



Negotiating and Influencing – a sustainable model

Presented by Nick Thomas
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The Insurance
Institute of Preston
and Blackpool
Chartered Insurance Institute

Welcome and Thankyou

Webinar format - 60 minutes including Q&A and polls

Slides and recording provided post-session

Chat and Q+A

Nick Thomas

- Background in Insurance Broking Sector. Sales and Sales Leadership specialist
- Widely qualified coach and personal development specialist
- Coaching, training and consulting – Insurance M&A

Nick Thomas & Associates

- Up to the minute training solutions addressing the challenges of the modern insurance professional
- Technical insurance; sales, business and soft skills; performance, resilience and wellbeing; management and leadership



Learning competencies

*‘Begin with the end
in mind’*

Stephen R. Covey,
The 7 Habits of
Highly Effective
People’

- Understand the importance of non-adversarial trading conversations and negotiations for long term business outcomes – especially in a hard market. How we can conduct tough trading conversations without damaging long term relationships
- Understand key skills for the negotiation process including rapport and perceptual positions.
- Bringing these skills together in a framework to achieve non-zero-sum outcomes
- How to enhance successful outcomes with additional best practice strategies

Sustainable Negotiation

Component skills

- Building rapport
- ‘Outcome thinking’ – not ‘problem thinking’
- Perceptual positions
- Resourceful states
- Framing
- Non-zero outcomes

...the smart salesperson never thinks of selling as a battle or of customers as enemies to be beaten.
...an order you get by ‘beating the buyer nearly always turns out to be business that you wish you hadn’t sold
‘The New Strategic Selling’ – Miller Heiman

Rapport

- Rapport is the quality of a relationship of **mutual influence and respect**
- **Key factors** – Empathy, Similarity, Authenticity and Collaboration
- We buy at emotional and rational levels – if they are in conflict **emotional** wins
- Rapport feeds client intimacy – key component of **trust**
- Other components – capability, dependability, integrity - are judgements. Intimacy is a ‘feeling’

Rapport is the ultimate tool for producing results with other people. No matter what you want in your life, if you can develop rapport with the right people, you'll be able to fill their needs, and they will be able to fill yours.

Tony Robbins

Building Rapport:

- Meet in their ‘map of the world’ – ‘pace’
- ...when you have ‘rapport’ you can ‘lead’
- Matching & Mirroring – process of pacing and leading
- Pace and lead at different neurological levels

Time for a Chat:

Who can recall the neurological levels?



Outcome thinking

Problem thinking

- Focuses on what is wrong.
- Seeks blame
- Focuses on past and present
- Makes us feel bad and less resourceful

Outcome thinking

- What do you want?
- Gives direction of travel.
- Focuses on future and how to achieve it
- Puts us in a 'resourceful state'



Where focus goes, energy flows
Tony Robbins

Structuring outcomes

- Outcomes should be **realistic, achievable and motivating**
- **Express in the positive** – towards something you want, not away from something to avoid
- **Establish evidence**
 - How will you know you are on track?
 - How will you know you have achieved outcome?
- **Specifics?** Where, when and with whom?
- **Your resources?** May include personal qualities, inhouse expertise, market relationships and facilities, network, tech.

By setting an outcome we become aware of the difference between what we have and what we want. The difference is the 'problem'. When you have set an outcome...then you can plan to make the journey from one to the other. You become proactive, take ownership of the problem and start to move towards a solution
'A practical guide to achieving the results you want' - Joseph O'Connor

Structuring outcomes

What can I control?

- What do I need to do to achieve the outcome?
- How can I motivate others to help

Wider consequences?

- Opportunity cost
- How does it affect others? Market, client?
- Is the outcome in keeping with personal and organisational values/culture?

Size of Outcome

- Too big can be overwhelming. Chunk down
- Too small – connect to big outcome to motivate

Create an Action plan – include delegation

- ‘Task clarity’ - most motivating factor for salespeople [above factors such as compensation]
- ‘Laying bricks’ vs. ‘building a wonderful building’?



Reference:

What counts most in motivating your salesforce? **Harvard Business Review**, July 1980

Perceptual positions - overview

- Everyone in a dialogue, or negotiation will have a different perspective
 - No 'correct' perspective – all partially true but incomplete
 - You build understanding from appreciating multiple perspectives.
 - Essential in negotiations to understand all stakeholders' perspectives
- **First position** – your own view. Do you have a clear understanding of this?
 - **Second position** – the other person's perspective. Basis of empathy and rapport
 - **Emotional** – understand their feelings
 - **Intellectual** – understand how they think, their ideas, opinions and outcomes
 - **Multiple buyers** – consider all perspectives
 - **Third position** – detached position. Check the 'ecology' of the outcome

'Effective Meeting Pattern' - preparing

Move back to first position

- Go back through the questions in the light of the information from second and third position
- Make any changes to outcome etc that you need to adopt

Mentally 'break'
and shift position

First position – ask yourself:

- What is my outcome?
- How will I know if I have achieved it? What will I be paying attention to?
- What manner will I adopt?
- How will I structure the meeting?
- What is my 'fallback' position?

Mentally 'break'
and shift position

Third Position – objective viewpoint:

- How do second and third positions relate?
- What advice would you offer first position?
- What is the likely outcome of the meeting given first and second position
- Will both achieve their objectives?
- ...If not, what needs to change?

Mentally
'break' and
shift position

Second position – ask the same questions and answer them as best you can from THEIR perspective

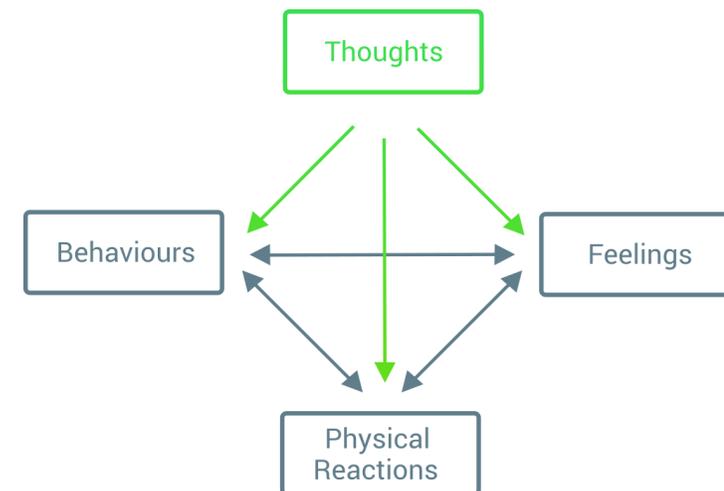
- What is my outcome?
- How will I know if I have achieved it? What will I be paying attention to?
- What manner will I adopt?
- How will I structure the meeting?
- What is my 'fallback' position?

Emotional states – overview

- **State** – way of being in the moment. Comes from physiology, thinking and emotions...
- ...they are **interconnected** and influence each other
- We believe states are outside our control e.g. *'You make me feel so angry'*
- In truth we can create and chose them to serve us
- **Our state affects our capabilities**

Time for a Chat:

- Can you think of some examples?
- What state would help you in that scenario?
- What state would we choose for negotiation?



'There is no such thing as unresourceful people, only unresourceful states'

Emotional states – accessing resourceful states

For any task or outcome, ask *'what state(s) will make it easy for me?'*

Recognise current state – view objectively e.g. 'frustrated' by Insurer rejections

Break state

Change thinking – chose a resourceful state e.g. for negotiation – 'calm and confident'?

Access this state – best option

- Remember a time when you felt in that state (as powerful as possible)
- Go back and notice your **feelings, body language, and thoughts**
- Choose that state and adopt those characteristics



Time for a Chat:

- What do you do if you can't access an appropriate past state?



Emotional states – accessing resourceful states

If you cannot recall such a time, next best

- **Modelling** - think of someone who 'does' this state well. Model their body language and physiology
- Failing that...**Pretend!** What would it look like if you were confident and calm?

General:

- **Movement** – releases beta-endorphins
- **Breathing** – slow deep breathing. Calming – PNS
- **Laughter** – releases beta-endorphins, alters breathing
- **Expand your vision/open body language**
- **Shift focus** – we move towards where we focus
- **Anchors**



Negotiating guidelines

Pre-Negotiation

- Set your **outcome** – top and bottom line for agreement
- Establish **BATNA** – Best Alternative to Negotiated Agreement (what will you do if you cannot reach agreement) – **if you don't know your BATNA you may accept a deal that hurts you**
- Establish **evidence for outcome** – what does good look like?
- **Chose a resourceful state** – what state do you need to be in to optimise your result?



BATNA

Establish **BATNA** – Best Alternative to Negotiated Agreement (what will you do if you cannot reach agreement)

‘Always be willing to walk’ – research shows this is the number one strategy that separates TOP performing sales negotiators from others

Mindset crucial – frees you up, reduces anxiety and builds confidence

OK to WANT the deal but not to NEED the deal – communicate to other party; puts you in control



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Negotiating guidelines

Maintain resourceful state – remain calm.

- Allows rational decision making and creativity for ‘win-win’.
- Avoids loss of rapport – collaborative vs confrontational

Establish and maintain rapport

- **‘Pace’ at different neurological levels** – environment, behaviour, capability [professional and personal], values and beliefs
- Remember rapport does not require agreement but does require respect

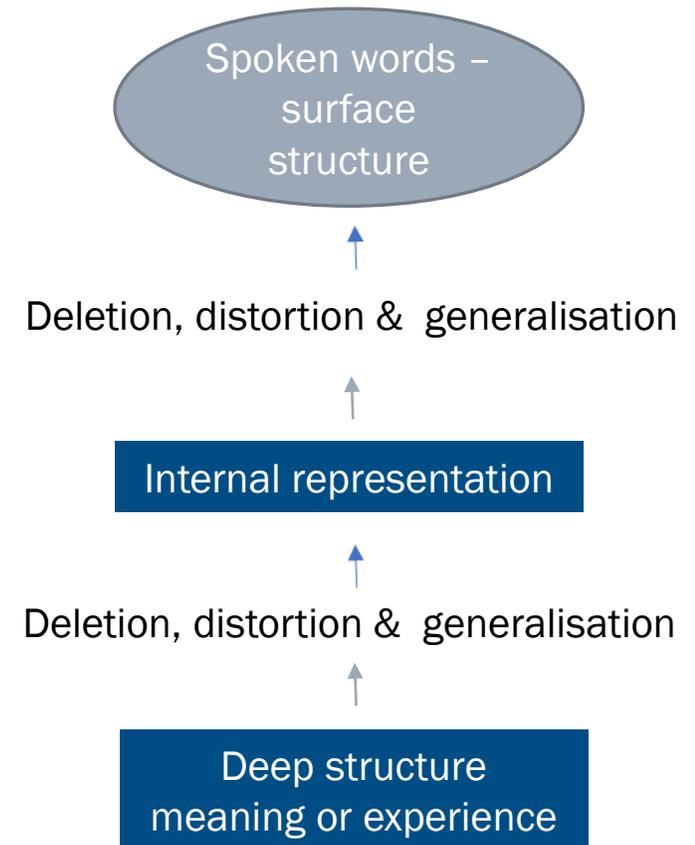
Use perceptual positions

- Be clear on first position
- Second position to gain understanding
- Third position – track relationship and state of negotiation



Negotiating guidelines

- **Use questions** to deepen understanding and recover lost information and deep structure
- People delete, distort and generalise experience – conscious and unconscious [language limitation]
- Move up from specific areas of disagreement - establish area of **common ground** [similarity = rapport]
- Move back down to smaller areas of disagreement
- **Seek congruent agreement** – manipulation and deception is not a long term strategy
- **Future pace** the agreement – mentally rehearse how it will play out, problems and how to deal with them
- Adjust tactics and strategy accordingly



Negotiating Skills

- **Set an outcome frame** – move towards an outcome not away from problem
- **Use layout of room** – avoid confrontation
- **Frame negotiation** as ‘shared’ problem. Write down and all ‘face’ the problem together?
- **Backtrack**
 - Restating using other person’s use of words and even body language
 - Avoids misinterpretation – using own words can mean different things to someone else
 - Summarise progress, maintain rapport, test agreement

- **Use ‘conditional close’** - to explore possibilities: *‘if such and such were to happen, what would we do?’*
- **Open up possibilities with questions** – *‘what would have to happen for such and such to be possible?’*
- **Priming** – use of language...

Framing:

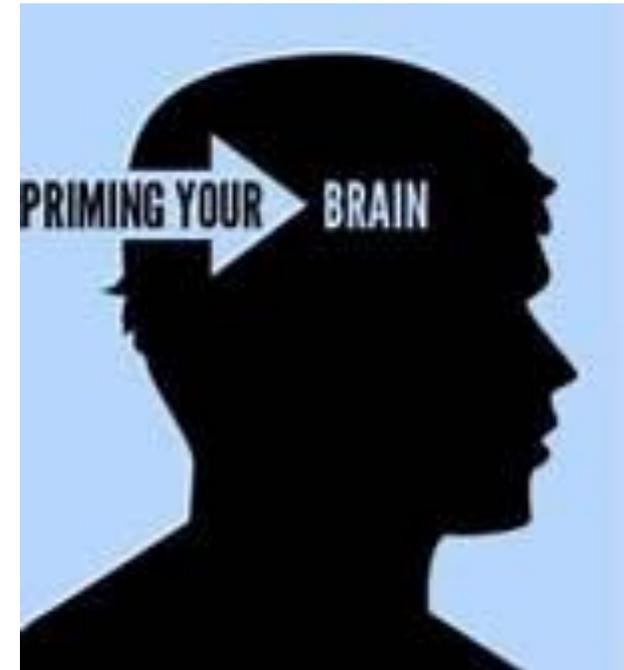
Nothing has meaning in itself. The meaning depends on the ‘frame’ we apply.

‘There is nothing either good or bad but thinking makes it so’.

William Shakespeare

Priming

- *Where exposure to one stimulus influences a response to a subsequent stimulus without conscious guidance or intention*
- Words, phrases, images, videos can ‘prime’ people to unconsciously think, feel and respond or behave in certain ways
- See work of John Bargh, Professor Psychology and Management at Yale



Negotiating Skills

- **Do NOT counter-propose immediately** after a proposal – this is when they are least interested. Discuss their proposal.
 - Use **questions NOT statements** – let them discover weakness of own position. Less push back. Psychological ownership.
 - A case is as strong as weakest link – **use one strong argument** rather than many weaker ones
 - **'Trade don't cave'** – avoid *'where do we need to be on price'* when challenged. Use questions to understand what's driving the challenge
- **Seek non-zero sum results**
 - Avoid winner-loser. Co-operation
 - Can develop to win-win, although may need to reframe what 'win' means

Trading means asking for something in return when something is asked of you. It also means offering something proactively when asking for something from the buyer.



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Thankyou! Questions?

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