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Buyer's Training

negotiate successfully,
decide cost-effectively

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INTRODUCTION

The global liberalization of markets as well as new technologies with almost unfathomable new development possibilities contribute to drastic accelerations of product cycles, and characterize our modern life.

In times of increasing environmental dynamics, people responsible for sales and purchasing are doubting whether the tried-and-true **“winner-takes-all game plan”** is the appropriate way of dealing with or against one another. Both sides avail themselves of fair and unfair tools, fair and unfair practices, as well as legal and illegal means.

Sellers are under the yoke of sales targets and sales figures. They are subject to an enormous pressure to succeed. Annual increases in the two-digit range are expected of them. If they cannot fulfill these conditions, their income will be affected adversely; their standard of living will decline.

Buyers are confronted with intra-company stress and general procurement and deadline pressure on a daily basis. In order to lower fixed assets, inventories are reduced. Just-in-time delivery has become commonplace.

IT-based corporate processes such as CAE (Computer-Aided Engineering), CAI (Computer-Assisted Instruction), CAM (Computer-Aided Manufacturing), and CIM (Computer-Integrated Manufacturing) control companies. **The seller as the final human element in a chain of information technologies is made responsible** if an urgently required delivery does not arrive on time. Once a purchaser does not fulfill the requirements of TQM (Total Quality Management) or ISO 9000 any longer, this will have repercussions for his or her future professional development.

Why are those two professional groups pitted against one another? There does not have to be a loser for the other one to be the winner!

Companies and their employees can live comfortably as suppliers or clients if only they maintain sales and supply contacts which make **both parties winners**.

Buyers and sellers

THE “TWO-WINNERS STRATEGY”

The “two-winners strategy” is not a new theory of conducting negotiations, but a **modern and successful attitude**. It is based upon the fact that there are **neither winners nor losers** in a negotiation, but that both sides can chalk up their result as a success.

On May 15, 1967, Egyptian President Nasser launched the Six-Day War against Israel. The Israelis resisted successfully. Among others, they conquered the entire Egyptian Sinai Peninsula and occupied the Suez Channel’s eastern shore. Nasser’s successor, President Sadat, wanted to recapture the Sinai Peninsula during the Yom Kippur War in 1973. However, he could merely claim a very narrow strip of land at the eastern Suez Channel. Moreover, Sadat was not capable of preventing Israeli troops from occupying parts of Egypt in their counterattack, advancing within about 60 miles of the capital, Cairo, while doing so.

Although peace negotiations, initiated by Henry Kissinger, resulted in two troop-withdrawal agreements, they did not bring peace in the long term.

On November 19, 1977, President Sadat traveled to Jerusalem in order to hold peace talks with Israel. In December 1977, Begin’s return visit in Cairo followed. Until 1978, however, the peace negotiations did not bear any results worth mentioning. Therefore, American President Jimmy Carter invited the conflicting parties to Camp David, close to Washington, in order to act as a go-between to lead the peace talks from their dead-end alley.

On September 5, 1978, negotiations were initiated at Camp David. On September 17, already, Begin and Sadat had arrived at an arrangement and signed the agreement. This agreement formed the basis for the peace treaty that was signed by Begin and Sadat in Washington on March 29, 1979.

The “Two-winners strategy”

The preeminent factor for the successful negotiations at Camp David was the fact that, under President Carter's auspices, all participants steadfastly adhered to the **“two-winners strategy”**.

Egypt and Israel won at Camp David – with “land for peace” being their motto!

From the Camp David negotiations, important insight can be gained for the behavior between negotiators:

- **Mutual trust** is an essential prerogative for successfully implementing the “two-winners strategy”.
- Another condition for the “two-winners strategy” is the existence of a certain **demand** on both sides, as well as the **fulfillment of demands** being felt as a success for both parties.

Preconditions of the
“Two-winners strate-
gy”

A conflict of interest between buyers and sellers

Economically, **purchasers and sales representatives** are **highly dependent** on one another. The smooth transfer of good and products, from the manufacturer through the various stages of the value-adding process, to the retailer and finally the consumer or user, is enabled in the first place by this very dependency. Hence, **buyers and sellers** work toward the same goal, even into the same direction!

Since this superordinate, common function is not recognized properly, purchasers and salespeople develop conflicting activities and targets. Within a negotiation, each side tries to emerge as the winner. **This attitude frequently prevents the chance to reach a result which satisfies the requirements of both parties.**

Whenever the superordinate, common function of buyers and sellers is recognized and accepted, both parties will abandon their "winner takes all" strategy and resume talks ...

- from which **both sides emerge as winners!**
- where **people negotiate with each other** instead of against one another!
- where **appropriate and reasonable action** is taken!
- which consider and satisfy **the needs of both parties!**
- which **make everyday work more enjoyable** since both sides are successful and motivated!
- which **dispel the fear of difficult negotiations** since no side can lose!

One reason for conflicts is to be found in the area of the **human emotional makeup**. Every purchaser knows that the sellers who visit him or her are expertly trained with regard to their factual knowledge, and are constantly educated psychologically, rhetorically, and dialectically. In addition to a job-specific amount of distrust, buyers might experience an inkling of fear of being inferior to this specifically trained negotiation partner.

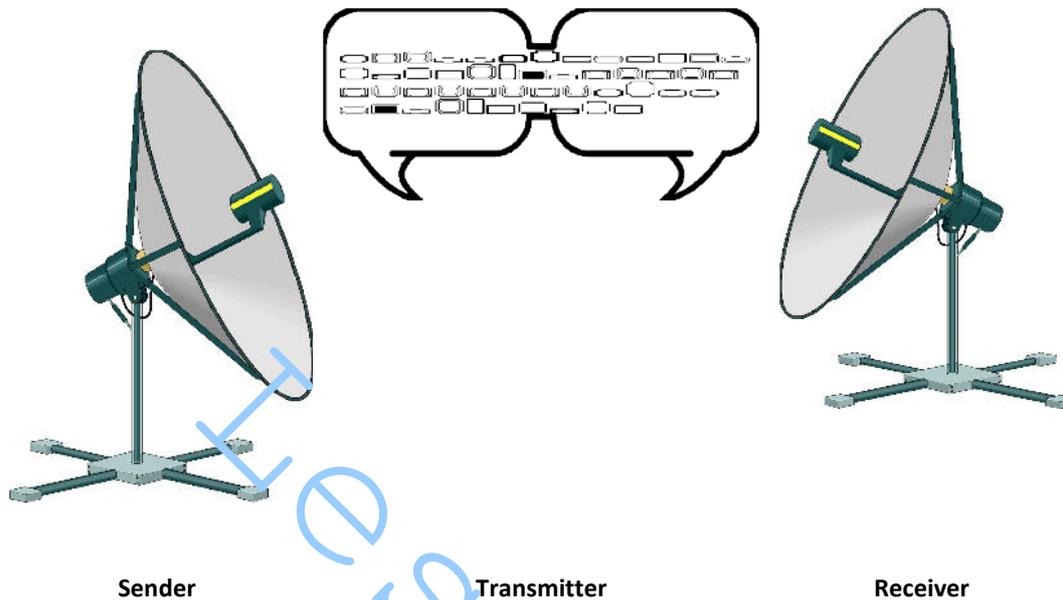
Consequently, the purchaser exercises his or her secure position of domestic authority and commences the "winner takes all" strategy, thus forfeiting the possibility to have a negotiation with two winners. As a buyer, how can you prepare for a two-winners strategy?

Target conflict

Recognizing
common functions

Causes of conflict

Basics of communication



Communication can only take place if all three components are available. Humans constitute **senders** and **receivers** in negotiations. The most essential **means of communication** are language, images, symbols, writing, as well as auditive and visual stimuli.

It is the frequent **aim of communication** between humans (such as buyers and sellers) to **influence** the receiver of the message in the sense of the **sender**, or to **incite** him or her to **a certain behavior**.

A **monologue** is characterized by the sender merely sending and the receiver merely receiving (listening). This may lead to misunderstandings as well as distortion of information.

In a **dialogue**, interlocutors alternate in their functions as senders and receivers. Misunderstandings and the distortion of information may be prevented by employing follow-up questions. A dialogue serves the exchange of ideas, information, and opinions.

Appropriate communication

Basics of successful communication

Think positively!

Humans are steered by their subconsciousness by about 80 %. With a view to the modern-day overflow of communication, positive self-programming as a reinforcer of one's own motivation constitutes an effective counter-measure as well as the foundation of successful communication.

Think and speak positively!

Adapt your manner of thinking and speaking to your new aim of having two winners in order to achieve a goal which satisfies the needs of both parties. Employ "I" and "we" to a lesser extent; phrase your statements using an addressee-oriented pronoun such as "you", and use your dialogues to establish a connecting and binding **sense of belonging**.

Listen actively!

At least 50 % of all communicative actions are within the area of listen. Listen actively! Throughout the course of the sales conversation, it will save you a lot of time for an extended offer stage.

Active listening and verbalizing of answers help establish a common linguistic level. The interlocutor feels that he or she is taken seriously. At the same time, the informational content of the dialogue is enhanced, which will aid the seller to better judge his or her counterpart.

Listen actively: with your body (posture, gestures, facial expressions), your senses (seeing and hearing), and your attention (active listening, asking, repeating, and summarizing). This will ensure to maintain the balance of your conversation – a precondition for a positive conversational atmosphere.

Motivate your interlocutor!

You can conduct motivating conversations by identifying your interlocutor's needs through active listening. They may be addressed directly or indirectly throughout the negotiations (Maslow's Hierarchy of Needs). Clearly show your needs and wishes as a purchaser, so that the seller has a real chance of rationally satisfying them with his or her product or service.

Successful communication