



Six Steps to Effective Negotiations

The following six steps are fairly basic, but if you can master them you should be a successful negotiator:

Step #1. Prepare. Make a list of your interests and those of the other party, then decide what objectives on both sides negotiations can achieve.

Step #2. Listen. Listen with your ears and with your eyes, watching body language and facial expressions to get insights into what the person is really thinking.

Step #3. Focus on the problem. Don't let yourself respond emotionally to comments made by the other party.

Step #4. Be specific. Use hard facts to back up your position. If you need resources—money, time or people—to accomplish a result, don't argue based on soft issues, like job satisfaction or employee morale.

Step #5. Focus. Keep discussions on this issue, not previous circumstances. Don't rehash situations that are cause for bad blood.

Step #6. Suggest. You have a plan and you want to get what you came to achieve. But be prepared to offer alternatives to your original position. Keep an open mind for compromise on both sides.

Check AMA's "Negotiating to Win" seminar at www.amanet.org.

How to Communicate Bad News BY FLORENCE STONE

No manager wants to give bad news to his or her staff.

Saying "no" to an idea, proposition or request from another manager, a member of your team or a customer can create knots in your stomach. Damage done in the delivery can be far worse than the answer itself or the discomfort you may feel delivering the message.

You can say "no" with an uncaring attitude: "No way will I let you go to that conference." Or you can say "no" passively, hiding behind an excuse that is not the real reason: "I can't let you go. The CEO has other plans for you." Or you can say "yes" and do "no." That is, you can tell an employee that he or she can take time off and then stop the worker as he or she is on the way out. "I hate to tell you but I need you to work with me on the budget."

The last of these three ways to say "no" may be the easiest—but only at the time. In the long run, you will disappoint the person and even cause more severe problems than an honest, "No, I need your help with the budget. Besides, you have used up all your vacation time."

A response—positive or negative—doesn't have to be immediate. Even if you know you intend to say "no," it would be perfectly acceptable to ask for time to think about the request. If you need that time to consider the wording



of your "no," you can do that. However, if your intent is simply to stall, better to get the "no" over with.

You can soften your rejection of a request by using the "sandwich approach"; that is, putting the "no" part of your

response between two neutral or positive statements. The first comment paraphrases the request, demonstrating that you have heard it. This is followed by your reply. If your reply is "no," you might want to add that on another occasion, depending upon the request, you might be able to grant the request.

If the manager or employee is persistent, you need do no more than repeat your refusal. If the individual continues to refuse to accept your reply,

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Lessons Learned from "The Apprentice"

EACH week AMA analyzes the latest episode of the popular reality TV show and provides valuable business advice that would have helped the contestants, and will help managers in the real world.

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WIN a trip to the finals of season three of "The Apprentice." Enter the AMA-Apprentice Lessons Learned Sweepstakes at www.amanet.org/sweepstakes.

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How to Communicate Bad News

repeat your rejection again in a matter-of-fact tone.

Prepare your audience. What if the bad news will be a shock to the person or persons you have to tell? Then you may want to forewarn them. Start by saying, "I'm going to have to give you some bad news." Such an outright statement lets people prepare emotionally for the upset. Follow that up with the bad news and the "why" behind the bad news, if it will help the listeners to understand the news better.

Most "nos" have no reason for explanation. Colleagues and employees have a right to ask you to do something—and you have the right to say "no." Keep that in mind. On the other hand, bad news like the decision to reject a proposal or cut a budget may be better followed by an explanation.

Make your case. When delivering bad news about a situation, show up at the meeting with the numbers and results in black and white, if you can. Show them rather than tell them. This tactic will distance you from the situation, minimizing personal resentment against you. If the group doubts your bad news, welcome members' comments about doing their own investigation. In fact, express the wish that they do so. Encourage them to find a solution to the dilemma.

Certainly, if there is a kernel of good in the bad news, mention it. If a project has been killed, suggest that there may be information or insights that can be salvaged from the experience. If there will be downsizing, tell the group that there are no plans for further downsizing—if that is the reality.

One final reminder: the worse the news, the more important that it be delivered in person. Courage—its presence or lack—shows up most in times of adversity.

Florence Stone is editorial director of American Management Association and author of the book *The Manager's Question & Answer Book*. For information about that book and other AMA books, visit www.amacombooks.org.

AMA has 20 seminars on all aspects of communication. Find them at www.amanet.org.

Strategic Alignment of Projects

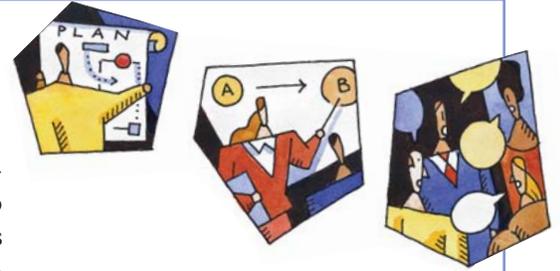
Aligning a company's portfolio of projects so that these efforts contribute to the organization's objectives requires more than the old "grenade-over-the-wall" approach. They demand a conscious effort. Paul C. Dinsmore, president of Dinsmore Associates, has suggested a list of questions to help you undertake that effort.

Is the corporation committed to using project management strategically?

In most instances, your answer will be "No." Fortunately, says Dinsmore, you can change that. You begin by developing project policy statements that require that projects contribute to your company's mission.

Is there a policy of formally preparing project charters? Charters or mission statements should answer the basic question, "In what ways will the project enhance overall corporate objectives?"

Is synergy created between the business group and those responsible for



project implementation? To avoid the grenade-over-the-wall syndrome, there needs to be a collaborative planning effort with both those concerned about the project's success and those who will be a part of the project group.

How can senior management make sure that projects don't wear away from the chartered objectives? One classic method is the two-day project management audit. Normally, such audits are concerned solely with the relationship between the project's progress and plan. But the audit can be expanded to include the project charter and senior management sponsorship issues to ensure that questions of strategic project alignment are addressed.

For more on project management visit www.amanet.org.

5 Myths That Undermine Effective Change

There are five myths about change that can make any change effort an uphill battle.

Knowing these myths can help you regain control of your change initiative or increase the likelihood of success of one soon to begin.

Myth 1: It's really not that big of a change. The truth: any change can have a major impact. Even seemingly minor changes can affect group dynamics, scheduling and other concerns. Consequently, any change can create a negative emotional response in those affected. So, those who will be impacted should be involved early in the process. It will get critical buy-in to the change program.

Myth 2: This isn't personal. It's personal to those whose lives will be disrupted by the change. So listen to your employees' concerns. Don't tell them how they should feel about the change. Respect the contributions they have made in the past and communicate to them how they will grow into their new

roles. Provide the tools to help them, whether it is additional training or just extra time to find new comfort zones.

Myth 3: We don't have to involve them. While involving others may cost in terms of time, it pays off down the road in fewer delays and costs in the implementation. So bite the bullet and plan constructive ways to gather employee input before the process is too far along.

Myth 4: We have smart people—they can figure this out. Maybe they can, maybe they can't. However, if you want to keep smart employees, then treat them with respect.

Myth 5: We will figure it out as we go. The lack of a plan means rework and frustration. So take the time to think through the change and any problems that might arise and develop contingency plans in their event.

See AMA's seminar "Planning and Managing Organizational Change" at www.amanet.org.

Best Practices in Offshore Outsourcing

A study conducted by Mercer Management Consulting has identified some best practices to avoid the pitfalls in planning and managing major outsourced activities. According to consultants David Bovet and Andrew Chadwick-Hones:

Be clear about your objectives. Best practices include articulating the outsourcing vision, strategy and target results. According to Mercer, it is worthwhile to take the time to explore new or unconventional players that offer innovative solutions. In making the partner selection, the focus should be value delivery, not on cost alone. The best outsourcing yields process and service improvements that drive customer satisfaction as well as profits.

Plan the transition. Whether activities are being shifted from an internal unit or from an existing provider, these moves require backup plans in case of customer dissatisfaction linked to service issues. To limit the risks, it pays to

transfer activities in phases, starting with simpler tasks or limited geographies.

Form a cross-functional relationship team. It will be this group's responsibility to manage the multiple aspects of performance and ensure close linkage with relevant parts of the organization. Formal customer/supplier meetings that involve senior management from both sides ensure prompt resolution of problems.

Monitor performance. Key performance indicators should be selected based on relevance (e.g., quality of service delivery to the customer, total life-cycle costs) and should match areas where the service provider has a high degree of influence. These measures should speak to value delivered to the company, whether the metric is number of successful transactions, average customer order size, equipment availability or on-time delivery percentage.

For more about offshore outsourcing, see AMA's Online Library at www.amanet.org.



Presentation Pointers

Speaking in a formal meeting before a group requires the use of many of the same communication techniques as in one-on-one conversations. There are, however, two factors that make these formal speaking occasions different.

First of all, on such occasions you are expected by all present to be fully prepared. Second, you are very likely being judged by senior executives on your potential as a member of the top management team.

Here are ten suggestions to help make you a superstar by increasing your skill and confidence in speaking.

1. Don't memorize. Use an outline or notes, if you need to do so. Memorizing a speech can be disastrous if you are interrupted or if circumstances require you to shorten or lengthen your talk.

2. Vary your voice tones. Don't speak in a monotone.

3. Don't rush through your talk. If you speak too quickly, your listeners will clue in to the fact that you very much want to finish your presentation.

4. Watch your audience. Monitor its attention level. If you seem to be losing your listeners, bring up a dramatic point to regain their interest.

5. Use short sentences and small words.

6. Use a strong beginning. Engage your audience's interest right away.

7. Use a strong ending. Leave the group thinking about what you've been saying.

8. Use visual aids. They will enable you to prove your statements.

9. Emphasize points. Repeat important details, and also use examples.

10. Get up, speak up, shut up and sit down. This advice is from Toastmasters International, an association devoted to more effective speaking. It means exactly what it says. Speak up audibly, clearly and convincingly. Shut up on a strong tone after the point is made. Sit down promptly without the benefits of anti-climactic remarks, excuses or apologies.

AMA offers popular seminars on presentations, including "Effective Executive Speaking" at www.amanet.org.

How to Make Empowerment a Success

Empowerment involves more than delegating a task to an employee. When you empower, you give an employee not only a task to complete but the right to make decisions toward completion of that task.

To ensure that you are successful in encouraging employee stretch through empowerment:

■ **Train your employees for the opportunity.** If you don't, your employees won't be able to handle the work and, worse, their self-confidence will be eroded.

■ **Trust your employees.** You have to have faith in their abilities to make the right decisions.

■ **Be clear about your expectations.** Your employees won't be successful if they have no clear idea of the results you want.

■ **Build on worker strengths.** Build self-confidence by pointing to those occasions when your employees made the right decisions or exceeded expectations.

■ **Share information.** Put the project, assignment, or task that the employee is being empowered to do within the bigger picture. Without the broader picture, they aren't likely to make the right decisions.

■ **Recognize employees' accomplishments.** If you can't provide financial rewards, look for more challenging assignments to give employees further opportunity to demonstrate their abilities. Or, better yet, see if you can redesign their jobs to make fuller use of their newly discovered talents.

For more insights on empowerment, review AMA's management and leadership seminars at



Here's what you'll find on the
AMA Members-only Website www.amamember.org

LEADERSHIP

Ten Things Leaders Should Do in 2005!
 From Norman Schwartzkopf, Abraham Lincoln—even Michaelangelo—ten tips to help leaders maximize the potential of themselves and their followers.

MANAGEMENT

How to Handle Employee Complaints
 Proven, effective action strategies for dealing with difficult workplace situations, from AMA's new seminar "Survival Skills for Supervisors."

Guidelines for Effective Praising. As a manager, do you regularly tell people what they're doing *right*? If not, you may be discouraging excellent performance. Start praising your people "ASAP-cubed"—as

soon, as sincerely, as specifically, as personally and as proactively as possible.

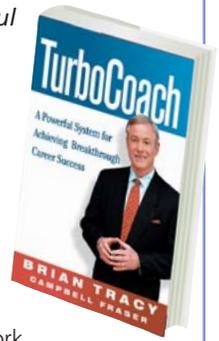
PROFESSIONAL DEVELOPMENT

Tips for Women Who Want to Earn More Money. Although women make only 80 cents for every dollar men earn, according to a controversial new book, this discrepancy is based more on women's career choices than on discrimination. The author offers eight career tips for women who want to earn more.

HR/TRAINING

Avoid these 10 Training Mistakes. Even if you're the world's foremost authority on a given training topic, your efforts will be sabotaged if you fall victim to these common training mistakes.

Book of the Month: TurboCoach—A Powerful System for Achieving Breakthrough Career Success, by Brian Tracy (AMACOM, 2005). Reap the benefits of having a top personal coach without spending thousands of dollars a year to hire one. Coaching guru Brian Tracy shares his proven strategies for enhanced work performance and life satisfaction.



Visit www.amacombooks.org to check out this book and other AMACOM book titles.

AMA Conferences/Special Events Calendar

FEB. 25, NEW YORK • Current Issues Breakfast Briefing—Detecting Accounting Gimmicks: Creative Cash Flow Reporting
 Accounting Professor Charles W. Mulford, will explain how to spot fraudulent accounting. AMA Executive Conference Center. Members \$25/All Others \$50.

FEB. 28-MAR. 2, NEW ORLEANS • Training Conference & Expo 2005—Discover the latest training resources at the AMA Booth, plus AMA merchandise and special show-only discounts.

MARCH 18 WEBINAR • The Instant Manager. You'll find that the tools and tips discussed in this one-hour interactive webinar will help you polish your skills and improve your management style. 11:30 am-12:30 pm, EST. Members \$25/All Others \$50.

APRIL 25-27 TORONTO • 6th Administrative Professionals Conference—Acquire practical

knowledge, tools and techniques for work and life at Canadian Management Centre's popular event. For details and to register go to www.cmctraining.org.

APRIL 27-29, RHODES, GREECE • 37th Global HR Conference "The Impact of Globalization on Human Capital"—Sponsored by Management Centre Europe. Go to www.mce.be for details.

JUNE 10, SCOTTSDALE, AZ • Current Issues Forum: Doing Business in Today's India—Experts will discuss the opportunities and the pitfalls. Sanctuary on Camelback Mountain. Members \$1,195, Nonmembers \$1,395.

SEPTEMBER 18-21, SAN DIEGO • 13th Annual Administrative Professionals Conference—Dynamic keynoters, valuable skill-building sessions and learning from peers. Manchester Grand Hyatt. Go to www.apcevent.com.

SEPTEMBER 29-30, LAS VEGAS • Corporate Branding 2005—The leading marketing professionals share leading-edge branding strategies and insights. Caesars Palace. Special earlybird prices. Call 1-800-262-9699.

OCTOBER 14, NEW YORK • 4th Annual China Forum: Doing Business in Today's China—Intelligence professionals share insights on the world's largest and fastest growing economy. Members \$1,195, Nonmembers \$1,395. Register by June 30, and save \$100.

OCTOBER 20-21, LAS VEGAS • Sales Leadership 2005—Explore the role of leadership in building and strengthening your sales force. Caesars Palace. Special earlybird prices. Call 1-800-262-9699.

For details and to register for any AMA event, go to www.amanet.org or call 1-800-262-9699.

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