

JUTTA PORTNER

VIRTUAL NEGOTIATION

AN OPTIMAL
APPROACH TO
ONLINE
NEGOTIATIONS

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to Online Negotiations**

GABAL

A note on gender-inclusive language: It is up to the respective authors to decide in which form all genders are addressed.

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Online Negotiation: Is It Even Possible?

Negotiations have been taking place since the dawn of mankind. Ancient Germanic peoples undertook weeks-long marches to attend assemblies and make decisions on important matters. Marco Polo traveled along the Silk Road all the way to China in the 13th century to meet with business partners. And today, gamescom in Cologne is the largest trade fair for consumer electronics, where not only online games are presented, but licenses are also negotiated with partners from all over the world. Of course, this takes place in person, on location, and over coffee or a Kölsch beer – despite the astronomical hotel prices. For millennia, we have met face-to-face whenever it came to important negotiations. Couriers, letters, phone calls, and, more recently, emails or Skype calls have mostly been mere decorative touches to personal business meetings.

And then came the pandemic, when our world changed overnight. We were catapulted into the digital world, with all its yet uncharted rules and regulations. Today, it is impossible to imagine our everyday lives without online negotiations, which will continue to play a key role in the future even if we can and may meet again in person. Negotiating online, however, is a challenge for many people. Even brilliant negotiation professionals despair that their decades of experience in videoconferencing are not yielding the success they are used to. In online negotiation, things simply work differently, feel different, and no one really has much expertise yet.

Trust and dependability are indispensable elements of successful offline negotiation. To establish these prerequisites, negotiation partners meet over a cup of coffee, sit down at the negotiating table together, engage in discussions as equals, and seal their agreement with a handshake. Afterwards, the guests are invited to dinner together and toast to their success. None of this is possible with online

negotiations. Instead of business lunches in fancy business attire and with sophisticated conversation, our personal lives are now inevitably spilling over into negotiations from our home office. Is your little son waving at the camera? Is your cat waltzing through the picture in search of affection? That's nothing to worry about at all. In fact, it's the opposite: It's something quite special, as a touch of real-life amidst all the professionalism makes us more human and fosters a sense of closeness. The kind of closeness that we can certainly use in holding negotiations based in trust. In the wake of the pandemic, communicating via screen in the corporate world has actually become a habit. We have now become quite good at holding team meetings virtually. Most negotiations today are also conducted via video call, but there is often still a lack of professionalism and levity. When there's a lot at stake, online negotiations present less obvious challenges as well as technical ones:

We are overextended: Negotiators are bombarded with numerous stimuli all at once. We are unfocused: Another incoming email here, another phone call there. We are constantly online and forget to take enough breaks. We are insecure: Who is reading along? Who is listening in? We talk very little or all at the same time. The virtual context makes communication and exerting influence more cumbersome.

Even for experienced negotiators, these kinds of negotiations are fraught with uncertainty. We have not yet cultivated sufficient expertise in remote negotiation. The Quadriga Hochschule in Berlin, in collaboration with the C4 Center for Negotiation, conducted a cross-industry survey of 185 companies in which negotiators were asked about their experiences in digital negotiation.

Here are a few select findings from the survey:

- For 75 percent of the surveyed companies, the proportion of digital negotiations before the pandemic was only 25 percent or less.
- During the pandemic, however, nearly 75 percent of respondents conducted 75 to 100 percent of all negotiations exclusively in a digital format.

- More than 70 percent consider digital negotiation to be significantly more challenging than face-to-face negotiation.
- Only 7 percent find digital negotiation less challenging.
- In about half of the companies, negotiation teams were trained and/or further qualified for face-to-face negotiations.
- Only 23 percent were trained and/or further qualified for digital negotiations.
- Almost 85 percent of respondents perceive the lack of personal contact as the greatest disadvantage of digital negotiation.
- For over 80 percent, the inability to read their counterpart's body language well is a limitation in digital negotiation.
- 61 percent find it very difficult to establish a level of trust in digital negotiations.
- More than a third see the multitude of misunderstandings as a major obstacle in digital negotiation.
- Overall, over 62 percent prefer face-to-face negotiation to any other form of negotiation. Only 20 percent of respondents prefer digital negotiations with online meeting systems. Telephone negotiation is the preferred form for just under 8 percent of participants.¹

In “Virtual Negotiation. An Optimal Approach to Online Negotiations” you will learn how to overcome these challenges. It is well worth it, as online negotiation is here to stay. It’s the new way of negotiating that is not only promising in its own unique way but also conserves resources: Travel times are reduced, and the time gained can be used more efficiently. Travel costs are avoided and the budget saved can be used elsewhere. Only those who familiarize themselves with the Best Practice tips will become virtual negotiation professionals.

Three reasons why it's worth reading this book and becoming an expert in virtual negotiation:

1. Virtual negotiation is new. Negotiators still have limited expertise and are insecure. Reduce your insecurities through knowledge and become a pioneer in this field.
2. Virtual negotiation has become a critical part of our everyday business practices. Invest in this skill and adopt a positive attitude.
3. Best Practice tips are clearly structured, developed by professionals for professionals, and easy for you to apply.

Before we dive deeper, let's first clarify a few basic terms: Is every conversation, every discussion, or every meeting automatically a negotiation?

What is a negotiation? A short definition

In the traditional sense, we talk about "negotiating" when individuals/parties have different interests and communicate with each other to reach an agreement.

This always requires four conditions:

- Mutual interdependence
- A conflict of interests
- An approximately equal balance of power
- Reaching an agreement is seen as the goal of the negotiation

Even though, of course, there can be conflicts of interest in private contexts and ideally a desire for agreement, in this book, I primarily focus on the professional context of a negotiation: when we are negotiating with service providers about the next order, tendering a pitch, or setting a price for our products and services. But negotiations also take place in business development with potential partners, or, as a leader, you might mediate a team conflict.

CHAPTER 1. Why Negotiating Online Is Different than in the Offline World

Many virtual negotiators report a great deal of exhaustion. Participating in several virtual meetings throughout the day means sitting at a desk for hours on end. In the evening, your back hurts, your neck and throat are tense, your eyes burn, and your head is empty. This phenomenon can be observed all over the world and even has a name: Zoom Fatigue. Of course, Zoom Fatigue also occurs in MS Teams, Google Meet, Webex, and Skype for Business. And the symptoms are always the same. Working remotely for long periods of time is tiring and stressful. However, there is a lot riding on the results that are achieved in business meetings. And of course, better results are achieved when virtual negotiators are not drained and depleted. Let's take a closer look at what exactly the stressors are and how virtual negotiators can deal with them professionally without falling victim to Zoom Fatigue.

We are exhausted: Too many stimuli, all at the same time

Who hasn't experienced total overload before? Too many windows are open, too many tasks popping up, too many things to do, and then your technology breaks down. One minute it was working and now suddenly nothing works. There's no use in clicking or restarting. The technology has gone on strike. By the time we finally get the problem under control, sometimes without knowing exactly how we did it, the meeting has long since begun. We stutter through an apology and are stressed even before we start negotiating.

The more negotiators participating in a session, the more thumbnails we see on our screen. Since the order of display is based on

the sequence of log-ins, our own team's thumbnails are mixed with the other party's negotiating team. At first glance, it's not possible to make a clear distinction of the negotiating parties.

We don't even know where to turn our attention first: We've got the camera on, while the other person has their camera off. At the same time, we often work with multiple electronic devices. We're using a second monitor to simultaneously communicate with our colleagues via WhatsApp. Desperation can easily set in at that point. In order to maintain control and get off successfully despite a potentially bumpy start, we have to put a stop to excessive demands. But how?

It is important to first reassure yourself: A little stress won't hurt and is even normal. It pushes negotiators, making them feel activated, strong, and focused. Being challenged is helpful in moving a negotiation forward. But when we reach the breaking point, then disorientation takes the helm, and overwhelm (notice the last four letters of that word) becomes too much. We conduct an internal assessment of how much strength, energy, and attention we have. We compare this to the current demands. When we then subjectively feel that we're no longer up to the task and lack sufficient resources to cope, we become overwhelmed, and our body reacts. We become increasingly nervous, jittery, and simultaneously become aware of our behavior. This can contribute to a spiral of stress. The more stressed our body is, the worse we are at handling complex cognitive processes. Stress serves as an alarm function. The release of cortisol and adrenaline has always prepared us for fight or flight. However, running away or attacking doesn't help us at our desks, and thoughts like "I can't handle this" or "The negotiation is going to fail before it even begins" are not helpful. The more stressed negotiators are, the less focused they are, and the fewer creative problem-solving ideas they come up with. Therefore, it is an absolute necessity to get out of this stressed state as quickly as possible and act constructively rather than demeaning. So, what can online negotiators do?

VIRTUAL NEGOTIATION. BEST PRACTICE

Accept that it's just the way it is and quickly snap out of the stress pattern you find yourself in. Whether it's sudden heavy fatigue, a mental block, or frantic actions like clicking wildly, online negotiators must first remove themselves from the situation in which they feel trapped. Turn the camera off, take three deep breaths, glance out the window, take a sip of water – the key is to do something else briefly. And very briefly! Why? Because there's no time for anything longer when your negotiation partners are already online. But even small actions already give the brain a sense of self-efficacy, which we'll delve into in detail later.

We get distracted: Another incoming email here, another phone call there

People are naturally curious beings. It's only natural that we frequently tend to drift off. The surroundings of our negotiation partners are highly interesting. We try to decipher the titles in our colleague's well-stocked bookshelf. We wave to the cute daughter of a supplier and wonder about the boss's chubby cat that is walking through the frame. The visual stimuli in online negotiations are diverse. After every moment of distraction, our brain needs time and energy to refocus on the actual topic at hand and return to the original level of concentration. In self-management, this is referred to as the so-called "Saw Blade Effect." In addition, we have underlying thoughts: Negotiators often simultaneously think about the future and the past, about possibilities and impossibilities, about tomorrow and the day after tomorrow, and about yesterday and the day before yesterday.

VIRTUAL NEGOTIATION. BEST PRACTICE

To prevent a nervous breakdown, anchor yourself in the here and now. Here is a mindfulness training exercise that can be used quickly and anywhere: Say out loud, "I'M HERE NOW." While speaking, consciously focus on where you are at this moment and what you want to do now. Activate your senses and carry out a body scan, as it works wonders: Feel into your body, straighten up, and take deep breaths. Consciously smell something nearby, like an apple on the table or the coffee in front of you. "I'M HERE NOW" is a mantra. The more you repeat it, the more likely it is to become a routine that can effectively pull you out of the thought carousel and back into focused concentration.

We are constantly online: There's barely any time to catch our breath

What do you do when you're planning a long road trip? You start with a full tank, check the coolant, measure the tire pressure, and top up the windshield wiper fluid. You should approach video conferences in a similar way. It's important to be fully present and energized. Face-to-face meetings provide us with breaks as we move between meeting rooms, allowing us to catch our breath. Even brief moments of disengagement allow for small mental breaks that refresh us. However, online, in the worst case, one meeting follows the next. One begins right on the hour, while the next one starts at the top of the next hour, and this cycle continues for several hours. Sometimes, there's barely even a moment to grab another coffee or take a short restroom break between calls. How can we, in such a setting, bring certain topics to a conclusion, engage with new partners and their concerns, and make smart contributions in a focused way?

VIRTUAL NEGOTIATION. BEST PRACTICE

Schedule a break **BEFORE** the online negotiation firmly in your calendar and perform the “I’m in good shape” check. Ask yourself: Have I had enough sleep? Do I need some fresh air? Am I in pain? Am I hungry and in need of a small snack? Or am I thirsty and should drink half a liter of water? Am I tense and do I need to move briefly? Do I need a power nap? In short, is everything okay with me?

We get lost in the complexity and disengage

There’s nothing to stop you from keeping several balls in the air. But keeping too many balls in the air is difficult for even the most experienced of jugglers. Trying to manage too many demanding topics during an online negotiation consumes a great deal of mental energy and often leads to us mentally disengaging much earlier than in face-to-face negotiations. Trying to manage too many mental tasks and operations simultaneously and in parallel is even more likely to fail online than in face-to-face negotiations. The myth that multitasking is a superpower still persists. But what should take priority among your many tasks?

VIRTUAL NEGOTIATION. BEST PRACTICE

Stop multitasking immediately: It’s time to sort, filter, and prioritize. Create a realistic agenda with buffer times. Don’t let others push an unrealistic agenda on you. This helps you not to get bogged down in complexity and lose sight of the big picture. This way, you can focus on what’s currently at hand. One radical exercise is to imagine the following: In ten minutes, there will be a complete power

outage. What needs to happen now? What is the minimum level of agreement you want to achieve before the lights go out? There are certainly tasks that you can recognize as being of lower priority and you can even delegate. It's best to take a piece of paper during your preparation and prioritize your topics into categories of HML (High/Medium/Low). What points can only and exclusively be negotiated by you? Which aspects do you not want to discuss in this online negotiation and will you postpone, and which might even be matters to which you can say no? Who can handle topics on your behalf? Take advantage of this opportunity. You are usually not the only person who can take on a task.

We are suspicious: Who is reading along? Who is listening in?

Instead of the three dimensions we have in face-to-face interactions, our perception of our conversation partners in online negotiations is reduced to just two dimensions. Intuitively interpreting body language, as we do in personal encounters, becomes much more challenging with “speaking-heads.” We can only speculate about what’s happening to the left and right, in front and behind the video thumbnail. If the background is blurred, we make guesses about where the other person is located: in a home office or on a workcation in another country? We may even wonder: Who’s listening in today? Who might have access to confidential data? A healthy level of suspicion causes many negotiators to be more cautious with information. This, in turn, automatically leads to a slower development of trust.