



Scotwork®

since 1975

**The
Scotwork
Negotiating
Capability
Survey**

A Report of Findings

Scotwork International

scotwork.com

Introduction

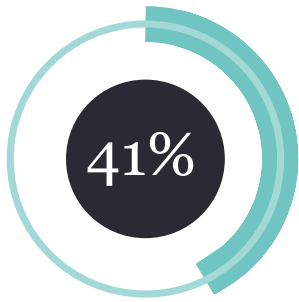
Negotiation happens every day. It transcends most parts of business and has a material impact on an organisation's top and bottom lines. From buying and selling businesses and products, to negotiating the management of property portfolios and exchanging ideas on human resources, businesses all over the world are frequently trading with external parties, and with one another.

During 2015, Scotwork developed a Negotiating Capability Survey to tackle the question: "How well do my people negotiate?". In 2018, in addition to the Negotiating Capability Survey, Scotwork developed a new tool: the Individual Negotiating Profile. This questionnaire identifies areas of negotiation where individuals preparing to attend a course consider themselves less confident. It now allows us to analyse a group of participants through the survey, as well as individuals using the profiling tool, and focus the guidance and coaching we provide during the course.

To date, we have surveyed 30,263 executives from 1106 companies covering 152 industry sectors and 70 countries. Around 29,000 individuals have completed the Negotiating Profile Questionnaire. We are now able to say that we have one of the most comprehensive sets of researched data on negotiators, including their perceptions of their capabilities, shortcomings, and understanding of the negotiating process. The purpose of this paper is to examine insights from both the Capability Survey and the Individual Negotiating Profile tool and to draw conclusions.

Negotiation outcomes rarely hinge on a single big moment, they're shaped by consistent habits and behaviors. When leaders have visibility into how their teams negotiate, they gain a practical roadmap to protect value, improve consistency, and reduce risk before it shows up in results. Below are a few common findings we see in typical negotiators—how do they stack up against your team?

Preparing to Negotiate



of the respondents indicated that they occasionally have no time for preparation

POOR PREPARATION LEADS TO



DEADLOCK

SUBOPTIMAL
OUTCOMES

FRUSTRATION

71%

Consider what is important to themselves before they start negotiating

62%

Always consider both parties' strengths and weaknesses

59%

Always define their desired outcome and work towards it

32%

Always know what questions they will need to ask when they meet the other party

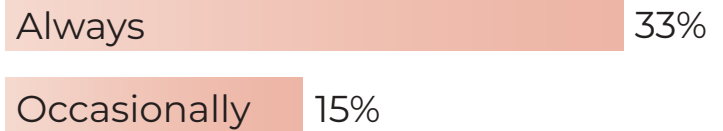
HOW TO PREPARE

- Consider what is important to you and the other party
- Consider both parties' strengths and weaknesses
- Define a desired outcome
- Prepare questions to fill gaps in knowledge

60%

of negotiators will at some time enter negotiation with no intention of making any form of concession

“I know what I am prepared to concede in advance”



“Those who are victorious plan effectively and change decisively. They are like a great river that maintains its course but adjusts its flow”

- Sun Tzu

LESSONS TO LEARN

- Do you have clear objectives?
- Are some of your objectives more important than others?
- What objectives is the other party likely to have?
- Have you prepared questions to fill the knowledge gaps you have identified?
- What is the other party likely to ask for from you?
- What concessions do you know you may be able to make?
- What would you want in return for making these concessions?
- Exactly what will you do if you can't get a deal?



Only 12% take time out if their strategy is not working



Only 18% have a fallback plan if they cannot get a deal

Arguing

Our survey indicates that many untrained negotiators spend most of their time doing this:

“At every opportunity I always or mostly strongly argue my own case”

66%

“If we have a difference of opinion I always reinforce my view harder”

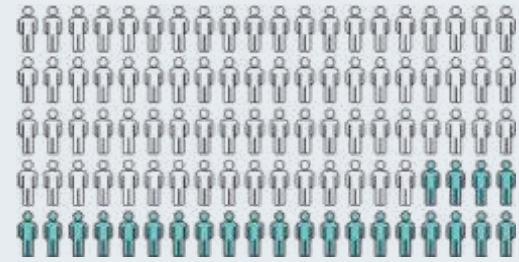
12%

“I always or mostly repeat my arguments if they don't agree with me”

43%

LESSONS TO LEARN

- Recognise what you don't know (the “known unknowns” as US Secretary of State, Donald Rumsfeld, once called them), be open about it, ask questions which will reduce the gaps in your knowledge
- Listen - not only is it important that you understand the answers but you may also identify some “unknown unknowns” as the same person called them
- Check that you have understood
- Test any assumptions you have made, and when they are proven incorrect, recognise that any approach, proposal, or tactic based on them may need to change. This is not weakness — it's simply common sense.
- By all means, use everything at your disposal to make your point — data, marketing statistics, previous experience, and many other tools can support your position. But when they don't work, you need to find another approach. Your own experience will tell you that raising your voice or pointing a finger will not magically change the other party's behaviour.



ONLY
24%
ESTABLISH
AT THE OUTSET
OF THE NEGOTIATION
WHAT THE OTHER
PARTY WANTS

Cost vs Value

“They want X – that’s easy, we can give them that one”



66% of the respondents will always or mostly base their concessions on cost to themselves

When you think about making a concession, you should always consider what value it represents to the other party rather than its cost to you

You must always remember that the cost of a concession to you does not necessarily (and in fact will rarely) determine the value which the other party is prepared to place on it

NEGOTIATORS ARE STUBBORN

Inflexibility is often a feature of negotiating behaviour:

37%

“I work out my proposals before the meeting and ensure I make them”

6%

“Taking a tough uncompromising position helps me to win”

LESSONS TO LEARN

Key signs of inflexibility:

- Preparing to argue rather than negotiate
- Failing to listen
- Working out everything beforehand and presenting it irrespective of new information
- Repeating our arguments in the forlorn hope that giving them a second airing will prove more persuasive than the first

Negotiation is about managing and facilitating movement towards an agreement

Negotiators Don't Trade

22%

Make tactically effective counterproposals

3%

Don't plan to make any concessions

20%

Trade to gain benefit

14%

try to keep lots of issues in play all the time

ONLY
18%

of untrained negotiators see negotiation as a trading process

ONLY
17%

will concede a demand if it is worth their while

ONLY
26%

make a counter-proposal that meets the other's needs

ONLY
15%

use wish list items creatively at the end of the process

LESSONS TO LEARN

- Both sides hold important views which they value and will not abandon gratuitously
- Seeking to understand what the other side wants, and how important it is to achieve what they want when we are in a position to grant it gives us power
- All negotiations involve concession making – bargaining is the management of this whereby concessions are traded not gifted
- We must all therefore recognise that resolving conflict by negotiating will always mean that we make concessions to achieve the outcome we want.

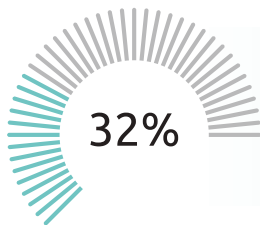
“OUR TASK AS NEGOTIATORS IS NOT TO SEE CONCESSIONS AS WEAKNESS, BUT TO PERCEIVE THE **POWER** THAT WE CAN LEVERAGE BY GETTING A **RETURN**”

Negotiators Think They Could Do Better

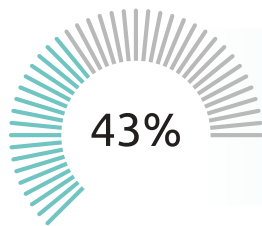
Only **41%** think their negotiating results always create long-term value for the business

ONLY **46%**

can always identify the **benefits** of the outcomes they negotiate



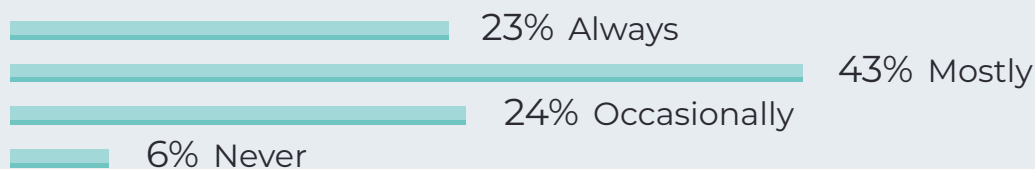
Think the relationship has been strengthened when they complete a negotiation



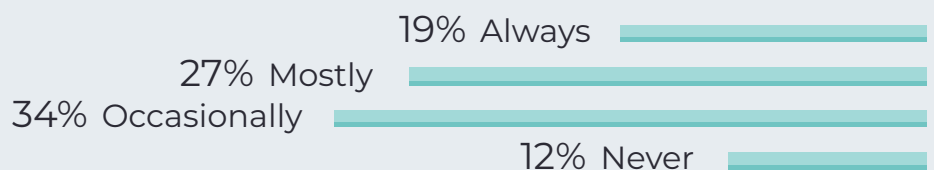
Think their negotiations always help to build lasting business relationships

A WORD ON EMPOWERMENT

“My boss delegates full responsibility for the negotiation to me”



“My boss requires me to refer any changes of plan to him/her”



Bosses often send people to meetings as delegates, not as negotiators empowered to make a deal

Areas of Confidence

We asked people who were attending our courses about the confidence they could build on, and where they needed more

Our research indicates that participants improve their confidence when they spend time with us

PEOPLE SEEM MORE CONFIDENT

- Prioritising objectives based on what can be achieved
- Exploring key issues to understand what is important to the other party
- Establishing a clear sequence of actions for next steps in implementation
- Knowing the scope and limits of my authority to negotiate
- Summarising proposals clearly to avoid any misunderstandings about expectations
- Understanding what others want and how much they want it
- Correcting any misunderstandings quickly and with tact
- Not making compromises to minimise conflict
- Not allowing my impatience to rush the closing elements of a negotiating process

PEOPLE SEEM LESS CONFIDENT

- Picking up on the meaning of behaviour
- Being conscientious in finalising all aspects of an agreed deal
- Identifying what I must avoid happening before I begin
- Dealing with demands by making confident trade-offs
- Being resolute when I know my position is weak
- Managing my bargaining to optimise the returns for any concession I may need to make
- Assessing the power balance between me and the other party in my planning
- Taking the time to review a negotiation with others to learn for the future
- Taking too long to provide a simple statement of my position
- Allowing the outcomes of a negotiation to drift rather than coordinate an action plan for implementation
- Assuming that colleagues will pick up the action planning for implementing the agreement deal

