



SOFT SKILLS TO BUILD LONG-TERM RELATIONSHIP WITH HOME-BASED ARTISANS

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THINK FOR A MINUTE



Which soft—skills do you think are the most crucial to build up a good relationship with home-based producers?



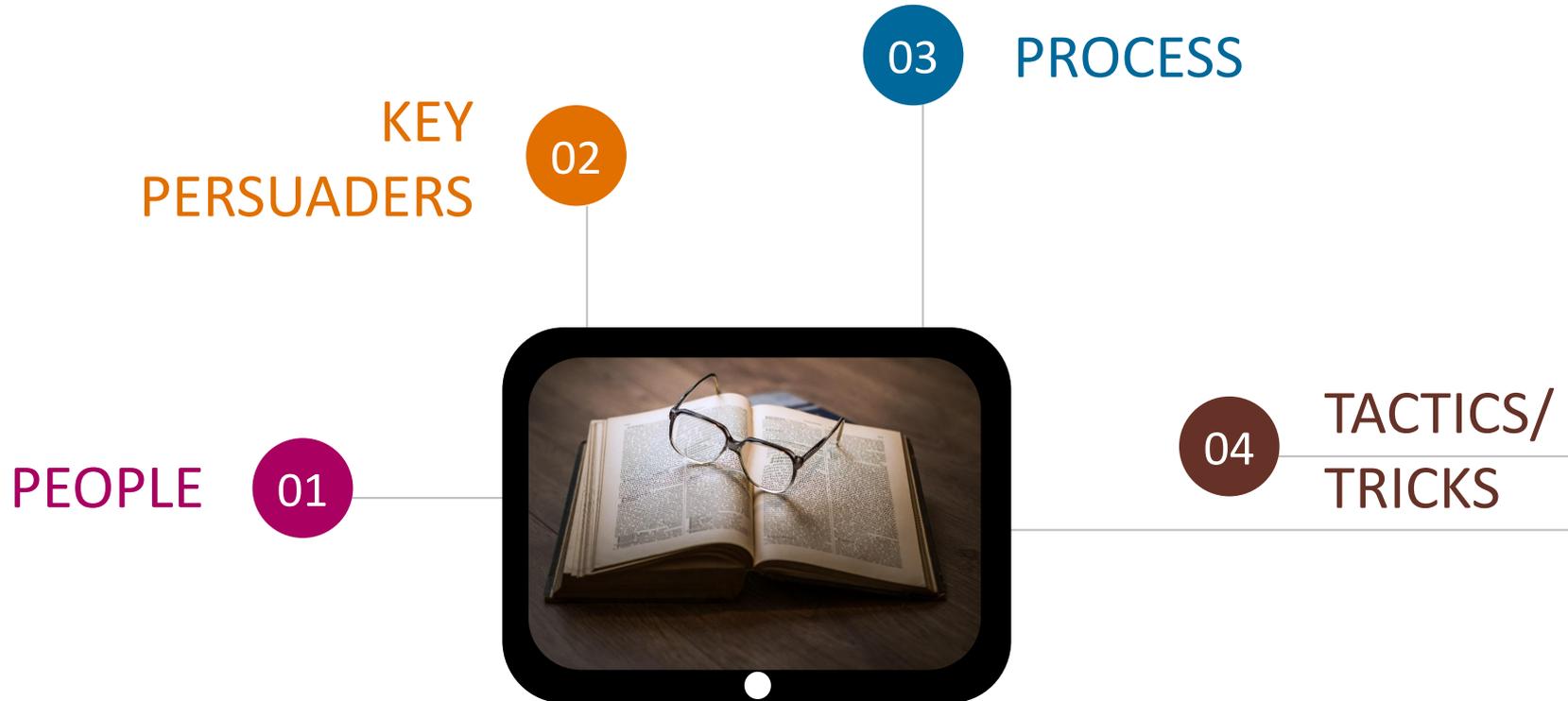
#1

NEGOTIATION



- How do you usually negotiate with your artisans?
- What are the challenges in that process?
- Why is it hard/not hard to negotiate with them?

FOUR PILLARS OF NEGOTIATION SUCCESS



Source: *It's an Even Better Deal*, by Paul T Steele, McGraw Hill
Rated No.1 best selling negotiation book by Supply Management, September 2010

PILLAR #1

PEOPLE

4 fundamental areas:

- Value
- Respect
- Warm
- Tough

**‘Warm with the people but
tough on business needs’**



PILLAR #2

KEY PERSUADERS

- Emotion
- Logic - Used with respect
- Threat - Used non-aggressively, this can be very effective in a negotiation, e.g. suggesting we have alternative suppliers in the wings, but be certain that these are actually available
- Bargain & Compromise - where we start trading multi variables until we reach the behaviour of last resort and compromise by splitting one single variable i.e. price, payment terms etc.

PILLAR #2

KEY PERSUADERS

- Emotion, logic and threat are free, whereas bargain and compromise cost.
- Identify the other party's preferred style, and your preferred style.
- Using team's strengths here to deal with different type of people.





PILLAR #3 PROCESS

1. Preparation & planning.
2. Opening.
3. Testing.
4. Moving.
5. Concluding & reviewing



PILLAR #3

PROCESS

There are some key questions we should be asking ourselves throughout this process:

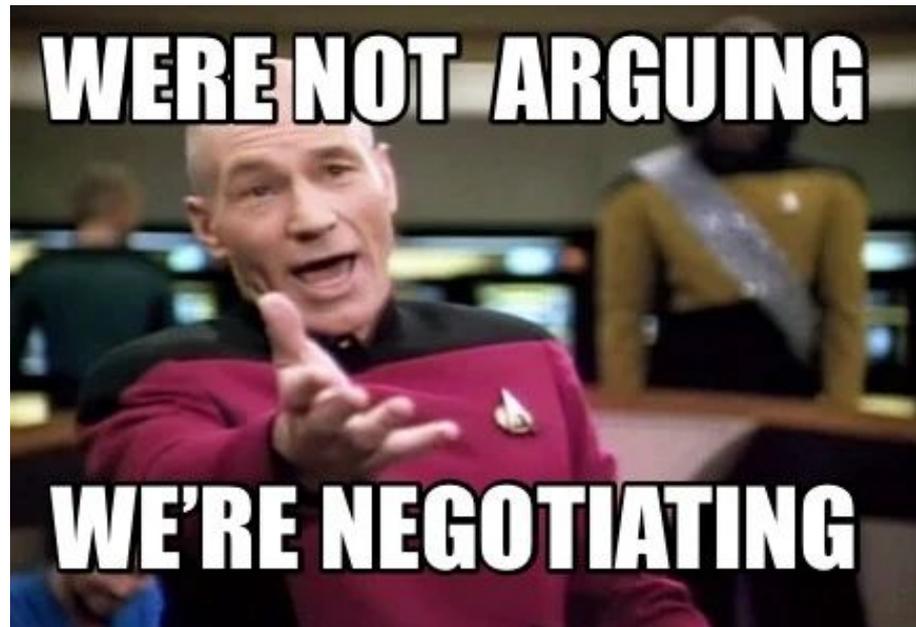
- Were my aims and objectives appropriate?
- Were preparation and planning adequate?
- Did the opening set the right mood for the meeting?
- Did I test out all the assumptions I had made?
- How well and early did I discover what the other side really wanted?
- How effective was my questioning?
- How acute was my listening?
- How decisive were my summaries?
- Was I giving anything away without getting something back in return? If so, what was the cost to my organisation?
- How clear were both sides as to what had been concluded?

PILLAR #4

TACTICS / TRICKS

There are so many of negotiation

Tactics/tricks, here are just some...



*All of these tips/tricks are taken from the book *Negotiation: Science and Practice* by Quintin Alexander Rares (July 25, 2020). ISBN-13 : 978-0987456700*

ANCHOR

Approach 1

Anchoring in Negotiation Tactics

-  **Do your research.**
-  **Don't name your price first.**
-  **Propose a counter-anchor.**
-  **Avoid extreme anchoring.**
-  **Reject the anchor price.** 

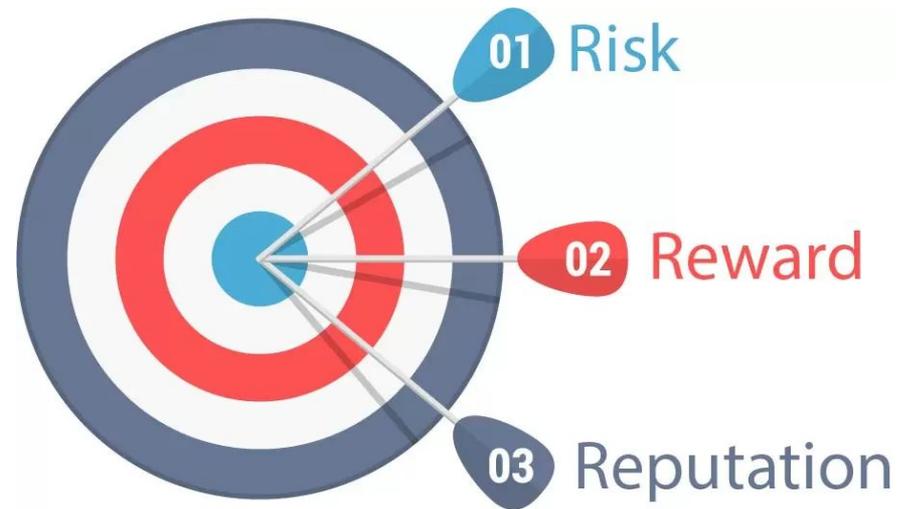
Approach 2

You should generally set the initial price as then you can control the anchor.

CONTINGENCY AGREEMENT

E.g:

- If you complete it by Dec 1, 2023, we will pay you extra 2\$ per piece.
- If you cannot deliver before Nov 15, we will deduct 2\$ per piece.



ALWAYS FIND OUT 'WHY?'

Q: If 3 sisters want 'a whole orange' each, and you only have 1 orange, what do you do?

We ask why To identify if the issue is:

- distributive (one party wins, one loses)
- integrative (the pie can be bigger)
- or compatible (win-win for everyone).

ALWAYS FIND OUT 'WHY?'

In a negotiation, there can be multiple distributive, integrative and compatible issues (price, delivery, advancement money, etc.)

- **Use it wisely. *E.g: You can start with integrative issue first (If we can secure this order, the next order will double so everyone has more profit), then to negotiate the distributive issue (price).***

'FAIRNESS'

Some rules about 'fairness':

- Equality rule: everything splitting evenly.
- Equity rule: who contributes more gets more.
- Needs based rule: who needs it most gets it (e.g: in the hospital).



'FAIRNESS'

- Find a fairness rule that works for you & recognise the others' notion of fairness.
- Frame your deal on explaining how fair it is for everyone.
- This can work well within the producer team (e.g: people putting in more time can claim more profit).



'BECAUSE'

ALWAYS GIVE A REASON and use the word 'because' as people are more likely to comply when you give a reason.

It's a fact, and has been proved with a research.



CULTURAL INFLUENCE

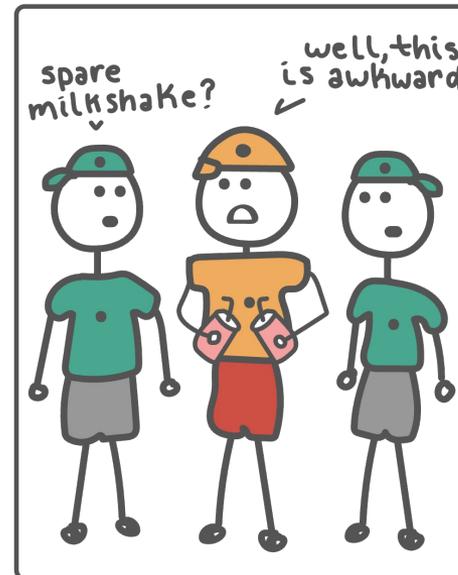
- As Lao a more collectivist country (Hofstede, 1991), meaning people tend to define themselves through their group, a strategy can be: Group influencing.
- Bring the individual into a group, then deal with them as a whole, rather than dealing with each person individually.

IN-GROUP VS OUT-GROUP

- The artisans may feel that YOU are out-group.
- You can influence them by working with somebody they feel belonging to their group & working for their rights. (e.g: producer leader, NGO).



IN-GROUP



OUT-GROUP

IN-GROUP VS OUT-GROUP



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Know us

background

Homeworkers Network was established in June 1992 from home-based producers as well as concerned NGOs in Bangkok, the North and the Northeast of Thailand under ILO project on Social Protection Promotion. After the project closed down in 1996 the network keep on operating until present in the title of “Informal Workers Network” or “HomeNet Thailand” In 1998, NGOs working within the network established “Study and Development Center of Homeworkers” as the coordination center of HomeNet Thailand with later on, in 2003, registered as “Foundation for Labour and Employment Promotion”.

[about us](#) →



Is there any similar worker representative in Laos?
Can you work with them to negotiate with your artisans?



**Can you share a
time when you
successfully
/unsuccessfully
negotiate
something?**



#2

MANAGEMENT



SOME GENERAL RULES

1. Clear communication (in 2.3).
2. Formal documentation.
3. Follow the timeline closely
4. Regular check-ins.

FORMAL DOCUMENTATION

- Try to document all of the agreements:
 - Product specifications & quality (with picture samples)
 - Price
 - Delivery time
 - Etc.
- If you cannot persuade them to sign, record by audio/video their understanding of the order.
- Why? Because people tend to comply more with something they explicitly agree to.

FOLLOW THE TIMELINE CLOSELY

- If needed, break down the order into 3-4 milestones.
- Longer lead time.
- Finish a batch --> check --> feedback --> another batch.

REGULAR CHECK-INS

- Would be best with in-person check-ins. If not, video-calling.
- If cannot be done, ask the producer lead to check in their members regularly and feedback to you.



#3

COMMUNICATION

SOME GENERAL RULES

1. Choose the right communication channel.
 - > Whatsapp, video call, etc?
 - > Make sure the artisans are comfortable with the channel.
2. Have a conflict resolution plan.
 - > So that you can resolve any disputes amicably.
 - > List out the steps to resolve a conflict with artisans & inform all employee.
3. Document conversations & clear feedback.

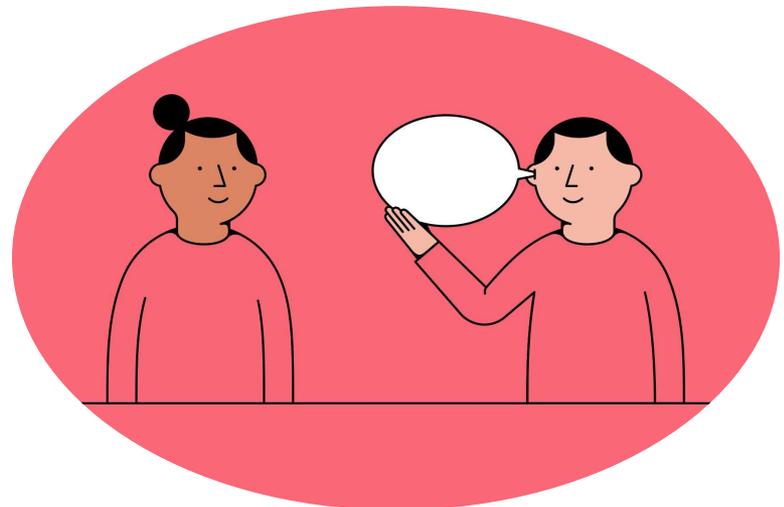
SOME GENERAL RULES

4. Express gratitude.
 - > A simple 'Thank you' can go a long way.
5. Sharing your long-term vision & plan.
 - > So that people understand why you are asking them to do this in the short-term.
6. Warm with the people, but tough on business needs.
 - > Asking them about their families, other works, etc.
 - > Build your credit with them & friendship with them.
 - > But no budging when the business terms are fixed (of course some flexibility is needed)

AND FINALLY...

Listen first, then speak their language

- Listen – really listen, and then summarize what you understood the speaker to say.
- Ask them to repeat their key points, and then try summarizing again if the speaker does not feel that you got it right.
- Adapt your language to ensure both parties are on the same page.





THANK YOU FOR YOUR ATTENTION!

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