

Matthias Schraner: When You Meet a Negotiating Partner Like Trump, Forget About “Win-Win”



Don't win against them, win them over.

CEIBS Business Review: Zhou Qi

You can sense the German precision surrounding Matthias Schraner. He is tall and as a result of being vegetarian and working out, also very fit. As a negotiation expert, he needs to keep his composure at all times — even after a 6-day journey that has taken him from Munich via Seoul to Shanghai you cannot see any signs of tiredness on his face.

This has been his life for the past 15 years. Ever since he left the police force and founded the Schraner Negotiation Institute, business people regardless of race, gender, nationality and position, have been trying to get Mr Schraner's advice on one question: how to become unbeatable and win in negotiations.

Mr Schraner joined the German Police after graduating from Law School. A former undercover drug enforcement officer, he calls himself a “street guy” because he learned most of his skills on the streets. “If you only want to prove

that you are right, this is not a negotiation. A bank robber threatening hostages with a gun, a middle-aged man standing on the edge of a rooftop threatening to jump, a violent man threatening his neighbour's life... you cannot tell them to calm down, or that they are wrong".

Mr Schraner will always find ways to pull his counterpart back from the emotional edge — usually 1 minute is enough, maybe even less. "I would talk about children with them, they usually have children." Schraner's question is usually so specific that his counterpart has to stop and recall a memory — "Hi, do you remember your last words to your kids before you left home?"—It is more like an invitation than a question, an invitation to enter a space where they can talk.

Mr Schraner is very friendly, and his colleagues recall that he has never lost his temper. Others confirm his amazing capacity for emotional control, but he does not think so. "Know thyself" — he cites the motto inscribed in the forecourt of the Temple of Apollo at Delphi. You can only avoid becoming a victim at the negotiating table if you know exactly what your weaknesses are. If you do not know your weaknesses yet, just ask your family and friends. "Especially your kids will not disappoint you, simply because they use it every day", Mr Schraner recommends with a smile. The only time that you can find signs of resignation on his face is when he talks about his kids. On the first page of his soon to be published book "Negotiations on the Edge (Chinese version)", you will find the following sentence: "To the best negotiator in the world, My Son Marco."

Give up the idea of "I'm right, you are wrong"

CEIBS Business Review (CBR): The first book you are publishing in China is called "Negotiations on the Edge". "On the edge" means that you do not know what to do, that you are totally stuck. Have you been through moments like this in your life?

Matthias Schraner (Schraner): Very often. When a hostage taker points a gun at the hostage's head and tells you "get out, or else I'll shoot!", I believe everybody's first reaction would be "oh my god, there is no way out". But as a professional negotiator, I would quickly run through all the solutions in my head

and present my demands. Remember, **the most important thing is that you need to create a new playground. This is the only way to find a way out of a deadlock.**

CBR: How exactly do you find your way out?

Schranner: The first step is to forget ideas like “I’m right and you’re wrong”. You cannot reach an agreement if you negotiate with ideas about what is right or wrong. You speak not to prove you are right, but to find a solution together with your negotiating partner. **Do not try to win against them, try to win them over.**

The second step is to analyze your counterpart’s motives. What is going on in their head? Why are they acting like this? I would listen closely to find out what kind of person hides under the mask of the hostage taker, and what happened before this situation arose. This is what I need to understand.

The third step is to present your demands. If it is possible, think about the alternatives to get your counterpart to a new negotiation table where you are familiar with the rules. The process is as if there were many doors in front of you and you try them one by one until you can open one.

CBR: Does this apply to business negotiations?

Schranner: Yes, it is exactly the same. I have never told someone who is threatening to commit suicide that they are wrong, because they believe they are right. **In business negotiations, I never expect nor try to convince my negotiating partner. Finding a solution is my goal.**

With a suicidal person, I would tell them to think about their children. What were the last sentence you said to your son before you left the house? If you jump now, what would he think? Would he blame himself for this? At this point, you are already changing the subject. Hostage negotiations are the same. I would say to the hostage taker: “look around you, there are snipers and a SWAT team, they are all on the other side. I am, however, on your side. Let us work this out

together”. **Make them think that you are on their side, that you are facing the same enemies.**

CBR: Hostage negotiation vs business negotiation — what are the similarities and differences?

Schranner: They all have in common that we deal with human beings. The difference is that business negotiators are usually well educated, and that their emotional state has not necessarily reached a critical level. Once people have crossed the red line emotionally, everyone is the same.

Even for the best business leaders it can be difficult to remain calm under pressure. That is because you cannot analyze the situation until you are in it — by the time you are, you will find yourself completely unprepared.



CBR: So you think most people do not really know themselves, which will result in their negotiations failing? How should we understand this?

Schranner: You need to know exactly who you are whatever the circumstances. The reason is simple: you cannot control yourself if you do not know yourself.

Most people only know their normal selves. They do not know who they are under pressure or extreme circumstances. For example, many people think they are harmony-driven. However, in negotiations the same people would start to accuse their negotiating partners when they cannot get what they want. They cross the red line and no longer act rationally, but emotionally, which then leads to a deadlock. From my experience, harmony-driven people no longer care about harmony when they come under pressure.

CBR: Do they realize that?

Schranner: No, they do not because they have not observed themselves under pressure. If I ask you who you are, you would tell me something nice about you when you are not under pressure, but you would not tell me how you yelled at your partner last time. **So even though people say they are harmony-driven, I believe they would choose fight over flight when under pressure.**

CBR: Do you believe everyone is like that?

Schranner: Not everyone, of course. Look, you are a “fight” type. Imagine we are negotiating — you would go against me (laughs), yelling, “Matthias, I mean....”

CBR: I mean, is everyone a fight type under pressure?

Schranner: No, I am not. I am a “flight” type. I have spent a very long time learning how to “fight”. When I am under pressure, I always step back, always. And you are a fighter.

CBR: Oh, all right. And I thought I was the “flight” type.

Schranner: No, no, you are a fighter, definitely! (laughs)

Tips for “fight” or “flight” types

Fight	Flight
<ul style="list-style-type: none">• Stop talking and count to 3• Find a word to control your emotions (e.g., difficult, interesting, I see!)• Keep eye contacts with your counterpart	<ul style="list-style-type: none">• Do not compromise• Do not delay the negotiation• Do not allow others to make the decision
DO	DON'T

CBR: How do we get to know ourselves better?

Schranner: Firstly, if you have children, they know every single one of your weaknesses — what do you think they have been using every day? I have 4 children who, in my eyes, are all great negotiators. For them it is just a game and they are good at it. They are not afraid of losing as they can always start over even if they lose. Secondly, if you have a partner, he/she knows better than anyone else how to trigger your emotions. Furthermore, reflection is necessary after a tough negotiation. It helps you get to know yourself better.

You can only win trust by not avoiding conflicts.

CBR: You are known to reject “win-win”, is that true?

Schranner: I need to clarify that this is not correct. If both partners show strong willingness and trust each other, it is possible to achieve win-win. According to my experience, 95% of the negotiations will result in win-win agreements. For the remaining 5%, i.e. when your negotiating partner is emotional or tries to play games, win-win will no longer work.

Trump is a typical example. He does not play by the book. I don't mean to judge if he is right or wrong; what I mean is that when you meet a partner like this, forget about “win-win”, this is impossible. What you need to do is to switch to conflict mode and tell him “ok let's play the game now”.

CBR: You do not think conflict is negative?

Schranner: Conflict is great. If there is no conflict, there is no solution. Only if both parties have demands can a negotiation go deeper. **The relationship between business partners who have been through, and resolved, conflicts are more solid. You can take conflicts as the starting point of a relationship.**

CBR: How do we calm someone down within one minute?

Schranner: If the person on the other side of the table is very emotional, do not focus on the conflict, talk about common interests instead. “Thank you for being so frank. We are facing the same issue so let us resolve these together.” It works all the time, no matter who they are.

CBR: You once reminded private bankers that their clients, i.e. very rich people, love fighting. Do you think wealthy people’s success has anything to do with them loving to fight?

Schranner: If you analyze the reasons why self-made billionaires succeed, it is among other things because they never avoid a conflict. They do not like being flattered at the negotiating table. On the contrary, they want a real fight. You will not gain their trust if you only play nice.

CBR: What about wealthy Chinese people?

Schranner: A lot of Europeans are “afraid” of negotiating with Chinese partners simply because you are naturally so good at it. Chinese people have mastered the essential principles of negotiations. For example, because of the “saving face” culture, Chinese partners never say “no”. Do you remember how Samuel Jackson taught other police officers? — “Don’t you ever say no to me!”.



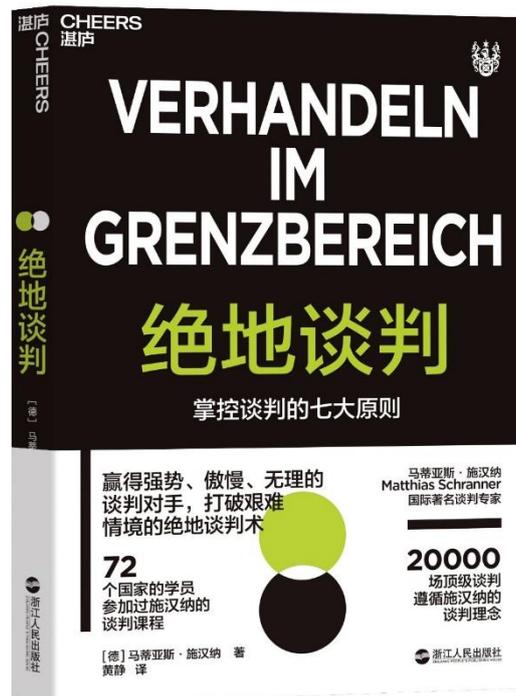
When the other party asks “can you do it?”, Germans will not hesitate to say “no we cannot”. By the way, Germans are very bad at negotiations. Germans always try to get right to the point from the very beginning. In Germany, signing a contract means closure, and there are no more calls after that. In China that would be impossible and considered to be short-sighted. In Chinese culture, having dinner, drinking and negotiating are always mixed, there is no clear boundary. Germans would ask “why should I socialize with you? We produce the best cars in the world, why do I need to negotiate?”.

CBR: What should we pay attention to in international negotiations?

Schranner: It is better to give the other side a quick result, as people fly here to bring something back to present to their bosses at home. There is a joke in China that signing a contract is only the start of a negotiation, it is not the end as we usually understand it in the Western world. Another small tip: as Germans are really proud of “Made in Germany”, it is always good to compliment them on their products.

CBR: Do you think there are misconceptions about negotiation experts?

Schranner: Many. The police negotiators shown on TV and in movies usually come across as harsh, telling the hostage takers what to do, etc. On the contrary, the best negotiators are very nice, friendly and humble in real life. They do not like to talk a lot and do not socialize all that much. If you talk to them, you would get the feeling everything is fine. You would be mistaken if you think all negotiators love talking.



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