



Six Steps to Negotiation Success: The A-6 Model for Negotiations

4

It is not enough to want, one must also do.
—Johann Wolfgang von Goethe (1749–1832)

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Summary

Negotiations must be analytical, systematically conceptualized, well-structured and result-oriented. One model that has been applied in practice and is successful is the A-6 concept by Prof. Dr. Marc Helmold (M.B.A.). Target groups are not only small and medium-sized enterprises (SME), but also multinational corporations. In particular, companies that enter into business relationships in an intercultural context benefit from the A-6 model. Numerous negotiation successes in the automotive and railway industries have demonstrated its practical relevance. The concept was developed due to the fact that usually not all employees of a department can experience the same external training for budget reasons. For this reason, Dr. Helmold, as a manager with various trainings in the field, developed his own model, which is now successfully applied in teaching or within his consulting work [Helmold. Erfolgreiche Verhandlungen und Best-in-Class Empfehlungen für den Verhandlungsdurchbruch. Manuskript und Workshopunterlagen im Master- und MBA-Studium (2018)].

4.1 Six Steps to Successful Negotiation

Negotiations must be analytical, systematically conceptualized, well-structured and result-oriented. One model that has been applied in practice and is successful is the A-6 concept by Prof. Dr. Marc Helmold (M.B.A.). Target groups are not only small and medium-sized enterprises (SME), but also multinational corporations. In particular, companies that enter into business relationships in the intercultural field derive benefits from the 6-A model (Helmold 2018). Numerous negotiation successes in the automotive and railway industries have illustrated its practical relevance. The concept emerged due to the fact that usually not all employees of a department can experience the same external training due to budget constraints. For this reason, Dr. Helmold developed his own model as a manager with various trainings in the field, which is now successfully applied in teaching, industry and within his consulting work (Helmold 2018).

Step 1 of every negotiation involves an analysis and description of the initial situation. This situation analysis has a significant impact on negotiation success, as numerous authors state (Helmold 2018; O'Brien 2016; Schraner 2018). The analysis within the A-6 concept should cover four crucial areas: 1. the negotiating partners, 2. the motives, 3. the scope of the negotiation, and 4. the minimum and maximum goals with priorities and weightings of the respective parties. As described earlier, for the transparent presentation of the analysis, the script/manuscript helps as a suitable preparation form Fig. 2.3. Step 2 focuses on the selection of appropriate strategies and tactics, followed by appropriate argumentation and sequencing of each argument in the negotiation in Step 3. Step 4 involves the actual

conduct of the negotiation. Finally, steps 5 and 6 follow with the successful defence against counter-arguments and the drafting of the contract.

► **In summary, the six steps of the A-6 negotiation model (Helmold 2018) are as follows:**

- A-1: Analysis of the negotiating partners and determination of the starting position
- A-2: Selection of appropriate strategies and tactics
- A-3: Structure and argumentation of the negotiations
- A-4: Conducting the negotiations (negotiation management)
- A-5: Defending against counter-arguments and fighting resistance
- A-6: Shaping the results of negotiations and respecting agreements

4.2 Step 1 (A-1): Analysis of the Negotiating Partners and Determination of the Starting Position

4.2.1 Assessment of the Initial Situation

The first step in any negotiation involves a careful assessment and description of the initial situation and must include four significant elements, as Fig. 4.1 shows. In addition to the analysis of the output situation and the typification of the negotiating partners into decision-makers and influencers, the motives and interests must be assessed. Furthermore, the scope of the negotiation and the target corridors of the respective parties must be defined.

The analysis raises different W questions to help guide and must be answered as part of Step A-1, such as:

- Who is my negotiating partner?
- Who is the decision maker?
- What is the intercultural background of my negotiating partner?
- Who influences the decision maker?
- Who can help me on the other side?
- What do I want to negotiate?
- What are the international peculiarities?
- What are my goals?
- What is my target corridor?
- What are the goals of my negotiating partner?
- What strategies does my negotiating partner use?
- When must a negotiated result or partial result exist?
- Where do I negotiate?
- Where does my negotiating partner want to negotiate?
- What are the intercultural pitfalls or idiosyncrasies?

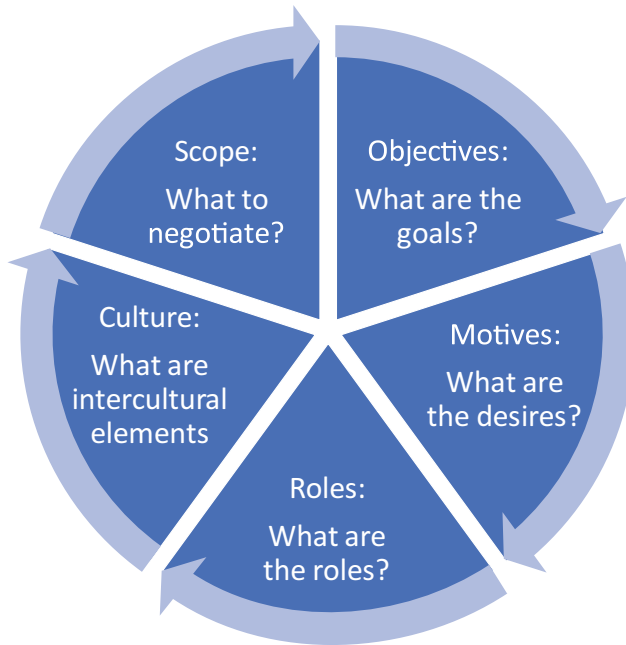


Fig. 4.1 Elements of analysis as the first step of negotiations. (Source: Marc Helmold's own representation)

4.2.2 Analysis of the Negotiating Partners

The first element of the situation analysis involves defining the individual roles and responsibilities of the negotiating partners (Helmold 2018). Negotiations in international business transactions are generally conducted with several people from a wide range of functions (Helmold 2018). Consultants, translators, other third parties or representatives from the public sectors may also be involved in the negotiations (Helmold 2018). In internationally operating companies, more than 15 people may be involved on one of the negotiating sides. For example, a project or sales manager mandates his employee to lead the negotiations and involves other stakeholders (Helmold 2018). In addition to the sales department, other departments are technically involved in the negotiations in this way: Engineering, Quality, Marketing, Finance, Methods, Production and Logistics. In addition, the end customer requires a specific upstream product from a supplier, so purchasing and the upstream supplier are also involved (Helmold 2018). Last, the contract and each draft must be reviewed by the legal department. This example shows that there are different groups in a negotiation. Groups are complex entities and more than just a collection of personalities. Rank dynamics, role allocation and responsibilities are elementary aspects in

a negotiation and require transparent evaluation and analysis (Helmold 2018). Chapter 10 goes into detail on the topic and specifics of interdisciplinary project negotiations Chap. 10. Looking at rank dynamics in psychology, according to Hofert, several questions arise (Hofert 2015): why does one person take the lead in each group? What formal or informal elements make the leader the leader? Why are there almost always critics or detractors in groups? For what reason do the masses like to follow one opinion?

The Austrian psychotherapist Raoul Schindler developed his rank dynamics model through observation in the 1950s (Hofert 2015). The added value of the rank concept lies in clarifying processes in groups for everyone. Those who recognize these dynamics can reflect on them as well as understand destructive tendencies such as marginalizing people and make others aware of them. The rank dynamics model is a positional model according to which the distribution of power in groups arises through dynamic processes. According to this model, there are five positions in each group, which do not always have to be occupied—but the larger the group, the more likely it is that all positions will be occupied (Hofert 2015).

4.2.2.1 Type: Alpha

The alpha is the leader and the decision maker in the group and in the negotiations. He or she has power through formal or informal influences such as rank, hierarchy, experience or his or her reputation within the group (Helmold 2018; Schraner 2009; Hofert 2015). The other members of the group have to follow him. Externally, he represents dominance and authority (Helmold 2018; Schraner 2009; Hofert 2015). Supervisors or experienced employees in leadership positions are often alphas because of their formal power. The alphas need the betas as supporters and foundation of their power. Betas therefore have a significant influence on decision makers. Alphas are usually clearly identifiable in a Westernized society through behavior, gestures, or seating arrangements. In other regions such as Asia (China, Japan or South Korea), this is not always immediately apparent (Helmold 2018).

4.2.2.2 Type: Beta

The beta is an expert or subject matter expert and influences the decision maker through his expertise. He or she supports the leader of the group (alpha) and helps him or her stay in his or her position (Helmold 2018; Schraner 2009; Hofert 2015). Buyers or sellers are often betas, as they usually do not have the final mandate to close the negotiations. Predominantly, they also do not have final budget responsibility or decision-making power, so betas use their influence with the alpha (Helmold 2018; Schraner 2009; Hofert 2015). The beta is a significant influencer of the decision maker. In any negotiation, there are multiple influencers that need to be evaluated within the analysis in terms of influencing factors (rank, relationship, and position with the alpha) and expertise (what expertise does the beta possess?). In the international context, betas often have a special relationship with the

decision maker, based on elements such as family or group affiliation (descent from the same country, affiliation with a university).

4.2.2.3 Type: Gamma

Gamma people are part of the group but do not have much influence. They are clerks or administrative staff members who are expected to assist in negotiations, often by taking minutes or providing information (Helmold 2018; Schraner 2009; Hofert 2015). The group member likes to be guided by the alpha or beta. There can be multiple gammas. Gammas are usually the “low-level” clerks or assistants who work for the beta and alpha (Helmold 2018).

4.2.2.4 Type: Omega

The omega person of a group is the counterpart who wants to become alpha or maybe even was or is intentionally kept in his position by the alpha because he is a possible competitor (Helmold 2018; Schraner 2009; Hofert 2015). Sometimes the omega also becomes a scapegoat or even a pawn when he is pushed out of the team (Hofert 2015). He can play an important role in one’s own negotiation, as he has information that can be of interest for one’s own negotiation analysis (Helmold 2018).

The term “**alpha**” or “**alpha human**” is used in negotiation psychology as an animal metaphor for assertive, **dominant, and authoritarian people** in leadership situations to characterize position and habitus within a group or movement (Hofert 2015). Alpha people are formal (through rank and hierarchy) or informal (through recognition in the group) leaders. In this book, alpha is referred to “masculine” (the alpha), as are the other three types beta, gamma, and omega.

The alpha needs the beta as a supporter, so the alpha as decision maker usually treats the beta as an ally positively. The alpha is functionally usually the manager or department head. It might take power itself if the good of the group or the achievement of the goal is in danger. In negotiations, the alphas and betas must be identified within the analysis phase (Helmold 2018). Argumentation Sect. 4.4 and negotiation Sect. 4.5 need to be designed with these two groups in mind to achieve the final negotiation success (Helmold 2018). In addition to decision makers (alpha) and influencers (beta), gamma people are involved as part of the negotiation group. This group has no power, formal or informal, nor can they significantly influence the decision maker. Therefore, it is advisable to treat gammas with respect but not to pay special attention to them (Helmold 2018). Often, the boundaries of assignment to betas and gammas are fluid, so a clear identification must take place within the situational analysis of person typologies. (Helmold 2018). In the international context, friends, spouses as well as family members can play a more important role due to the personal proximity to the decision maker, so caution is required here (Helmold 2018). The omega, on the other hand, is a perceived adversary or competitor and usually appears as an internal critic, nagger or lateral thinker. He has experience, often recognizes early on where difficulties may arise, and can serve as a source of information (Helmold 2018). From his experience, Schraner recommends the establishment and permanent maintenance of a

Role in negotiation			How to approach...
Decision maker	Alpha	α	Decision maker and/or budget owner
Influencer	Beta	β	Influencer
Co-Worker	Gamma	γ	Clerk or administrative staff
Informants V-Mann	Kappa	κ	Informant, who provides information
Critic	Omega	ω	Wants be alpha, Scape goat

Fig. 4.2 Distinction and typology of personalities in negotiations. (Source: Own representation Marc Helmold and Helmold 2018)

network of so-called double agents who provide one's own negotiating side with valuable information that is useful for the negotiations (Schraner 2009). Since the omega has and represents his own point of view, he can also become or even aims to become an alpha (Hofert 2015). Far-sighted alphas integrate him and grant him a special role (Hofert 2015) (Fig. 4.2).

4.2.3 Special Features of Alpha Types

Alpha people have the formal power to concede or make concessions to demands in negotiations, so the focus in negotiation must be on this type (Helmold 2018). In negotiations, there are few decision makers, usually only one, so one's strategies and tactics must be geared towards the alpha (Helmold 2018). In identifying and determining the negotiation responsibilities and types of the other party, the following elements according to Hofert are helpful (Hofert 2015).

Alpha people are usually very self-confident, extroverted and show this to their environment. Self-confidence or extroversion is predominantly underlined by an appropriate appearance (behaviour, clothing, articulation). They are convinced that they are ready and capable for extraordinary achievements. This is also articulated in their body language, for example their upright posture and firm handshake. And in the way they look their conversation partners confidently in the eye. Their spoken language corresponds to this. It is not insecure, but confident (Hofert 2015). Alpha people speak a clear language and are extremely performance- and result-oriented. They often prefer short and concise sentences with a clear message ("We will . . ."; "We should . . ."; "I am of the opinion that . . .").

Alpha people can motivate themselves and want to make a difference. Due to their function as decision-makers, alpha people usually have little time to prepare for

Table 4.1 Special features of alpha people

Alpha people are empowered to make decisions and have power
Alpha people are usually very self-confident and extroverted
Alpha people want to make a difference
Alpha people take responsibility
Alpha humans mark their territory
Alpha people use (body) language as an instrument
Alpha people take a stand

negotiations and therefore use information from influencers, i.e. beta people (Helmold 2018). This can be a connecting factor for their own argumentation and thus their own negotiation success Sect. 4.3. Alpha people want to make a difference and achieve goals that they want to realize. Accordingly, they have a lot of energy and radiate it in negotiations (Hofert 2015).

Alpha people take a position on the basis of their position of power, so that comments and statements must be carefully analysed in order to respond to the respective statements with targeted reactions (Helmold 2018). They take responsibility and are people of action. They are not afraid to take responsibility even when a decision or task is risky (Helmold 2018). Alpha people use (body) language as an instrument and mark their territory (Hofert 2015).

Table 4.1 summarises the characteristics of alpha people. In the context of Sect. 4.3, suitable recommendations for action are given on how to take the characteristics of alpha people into account appropriately and wisely in one's own negotiation management in order to achieve the ultimate negotiation success (Helmold 2018).

4.2.4 Type: Kappa—Establishment and Use of Informants

Informants (German: V-Mann) in negotiations are persons who pass on special knowledge or information to us as part of our preparations for negotiations. Information in this context means legal aspects such as state of mind, strategies or negotiating positions. Not meant are trade secrets or strictly confidential data protected by property rights (Helmold 2018). As a German synonym, the term “V-Mann” is used in this negotiator. Informants or V-men have to be specifically built up and promoted, mostly they remain in the background. Informants in negotiations are not used to reveal secrets, but to reveal insider information, moods, opinions, goals and negotiation strategies of the other side. The term V-Mann (double agent, whistleblower) has a rather negative connotation in politics, but in negotiations of business partners it is a legitimate and suitable tool, as Helmold or Schraner recommend (Helmold 2018; Schraner 2009). Suitable informants are omega or beta people Sect. 4.2.2 who have detailed knowledge on the other side (Helmold 2018). Both sides are suitable, with omega people usually having more detailed knowledge and

beta people often having more influence on the decision maker (Helmold 2018). Of course, the other side will also try to build an informant network on their own negotiating side (Helmold 2018). In this case, it is worthwhile to let the other side believe that there are informants in one's own ranks, providing the other side with selected information that is helpful for one's own success (Helmold 2018). Figure 4.3 shows the graphical representation of V-men on the opposing side of the negotiation who provide us with useful information (Helmold 2018).

Informants are very popular in Asian countries such as China, Taiwan, Japan or South Korea (Helmold 2018). The informant can be the secretary, the buyer, the salesperson or the clerk. It is important when building up informants that they stand in front of the decision makers as winners and are regularly mentioned in a positive way (Helmold 2018). The "positive recall effect" will cause the decision maker (alpha) to be sympathetic to the informant (usually beta or gamma) and show it. There is even the possibility that a gamma informant will grow into a beta informant by gaining the trust of the alpha (Helmold 2018).

4.2.5 Determine Negotiation Leeway with Minimum and Maximum Targets: QKLT Plus Alpha Methodology

4.2.5.1 QKLT Plus Alpha Methodology

In addition to the typification of the persons on the negotiating counterparty, an assessment of the negotiating scope and objectives in phase A-1 is of central importance (Helmold 2018). A suitable model is the systematic identification of the negotiation scope and the transparent determination of demands according to the QKLT plus alpha concept (quality, costs, logistics, technology and all other aspects). Targets must always include a corridor, i.e. lie within a minimum demand and a maximum demand (Helmold 2018). Almost all known negotiation concepts suggest target corridors instead of static targets (Helmold 2010, 2018; Schraner 2009).

The authors Helmold, Dathe and Hummel recommend listing and prioritizing the possible elements with the minimum and maximum requirements in the respective relevant categories (least desired outcome = minimum objective; most desired outcome = maximum objective). These should be made transparent within the script/manuscript Fig. 2.3. Finally, all objectives should be quantified monetarily in terms of income or expenditure in order to take into account all the advantages and disadvantages of options for action using the total cost of ownership method (Helmold 2010). Numerous companies make the mistake of focusing only on unit price and any one-time costs in negotiations. Better quality performance can also result in significant savings in process costs due to fewer complaints or warranty processing (Helmold 2010).

Figure 4.4 shows the QKLT plus alpha categories as a starting point for identifying bargaining positions (Helmold 2010, 2018).

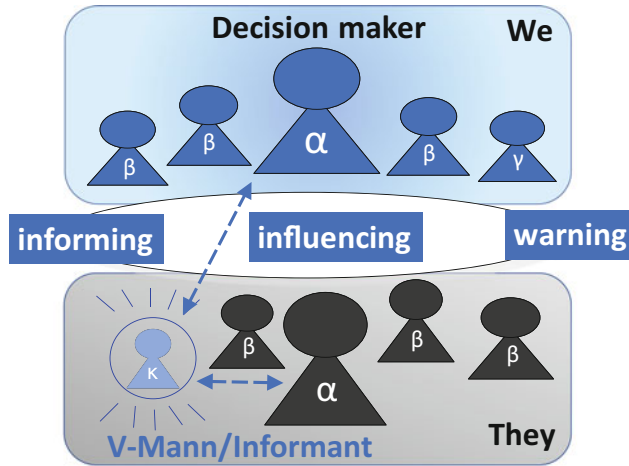


Fig. 4.3 Structure and use of informants (V-Mann). (Source: Marc Helmold’s own representation)

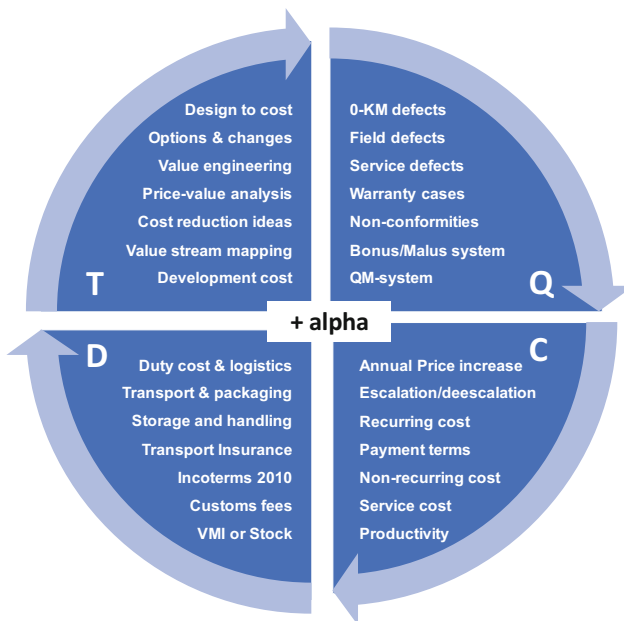


Fig. 4.4 Negotiation scope QKLT plus alpha. (Source: Marc Helmold’s own representation)

4.2.5.2 Quality Objectives (Q)

Quality objectives are often neglected in negotiations in terms of monetary valuation. These can be quantified relatively easily and must be clearly regulated in contracts

(Helmold 2010). For example, every part that is delivered defective entails a monetary cost for the customer. In addition to the actual costs for the part, failure and complaint costs are incurred (Helmold 2010). In terms of quality aspects, a distinction is usually made between delivery quality and quality in the field or at the customer's premises within the scope of the warranty.

Delivery Quality

Delivery quality is the qualitative condition according to the agreed specification of the goods upon delivery (Helmold 2010). By law, the buyer (customer) is obliged to randomly check the delivery quality upon receipt of the goods. The seller must manufacture and deliver the goods in accordance with agreed performance characteristics, unless otherwise agreed (Helmold 2010).

Field Failures

Field quality is the level of quality in the field, i.e. in operation at the customer's site. Companies usually measure this on the basis of agreed performance characteristics or legal warranty claims (Helmold 2010).

Complaints

Complaints (non-conforming goods or NCG) involve the planning, execution and monitoring of all actions that a company must take and initiate regarding missing performance characteristics and the replacement of the goods.

Non-conformities or Defects

They include the number of bad parts in relation to all parts and goods delivered.

Contractual Penalties

Contractual penalties are monetary penalties and can be incurred due to late deliveries. Similarly, penalties can be agreed for a lower quality level or quantity delivered (Helmold and Terry 2016).

Bonus or Malus

A bonus (Latin: good) includes incentives for high-quality execution and delivery, while malus includes negative incentives (Latin: bad).

Quality Management Systems

A quality management system includes external certification by authorized certifiers (e.g. Technical Inspection Agency, TÜV). Many new customers insist on this certification (e.g. DIN EN ISO 9001:2015) for their suppliers, which can cause costs in the higher six-figure range.

4.2.5.3 Cost Objectives (K)

Cost targets include all expenses that are necessary for the procurement of goods and services (Helmold and Terry 2016). In addition to direct procurement costs (unit price), there are indirect expenses (qualification, construction of a machine) that are closely linked to procurement.

Price Increases

Price increases or escalations are periodic (often annual) cost increases by the manufacturer. Most often, these are justified by inflation and higher operating costs over the life of the project. Price increases can be dismissed by the customer with the manufacturer's and supplier's commitment to productivity improvements as part of a continuous improvement process (Helmold 2010).

Unit Costs

Unit costs are the costs per component (recurring cost or piece price). Unit costs are recurring per delivered part. The number of ordered parts multiplied by the piece price results in the procurement volume (material spend).

One-Off Costs

Non-recurring costs are costs and expenses for development, machines or innovations that are incurred only once and basically at the beginning of the project and represent investments that entail capitalization of fixed assets (Helmold 2010).

Service Costs

Costs for operation or within the agreed warranty period are service costs. In complex projects, this share can account for up to 50 % of the total project costs (Helmold 2010).

Productivity

Productivity includes improvements in cost structures through a continuous improvement process and the implementation of lean practices. Productivity improvements can account for a monetary improvement of more than 30 % to 40 % in three years, as studies show (Helmold 2010).

Terms of Payment

A payment target as a contractual condition is the agreed time of payment for the delivery of goods and services. The payment term has a direct impact on the liquidity (cash flow) of the company. Very good companies have very short payment terms with their customers (payment on delivery) and longer terms with suppliers, e.g. 60 days (Helmold and Terry 2016).

4.2.5.4 Logistics Objectives (L)

Logistics components can account for more than 40 % of the unit price of goods deliveries, especially in international trade (Helmold and Terry 2016). Germany has been the world's export champion for several years and reported a significant trade surplus in 2017 (Statistisches Bundesamt 2018). Transport, packaging and customs clearance must therefore be taken into account in negotiations. In addition, logistics concepts exist to ensure delivery performance, e.g. vendor managed inventory (VMI), where suppliers are responsible for inventory management (Helmold and Terry 2016).

Packing

This includes the costs for the packaging of the goods. Packaging primarily serves to protect the goods from damage, but also has other functions.

Transport and Logistics Costs

These include the costs of packaging, transport, storage and customs clearance.

Logistics Concepts

Customers expect high delivery reliability and usually have delivery concepts such as just-in-time (JIT). This delivery flexibility will also have an impact on the cost structure (Helmold 2010).

4.2.5.5 Technical Objectives (T)

Much of the negotiating mass is negotiated at a very early stage. At this stage, it is important to take into account technical elements that have a direct impact on the budget and costs.

Development Services

This includes the commissioning of external companies for the complete or partial development of products with the customer's performance features.

Technical Changes

In most cases, engineering changes entail cost increases that have to be negotiated. Usually, the discussions take place between the engineer or technician and an experienced sales manager. In this context, it is advisable to also train technicians and engineers through sustainable training.

Design-to-Cost

Design-to-cost is the complete or partial commissioning of external companies for the development of a component within the framework of a set budget and target price.

Table 4.2 Recommendations for step A-1: analysis phase

Detailed analysis of the negotiating counterparty and one's own position through W-questions
Determining the motives and interests of the other side
Identification of decision makers and influencers (alpha and beta)
Determination of the scope for negotiation according to QKLT plus alpha
Monetary quantification of all negotiating positions
Establishment of an informal and formal informant system
Determination of maximum and minimum targets
Consideration of intercultural aspects

Source: own representation Marc Helmold (2018)

Ideas for Cost Reduction or Improvement

During negotiations it is advisable to include future ideas for product improvement or cost reduction (Helmold 2010).

4.2.5.6 Alpha Targets (α)

Alpha goals are all goals that are not included in the first four categories. Alpha goals can include ethical, innovation or human resources goals. As part of this category, sustainability goals in the area of environment, human rights, working conditions or similar should be mandatorily included.

In summary, in phase A-1 a detailed analysis of the other party and one's own position must be carried out by means of W-questions. In addition, decision-makers and influencers (alpha and beta) of the opposing side must be determined, as these types represent decisive persons for the negotiation breakthrough. Finally, the individual negotiation objectives and sub-objectives are determined, ideally with the establishment of an informant system on the other side (Helmold 2018) (Table 4.2).

4.3 Step 2 (A-2): Selection of Appropriate Strategies and Tactics

4.3.1 Situational and Agile Use of Appropriate Strategies and Tactics

After the analysis and determination of the starting position, strategies and tactics in phase A-2 are the most important means to achieve one's own negotiation goals. The analysis (A-1 Sect. 4.2) and strategies and tactics (A-2) form the basis for building the argument Sect. 4.4 and negotiation Sect. 4.5 in steps A-3 and A-4 (Helmold 2018). In the context of negotiations, strategic and tactical behaviour means concentrating and focusing one's own potential in such a way that one is superior to the negotiating partner in certain respects and thus achieves success in the negotiation. The appropriate negotiation strategies are selected in advance and include an assessment of one's own negotiation motives and goals (Helmold 2018). Strategy selection is then followed by tactical implementation. In addition

to the right strategy, tactics are key in negotiation. Tactics are the activities and means of deployment, often including psychological means, used in negotiations to achieve strategic goals (Helmold 2018). Strategic tactics are based on the ignorance of the other party and leads to a concentration of appropriate means for ultimate negotiation success (Helmold 2018). A negotiation strategy is the basis for the step of conducting negotiations and must never be revealed. A strategy always has a longer term focus on how to achieve one's negotiation success (Helmold 2018). Negotiations are conducted by people and hence are always dynamic. Therefore, negotiation patterns and strategies cannot be used statically, but must be used situationally and flexibly depending on the context and frame of reference of the negotiations (Helmold 2018). Contrary to the recommendation of Helmold (Helmold 2018) or Schraner (Schraner 2009) not to disclose strategies, Fisher and Ury propagate disclosure in the Harvard concept in order to be on the same issue level with the negotiation opponent (Fisher and Ury 1981) Sect. 2.2. From a practical point of view, however, strategies and tactics must not be made transparent so as not to give the negotiating partner an advantage in the negotiations and thus not to diminish the negotiation outcome in the long term (Helmold 2018).

According to various authors, negotiation strategies are divided into five categories: Compromise, Pressure, Collaborate, Evade, or Concede (Helmold 2018; Obrien 2016; Schraner 2009). Each strategy has an impact on negotiations, so strategies must be used in a systematic and planned way. Strategies must also be applied in an agile, flexible and dynamic manner (Helmold 2018; Obrien 2016). Figure 4.5 shows strategy recommendations in terms of value and speed of the negotiation outcome, as well as the value of the relationship and the long-term nature of the relationship.

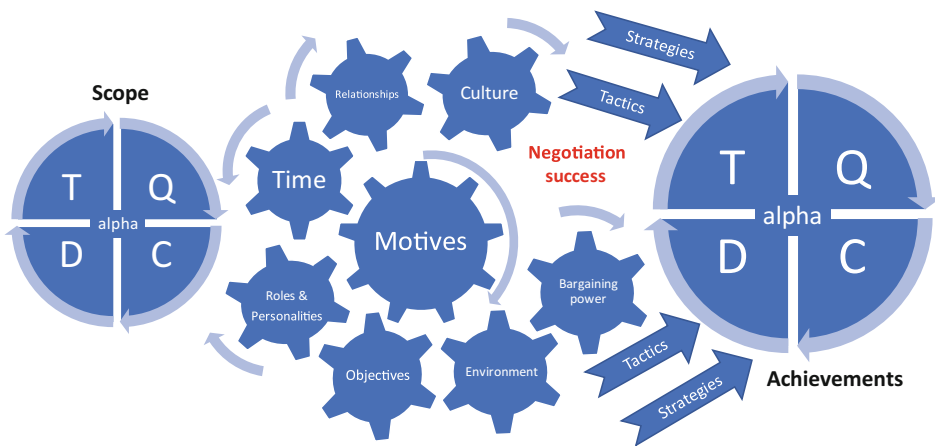


Fig. 4.5 Negotiation strategies in negotiations and the influence on relationship and outcome. (Source: Marc Helmold's own representation)

4.3.2 Strategies in Negotiations

4.3.2.1 Exerting Pressure

Exerting pressure (competitive negotiation; English: pressurize) can lead to the goal in negotiations if it is visible that the negotiating partner only has a limited amount of time or limited alternative actions available for his negotiation outcome (Helmold 2018). One's own time limits (English: deadline) can also lead to a strategy that is competitive. Alpha people in particular prefer a strategy in which they like to show their power. This power is often shown by exerting pressure. So-called warnings or deadlines are most often used as part of this strategy. Pressure usually involves counter-pressure and should only be used selectively in negotiations (Helmold 2018). Moreover, pressure can only be used effectively when negotiating from an appropriate position of power (Helmold 2018). In a cross-cultural context, there should be a thorough assessment of the extent to which competitive negotiation can be used (Helmold 2018). Especially in Asian countries such as the People's Republic of China or Japan, too much pressure can lead to a loss of face on the part of the other side and thus to the immediate termination of negotiations (Helmold 2018). Pressure should therefore always be used in good doses and with foresight in terms of strategic orientation (Helmold 2018). Chapter 7 describes country examples in which it must be assumed that negotiations tend to be competitive, and other examples in which overly competitive negotiations lead to failure Chap. 7.

Phrases for exerting pressure include:

- “Your offer does not fit my expectations, we expect an immediate correction!”
- “Your price is not justified, so I expect a ten percent reduction!”
- “I’ll give you until eight o’clock tomorrow, otherwise I’ll take the job elsewhere!”
- “Either we agree on Proposal A or Proposal B, otherwise I’m afraid we won’t come to an agreement.”

4.3.2.2 Collaboration

Collaboration means working together and cooperating on the basis of trust. Collaboration as a negotiation strategy is recommended for long-term negotiating partners who are trusted (Helmold 2018). A negotiation outcome based on trust of both parties should of course always be strived for, but from the author's point of view it requires a relationship that has been established beforehand. In business initiation, an overly personal and collaborative approach should be taken with caution (Helmold 2018). In practice, collaboration can be implemented with a framework or long-term agreement in which the cooperation elements are clearly regulated (see Sect. 4.7.1).

Examples of phrases for collaborative strategies are:

- “To further strengthen our relationship, I make the following proposal XXX.”
- “Why don’t we cooperate as follows?”
- “In the long run, both partners will benefit if we cooperate in this aspect.”
- “Collaboration has the following benefits for both parties.”

4.3.2.3 Evasion

Evasion can be a useful variant within negotiation strategies if one is not fully prepared in the respective sub-area or cannot make a decision, as decision-makers from one's own ranks may still have to be consulted (Helmold 2018). Evasion as a strategy can also be used to put the negotiating partner under time pressure and play for time. Especially in multinational corporations, buyers and sellers are usually under time pressure to achieve a negotiated outcome, which means that dodging and playing for time can be an appropriate strategy when it is clear on the other side that the negotiating parties want to make a deal with each other. In an international context, evasion may also involve actions to move the negotiating partner away from the negotiating table, for example by inviting them to dinner or other occasions. Even with competitive negotiating adversaries, it is advisable to evade and avoid the negotiating partner using these tactics and supposed agreement (Helmold 2018). Time pressure, a flight to catch or other important appointments are usually signals of evasion.

Figures of speech can look like this:

- “Shall we discuss the subject at the next hearing?”
- “Why don't we discuss this next time?”
- “I have other important appointments.”
- “We can't discuss that topic because I'm pressed for time.”
- “I would like to negotiate this at another time as I don't want to miss my plane/train.”

4.3.2.4 Yielding

Giving in needs to be practiced. People, especially those with formal or informal power, tend not to want to give in, as Helmold describes from his experience in industry (Helmold 2018). Giving in and making concessions, that is, giving negotiating power and negotiating elements to the negotiating partner, must be practiced in advance. In particular, as part of the script/manuscript in the negotiation strategy, it must be clearly defined which elements can be given up to the negotiating partner in order to achieve a better result for oneself. Especially in international negotiations, a key strategy for success is to make concessions at the point where the negotiating counterparty's greatest interests lie (Helmold 2018). A concession should include a quid pro quo, which could look like this:

- “I understand your reasoning and agree with you.”
- “I would be happy to agree to your request, but would expect XXX in return.”
- “Your suggestion sounds good, against that I would like to make the following suggestion.”
- “I am very happy to accommodate you, but I expect equally concessions on XXX.”

4.3.2.5 Making Compromises

A compromise will only be successfully negotiated if both negotiating partners know each other and behave fairly (Helmold 2018). With long-standing negotiating partners, this

strategy is effective. In contrast, with new negotiating partners, one should closely observe the strategies of the other side and negotiate situationally (Helmold 2018). With longstanding partnerships, both sides will work towards an amicable solution to preserve the relationship.

In compromise, the law of reciprocity, reciprocity, is central, for example with the following statements:

- “For further cooperation, I propose the following compromise!”
- “Here’s what the negotiated outcome has in common for us!”
- “To further cement our relationship, I make the following proposal: XXX.”

4.3.3 Tactics in Negotiations

4.3.3.1 Useful Tactics for Practice

Those who want to achieve their goals in negotiations should not rely solely on their experience and arguments (Helmold 2018). In addition to having the right strategy, tactics are key in negotiation (Helmold 2018). Tactics are the means, often psychological, used to achieve the strategic objectives. They involve operational measures to successfully implement the previously selected negotiation strategies (Helmold 2018). Useful tactics from a practical perspective are presented in Table 4.3.

4.3.3.2 Bad Cop, Good Cop

The tactic “bad cop, good cop” originates from police interrogation in the United States of America (Schraner 2009). The tactic originating from the FBI (Federal Bureau of Investigation) has one or more good and one or more bad cops approaching the negotiating partner. The “bad cop” is designed to intimidate or alienate the negotiating partner with demands that are usually too high, overt as well as intended direct attacks and demands. In

Table 4.3 Suitable tactics from a practical point of view

No.	Tactics	Brief description in the context of business negotiations
1.	Bad cop, good cop	The good and the bad buyer or seller
2.	Fixing of a time limit	Setting a “Deadline”
3.	Mirroring the negotiating partner	Show empathy
4.	Appeal to a higher authority	My boss says that . . .
5.	Determination of the seating arrangement	Irritating the opposition
6.	Pointing out visions	Appeal to the relationship and long-term
7.	Hugs and flattery	Gifts and compliments
8.	Play for time	Tactics of small steps

Own representation based on Helmold (2018)

some cases, the “bad cop” also issues threats or warnings. The goal of the “bad cop” is to put the negotiating partner under stress. This is the starting point for the “good cop” who now approaches the negotiating partner in an understanding, supportive and cooperative manner in order to build an emotional connection. By offering supposed concessions, which have been previously agreed upon with the “bad cop”, the good cop now tries to convince the negotiating partner of a negotiation result which corresponds to his own target corridor. In informal meetings, the negotiating partner is often shown understanding and concessions are made that are not actually concessions (Helmold 2018).

By alternating between provocation, pressure, understanding and empathy, the negotiating partner is to be made to respond to certain negotiating positions and to make concessions himself. The “bad cop” puts the negotiating partner in an emotionally agitated state, the “good cop” offers him the concessions as a way out of a threatening situation. The technique can be quickly detected by trained individuals, so this tactic should be used with caution. On the other hand, this technique can be used from a negotiating position that emphasizes power. For example, a purchasing manager can be the “bad cop” who puts the supplier under stress by making very high or excessive demands. In parallel, he suggests to the supplier that there are several alternative courses of action (competitors and rivals) (Helmold 2018). The buyer who is in regular contact with the supplier and shows understanding for the supplier’s concerns and needs within the framework of his relationship is now suitable as a “good policeman”. This usually results in a concession from the seller that lies within the target corridor (agreed in advance between the “bad cop”, the superior purchasing manager, and the “good cop”, the buyer) (Helmold 2018).

4.3.3.3 Setting a Time Limit

Managers who negotiate under time pressure are usually exposed to stress and will make concessions. In a real case in China, the vice president of the purchasing department of a multinational corporation met his Chinese negotiating partner in Beijing (Helmold 2018). It was clear that the purchasing manager would leave after three days, pushing for a quick outcome to the negotiations. However, the Chinese supplier was not impressed. On arrival, the supplier had invited the vice president to dinner as a customer in keeping with his status, and then showed him local sights. The next day and the day after were also packed with activities such as company tours, karaoke events, dinner together or theatre events, so that the actual negotiations were concentrated on the day of departure and put the purchasing manager under time pressure. In this case, the supplier knew the customer’s time constraints and was able to extract concessions that way. Time provisions and deadlines can be successful tactics in negotiations because they usually put the negotiator under stress and pressure. Deadlines need to be communicated convincingly, briefly and directly so that the negotiating partner responds. Time limits should not be used too often, otherwise they lose their effect. Deadlines in negotiations are often linked to direct success or failure if an ultimatum is associated with them (English: take it or leave it) (Helmold 2018).

4.3.3.4 Mirroring the Negotiating Partner

Mirroring is an easy but effective technique in negotiations and conflicts. Mirroring is closely related to active listening and is a special negotiation technique. Mirroring can be done by active and analytical listening not only to the language but also to the body language of the negotiating partner. Mirroring means imitating and following the speech or facial expressions of the negotiating partner. Mirroring must not be carried out with emotionally or aggressively acting negotiating partners, as conflicts would escalate here. In negotiations, body language and content can be mirrored (Gramm 2015; Helmold 2018). Body language mirroring is the use of the same or similar gestures and behavior patterns (Helmold 2018). If the opposing negotiator crosses their arms, the other side does the same; if the opposing side opens their arms, this posture is also mirrored and imitated. It is also possible to mirror someone through language, through the speed and pitch of the voice, but also through the content, by first repeating the sentences of the negotiating partner and then responding to his or her demands (Gramm 2015; Helmold 2018). Mirroring makes the negotiator feel comfortable in the conversation and sees him/herself in tune with the other side. What is suggested when mirroring is “we are on the same wavelength”. The other side is open to compromise and concession in this situation. You can also mirror someone linguistically by adjusting the level of language. In a company, you will find very different levels of language and communication styles, depending on whether you are in an executive meeting, in the lounge, in the marketing department or with the workers on the shop floor. Former Porsche CEO Wiedeking was a master at moving between worlds. After a board meeting, he would take off his jacket and tie, roll up his shirtsleeves, and head to the production floor, where he would talk to the men there in a casual, down-to-earth way. The workers felt they were on equal footing with their boss and thought to themselves, “You can talk to him.” Wiedeking managed to communicate at the highest level of business while keeping in touch with the grassroots (Gramm 2015).

4.3.3.5 Appeal to a Higher Instance

The tactic “appeal to a higher authority” is characterised by the fact that one appeals to a higher authority in negotiations, for example to the management or the superior. In this tactic, maximum demands are made in the direction of the negotiating opponent under the assumption that these are demanded by the higher authority. In most cases, the negotiating opponent will agree to the demands because they do not want to negotiate directly with the supervisor or management. Furthermore, the opposing party will not question the corporate goals demanded by management.

4.3.3.6 Determination of the Seating Arrangement

The seating arrangement of the negotiating participants has an important influence on the climate and course of the negotiation. The possibilities of symmetrical, asymmetrical or chaotic seating arrangements are described in detail in Sect. 4.5.2 and include suitable tactics that are not yet used in Western cultures as they are in Asia or Arab countries, for example (Helmold 2018). Negotiators in Japan or the People’s Republic of China often

spend ten percent of the preparation time determining the appropriate seating arrangement and environment (Helmold 2018). The seating arrangement is often subject to certain stereotypes in the Central European or Western-influenced cultural area. Mostly, this is oriented towards two basic patterns: Both sides sit frontally opposite each other and the decision-makers position themselves in the middle in each case Sect. 4.5.2. This positioning is generally conveyed as the optimum in negotiation schools. When both sides sit opposite each other, this emphasises the respective fronts and the key players sit to the right or left of the negotiator. One recommendation, particularly applied in Asia, is to break up the system, have the decision maker sit on the outside if necessary, and do so temporarily and dynamically (Helmold 2018). In this way, the decision-maker can take stock of the situation in peace and quiet, as if from a grandstand, and receive feedback from the team. Furthermore, it allows him to assess moods of the opposing side and to break down resistance in a targeted manner (Helmold 2018). If it is recognized that the decision maker has taken the seating arrangement contrary to the stereotypical structure, this can also lead to irritation and stress on the opposite side of the negotiation. This circumstance can be used to gain concessions (Helmold 2018). It is also conceivable to specifically leave a place free for the key decision-makers so that they can be consulted in the event of escalations (Helmold 2018).

4.3.3.7 Identifying Visions

Shared visions also form an elementary tactic in negotiations (Helmold 2018). From a practical point of view, a long-term relationship and partnership makes sense in the most common business relationships, as projects usually extend over a longer period of time and can be linked to follow-up orders (Helmold 2018). In particular, where substitution of suppliers or customers is lengthy and involves high costs, negotiations should aim at a long-term commitment and partnership (Helmold 2018). Letters of intent or longer-term framework agreements can be used as an ideal tool here, even without an indefinite commitment and complete dependence of the negotiating partner.

4.3.3.8 Hugs and Flattery

In order to make the other party to the negotiation appear more sympathetic, a tactic known as “hugs and cajoling” is used (N.N. 2014). This tactic is used to make the other party appear sympathetic. Hugs and flattery can be done in verbal and physical ways. If we as negotiators are praised as “competent, professional and experienced”, this is referred to as verbal hugging, whereas physical hugs are associated with gifts or favours.

4.3.3.9 Playing for Time

A tactic often used in Asian and Arab countries is negotiation in small steps and rapprochement (Helmold 2018). In practice, this can go so far that several years can pass between the initiation and the conclusion of the deal. This tactic can be used deliberately when negotiating large negotiation packages and working through them sequentially through partial outcomes. In addition, this strategy is recommended, for example, to use

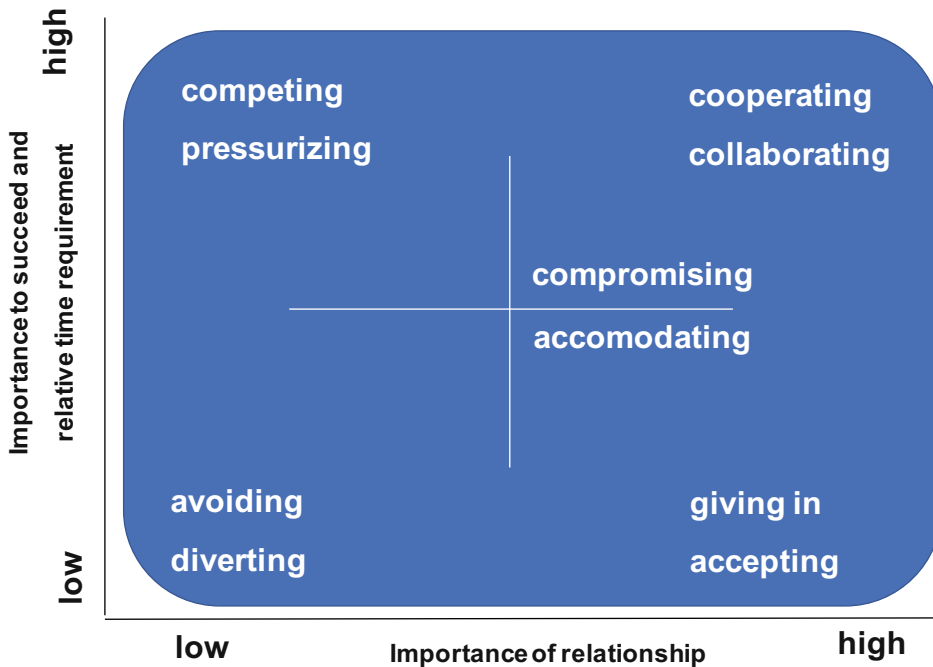


Fig. 4.6 Strategies and the influence on relationship level and time. (Source: Marc Helmold’s own representation)

competitors from Asian countries of existing suppliers as so-called benchmarks and in this way to include a new competitor in the list of strategic suppliers through small order packages. Even if the business partners threaten to break off negotiations, they can continue to negotiate with small concessions (Helmold 2018).

Figure 4.6 shows the use of the previously described tactics in relation to the time success and the relationship level. Pointing out shared visions is a very suitable tool for the relationship, but this tactic takes a lot of time. Temporal provisions or exaggerations therefore lead more quickly to negotiation success (Helmold 2018).

4.3.3.10 Beware of Unfair Tactics by the Other Side

Other tactics that the other side can use in negotiations are often described as “dirty tricks” (Abdel-Latif 2015). In particular, tactics such as flattery or even exaggeration are used in the international context (Helmold 2018). False information (fake news) is also on everyone’s lips these days and is sometimes spread in order to eliminate competitors (Helmold 2018). According to the author Abdel-Latif, the following tactics are experiencing a renaissance here, so it is important to recognize them:

1. Hugs and flattery—“I like your competence and professionalism.”
2. Precedent—“This is what we did last time.”

Table 4.4 Recommendations for step A-2: selection of appropriate strategies and tactics

Strategies must be used in an agile and situational manner
The analysis must include appropriate strategies and tactics
Strategies include pressuring, collaborating, evading, and giving in addition to compromising.
Strategies and tactics must be used with consideration of intercultural aspects
Mirroring the negotiating partner is one of several suitable strategies
Strategies and tactics influence the relationship level, strategies/tactics for a quicker negotiation success (exerting pressure) are suitable if the relationship does not play too big a role
Beware of the use of unfair tactics by the other side

3. Untruths and white lies—“The product will be delivered as soon as possible.”
4. Exaggerations—“The problem will be solved within a day.”
5. Promises—“We’ll figure it out.”
6. Meet in the middle—“Then we’ll meet here.”
7. Use of misinformation—“Competitor XXX has quality problems.”
8. Intimidation—“This will cost you the contract.”

As a summary in step A-2, the recommendations for action shown in Table 4.4 can be derived. Strategies and tactics must be planned in detail as part of the negotiation preparation, as they are of central importance for the success of the negotiation. International specificities have a significant impact on this selection (Helmold 2018). In addition to adequate means, the so-called “dirty tricks” must be identified.

4.4 Step 3 (A-3): Structure and Argumentation of the Negotiations

4.4.1 Shaping Arguments on the Basis of Motives and Interests

The structure of the negotiation argumentation and the definition of an argumentation strategy represent step 3 (A-3) of the negotiation model (Helmold 2018). Important arguments for conducting the negotiation and asserting one’s own goals should be proactively identified and defined. The script/manuscript helps to determine and note the most important arguments and counter-arguments of the negotiating opponent for this purpose Fig. 2.3. Table 4.5 shows the most important basic rules for building and shaping powerful arguments (Helmold 2018). The recommendation here is to visualize and act out motives, interests, behaviors, statements, arguments, and counterarguments with priorities or valences (Helmold 2018). Playing through supports the construction of one’s own argumentation in a special way (Helmold 2018). With the identification and prioritization, the analysis of the negotiation and arguments takes place from the perspective of the negotiation partner, so that one can recognize the strengths and weaknesses of one’s own argumentation in this context (Helmold 2013, 2018; Helmold et al. 2017). A professional

Table 4.5 Argument structure and design

1.	Take an opposing perspective and look at arguments from the opponent's point of view
2.	Identify counterarguments and causal relationships
3.	Use of qualitative and quantitative facts and data
4.	Concise formulation of arguments and prioritization
5.	Preparations by visualizing important facts in international negotiations

Own representation based on Helmold (2018)

negotiation also includes the presentation of causal relationships with all advantages and disadvantages, i.e. cause, effect and benefit (Helmold 2018).

Fact-based backgrounds (Helmold 2018) are helpful for building one's own argumentation (in contrast to non-fact-based false statements, Sect. 4.3.3.9). These can be (as quantitative data) revenue figures, sales figures, operating costs, logistics costs, forecast values or other key performance indicators (KPI) (Helmold 2018). In addition, forecasting trends, articles, predictions, interviews or opinion polls can be used as qualitative tools in a targeted and effective manner (Helmold 2018).

Arguments must always be formulated concisely; in this context, it is advisable to specifically prepare the conciseness and value of statements in the national language with translators or native speakers in international negotiations (Helmold 2018). It is also helpful to preventively visualise important facts, data or arguments in an international context, e.g. on presentation slides, as posters, in tables or on the flipchart (Helmold 2018).

When prioritising arguments, it is important to ensure that the negotiation partner's perspective is made transparent in addition to one's own position (Helmold 2018). Figure 4.7 shows a complementary tool to the manuscript Fig. 2.3, through which it is possible to visually represent arguments, strengths and weaknesses (Helmold 2018).

4.4.2 Focus on Motives and Interests, Not Positions

When designing a suitable negotiation structure, the motives of the negotiating partner are of central importance (Helmold 2018). It is crucial here not to focus on positions, but to focus on motives and interests (Obrien 2016). Motives in this context are defined as "the motive and driving force for a particular behaviour or argumentation in negotiations" (Helmold 2018). Motives describe how important individual negotiation goals are (Helmold 2018) and are divided into primary and secondary motives. Primary motives are innate and vital needs such as hunger, thirst, security or safety. Secondary motives are learned needs and include the need for recognition, achievement, success, power, or wealth (Helmold 2018). Often, in international business initiations, the motives lie in the fact that a supplier from the Far East, for example, aims to enter the German market with the help of the customer, so that his motives lie in the support of quality requirements, in the logistics network and in the creation of further distribution channels. The customer's motives, on the

No.	Negotiation categories Q-C-D-T plus alpha	Priority VERY HIGH	Priority HIGH	Priority MEDIUM	Priority LOW
1.					
2.					
3.					
4.					
5.					
6.					

Fig. 4.7 Priority matrix for negotiations. (Source: Marc Helmold’s own representation)

other hand, lie in favouring a low price and generating savings (Sect. 1.7.1) Sect. 1.4 (Dathe and Helmold 2018). In this context, it is of central importance to understand the motivations of both sides and to identify common goals (Helmold 2018).

According to the rule “Talk is silver, silence is gold”, you should let the negotiation partner talk first and listen carefully Sect. 4.5.2 (Helmold and Terry 2017a). Once the negotiator has revealed his interests and motives, one can ideally highlight one’s own points of view and the benefits for the negotiator. Figure 4.8 shows the elements to focus on to identify motives of the negotiating counterpart. To identify the motives of the negotiation opponent, one should therefore take time and consciously pay attention to statements, arguments, interests and behaviour (Helmold 2018).

Summarizing in step A-3, the significant recommendations for the structure of the negotiation shown in Table 4.6 can be derived. As an elementary step, the construction of the negotiation argumentation is a fundamental element before the actual conduct of the negotiation in step A-4, Sect. 4.5 (Helmold 2018). In addition to identifying the motives of the other party, statements, behavior, or interests must be considered when defining arguments and counterarguments (Helmold 2018). Qualitative and quantitative data are the framework of a fact-based negotiation argument. Finally, all content should be considered from the perspective of the other side in order to identify weaknesses (Helmold 2018).

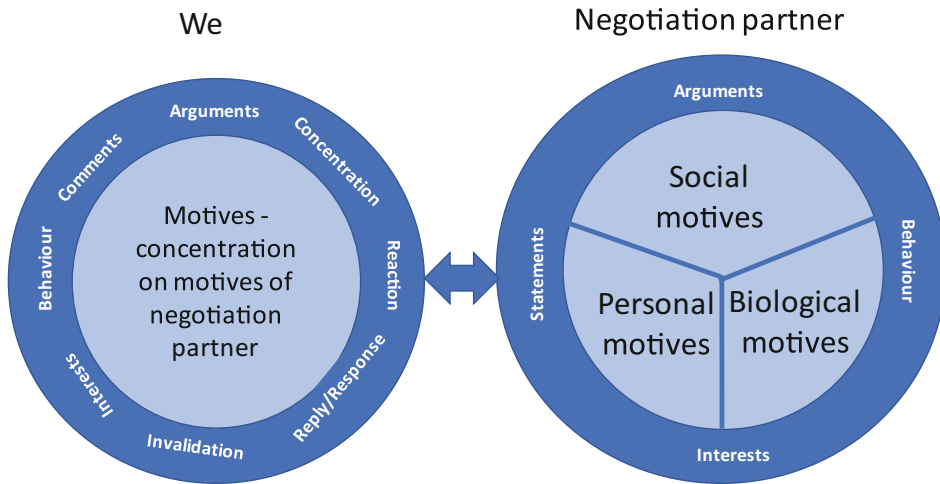


Fig. 4.8 Focusing on motives of the negotiating opponent. (Source: Marc Helmold's own representation)

Table 4.6 Recommendations for step A-3: structure of the argumentation

Identification of motives and interests of the opposing sides
Presentation of the arguments and counter-arguments
Prioritization of arguments and counterarguments
Consideration of the behaviour of the negotiating partner
Use of quantitative and qualitative data
Playing through arguments and counter-arguments
Formulate arguments concisely and clearly
Consideration of the correct and target-oriented formulation of arguments in international negotiations through the involvement of a native speaker and expert
Consideration of one's own arguments from the perspective of the negotiating partner
Weak point analysis of the own argumentation

4.5 Step 4 (A-4): Conducting the Negotiations (Negotiation Management)

4.5.1 Partial Phases of the Negotiation Process

Negotiations need to be systematically planned and executed with a well-prepared agenda (O'Brien 2016). A negotiation basically takes place in six sub-phases, as Table 4.7 shows (Helmold 2018).

Table 4.7 Subphases of the negotiation process (step A-4)

1.	Negotiation preparation
2.	Room layout and seating arrangements
3.	Welcome and introduction
4.	Core negotiation
5.	End and summary
6.	Farewell and parting

Own representation based on Helmold (2018)

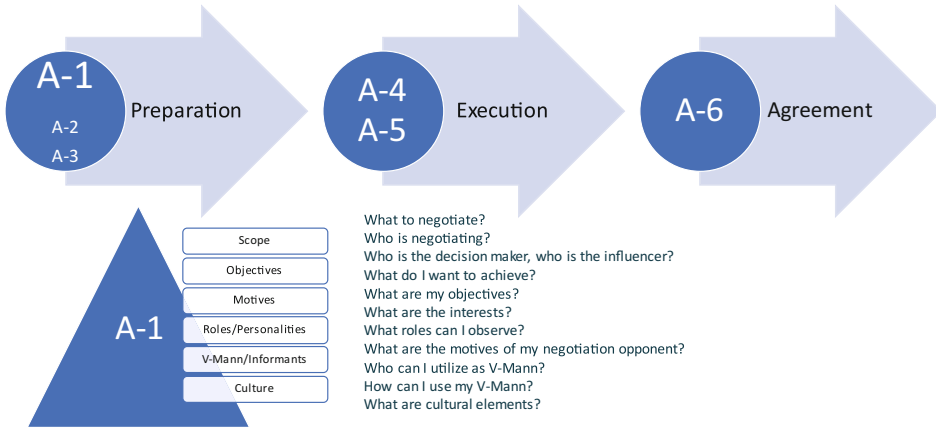


Fig. 4.9 Negotiation process and sub-phases within negotiation management (A-4). (Source: Marc Helmold’s own representation)

Figure 4.9 shows the most important aspects in the individual sub-phases. In phase 1, negotiation preparation, the agenda, problem description, background, data, info, precedents, legal situation, statistics, pre-negotiation, information about negotiating partners, taboo topics, positive previous experiences, animosities and one’s own interests, goals and motives must be coordinated internally (Obrien 2016; Helmold 2018). The goal of this phase is thorough preparation, coordination with all departments and interest groups (stakeholders), and harmonization of goals and demands within one’s own negotiating side (Obrien 2016). For this purpose, the negotiation script Fig. 2.3 and supplementary tools can be ideally used, which are described in detail in Chap. 5. Similarly, the respective objectives and sub-objectives need to be categorised and weighted in a priority matrix Fig. 4.7. Scenarios can also be presented in case it may not be possible to agree on sub-objectives (Obrien 2016). In addition to negotiation points, roles need to be allocated, e.g. negotiator, facilitator, use of external advisors, observer and minute taker. It is also advisable to talk about tactics and strategies, for example assigning roles such as ‘good cop, bad cop’ (Obrien 2016, Helmold 2018).

Phase 2 comprises the determination of the negotiation room as well as the seating arrangement. In Western countries, less attention is paid to the selection of the meeting

room and the location than in Asian or Arab countries (Obrien 2016; Helmold 2018). Section 4.5.3 describes key elements in this phase. In addition to one's own seating arrangement, one can also tactically influence the seating arrangement of the other side by trying to place influencers on the other side (Obrien 2016; Helmold 2018).

Phase 3 focuses on the greeting. Especially in an international environment, this phase can take several minutes. All participants should have business cards within reach to introduce themselves. Especially in highly hierarchical countries, attention to position and status is an important element in introductions (Helmold 2018) Sect. 1.6.1.1.

In phase 4, the actual core negotiation takes place. This part should be clearly structured by an agenda and proceed systematically (Helmold 2018).

After the discussion of all negotiation points, the results and agreements should be summarized. The minutes should be signed by both parties and also highlight differences of opinion and dissent (Helmold 2018).

As the last and 6th phase, the farewell is important. In Asian countries, for example, the negotiating counterparty may remain standing outside the building, waving goodbye, until one is out of sight (Helmold 2018).

4.5.2 General Rules for Successful Negotiations

For the actual negotiation, there are numerous references to negotiation rules by various authors (Obrien 2016; Helmold 2018; Schraner 2009, 2018). The A-6 concept recommends the following rules of conduct for the negotiation, which have proven themselves in practice (Helmold 2018):

- Focus your argument on a target corridor rather than a static target
- Show respect for the other party in the negotiation
- Pay attention to intercultural aspects in all phases of negotiations
- Show attention to the negotiating counterparty
- Listen actively and identify the motives of the negotiating partner
- Speak your arguments convincingly
- Convince with easily emotional language
- Let the negotiating partner speak first, only then reply
- If you have nothing to say, don't talk.
- Do not immediately respond to statements made by the negotiating opponent
- State your strongest argument first
- Try to understand and speak the language of your negotiating partner
- Prioritize your arguments
- Consider the arguments also from the point of view of the other side
- Emphasize the importance of your arguments, not the correctness of them
- Refute the arguments of the other side
- Focus on weak points in the argumentation of the negotiating side

- Focus on the weakest argument of the negotiating partner
- Make concessions only where it is of benefit
- Demand consideration for concessions

4.5.3 Power of the Place of Negotiation

The room layout and seating arrangement have an important influence on the climate of negotiations. The room layout as well as the external conditions such as seating arrangements, arrangement of chairs, lighting conditions, climatic conditions, drinks or not, hospitality or not can have a lasting negative or positive influence on negotiations (O'Brien 2016; Helmold 2018). Through appropriate room size, climatic conditions, lighting conditions, drinks or snacks, one can create a positive basic attitude and show the negotiating partner that one values good relations and a harmonious atmosphere. Conversely, so-called “dirty tricks” such as a room that is too small, too cool or too hot can create an uncomfortable negotiation climate (Helmold 2018). The negotiating partner feels uncomfortable and wants nothing more than to leave the negotiating venue. This makes him make ill-considered concessions (Helmold 2018).

As a golden rule, the negotiator should always sit near the door as Figs. 4.10, 4.11 and 4.12 show. This leads to a comfortable feeling as he can theoretically leave the room at any time (Helmold 2018). In the symmetrical seating arrangement, decision makers sit opposite each other (Fig. 4.10), whereas in the asymmetrical seating arrangement, decision makers do not sit opposite each other (Fig. 4.11). If the seating arrangement is intentionally designed in such a way that own employees sit in the rows of the negotiation opponent, this is called chaotic seating arrangement. This can be used to influence the other side (Fig. 4.12).

4.5.4 Question Forms and Techniques

4.5.4.1 Use and Application of Questioning Techniques

Experts in negotiation, in addition to having strong rhetorical skills, can listen actively and analytically to the negotiating partner with empathy Sect. 1.2 (Helmold 2018). Negotiations must always be built on empathy and be analytical. Empathy is the ability and willingness to recognize and understand sensations, thought processes, opinions, motives, personality traits, character traits or cross-cultural characteristics of the negotiation opponent and to direct his or her activities accordingly (Helmold 2018). The questioning techniques presented in Table 4.8 support empathic behaviour (Helmold 2018).

In the national and international context, questions and the questioning techniques described in Table 4.8 serve to identify motives and intentions (Helmold 2018). Furthermore, questions can also be used to defend against attacks, to invalidate arguments or as a

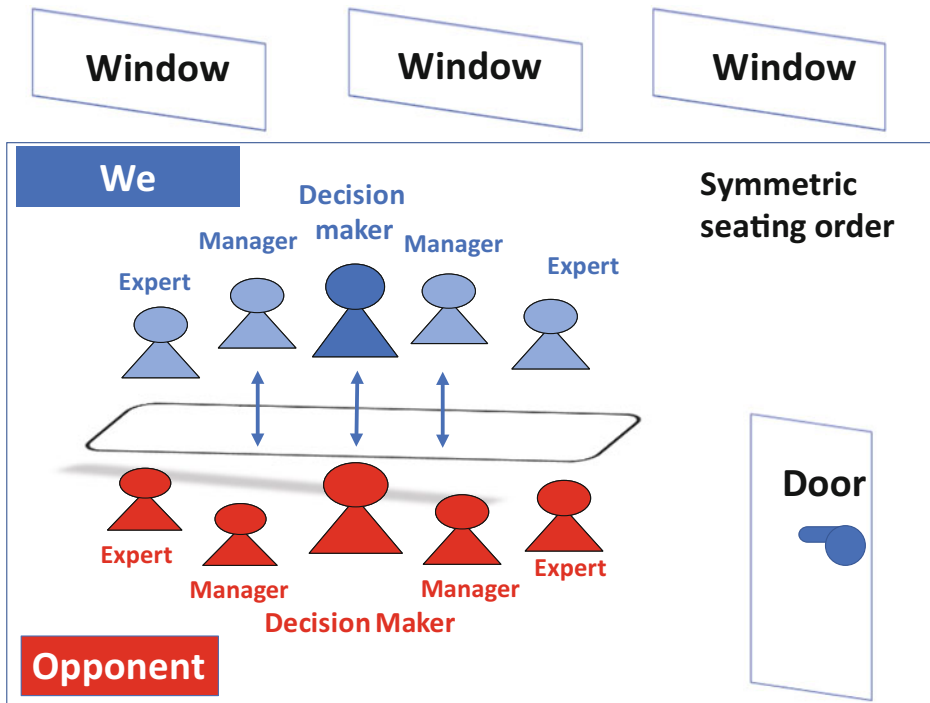


Fig. 4.10 Symmetrical seating arrangement. (Source: Marc Helmold's own representation)

deceptive manoeuvre (Helmold 2018). Lastly, in business negotiations, one can also escape conversation traps and detect the interest of sellers or buyers (Obrien 2016). Using the following examples, negotiators can succeed in making sales and purchasing conversations more effective and targeted. Possible questions can be defined in this context within the preparation (Obrien 2016).

4.5.4.2 Open Questions

Open questions can basically be answered by your counterpart in numerous ways. These questions have a conversation-opening effect and serve to obtain important information from the other party in the negotiation (Obrien 2016). Open-ended questions are designed to draw out the negotiating partner. Examples of open-ended questions in negotiations are described in Table 4.9. They are usually used at the beginning of negotiations (Obrien 2016).

4.5.4.3 Closed Questions

Closed questions are characterised by the fact that there are only two possible answers: the affirmative answer (yes) or the negative answer (no). Closed questions usually have a manipulative effect on the negotiating partner and can be used in such a way that the

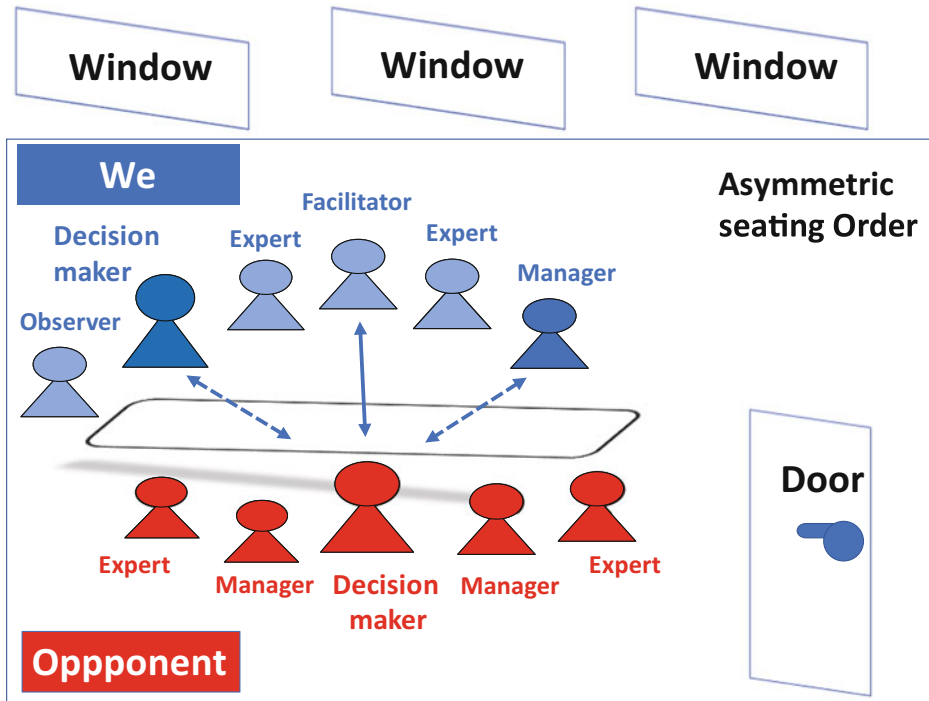


Fig. 4.11 Asymmetrical seating arrangement. (Source: Marc Helmold's own representation)

negotiating partner has to answer the question with a “yes” or “no”, as Table 4.10 shows. This questioning technique can also be used to obtain specific information (Obrien 2016).

4.5.4.4 Alternative Questions

With alternative questions, there are two different possibilities, as Table 4.11 shows with examples. This questioning technique is also used for manipulation and can distract the negotiating partner, e.g.: “Do you want to purchase product A or product B?” Alternative questions are used to focus the opposing negotiating side specifically on two alternatives we want, so that other options are excluded (Obrien 2016).

4.5.4.5 Suggestive Questions

Suggestive questions are characterised by the fact that the negotiating partner only has to agree to a certain proposal, as shown in Table 4.12 with examples. With suggestive questions, negotiation experts succeed in subtly steering and manipulating the other party in their own direction (Obrien 2016). It is crucial that this questioning technique is only used in doses so that the other party does not feel too manipulated.

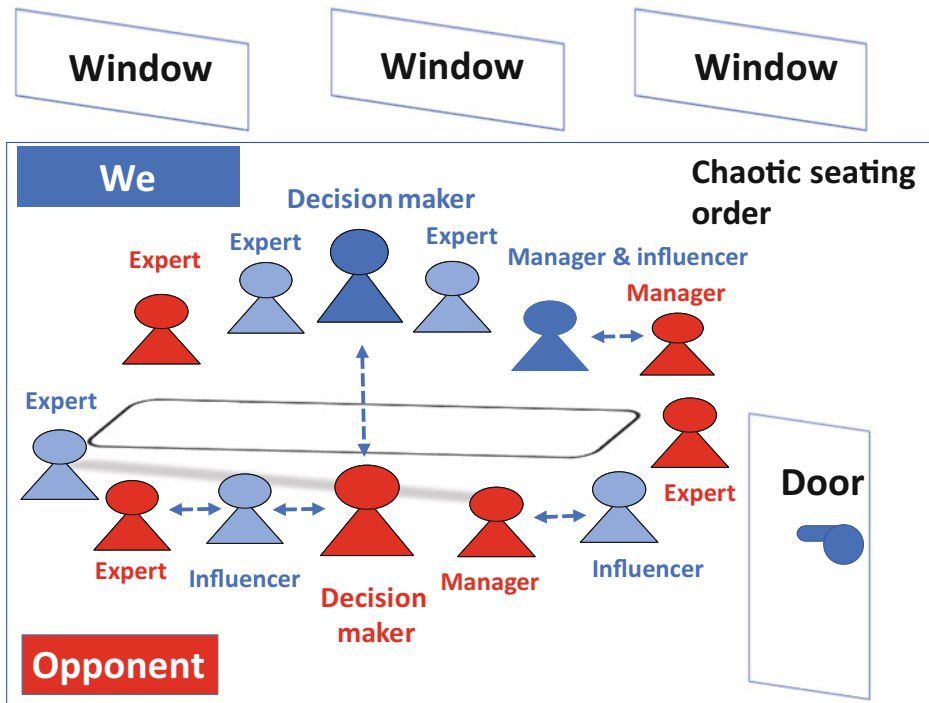


Fig. 4.12 Chaotic seating arrangement. (Source: Marc Helmold’s own representation)

Table 4.8 Forms and techniques of questioning in negotiations

Question forms	Question approach	Question behaviour	Question effect
Closed questions	Do you agree that ...?	Dominant	Constricting
Trick questions	Wasn't it just your opinion that ...?	Suspicious	Disrupting the negotiating climate
Leading questions	It is your opinion that ...?	Sync and corrected by dr.jackson for	Controlling from the outside
Open questions	What do you say ...?	Partnership	Liberating
Reflective questions	If I understand correctly, you mean that ...?	Trusting	Improving the negotiating climate
Directing questions	So you're saying that ...?	Self-determination initiating	Controlling from the inside

Own representation based on Helmold (2018)

Table 4.9 Examples of open questions

What important criteria do you envision for the business?
What are your asking prices to get us to closing?
What other competitors are there that are in the bidding process?
When do you intend to award the contract?
What criteria are important to you in the manufacture of the product so that we can meet your requirements?

Table 4.10 Examples of closed questions

Would you like to have these performance features?
Is quality important to you?
Would you like to place the order today?
Are you the decision maker for the project?
Do you need a good manufacturer for the product?
Is Mr. Meier the responsible decision maker for the order?

Table 4.11 Examples of alternative questions

Do you want this or that performance feature?
Is quality or price more important to you?
Would you like to place the order today or tomorrow?
Are you or Mr. Meier the decision maker for the project?
Do you want to buy the red or blue car?

Table 4.12 Examples of suggestive questions

Surely quality is more important to you than just price?
Do you also want a long-term partnership?
Are you sure you want this feature?
It must also be important to you that we can significantly increase your potential with this service?
Surely you want to say goodbye to the business with the best result?

Table 4.13 Examples of stimulation and motivation questions

Are you in charge of this great organization?
Did you ensure the immediate and first-class implementation of the negotiation result?
Have you taken care of the professional web appearance?
Did you provide for the great exhibition?
Did you pick out that great restaurant?

Table 4.14 Examples of rhetoric questions

Can you imagine how we can continue to successfully expand our long-term partnership?
Do you have any idea how satisfied your customers are when they use our product?
Can you imagine how efficiently your business processes run when you use our product?

Table 4.15 Examples of confirmation questions

Am I correct in assuming that your purchase decision is based on the TCO principle and includes all costs?
Do I understand you correctly that you want to purchase the best quality product?
If I understand you correctly, you want a car with low fuel consumption so that the follow-up costs for you are as low as possible and calculable?
If I understand you correctly, the goods should be available the very next day, because after all your customers expect you to be able to pick up products within 24 h?

4.5.4.6 Stimulation and Motivation Issues

Stimulus and motivational questions are used to create a positive mood. Stimulus questions are often used in an international context in the form of flattery Sect. 4.3.3.8. Examples are: “How do you know our country so well?” or “Why do you know our local customs and language so well?”. Stimulus questions should be asked using subliminal and subtle praise to put the negotiator in a positive mood. Particularly with egocentrics and alpha people, it is recommended Sect. 4.2.2.1 to include stimulus questions at intervals to appeal to their ego (Obrien 2016). Table 4.13 shows examples of stimulation and motivation questions.

4.5.4.7 Rhetorical Questions

Rhetorical questions, as shown in Table 4.14, target the emotional needs of the negotiating partners and stimulate them to reflect and think along. The other side is encouraged to identify arguments themselves and to see proposals as positive. The addition of figurative or metaphorical examples also significantly increases the credibility of the proposal (Obrien 2016). Thus, this questioning technique represents a key to get to the emotional needs of negotiators and thus generate motivation to a great extent. According to studies, 80% of our purchasing decisions are made at the emotional level (Obrien 2016).

4.5.4.8 Confirmation Questions

Confirmation questions signal connection and emotional closeness to the negotiating partner (Obrien 2016). These show the negotiating counterparty that their fears, concerns and needs are understood through active listening. Confirmation questions are also called mirroring questions and can be used effectively to create a personal bond with the negotiator Sect. 4.3.3.4 (Obrien 2016). Confirmation questions will be answered by the other party with a clear affirmation (“Yes, that’s true!”). Table 4.15 shows examples of confirmation questions.

Table 4.16 Examples of indirect questions

Intended information	Indirect question
Prospects of winning the contract	I assume that there are two competitors who can win the bid?
Degree of internationalization of the supplier and experience with foreign customers	I think you already have many international clients?
Target price corridor and value of the total budget for the current project	In the last big project you had a budget of EUR 1 million?

Own representation based on Helmold (2018)

4.5.4.9 Indirect Questions

The use of indirect questions is recommended when direct questions are inappropriate (Obrien 2016). In order to obtain relevant and useful information, the question is ostensibly asked about another topic. However, this question is phrased in such a way that the answer provides information about the actual question. Table 4.16 shows examples of indirect questions.

4.5.5 Discussion Types

In addition to the use of questioning techniques, it is purposeful to respond to personality types in a meaningful and effective way. Table 4.17 shows different discussion types and the recommended behaviour. A mixture or combination of discussion types is often found in practice.

In summary, it can be stated that negotiation management (step A-4) is the core of every negotiation and of the A-6 negotiation concept. An essential part in this context is the use of the described tools such as the script/manuscript or the priority matrix. The environment and the selection of the negotiation venue are an important part of the negotiation concept. On the basis of steps A-1 to A-3, questioning techniques can be used in a targeted and meaningful way and recommendations for action can be applied successfully for certain types of discussion (Table 4.18). Finally, the most important recommendations for action are summarised in Table 4.19 (Table 4.18).

Table 4.17 Discussion types and typologies in negotiations

Typology	Description for the conduct of negotiations	Recommended behaviour
The experienced	Experienced and experienced	Respond and appeal to experience
The Clever Man	Arrogant and dominant	Appeal to the ego with stimulation questions
The Litigious Man	Destructive criticism	Remain objective and calm; encourage constructive behaviour
The Exalted	Waiting to trick someone	Give few direct answers; let opponents speak
The All-Knowing	Knows everything better	Ask closed questions
The loquacious man	Talking for the sake of talking	Interrupt tactfully; agree on speaking times
The Sluggard	Uninterested and bored	Asking directly for opinions; enabling a sense of achievement
The Blocker	Sabotaging and crippling	Remain objective; direct address; break off negotiation; exclude from negotiation
The reticent one	Silent and withdrawn	Engage and ask easy and closed questions

Own representation based on Helmold (2018) and PMH (2018)

Table 4.18 Recommendations for step A-4: conduct negotiations

Focusing the argumentation on a target corridor
Respectful interaction with each other
Attention and active listening
Selection of the appropriate place of negotiation
Concise formulation of arguments
Prioritization of arguments
Negotiating partner speaks first, reply only if useful
Consideration of one's own arguments from the opponent's point of view
Concentration on weak points in the argumentation of the other side
Concessions only with quid pro quo
Consideration of questioning techniques and discussion types

Table 4.19 Recommendations for breaking resistance

Recognizing and understanding resistance
Breaking down resistance with fact-based arguments
Resistance can also be broken by warnings
Giving in and making concessions where my priorities don't lie
Change the place of negotiations in case of resistance
Distractions can be helpful in the face of resistance

4.6 Step 5 (A-5): Defending Counter-Arguments and Fighting Resistance

4.6.1 Open and Hidden Resistance

4.6.1.1 Definition of Terms

Resistance in negotiations is defined as the rejection, oppositional action or opposition with regard to certain negotiation points by the negotiation opponents (following Helmold and Terry 2016; Hilsenbeck 2004). Resistance usually arises from opposing opinions, positions and motives (Schraner 2015). It is characterized in negotiations by being exercised consciously or unconsciously by negotiation opponents (Hilsenbeck 2004; PMH 2018). Resistance is encountered in negotiations in a wide variety of verbal or non-verbal forms, which in most cases the acting persons are not aware of. In negotiations, resistance is expressed through speech (verbal) or through gestures or facial expressions (nonverbal, i.e. behaviour or facial expression) Chap. 6. Crucial in this context is the recognition of rejections or contrary positions by the negotiation opponent and the identification of motives to invalidate or break the resistance (Helmold and Terry 2016; Hilsenbeck 2004; Schraner 2015). There are multiple reasons for resistance, as described by psychologist Werner Berner, for example (adapted from Berner 2016; Hilsenbeck 2004):

- Fears on the part of the negotiating party if proposals are seen as threatening
- Lack of mandates or restrictions in individual negotiating positions
- Resistance from interest groups on the other side of the negotiations
- vested interests of the negotiating party
- Tactical considerations of the other side, if other negotiation points are to be won thereby
- Revenge or retaliation when negotiators try to thwart plans
- Outstanding invoices due to previous negotiations
- Previous experience or experience from other negotiations

4.6.1.2 Open Resistance

Open resistance is characterised by the fact that it is consciously exercised by the opponents in the negotiation and that they also associate an objective with it. Open resistance is relatively easy to recognise, as manifestations and behaviours are openly revealed:

- Open contradiction (examples: “I disagree . . .”)
- Open rejection (example: “I cannot agree with your proposal . . .”)
- Open intervention (example: “I do not like your proposal. I therefore suggest that . . .”)
- Rejection by obvious shaking of the head
- Rejection through gestures with the arms or with the index finger

Normally, open resistance has a rational cause that can be discussed with those affected and that all parties have an interest in overcoming (Hilsenbeck 2004). This form of resistance is usually constructive, so that dealing with open resistance is possible. Breaking down resistance or invalidating and mitigating it through fact-based argumentation can be an appropriate strategy here (Helmold and Terry 2016; Hilsenbeck 2004; Schraner 2015). In this way, the energy that the resisters have invested in their resistance can be channelled to achieve the negotiation goal.

4.6.1.3 Covert Resistance

Dealing with covert or latent resistance is much more difficult. In this form of resistance, the persons exercising resistance usually have no interest in being recognised (Hilsenbeck 2004) Sect. 6.3.5. For personal or tactical reasons, they act from hiding or from the 2nd row. Their interests are usually of a destructive nature, i.e. they want to prevent something from happening without being recognised as the perpetrators. In many cases, paradoxically, the resisters are not even aware that they are resisting. This makes dealing with this form of resistance even more difficult (Volk 2018). If covert resistance is not recognized in time, the entire outcome of the negotiation may possibly be at stake. Covert resistance in negotiations can manifest itself in the following ways:

- Comments and statements with qualifications (example: “I understand your point of view, but . . .”).
- The absence of important decision-makers (alpha types) or influential persons (beta types)
- Appearing too late in negotiations of important decision makers (alpha types) or influencing persons (beta types)
- The permanent postponement of negotiations due to alleged scheduling difficulties
- Non-verbal signals of resistance such as mental absence or disinterest Sect. 6.3.2
- The demand for perfect solutions
- The requirement that the negotiating opponent move first
- The extensive and lengthy consideration and discussion of relatively unimportant special cases

- Agreement in principle with simultaneous registration of reservations to be clarified at a later date

4.6.1.4 Dealing with Resistance

Resistance must be recognized in negotiations, and it is also essential to question the motives of the resistance. In the case of open and rational resistance, counter-arguments and the reformulation of one's own goals can lead to invalidating the resistance and achieving a negotiation result. For issues that do not play a key role in the negotiation, resistance can also be ignored and the demands of the negotiating adversary addressed or addressed at a later time. If the resistance cannot be resolved, and it is on key issues in the negotiations, there is unlikely to be a successful negotiation. Unconscious or hidden resistance is more difficult to detect, as the examples in Sect. 4.6.1.3 show:

- Recognize resistance
- Evaluate resistance
- rebut resistance
- break resistance

It is advisable to listen to the other side and understand the motives as soon as you recognize resistance (Volk 2018). A change of location or discussion at lunch or in the evening over a shared meal can lead to the other side opening up and articulating the motives and reasons for resistance directly or indirectly. Table 4.19 shows how resistance can be successfully broken through warnings and fact-based arguments.

4.6.2 Defence Against Counter-Arguments

Counter-arguments of the negotiating partners can be refuted by facts. If their demands do not correspond to one's own priorities, one can make concessions here in order to be able to demand concessions from the other side in significant aspects. In addition, when defending and invalidating counter-arguments, one's own arguments can be made even clearer by using certain conjunctions or linguistic formulations and connecting them through the counter-arguments as well as one's own arguments, for example:

- You are right on some points, but on reflection ...
- I understand your reasoning, yet ...
- I understand your point, however ...
- Even if you are of the opinion that ..., I am still of the opinion ...
- Of course it is true that ..., but ...
- Certainly it's true ..., yet I mean ...
- I admit that, ... but in my opinion ...
- It is true that ..., however ...

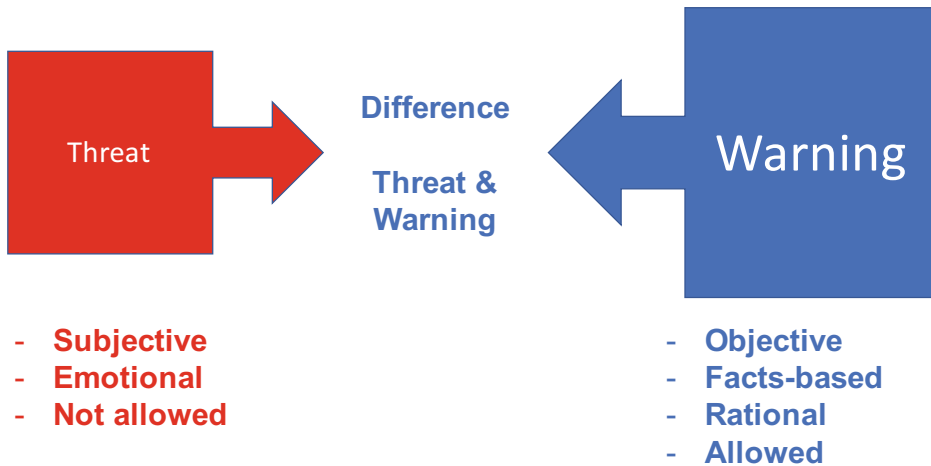


Fig. 4.13 Warnings and threats. (Source: Marc Helmold 2018, based on Schraner 2009)

In addition to defending counterarguments by identifying weaknesses in the argumentation, a warning can be a useful tool for defending counterarguments (Fig. 4.13). Warnings are fact-based and rational signals and arguments for a rejection of mostly exaggerated or unacceptable positions of the negotiating counterparty, instead of issuing threats (Schraner 2015).

According to Schraner, warnings take place in the mind of the negotiating opponent and make him understand what the consequences of failure on individual points or the overall negotiation may mean (Schraner 2015). If an agreement is not reached, the other side can imagine what will happen as a horror scenario, for example by asking: “What will happen if we don’t reach an agreement?” If it is felt that the negotiator is not aware of the strength of his own position, he can be asked, “What do you think I will do if we cannot reach agreement now?” In doing so, the questions must be “open-ended.” The more openly the question is phrased, the more the negotiating partner will deviate from his position. However, it is important to emphasize the desire for a joint solution at the same time. Another variant in such a situation is the question: “What should I do according to your advice?” Here, the negotiating partner is additionally acknowledged in his position because he is asked for advice and it is signalled that his expertise and knowledge are trusted. At the same time, it’s the ideal introduction to a fluid conversation because his mind is “racing” again. But what to do if the warning is ignored? Because the other person may not believe the warning. Therefore, the credibility of a warning should always be demonstrated to him pictorially. In this way, it is demonstrated what one intends to do without actually doing it (Schraner 2015).

If after a warning the negotiating partner still refuses to relent, then it becomes important to act and put the warning into practice. The counterpart must understand in no uncertain terms that he cannot win unilaterally and that it is indeed in his interest to return to the

Table 4.20 Positive and negative conduct of negotiations

Type of negotiation	Subject	Example
Positive negotiation	Growth opportunities	We have many new projects coming up. Would you like to grow with us? We need partners who want to grow with us.
Positive negotiation	Innovations	You are our most innovative supplier and strategic supplier. I am convinced that you want to continue to be the most innovative supplier in your field.
Positive negotiation	The pole position	You are our preferred No. 1 supplier. Would you like to continue to occupy the pole position?
Negative negotiation	Difficult times	We are in difficult times. The financial situation is bad. Market share is shrinking. The competition is getting stronger.
Negative negotiation	Changing the landscape	The competitive situation and market landscape have changed fundamentally. Are you aware of this fact? What are you doing to continue to survive in the market?
Negative negotiation	Significant market changes	We are confronted with a new competitive situation. Supply and demand have changed. Numerous new suppliers want to enter the market. What are you doing to remain competitive?

Own representation based on Helmold (2018)

negotiating table. The goal, then, is to return to a satisfactory agreement. Such means should be used only until one's goal is achieved—not to win. For every action leads to a reaction. The more aggressive one's methods are, the more bitterly the negotiating partner reacts. The result is that the very resistance that was supposed to be overcome hardens. In this situation, too, the following applies: The negotiating partner should not be cornered. A cornered opponent is dangerous. He will act rashly and irrationally. He should always be left with a way out, a bridge to cross. It shows professionalism to build him a "golden bridge". And if the negotiating partner does not cross the offered bridge? Then it's time to make good on the warning and follow through with all the announced actions. Whoever backs out now will lose face and make himself ridiculous and untrustworthy (Schranner 2015).

4.6.3 Positive and Negative Negotiation to Ward Off Resistance

The type of negotiation leadership must be applied situationally and flexibly within Dr. Marc Helmold's concept of negotiation (Helmold 2018). Negotiation leadership can be consciously implemented in a positive or negative way (Helmold 2018). Table 4.20 shows examples of positive and negative types of negotiation leadership that are key within Step A-5 (Helmold 2018). The topics help the reader to practically apply them in the respective negotiation situations (Helmold 2018).

4.6.4 Showing Power Through Competence

Formal and informal power are important elements in negotiations (Helmold and Terry 2016; Schraner 2009). **Formally** given positional **power** is mainly based on hierarchical structures and hierarchical levels, which are usually represented in an organizational chart (abbreviation: organigram), while **informal power** is not necessarily based on this (Grochowiak 2015). The formal organizational structure is the result of a structured and systematic hierarchy that the management considers appropriate. Basic elements of the organizational structure are jobs, which are grouped into groups and departments as subsystems, and reporting lines. The cooperation between the subsystems is defined by the process organization, which regulates the workflows. The organizational chart is a graphical representation of the organizational structure that shows communication paths and processes. In addition to formal power, there are also power structures that are not immediately visible, which are based on informal circumstances. Often, individuals are granted special authority by the members of a group because of their personal characteristics (e.g. high level of professional competence, many years of collaboration, extensive experience). An informal leader can have an integrating and stabilizing effect. However, conflicts with the superior (the formal leader) can also arise (Grochowiak 2015).

4.6.5 Informal Power and Organisational Structures

In corporate and negotiation practice, however, it often turns out that the officially defined structure is usually not identical to the actual structure (Grochowiak 2015). In addition to the formal company organization, informal or informal phenomena arise as a result of unplanned human behavior. This is caused by individual needs and perceptions of employees (Helmold 2018). They manifest themselves as follows:

- In informal interest groups
- In informal communication
- In informal processes
- In informal organisational structures
- In informal norms and
- In informal leaders

Finally, Sect. 4.6 (step A-5) offers the following recommendations for breaking down resistance. If the formal and informal power structure is understood, it forms the starting point for recognising and overriding resistance. Formal power structures are made up of organizational and operational structures. Informal power structures are more likely to arise from charismatic leaders and their experience, knowledge or affiliation with a group. Informal leaders can be identified by the V-man and used to achieve their own goals (Helmold 2018). If the organizational structure and procedures are known, positive or

Table 4.21 Recommendations for step A-5: overriding resistors

Understanding formal and informal power structures
Formal power structures: Recognizing the organizational structure and reporting lines by understanding the organizational structure and process organization (organizational charts, process descriptions)
Informal power structures: use of the liaison person (V-Mann) to understand power relations (formal and informal)
Identify formal leaders and their influencers
Understanding informal leaders, norms and procedures
Identify and possibly use potential critics and their arguments for own purposes
Warn, do not threaten—put warning into action if negotiator does not give up resistance
Apply techniques of positive and negative negotiation

negative negotiation guidance can be used to achieve negotiation success (Helmold 2018). If warnings are not taken seriously by the other party, the warning should always be put into action (Helmold 2018). Table 4.21 shows the final recommendations for step A-5 in Dr. Marc Helmold's negotiation concept (Helmold 2018).

4.7 Step 6 (A-6): Shaping the Results of Negotiations and Respecting Agreements

4.7.1 Recording and Ratification of Agreements

Step A-6 is the last element in Dr. Marc Helmold's negotiation concept and is of central importance with the drafting of the contract (Helmold 2018). Once an agreement has been reached, both sides in the negotiation should record all important points in writing in a protocol and have these signed by their interlocutor. It is also advisable to draw up an action plan with responsibilities and deadlines, which both negotiating sides can use to see whether the agreed activities are being adhered to. The concretization of the negotiation results is a fundamental step to avoid intentional or unintentional misinterpretations (Helmold 2018). It is advisable here to verbally summarize a summary of all results and agreements at the end of the negotiations (Schranner 2009; Helmold 2018).

After negotiations, the draft contract should ideally already be completed, which contains key points and milestones. Likewise, a mutual pre-ratification can be carried out, which is then confirmed by the legal department (Helmold 2010).

When formulating agreements, care should be taken to ensure that no or few advance payments have to be made (Schranner 2009).

Furthermore, in the case of international negotiations, it is appropriate to hold a ceremony to officially ratify the treaties. With customers, employees and other stakeholders present, this can be ideally used for marketing purposes and as a motivator within one's own company (Helmold 2018). Asian companies also very often use these occasions to

issue press releases (Helmold and Terry 2017a). In addition to the celebrations, negotiators should thank the negotiating team, thereby acknowledging them.

4.7.2 Design of Agreements in the International Context

4.7.2.1 Central Elements in International Legal Transactions

Due to the increasing internationality of commercial transactions through sales or procurement, international legal transactions are also gaining in importance (Helmold 2018). International legal transactions contain some special features which have to be considered when ratifying contracts (Helmold 2018). The following points should be considered in international negotiations and agreements (Helmold 2018):

- Choice of Law, UN Sales Law
- Place of performance, Incoterms 2010
- Warranty, guarantees
- Interest, interest on arrears
- Payment transactions, currency and choice of bank
- Place of jurisdiction

4.7.2.2 UN Sales Law

In the case of international sales contracts, the question of the applicability of the UN Convention on Contracts for the International Sale of Goods, also known as the Vienna Sales Convention, which is based on the United Nations Convention on Contracts for the International Sale of Goods of April 11, 1980 (CISG), always arises in commercial sales (IHK Berlin 2018).

According to Art. 1 CISG, the territorial scope of application of the UN Convention on Contracts for the International Sale of Goods is opened if a contract of sale is concluded between contracting parties who have their establishments in different states which are each contracting states of the CISG or whose private international law declares the CISG to be applicable. The nationality of the contracting parties, the question of merchant status or whether the contract is of a commercial or private law nature are irrelevant. In addition, the contracting parties may contractually agree on the applicability of the CISG (Helmold 2018).

In factual terms, the UN Convention on Contracts for the International Sale of Goods shall apply if the subject matter of the contract is the purchase of goods. Goods within the meaning of the UN Sales Convention are only movable objects. Contracts for the sale of real property and rights are therefore not covered by the UN Sales Convention. Furthermore, according to Art. 2 CISG, the UN Sales Convention does not apply to contracts for the sale of securities and means of payment, watercraft and aircraft, as well as to auctions, execution and other judicial measures. Furthermore, the UN Sales Convention does not apply to cross-border contracts for the purchase of goods for personal use. Finally, the UN

Sales Convention does not apply to contracts which do not involve the transfer of possession or ownership of an object for consideration, but rather the performance of work or other services. An example of this is the preparation of an expert opinion, which may be handed over in writing at the end, but in which the focus is actually on the intellectual performance (IHK Berlin 2018).

The UN Sales Convention does not comprehensively regulate the legal aspects of a sales contract. For example, it does not contain any provisions on the limitation of claims and on producer liability. In these areas, therefore, the applicable domestic law remains decisive (IHK Berlin 2018).

4.7.2.3 Place of Performance, Incoterms 2010

Since 1936, the International Chamber of Commerce (ICC) in Paris has published “International Rules for the Interpretation of Customary Commercial Terms”, known as Incoterms (International Commercial Terms). Since that time, the Incoterms have been repeatedly adapted to changing trade practices, most recently in the fall of 2010 (Helmold 2010). Incoterms are globally recognized, uniform contractual and delivery terms that enable the parties to a sales contract to standardize processing in international, as well as national, commercial transactions. The Incoterms define the distribution of costs, the distribution of risks and the duties of care between the contracting parties. The importance of the Incoterms rules lies in the clarity of the mutual obligations gained through their use (IHK Berlin 2018). With the help of Incoterms, misunderstandings and cost-intensive disputes can be prevented, thus reducing the risk of legal complications for both contracting parties. Legal problems such as the conclusion of the contract, the transfer of ownership, the handling of payments or the legal consequences of breaches of contract, on the other hand, are not regulated. The relevant provisions are those of the purchase contract or the law on which the contract is based (IHK Berlin 2018). Table 4.22 provides a brief overview of the most important Incoterms (Helmold 2018). Ex works means that the buyer

Table 4.22 International commercial terms 2010 (Incoterms)

EXW	Ex works
FCA	Free carrier
FAS	Free alongside ship/free longside ship
FOB	Free on board/free on board
CFR	Cost and freight
CIF	Cost, insurance and freight/cost, insurance and freight
CPT	Carriage paid to/freight paid
CIP	Carriage, insurance paid to/freight insured
DAP	Delivered at place/delivered named place
DAT	Delivered at terminal/delivered terminal
DDP	Delivered duty paid/delivered duty paid

Incoterms 2010 (IHK Region Stuttgart 2018)

has to take over transport, insurance and customs clearance ex works (IHK Berlin 2018). In the case of duty paid on delivery, transport, insurance and customs clearance are the responsibility of the manufacturer and supplier (IHK Berlin 2018). Transport and customs clearance, for example from China or India to Europe, can account for more than 20% of the actual purchase price, so Incoterms must be an essential part of the negotiations (IHK Berlin 2018).

4.7.2.4 Guarantee and Warranty

Internationally, there may be different warranty periods that differ from German warranty law (Helmold 2018). Warranty claims and warranty periods should therefore be discussed and agreed as part of the negotiations. In particular, replacement times, replacement deliveries, touch-ups or repairs should be taken into account here (Helmold 2018). If one wishes to adhere to legal claims, clauses in international contracts can indicate which country's law applies (AHK 2018).

4.7.2.5 Interest on Arrears and Late Payments

Due date and default interest rates for potential monetary claims should be defined in terms of amount for certainty, to account for damages and time delays in potentially lengthy litigation (Helmold 2018).

4.7.2.6 Currency and Payments

Determining the currency and securing incoming payments are key issues in international trade in goods (AHK 2018). With the United States alone, Germany turned over more than EUR 160 billion in 2017 (AHK 2018). In addition, other countries such as China, the United Kingdom or Switzerland can be found among the strongest trading partners in the foreign trade balance (AHK 2018). Even with the much smaller Switzerland, foreign trade turnover (imports and exports) amounted to more than 94 billion EUR. Around a quarter of all receivables and liabilities of German companies vis-à-vis foreign business partners are accordingly denominated in a foreign currency, the balance of payments statistics of the Deutsche Bundesbank show (Deutsche Bank 2018). Internationally, different rules apply to payment transactions, especially for transactions outside the euro area. Thanks to the Single Euro Payments Area, known as SEPA, money transfers between different European countries are now uncomplicated and inexpensive. However, as soon as orders or invoices are placed in a different currency, companies have to protect themselves against the corresponding exchange rate risks. On the other hand, different payment practices (such as ERU or USD payments in regulated markets to Asia and Latin America), non-transparent fees, strict reporting requirements or legal restrictions on foreign exchange transactions can significantly hamper foreign business. There is a risk of lost sales, disgruntled customers or even contractual penalties if a delivery of goods is delayed due to payment problems. Conversely, it can also lead to liquidity disadvantages, unforeseen additional costs or lost sales opportunities if foreign customers have no way of paying for goods and services quickly, securely and cost-effectively (Deutsche Bank 2018).

4.7.2.7 Jurisdiction and Arbitration Courts

In most cases, one of the two countries involved is agreed as the place of jurisdiction in international legal transactions (Helmold and Terry 2017b).

An arbitration clause in contracts is particularly recommended for contracts with a larger scope of delivery and correspondingly higher contract sums. If an arbitration court is agreed, a national court which is called upon by a contracting party despite the arbitration clause would declare itself incompetent (IHK Schleswig-Holstein 2018).

Arbitral awards are often easier to enforce, arbitral tribunals are usually faster as there is no move through the instances. Arbitral tribunals are often more relevant as the arbitrators tend to be professionals. Arbitration proceedings are not open to the public (this is essential when dealing with matters that require secrecy). However, arbitration proceedings are sometimes more expensive than a state court instance, but there is only one instance, whereas state courts usually have two or even three instances. One may save translation costs, as a German judge may, for example, require all English documents to be translated into German (IHK Schleswig-Holstein 2018). Regarding enforceability, there are international conventions to which the vast majority of our sales countries are party, most notably the “UN Convention on the Recognition and Enforcement of Foreign Arbitral Awards”, to which 137 countries were party by December 31, 2005. A list of these countries can be found at <http://www.uncitral.org> (IHK Schleswig-Holstein 2018). Below are the most well-known “institutional arbitration tribunals”. These are organizations that conduct arbitration proceedings on a permanent basis. These arbitration organizations have arbitration rules that regulate the conduct of arbitration proceedings (similar to the Code of Civil Procedure (ZPO), which regulates proceedings before state courts. However, the arbitration rules are nowhere near as formally strict as the ZPO) (IHK Schleswig-Holstein 2018):

- Probably the best known international arbitral tribunal is the Court of Arbitration at the International Chamber of Commerce (ICC) in Paris.
- The International Court of Arbitration at the Zurich Chamber of Commerce
- The Arbitration Court of the Austrian Federal Economic Chamber in Vienna, which gained importance especially in East-West disputes
- The German Institute of Arbitration in Cologne (Deutsche Institut für Schiedsgerichtsbarkeit e. V. in Köln—DIS) is also of international importance.
- The Arbitration Institute of the Stockholm Chamber of Commerce

In international legal transactions, the arbitration court in London (London Court of International Arbitration) or the arbitration court of the United States (American Arbitration Association, AAA) can be selected in the Anglo-Saxon legal sphere (IHK Schleswig-Holstein 2018). Table 4.23 shows recommendations for the drafting of contracts.

Table 4.23 Recommendations for step A-6: drafting the contract

Recording and signing of the results of the negotiations
Use of both languages of origin or agreement on one language, e.g. English
Consideration of aspects such as:
Place of performance
Incoterms
Interest on arrears
Jurisprudence
Warranty claims
Currency and payments
Rapid and immediate drafting and ratification of contracts
Observance and compliance with all negotiated points
Ceremonial setting at the conclusion of international negotiations
Successive monitoring and confirmation with the other party that the contract is being observed and complied with by both parties.

4.8 Recommendations for the Effective Implementation of the A-6 Negotiation Model

In summary, the A-6 negotiation concept is an ideal framework for international negotiations. The systematic, structured and transparent approach in six sequential steps enables users to conduct negotiations successfully and achieve a negotiation breakthrough. It integrates both intercultural recommendations and practical tips for negotiations and is unique in this form in the field of negotiation models (Helmold 2018).

The valuable recommendations for action specifically link practical and conceptual aspects with cultural and theoretical components based on proven negotiation success and successfully implemented projects by Dr. Marc Helmold. The A-6 concept is a mature and systematic negotiation model with numerous proven and complementary tools in practice (English: Tools), which requires a holistic application (Helmold 2018). Training of all employees directly or indirectly involved in negotiations is mandatory prior to negotiations. For employees who are at the beginning of their career, it is advisable to provide internal negotiation experts as advisors. Detailed preparation for negotiations, including analysis of the negotiation scope, determination of responsibilities and identification of motives and motivations of the other party, are essential for a breakthrough in negotiations. In conducting negotiations, motives rather than positions should be questioned in order to understand the motives and behaviour of the negotiating opponent and to act on them. There are strategies and tactics for conducting negotiations that can be used while taking intercultural peculiarities into account. It is crucial to focus one's own argumentation on the decision-makers and influencers using professional questioning techniques and concise formulations. Non-verbal signals and their patterns reveal whether

Table 4.24 Summary recommendation for the A-6 negotiation model

Holistic application of the A-6 negotiation model
Training of all negotiating staff to acquire competencies
Coaching and mentoring of “beginners” by negotiation experts
Detailed negotiation preparation as the key to negotiation success
Application of appropriate tools such as the analysis of strengths and weaknesses
Consideration of intercultural elements in negotiations
Concentration on the motives and interests of the negotiating party
Analysis of personalities and responsibilities
Assessment of negotiating leeway
Use of quantitative and qualitative data
Prioritization of negotiation goals with minimum and maximum targets
Use of appropriate strategies and tactics
Focus on decision makers and influencers
Respectful approach and avoidance of loss of face
Use of the right questioning techniques and concise formulations
Consideration of non-verbal signals and communication
Logging of all agreements and disagreements
Integration of important elements such as jurisdiction, legal system or Incoterms in international contracts
Observance of the agreement and rapid ratification of the treaty
Ceremonial adoption of the agreements at international negotiations

negotiations are successful or not. At the end of a negotiation, according to protocol, the contract and agreements should be solemnly adopted (Helmold 2018). Table 4.24 shows the most important and summary recommendations (Helmold 2018).

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