

A GUIDE TO DANCE WITH WOLF NEGOTIATOR

Chinese Salami Tactic

The Chinese wolf negotiator love using a Chinese salami tactic in negotiations. The wolf negotiator will keep attacking your position in the negotiation by making counteroffers, even shortly after you two have just agreed on the final terms, shook hands, and almost made the deal. The wolf negotiator will jump out and say: «The deal is good, but...» then he may ask for a price adjustment or other terms. This is the classic Chinese salami tactic, meaning that the wolf negotiator will aggressively and gradually move the terms in his favor by continuing to send the new counteroffer based on your terms, just like slicing the salami.

Often there is a tiger mother boss who treat the company as family and the employees are his/her children behind the wolf negotiator. The tiger mother boss will actively ask his wolf negotiator that: «Could you make it better?» or «May we have more?». The Chinese management often ask the employee to push further in the negotiation, even if the deal is good enough and almost done.



Dancing shoes: BATNA and ZOPA

To elegantly dance with wolf negotiators in negotiation, we will need a pair of comfy dancing shoes – BATNA and ZOPA. Understanding and effectively leveraging BATNA and ZOPA can profoundly impact negotiation outcomes in both business and social contexts.

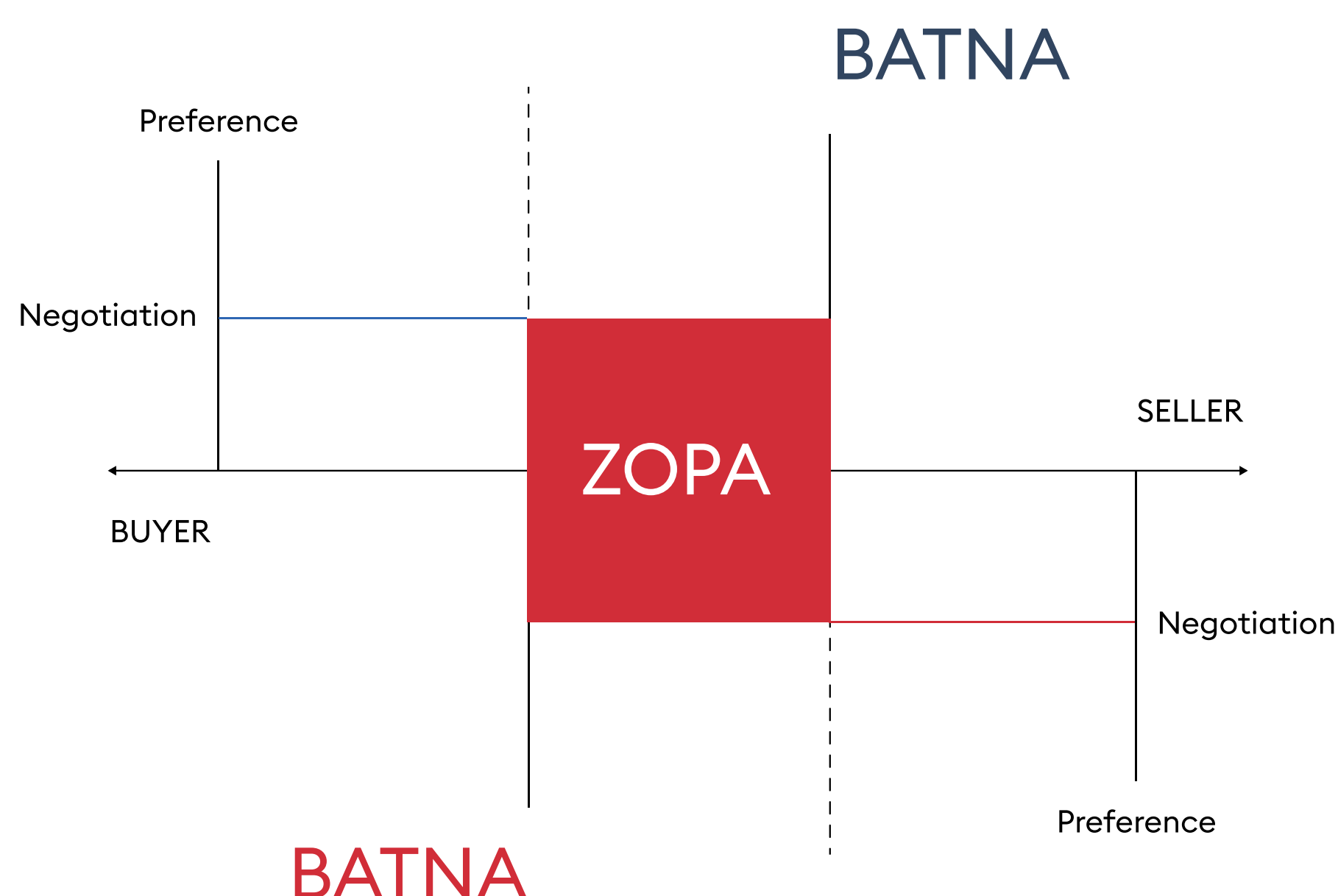
What is BATNA?

BATNA, Best Alternative to a Negotiated Agreement, refers to the best course of action a party can take if the current negotiations fail and no agreement is reached. Essentially, it's the best option you have 'outside' of the current negotiation.

Understanding your BATNA is crucial because it provides a baseline against which you can measure any potential agreement. It empowers you in negotiations, as knowing your best alternative gives you a clearer understanding of when it would be better to walk away from a negotiation rather than accepting a suboptimal deal.

What is ZOPA?

ZOPA, Zone of Possible Agreement, refers to the range in which two parties in a negotiation can agree. It exists if there is an overlap between the minimum and maximum that each party is willing to accept.



Foxtrot with Wolf: Anchoring

We are done with the dancing shoes and now turn to the foxtrot moves: anchoring. Combine the dance moves anchoring with your dance shoes BATNA and ZOPA, you can efficiently fight the Chinese salami tactic.

What is Anchoring?

Anchoring in negotiation refers to the strategy where an initial offer or a specific value is set early in the discussions, which then serves as the reference point or «anchor» for all subsequent negotiations. This strongly influences the negotiation's direction, as it sets the tone and starting baseline from which adjustments are made.



Foxtrot step 1: Know your true baseline

List your alternatives. Think about all the alternatives available to you if the current negotiation ends in an impasse. What are your other options?

Evaluate your alternatives. Examine each option and calculate the value of pursuing each one.

Establish your BATNA. Choose a course of action that would have the highest expected value for you. This is your BATNA—the course you should pursue if the current negotiation fails.

Calculate your baseline. Now that you know your BATNA, calculate your baseline –the lowest-valued deal you are willing to accept. If the value of the deal proposed to you is lower than your baseline, you'll be better off rejecting the offer and pursuing your BATNA. If the final offer is higher than your baseline, you should accept it.

HAN SHOOTS FIRST

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Foxtrot step 2: Assess their BATNA with care

«What will he do without a deal?» provides valuable insight. Using the same method and think in the shoes of wolf negotiator and comparing your offer with market price to have a rough evaluation baseline value for your counterparty.

Foxtrot step 3: Shoot your anchor first

Use the power of anchoring in negotiations, don't be afraid to make your first offer. Make the initial offer a little higher as a buffer to the wolf negotiator's salami slicing knife. This will give you enough room to adjust within ZOPA and maintain your BATNA. Anchoring first can make your BATNA seem stronger in the eyes of the wolf negotiator, so they will be more careful about sending counteroffers. Also, you can use the extra buffering as consideration for your counter-counter-offer, and make them «save their faces» in front of their Tiger Mother bosses, which we will explain next.

Foxtrot step 4: adjust your offer with consideration including wolf's «face»

The essence of Chinese salami tactics is to «squeeze the water» out of the counterparty's offer, which is heavily influenced by Toyota's philosophy of «reducing costs and increasing efficiency (降本增效)». So never adjust your offer without a counteroffer with consideration that should be paid by the counterparty. Otherwise, the wolves will believe you are bluffing and think they can «squeeze» more water out of your offer and keep slicing the salami. The consideration in your counteroffer can be terms of service, warranty and guarantee, or even dispute resolution terms. By doing this, the wolves will understand that you are offering a «dry» offer, that the price terms are difficult to adjust further.

On the other hand, building a strong personal relationship and treating the wolf well can give the so-called «face» (面子) to the wolf. «Face» is a very important in Chinese culture, which means your respect for personal profile and status. Thinking about Chinese panda diplomacy and ping-pong diplomacy, this is how China give «face» to other country and try to soften their attitude. The same logical work here. Remember, it is a person, even that he has been trained to be a «wolf», doing deal with you. Always be polite and nice to a wolf when he/she asks for adjustment, spending time with them, introducing Russian culture, history, and discussing nowadays news with them. If possible, don't hesitate to invite them for dinner in Chinese restaurants. Most of Chinese people feel respected if you really into the Chinese culture, which give them a lot of «face».

If you feel there is no room for adjustment, tell him/her that you have already given your best offer. But for his sake and the long-term relationship, you are willing to make the final adjustment for him, using the extra t space of the high anchor. He will be grateful and do «upper management» (向上管理, meaning the technique for an employee to manage his boss's expectation) for you. So, the wolf, tiger mother, and you can be satisfied in the end.

In the next article, we will continue talking about the Chinese «face» culture and «connection» (关系)'s importance in China. So you can «Know yourself and the enemy and fight a hundred battles without danger» (知己知彼，百战不殆) like Sun Tzu in Art of War!