

## PARTICIPANT'S GUIDE

# NEGOTIATION SKILLS

*Building Win-Win Solutions for Babban Gona*

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Human Resources Department  
**Babban Gona Farmer Services**



# Table of Contents

Table of Contents.....	2
Module Outline .....	4
What is Negotiation? .....	4
Why Negotiation Skills Matter at Babban Gona .....	4
Training Objectives.....	4
My Personal Learning Log & Action Planning Form.....	6
Module Outline .....	7
Overview of the Five Stages.....	7
Stage 1: Preparation .....	7
Stage 2: Discussion .....	7
Stage 3: Proposing .....	7
Stage 4: Bargaining .....	8
Stage 5: Agreement .....	8
My Personal Learning Log & Action Planning Form.....	9
Module Outline .....	10
Adversarial vs. Cooperative Approaches .....	10
Understanding Negotiation Outcomes .....	10
Conditions for a Negotiation .....	11
Selling vs. Negotiating .....	11
My Personal Learning Log & Action Planning Form.....	12
Module Outline .....	13
The Three Cornerstones .....	13
1. Psychology .....	13
2. Strategy .....	13
3. Process.....	13
Standpoint vs. Aspiration .....	14
My Personal Learning Log & Action Planning Form.....	15
Module Outline .....	16
The Sequence of Actions - Part 1 .....	16
The Sequence of Actions - Part 2 .....	16
Negotiating Styles .....	16
My Personal Learning Log & Action Planning Form.....	18
Module Outline .....	19



Understanding Variables .....	19
Trading Strategy: Levers vs. Giveaways.....	19
The Power Equation .....	19
My Personal Learning Log & Action Planning Form.....	21
Module Outline .....	22
What is Power in Negotiation?.....	22
The 12 Sources of Power .....	22
Additional Sources of Power .....	22
My Personal Learning Log & Action Planning Form.....	23
Module Outline .....	24
Tactic 1: The Squeeze .....	24
Tactic 2: The Budget Bluff.....	24
Tactic 3: The Triangular Auction .....	24
Tactic 4: Good Guy, Bad Guy .....	24
Tactic 5: The Trawl .....	25
Tactic 6: Buy Now, Bargain Later .....	25
Tactic 7: The Slow Boat.....	25
Tactic 8: The Gentle Touch.....	25
BOAT: Best Other Alternative Today .....	25
My Personal Learning Log & Action Planning Form.....	27
Module Outline .....	28
What is a Stalemate? .....	28
Six Techniques to Break Stalemates .....	28
1. F3: Feel, Felt, Found.....	28
2. The Bridge .....	28
3. The Third Party .....	28
4. The Miss Out.....	28
5. The Cool Off .....	28
6. The Replacement.....	29
My Personal Learning Log & Action Planning Form.....	30
The Nine Commandments.....	31
Summary: Your Negotiation Checklist .....	31
My Personal Learning Log & Action Planning Form.....	33



Module 1

# Introduction to Negotiation

## Module Outline

1. What is Negotiation?
2. Why Negotiation Skills Matter at Babban Gona
3. Key Principles of Successful Negotiation
4. Training Objectives

## What is Negotiation?

**Negotiation** is a method by which people settle differences. It is a process by which compromise or agreement is reached while avoiding argument and dispute.

In any disagreement, individuals understandably aim to achieve the best possible outcome for their position (or perhaps an organisation they represent). However, the principles of

- **Fairness**
- **Seeking mutual benefit**
- **Maintaining relationships**

are the keys to a successful outcome.

### Key Definition

Negotiation is a dialogue between two or more parties aimed at reaching a mutually beneficial agreement through discussion and compromise.

## Why Negotiation Skills Matter at Babban Gona

At Babban Gona, effective negotiation skills are essential for:

- Working with farmers to establish fair partnerships
- Negotiating with suppliers for inputs and resources
- Building relationships with financial institutions
- Resolving conflicts and disagreements constructively
- Achieving win-win outcomes that benefit all stakeholders

## Training Objectives

At the conclusion of this training, participants will be empowered to:



1. Lead masterful negotiations that lead to win-win solutions for Babban Gona and their partners
2. Understand and apply the five stages of negotiation effectively
3. Identify and leverage sources of power in negotiations
4. Recognize and counter common negotiation tactics
5. Avoid critical mistakes that damage credibility and relationships
6. Break stalemates and move negotiations forward productively
7. Apply negotiation principles to everyday interactions with farmers, suppliers, and stakeholders



## My Personal Learning Log & Action Planning Form

Key Issues and Ideas	Implications

<b>Actions to Implement:</b>
<b>When:</b>



## Module 2

# The Five Stages of Negotiation

## Module Outline

5. Stage 1: Preparation
6. Stage 2: Discussion
7. Stage 3: Proposing
8. Stage 4: Bargaining
9. Stage 5: Agreement

## Overview of the Five Stages

Every successful negotiation follows a structured process. Understanding these five stages helps you navigate negotiations more effectively and achieve better outcomes.

### Stage 1: Preparation

Preparation is the foundation of successful negotiation. Before entering any negotiation, you should:

- **Know your costs** - Understand what you can and cannot offer
- **Consider their impact** - Think about how your position affects the other party
- **Set your limits** - Establish your Initial stance, Rock bottom, and Target
- **Search for variables** - Identify what can be adjusted
- **Evaluate concessions** - Know the costs and benefits of each potential concession

### Stage 2: Discussion

During this stage, both parties share information about their positions and interests. Key activities include:

- Putting yourself in the other party's place
- Getting the other party to reveal their initial stance and full requirements as early as possible
- Listening actively to understand their needs and constraints
- Asking clarifying questions

### Stage 3: Proposing

This is where you present your initial offer. Best practices include:

- **Plan your initial stance carefully** - First impressions matter
- **Aim high and show confidence** - But remain realistic
- **Justify your initial stance** - Provide reasons for your position



## Stage 4: Bargaining

The core of negotiation where concessions are exchanged:

- Trade concessions (preferably at a profit) but justify each one
- Move steadily toward your objective, making notes as you go
- Keep the whole package in mind the whole time
- Don't reveal your cost breakdowns

## Stage 5: Agreement

Finalizing the deal and ensuring mutual understanding:

- Summarise clearly at the conclusion stage
- Leave the other party feeling they have done well (despite your skilled negotiation)
- Follow-up and confirm quickly and thoroughly
- **Never close the door completely** - Maintain the relationship for future dealings

### Remember

Judge yourself against your target! After every negotiation, evaluate your performance against the goals you set during preparation.



## My Personal Learning Log & Action Planning Form

Key Issues and Ideas	Implications

<b>Actions to Implement:</b>
<b>When:</b>



## Module 3

# Negotiation Approaches & Outcomes

### Module Outline

10. Adversarial vs. Cooperative Approaches
11. Understanding Negotiation Outcomes
12. Conditions for Successful Negotiation
13. The Difference Between Selling and Negotiating

### Adversarial vs. Cooperative Approaches

There are two fundamental approaches to negotiation. Understanding the difference helps you choose the right strategy for each situation.

ADVERSARIAL	COOPERATIVE
Fixed positions	Common interests
Misrepresentation	Shared information
Mistrust	Compromise
Short term	Long term
Aggressive	Friendly
Tactics	Questioning
Secrecy	Creative

### Understanding Negotiation Outcomes

Every negotiation results in one of four possible outcomes:

<b>I LOSE, YOU WIN</b> You achieve your goals at my expense	<b>BOTH WIN ✓</b> We both achieve our goals - the ideal outcome!
<b>BOTH LOSE</b> Neither party achieves their goals - the worst outcome	<b>I WIN, YOU LOSE</b> I achieve my goals at your expense



**At Babban Gona, we always aim for WIN-WIN outcomes.** This builds lasting relationships with farmers, suppliers, and partners - relationships that are essential for our long-term success and impact.

## Conditions for a Negotiation

For a true negotiation to occur, certain conditions must be present:

- Both sides will have opening stances that are not compatible
- Both sides will expect to have to compromise
- Both sides agree it is better to reach a deal than not
- Trading of concessions will occur
- Both sides have shared aspirations
- The need to buy and the need to sell is roughly equal

## Selling vs. Negotiating

### SELLNEGOTIATING

These two activities overlap but are different:

- **Selling** focuses on persuading someone to accept your offer as presented
- **Negotiating** involves adjusting terms until both parties can agree

Effective professionals know when to sell (present value) and when to negotiate (adjust terms).



## My Personal Learning Log & Action Planning Form

Key Issues and Ideas	Implications

<b>Actions to Implement:</b>
<b>When:</b>



## Module 4

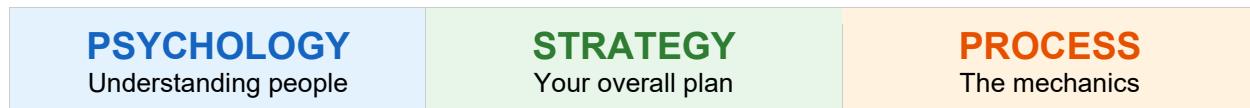
# The Three Cornerstones of Negotiation

## Module Outline

- 14. Psychology in Negotiation
- 15. Strategy Development
- 16. Process Management
- 17. Standpoint vs. Aspiration

## The Three Cornerstones

Successful negotiation rests on three interconnected pillars. Mastering all three is essential for consistently achieving favorable outcomes.



### 1. Psychology

Understanding human behavior and motivation is crucial. Consider:

- What motivates the other party?
- What are their fears and concerns?
- How do emotions affect their decision-making?
- What makes them feel respected and valued?

### 2. Strategy

Your overall plan for achieving your goals:

- What is your best alternative if negotiation fails (BOAT)?
- What are your priorities and trade-offs?
- When should you make concessions?
- How will you respond to different scenarios?

### 3. Process

The mechanics of how the negotiation unfolds:

- Who speaks first?
- How will you present information?
- When and how will you make proposals?
- How will you document agreements?



## Standpoint vs. Aspiration

Understanding the difference between your **official standpoint** and your underlying **aspiration** is key to finding creative solutions.

- **My official standpoint:** This is the position I publicly state
- **Why I'm taking it:** These are the underlying needs and interests driving my position

### Pro Tip

Often, parties in a negotiation have different standpoints but compatible aspirations. Focus on understanding WHY the other party wants what they want - this opens doors to creative solutions.



## My Personal Learning Log & Action Planning Form

Key Issues and Ideas	Implications

<b>Actions to Implement:</b>
<b>When:</b>



## Module 5

# Preparation & Strategy

### Module Outline

18. The Sequence of Actions
19. Before the Negotiation
20. During the Negotiation
21. After the Negotiation
22. Negotiating Styles

### The Sequence of Actions - Part 1

8. Put yourself in the other party's place
9. Prepare thoroughly
10. Identify your 'key levels' on your 'key variables'
11. Plan your initial stance very carefully
12. Aim high and show confidence
13. Get the other party to reveal their initial stance and their full 'shopping list' as early as possible
14. Trade concessions (preferably at a profit) but justify each one you give or ask for

### The Sequence of Actions - Part 2

15. Move steadily and progressively towards your objective, make notes and consolidate as you go
16. Keep the whole package in mind the whole time
17. Summarise clearly at the conclusion stage
18. Leave the other party feeling that they have done slightly the better deal, despite the fact you are a good negotiator
19. Follow-up and confirm quickly and thoroughly
20. **Never close the door completely**

### Negotiating Styles

People tend to adopt different styles based on their concern for relationships and outcomes:

CONCILIATOR	NEGOTIATOR ✓
High concern for relationships, Low concern for outcomes	High concern for relationships AND outcomes - IDEAL!



**BLOCKER**

Low concern for both relationships and outcomes

**ACCOUNTANT**

High concern for outcomes, Low concern for relationships

**The ideal negotiator** maintains high concern for **BOTH** profitable outcomes **AND** personal relationships. This is the style that leads to sustainable win-win agreements.



## My Personal Learning Log & Action Planning Form

Key Issues and Ideas	Implications

<b>Actions to Implement:</b>
<b>When:</b>



## Module 6

# Variables & Trading Strategy

### Module Outline

23. Understanding Variables
24. Trading Strategy: Levers vs. Giveaways
25. Evaluating Concessions

### Understanding Variables

#### What is a Variable?

A variable is any aspect of the offer, product, or service that may be altered in order to produce an acceptable deal. It may involve the removal, addition, alteration, or creation of features.

#### Examples of variables in Babban Gona negotiations:

- Price and payment terms
- Delivery timing and location
- Quantity and quality specifications
- Training and support services
- Contract duration
- Warranties and guarantees

### Trading Strategy: Levers vs. Giveaways

Not all concessions are equal. Understanding the difference between levers and giveaways is crucial for profitable trading:

#### LEVER (+POWER)

Low cost to me

High value to them

*These are your best bargaining chips!*

#### GIVEAWAY (-POWER)

High cost to me

Low value to them

*Avoid trading these away!*

### The Power Equation

**LEVER (+POWER):** Low cost to me, High value to them

**GIVEAWAY (-POWER):** High cost to me, Low value to them



*Always seek to trade levers rather than giveaways!*

**Zero Sum Game Warning**

When the cost to you equals the value to them, you're in a zero-sum game where one party's gain is the other's loss. Seek creative solutions to escape zero-sum situations.



## My Personal Learning Log & Action Planning Form

Key Issues and Ideas	Implications

<b>Actions to Implement:</b>
<b>When:</b>



## Module 7

# Sources of Power in Negotiation

## Module Outline

- 26. Understanding Power in Negotiation
- 27. The 12 Sources of Power
- 28. Using Power Ethically

## What is Power in Negotiation?

### Power Definition

The ability to influence and control people and events. In negotiation, power determines how much leverage you have to achieve your desired outcome.

**Key question:** What are all the possible 'sources of power' or 'means of leverage' in negotiations of any kind?

## The 12 Sources of Power

Information	Time Pressure	Relative Need
Authority	Lack of Authority	Credibility
Competition	Risk Taking	Commitment
Expertise	Empathy	Time Investment

## Additional Sources of Power

- **Invested effort:** The more someone has invested, the harder it is to walk away
- **Reward:** The ability to provide something the other party values
- **Punishment:** The ability to impose negative consequences (use carefully!)
- **Identification:** Personal rapport and connection
- **Morality:** Appeals to fairness, ethics, and shared values
- **Persistence:** Patient, consistent pursuit of your goals
- **Attitude:** Confidence and positive mindset



## My Personal Learning Log & Action Planning Form

Key Issues and Ideas	Implications

<b>Actions to Implement:</b>
<b>When:</b>



## Module 8

# Tactics & Countermeasures

## Module Outline

- 29. Common Negotiation Tactics
- 30. Countermeasures for Each Tactic
- 31. BOAT: Best Other Alternative Today

Understanding common tactics helps you recognize them when used against you and respond effectively. Remember: **Expect tactics!**

### Tactic 1: The Squeeze

**What it is:** Pressure to reduce price or improve terms significantly

**Countermeasures:**

- Plan what to do in advance
- Ask: What are the others offering?
- Stress the total package
- If you have to come down, do it slowly

### Tactic 2: The Budget Bluff

**What it is:** Claiming limited budget to get price reductions

**Countermeasures:**

- Emphasise benefits and unique selling points
- Suggest design changes to fit budget
- Offer finance or payment delays
- Offer an alternative deal
- Use the 'if' technique: "If you can increase the order, we could..."

### Tactic 3: The Triangular Auction

**What it is:** Playing multiple suppliers against each other

**Countermeasures:**

- Stay cool
- Be last, not first, in
- Buy time
- Sell your strengths
- Bring in your experts

### Tactic 4: Good Guy, Bad Guy

**What it is:** Two negotiators play contrasting roles to manipulate you



**Countermeasures:**

- **Remember - they're on the same side!**
- Let them talk
- Ask to speak to a higher authority
- Use your own bad guy if needed

**Tactic 5: The Trawl****What it is:** Seeking additional concessions after apparent agreement**Countermeasures:**

- Invite them to sign for the full contract, then you'll see what you can do
- Offer a sliding discount
- Give discount at the end of the contract
- Blame the rules

**Tactic 6: Buy Now, Bargain Later****What it is:** Agreeing to buy but negotiating terms afterward**Countermeasures:**

- **Always negotiate first!**
- Show the benefits of finalising details now
- Blame the rules

**Tactic 7: The Slow Boat****What it is:** Deliberately delaying to gain advantage**Countermeasures:**

- Use artificial deadlines
- Use the caution close
- Offer a small concession with a short deadline

**Tactic 8: The Gentle Touch****What it is:** Being overly friendly to extract information or concessions**Countermeasures:**

- Listen, listen, ask questions
- Don't say more than you intend to
- Talk about their business
- Turn the conversation to open questions
- **Remember, they're not your friend!**

**BOAT: Best Other Alternative Today****BOAT Definition**

Your Best Other Alternative Today - the fallback position if the current negotiation fails.

Having a strong BOAT gives you confidence and leverage.



**How to use BOAT:**

- **Plan:** If it all goes wrong, what alternative deal can you fall back on?
- **Agree:** With your manager and colleagues the fall back position
- **Research:** What are the other party's fall back positions? Plan an alternative that exceeds theirs as well as yours



## My Personal Learning Log & Action Planning Form

Key Issues and Ideas	Implications

<b>Actions to Implement:</b>
<b>When:</b>



## Module 9

# Breaking Stalemates

## Module Outline

- 32. Understanding Stalemates
- 33. Six Techniques to Break Stalemates

## What is a Stalemate?

### Stalemate

A situation where both parties feel unable to move forward without substantial loss.

## Six Techniques to Break Stalemates

### 1. F3: Feel, Felt, Found

Acknowledge emotions and share how others have worked through similar situations:  
*"I understand how you feel. Others have felt the same way. What they found was..."*

### 2. The Bridge

Use an example of how someone else in their situation resolved the issue to their advantage. Real-world success stories can open minds to new possibilities.

### 3. The Third Party

Bring in an objective outsider to arbitrate. Sometimes a fresh perspective from a neutral party can help both sides see solutions they couldn't see before.

### 4. The Miss Out

Emphasise what they stand to lose by not going forward. Help them see the cost of no agreement, not just the cost of agreeing.

### 5. The Cool Off

Agree to take a break before making a final decision. Time away from the table often brings clarity and reduces emotional pressure.



## 6. The Replacement

Bring in another colleague with a fresh perspective and ideas. Sometimes the personalities involved in a stalemate are part of the problem.



## My Personal Learning Log & Action Planning Form

Key Issues and Ideas	Implications

<b>Actions to Implement:</b>
<b>When:</b>



## Module 10

# The Commandments of Negotiation

## The Nine Commandments

Follow these principles to become a more effective negotiator:

#	Commandment	What It Means
1	<b>Don't assume</b>	Verify everything; ask clarifying questions
2	<b>Build value</b>	Demonstrate the worth of what you offer
3	<b>Always get something in return</b>	Never give concessions for free
4	<b>Listen</b>	Understand before seeking to be understood
5	<b>Understand your 'hot spots'</b>	Know what triggers emotional reactions
6	<b>Expect tactics</b>	Be prepared for negotiation games
7	<b>Plan</b>	Preparation is the foundation of success
8	<b>Make them work for it</b>	Easy concessions are not valued
9	<b>Clarify the deal in writing</b>	Document agreements to prevent disputes

## Summary: Your Negotiation Checklist

Before every important negotiation, review this checklist:

<input type="checkbox"/>	Have I prepared thoroughly and know my costs?
<input type="checkbox"/>	Do I know my initial stance, target, and rock bottom?
<input type="checkbox"/>	Have I identified all possible variables?
<input type="checkbox"/>	Do I understand the other party's needs and constraints?
<input type="checkbox"/>	Have I prepared my BOAT (Best Other Alternative Today)?
<input type="checkbox"/>	Am I ready to trade concessions profitably?



<input type="checkbox"/>	Do I know what tactics to expect?
<input type="checkbox"/>	Am I focused on achieving a WIN-WIN outcome?

## Remember: The goal is WIN-WIN!

*At Babban Gona, we build lasting relationships through fair and effective negotiation.*



## My Personal Learning Log & Action Planning Form

Key Issues and Ideas	Implications

<b>Actions to Implement:</b>
<b>When:</b>



# CONGRATULATIONS!

You have completed the  
**Negotiation Skills Training**

*Now go forth and negotiate win-win solutions!*

**Babban Gona Farmer Services**  
Human Resources Department

