each other, the need to develop relationships, show respect, and build (or preserve) reputations are a must. The author points out that deal making is not just about dollars and cents but about relationships. Similarly, a lack of trust among the parties hinders creative problem solving. In fact, in many cultures, unless there is the presence of a relationship, negotiations are unlikely to take place. For instance, an Asian business executive is most likely interested in developing a relationship before negotiating a deal. Since negotiation is a dynamic and interpersonal process, understanding the other party and how to react is vital. In other words, negotiation is not about us alone; rather, it is an exchange of information, offers and counteroffers between one or more parties.

In chapter 3, the author states that the basic framework of BATNA (Best Alternative to a Negotiated Agreement) rests implicitly on static assumptions about interests, options, circumstances, and relationships. By

assuming a static BATNA, it fails to capture the real world of business particularly in a globalized economy. Applying BATNA is not only difficult but often impractical. Although it is important to know one's BATNA as well as that of the other party, it fails to take into account the dynamic nature of the negotiations. Therefore, both parties have to review and improve their respective BATNA as the negotiations progress toward closing.

Chapter 4 deals with developing a Plan B. After having set a provisional goal, negotiators have to consider the following key principles: envision the end game, make learning a priority, adapt when necessary, think how the other party could exploit your strategy, guard your exit option, and always be prepared to close.

With regard to emotional preparation (Chapter 5), the point is made that unless the emotional factor is taken into consideration, negotiators are not fully prepared. This is an aspect that is often overlooked, particularly when preparing for difficult, complex, or cross-cultural negotiations. Readers are provided with 6 questions to help them preparing themselves to be emotionally comfortable when negotiating.

Concerning communications, the author provides excellent advice when negotiators have to say no without ending the discussions. Generally, when a negotiator says no, it tends to break the flow of communication on a

negative note. The best way to avoid such situations is to ask questions to probe the underlying reasons for the refusal. It goes without saying that active listening is crucial when the other side is responding to your questions. In case a negotiator has to say no, it is preferable to have an alternative enabling the discussions to continue in a constructive manner.

Throughout the book, creativity is a recurring theme. The author states that negotiation is more than bluffing and trading but about creative problem solving. To create value requires openness on the part of the parties and their willingness to share information enabling the negotiators to expand the pie. As far as uncertainty is concerned, knowing how to manage it in a rapidly evolving and chaotic world is critical. Similarly, successful negotiators stress loss aversion to influence the other party. In general, people tend to give greater weight to what they might lose rather than what they might gain. Managing uncertainty calls for improvisation, flexibility, and an open mind among other things.

The book ends with an appendix consisting of a road map made up of 25 reasons classified into 5 categories, i.e., precepts, assertions, strategic principles, tactical points, and negotiation success to overcome chaos in negotiations. Most if not all the reasons mentioned refer to practical common sense. One of them concerns measuring the success of negotiations. Although it is difficult to measure the effectiveness of negotiations, it is a topic for which organizations and researchers have developed practical methodologies. By developing an organizational negotiating culture and capability including evaluation, firms gain a comparative advantage (Ertel,

1999). A 2009 benchmark study of the world's largest organizations by Huthwaite International & the International Association for Contract and Commercial Management showed that nearly 80% of the firms surveyed had no established procedures for evaluation. Moreover, nearly 3 out of 4 firms did not have negotiation planning tools. To improve the effectiveness of their negotiations, organizations are shifting to an institutional framework from the more traditional personalized and ad hoc approach (Movius, 2007, Movius & Susskind, 2009).

Finally, plenty of examples and exercises are provided to help the reader apply the various concepts, particularly those dealing with ethics. Overall, *The Art of Negotiation* is an excellent primer for business executives wanting to advance their negotiation skills. By being creative, flexible and ready to improvise, negotiators improve their readiness to negotiate business deals in a chaotic world.

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