

Time in Negotiation

by Bob Whipple, MBA, CPLP

The use of time in negotiations is a well known ploy that is more effective than meets the eye. When you come into a car dealer for the third time to look at the same car, that dealer has a significant advantage. He or she knows you have invested significant time into this deal and will be willing to compromise a lot on price.

There are many examples of using time and personal energy as a tactic in negotiations, I will share a couple examples from my own history to illustrate how this works and how you can thwart others who would use time trying to get advantage over you. These ideas were also presented in my book, "Trust in Transition: Navigating Organizational Change."

I recall one situation where a CEO was contemplating the purchase of a diversified company with offices all over the world. The selling CEO wanted to impress the buying CEO with how things work in the fast lane, so he arranged a trip around the world to visit every site as part of the due diligence.

The idea was to exhaust the buying CEO so that he would cave in during the negotiation. The seller even took along two assistants so they could relieve each other and have an unfair advantage. The ploy totally backfired.

I was present when the selling CEO came back from the week-long journey. He looked completely exhausted. His comment was, "Where did they get that guy? He ran rings around us and always came up smiling. We were absolutely dead on our feet." So, what was intended as a ploy to gain the advantage turned into a liability for the seller.

The secret was that the buying CEO was a master at sleeping on airplanes and in taxis. He could get good quality sleep on every leg of the trip, while all three of the opponents could only sleep a little and did not get much rest for the entire week.

I recall another situation where one party tried to gain leverage using time, and that also backfired. This was a negotiation for a product line made in Japan. The principal, I'll call him Don, flew over from the United States to negotiate a deal and was scheduled to stay for a week. He was outnumbered, of course, and was a guest on their home turf.

That was a big advantage for the Japanese, who decided to put time pressure on Don. They dragged their feet and brought up all kinds of small issues to avoid the financial negotiations until the final day.

The Japanese host said they found out which flight my friend was going to take so they could get him to the Narita Airport on time, but they actually they got the flight information to know when Don would be getting anxious to close the deal and head home.

At around 10 a.m., the Japanese host asked for a major price concession and stated, "We have been talking now for five days, and it is time for you to show some flexibility. Besides, we have to get going within an hour to get you to Narita on time."

Don did a masterful reversal when he said, "Oh, let's not rush this deal. It is too important; I'm prepared to stay for another week, if necessary, so we can get this right." All of a sudden the time pressure was on the other side.

The Japanese host had been entertaining Don every night, and it would take him almost two hours to get home after he dropped Don off at his hotel. He was exhausted and wanted my friend out of his hair, yet Don claimed he was willing to stay for an additional week. The Japanese host quickly made a huge concession, and Don still stayed the extra week to hammer out the details.

The use of time in the negotiation process is always important, and good negotiators find ways to leverage this important consideration. Here are five tips that will help you improve your negotiating effectiveness regarding the use of time.

1. Be more aware of how time is working for or against you during the entire process, not just at the negotiating table.
2. Consider the element of time as a competitive weapon to use strategically and carefully to improve your changes for an excellent result.
3. If your counterpart is trying to use time against you, work to reverse the logic and have it work against the other party. It is fun to see the look on their face when they realize the dynamic has been overturned.
4. Do not telegraph your own anxiety relative to time. Make gestures like you have all the time in the world.
5. When you sense anxiety in the other party, slow down the process to gain leverage.

At the end of the day, the negotiation rests on human beings who have physical and mental limitations. Use the strategies above to enhance your negotiating success, and also use them to be alert to the tactics that others may be using on you.

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New Book in 2014 - ***Trust in Transition: Navigating Organizational Change*** For more information go to www.astd.org/transition

