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Book review. Principles of negotiating international business: Success strategies for global negotiators

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# Book review. Principles of negotiating international business: Success strategies for global negotiators

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This article provides a review of the book “Principles Of Negotiating International Business: Success Strategies for Global Negotiators” written by Lothar Katz, and published in 2008 by BookSurge Publishing in Charleston.

Globalization has forced companies to become worldwide players in an environment where boundaries for business merely exist. In this limitless world, business people are exposed in an everyday basis to situations where knowing how to negotiate can make the difference between success and failure. In order to succeed, individuals need to face this challenge with the proper knowledge and skills, and even though the negotiation process and its related techniques is a field widely documented, the complexity that the cultural component provides to this process, is sometimes not taken into account or not given the place it deserves.

Mr Katz’s Principles Of Negotiating International Business explains how culture specific issues impact international business negotiations describing the factors that influence how members of a given cultural group negotiate. The book achieves to integrate the culture-specific components into the negotiation process in a very natural and practical way. It not only highlights the importance and relevance of these components into each and every phase but also gives the negotiator a powerful tool that allows him/her to use the cultural component to understand what, when and most important how to negotiate; making the culture a key element in the strategic thinking of the negotiator when trying to reach the desirable results during negotiations across borders.

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It is important to note that, although the book seems extensive when looking at the number of pages (185 Pages), in general terms it is easy to read and understand because it develops the subject in an accurate and systematic way. The book is divided into 2 sections, one that explores the negotiation process and the culture related factors. This first section is the framework for the second section, which focuses on negotiation techniques. In order to avoid stereotyping, the first section starts by defining the geographical groups that will be used along the book to then elaborate on the challenge the negotiation process represents nowadays and the role and impact of the culture in it. The author then takes the reader through all the negotiation process starting by the preparation stage, introducing key concepts as the BATNA (Best Alternative To a Negotiated Agreement) and then goes to the relationship building stage analyzing how to build them effectively and also how different cultural groups value relationships for business. In the following pages, the book looks also to explain which aspects should be taken into account for an effective communication and goes through the steps and things to consider when making initial contacts and setting meetings up.

The book goes deep into one of the key stages of the process, the negotiating and the bargaining exchange, there, it starts by defining the negotiation attitudes and how they are defined by levels of assertiveness and cooperation and then centers its attention on making a detailed description of the bargaining styles, showing how they can be effectively used. It also explains how information, power and time could serve as bargaining levelers. To end the first section of the book, a description of the agreement, closure and execution phases is given, analyzing the types of agreements, the role of contracts and ends with examples and brief analysis of some failed negotiations.

Along the first part of the book, Katz introduces a series of key concepts that are mainly cultural related factors. When he defines these cultural factors he also identifies in which cultural groups these may be found in a greater or lower extent, These concepts are fundamental to show how culture and cultural groups shape and influence all the stages of the negotiation process and will also be definitive in understanding how to apply more effectively all the techniques. The book ends up with presenting a group of negotiation techniques categorizing them into deceptive, pressure, aggressive, adversarial, emotional and defensive, and describing how they work, how to counter them and how to use them to get the best results.

In its essence, a negotiation process is an interaction between two human beings (or group of humans) who have their own aspirations and objectives and that in most of the cases oppose. Independently of what, where and when a negotiation

process is undertaken, there will always be a common element, and it is the human being with its inherent complexity. It is imperative to stand out how the book deals with this inherent complexity by using the concept of culture as a tool to lower the uncertainty that this component contributes to the negotiation process. Different approaches and definitions of the concept of culture may exist, but the one the author uses (And that at first sight looks out of context) proves to be very useful for the point the book wants to make. MIT's definition of culture "The way in which people solve problems" (Katz, 2008, p.3) serves as a perfect bridge to link both concepts; culture and negotiation, as Katz (2008) states "It captures the essence of why international negotiators need to understand cultural differences" (p. 3). This approach is important because it enhances the human component of the negotiation and allows the reader to focus on the individual to understand how these culture-specific components are key elements on all the stages of the negotiation process.

Perhaps one of the main contributions of this book when compared with one of the most popular books on the subject as the Harvard Business Essentials: Guide to Negotiation by the Harvard Business Review Press, is the complete set of techniques presented by the author, their categorization and the way the reader can easily identify how and when to use them. And it is in this second part of the book where the reader can find one the most evident ways in which the integration of the cultural factors to the negotiation process proves its value, and it is when the author uses all the culture related factors and the different cultural groups with their corresponding negotiation styles as a guideline to negotiate effectively. By using this guideline, the negotiator is capable of applying the techniques in a more efficient way, identifying who will likely use or not use the technique and when using the technique will be effective or not be effective. One additional contribution from the author that helps to make this second part very valuable is the explanation of how to counter the techniques. This becomes also an essential tool needed when engaging in a negotiation process and that could also be as important as being prepared to use the techniques.

Even though the cultural factors are the corner stones of the book, it doesn't fall short on giving the reader a proper description on the stages of a "typical" negotiation process. In the first part of the book, the author builds the framework that every negotiator, regardless of the culture, will most of the times need to follow. Even if it is not the intention of the author, it is evident that among all the phases, the bargaining process is the one that catches the author's attention (It covers about two thirds of the book) and is where he focuses his efforts to elaborate in more detail, especially on the techniques. I had always assumed that

this stage was the most important since it is where being stronger could pay the best results, and the author proved me right, presenting it as an invaluable chance for the negotiators to turn everything to their favor by taking an active position via combining the right techniques, understanding of the cultural factors and using the information they have gathered in the previous phases.

It is also fair to say that one of the phases that the book fails to deal in depth and that is one that, due to its importance, would have deserved more space, is the preparation process. The Preparation stage is commonly seen as a strategic step because it allows the negotiator to better understand his position, the counterpart's position, and most important it allows him to identify and measure which are both parties' motivations, limits, opportunities and objectives. The importance of getting to know you and your counterpart can be considered as a key element for the outcome of a negotiation. The Art of War (Sun Tzu, ~400 B.C.) clearly exemplifies this when states: If you know the enemy and know yourself, you need not fear the result of a hundred battles. If you know yourself but not the enemy, for every victory gained you will also suffer a defeat. If you know neither the enemy nor yourself, you will succumb in every battle (p. 30).

Taking into account the background of the author and the time he has devoted to international business I believe the book falls short on the analysis of the cases it uses as examples of failure or success of international business negotiations. Being the cultural factor an element that adds intricacy to all the stages, that is some times very tricky to integrate to the analysis and also that has a big influence on all the negotiation process, it would have been very important to have a more detailed analysis of a real negotiation case where the reader could have the chance to see how culture impacted the outcome of an international negotiation process. Along all the different sections, the book presents a large number of concepts, techniques and valuable information in a very organized and logical way, nevertheless, even though this great amount of information is an excellent instrument, it sometimes can be overwhelming when trying to link all this knowledge and structure a negotiation plan or to understand which technique should be used. For the sake of the negotiator, it would have been very useful if the author provides summary charts or matrixes that compress and connect all the cultural factors definitions, cultural groups and the techniques. This would have serve to relieve in some way the confusion that may arise and also help to give the book a more practical approach by allowing the negotiator to easily identify and link all these concepts making it more feasible to build a solid strategy.

Business environment nowadays has proven to be a big challenge, one that evolves at a fast pace as companies and people all around the world continuously change

the way businesses are done. As a result of this, people in international business have become skilled negotiators that know very well the negotiation process and that are prepared to face more and more challenges, even when the stakes are the highest. Anyone that wants to be able to compete in this context, needs the foundation of a solid knowledge of the stages of the negotiation process, with special dedication to the preparation stage, but even more important than that, the negotiator has to understand that negotiation is a basic human activity that is deeply influenced by the values, beliefs, attitudes and behaviors and therefore the cultural component should not be taken lightly. He needs to learn how it influences the negotiation, and use this knowledge to shape the strategy and overcome the obstacles that arise and that stand in the way to reaching the objectives.

After reading this book, any potential negotiator, regardless the experience it has, will feel optimistic and more confident when entering in a negotiation process, and will also be encouraged to widen the knowledge of the cross-cultural aspects that influence the business environment he is into.

The task for the readers of this book is not simple and demands time, flexibility and dedication. They need to go beyond all the knowledge and techniques provided by the author and make them go from pure theory to turn them into powerful tools.