Negotiation Skills

Course Objectives

- Increase/broaden your understanding of what it means to negotiate
- Manage conflicts and your own emotions effectively
- Effectively determine the right goals and outcomes
- Find your strength and stability through a preparation process
- Manage the stages of negotiation patiently and effectively

Understanding Negotiation

To negotiate is to...
- Use interpersonal communication effectively to achieve desired outcomes
- Explore common interests, needs, and differences
- Reach mutual agreement.

Viewing Negotiation simply as “bargaining” can be extremely short-sighted and often shows a lack of real negotiation skill.
Common Negotiation Outcomes

- A win for yourself should never be defined by the other side’s losses.
- Define your wins by what you gain.

Win | Win | Lose | No Result
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Win | Win | Lose | Lose | No Result

Negotiation Styles

Adversarial (Positional)
- A gain by one side is typically at the expense of the other; contest of wills.
  - Focus is on who will get the most out of the deal.
  - A fixed value is at stake.
  - Competition is key.

Interest-Based (Principled)
- Value for both sides is created through weaving common interests; decision is based on merit.
  - Focus is on achieving maximum gain for both sides.
  - Value is both created and claimed for yourself.
  - An environment of cooperation.

Interest-Based Negotiation Style

- Not just about winning, it is about finding the win(s).
- No just about standing your ground, it is about building the right ground to stand on together.
Negotiation Types

Adversarial (Positional)  Interest-Based (Principled)

My Piece  Your Piece

My Interests  Your Interests

SOLUTION

Conflict Resolution and Negotiations are not the same thing. Understanding conflict resolution is important part of being a good negotiator.

Resolve conflict in order to get to solutions and outcomes rather than attempting to use conflict to achieve outcomes.

A victorious army seeks its victory before seeking battle. An army destined to defeat fights in the hopes of winning.

Sun Tzu
The Art of War
• No one conflict resolution style is right or wrong

• We all tend to have a style that comes more naturally to us than another...we still need to build our skills in each of them.

• The challenge is to know the right place to use each

Conflict Resolution Styles

Avoidance
Accommodation
Competition
Compromise
Collaboration

Avoidance (withdraw)

Good Idea
If the relationship and issue are unimportant or no need to build a relationship

Bad idea
If the relationship or issue is important, postponing the problem can make it worse
Accommodation

Good Idea
If the relationship is important, but the issue is not important to one party

Bad idea
If the issue is important. This conflict management style can lead to resentment.

Competition (forcing)

Good Idea
If the issue is very important, but the relationship is not

Bad idea
If the relationship is important. This will destroy the balance or equality.

Compromise

Positive
Conflict can be resolved quickly - i.e. "deal with what we have"

Negative
Conflict is resolved, but both parties are still left partially unsatisfied. This leaves rooms for future conflicts or the reoccurrence of the current conflict.
Know your natural style.
Know when your style is appropriate and when you need to work hard to use a different style.

The key is not the will to win... everybody has that. It is the will to prepare to win that is important.

Preparing for Interest-Based Negotiations
Set objectives for not just what you will achieve but how you will achieve it.

Objectives for negotiations should involve:
- A wise agreement based on principles and interests
- An efficient process for open communication
- An improved relationship between the parties (or at minimum, a neutral one)

Ask yourself why you want what you want. This will help you get a better understanding of what your real goals are and could open up better deals for you.

Positions vs Interests

1. Look for interests behind positions
   - Ask the questions “why?” or “for what purpose?”
   - Position = if there is only one way to satisfy it
   - Interest = if there are several ways to satisfy a demand
2. Prioritize your interests
3. Consider interests of the other side
1. Look for ways to work together to make more
   • Can we use similarities or differences, skills and resources to make more?

2. Find value in differences
   • Anything that one party values more than the other is a potential opportunity

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Options – What are possible agreements?

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Alternatives – What will I do if we do not agree?

1. Know your BATNA (Best Alternative to Negotiated Agreement)
   • Produce a list, don’t assume there is only one alternative
2. Strengthen your BATNA
3. Consider their BATNA

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Legitimacy – What criteria can be used to persuade and to determine “fairness”

1. Develop a range of fairness
   • Look for external standards or principles - put them on a continuum most to least beneficial
2. Consider “fair” process
   • In case there is an impasse, think about mutually acceptable ways of deciding
3. Prepare to help them explain the results
   • All negotiators must explain the results to someone help them to accomplish this
Communication – Are you ready to listen and talk effectively?

Prepare for two-way communication

- Prepare to listen - Without preparation we tend to hear what we want to hear
- Create messages that can be heard - Look at messages through their eyes

Relationships – Are you ready to deal with the relationship?

1. Relationships are a product of how we deal with each other

2. Separate issues/problems from people/relationship
   - Issues/problems – pertain to the content of the negotiation
   - People/relationship – tend to effect the negotiation itself

3. Prepare to take unconditionally constructive steps to improve relationship
   - Focus on what you can do to improve relationship

Commitments – What commitments should I seek or make?

1. Plan ahead for operational commitments
   - Look at the options and plan “what if” implementation scenarios

2. Clarify purpose of the meeting
   - Make sure that all attendees understand and agree on a specific purpose
   - Know what “done” looks like
4 Phases of Negotiation

1. Warming Up
2. Presentation of Options
3. Edging Closer
4. Conclusion or Breakdown

Objective:
Go slow to go fast. Everything in its time.

Step 1: Warming Up

- Amount of resources and time put into this often dependent on:
  - complexity of issues
  - history of parties involved
- Outline objectives of meeting
- Exchange interests, ask questions, insure understanding
- Concentrate on keeping the discussion away from positions (take the "high road" if you are more knowledgeable negotiator)
- Chance to get to know the other person and their abilities/authority

Step 2: Presenting Options

- Presenting options is not the same as making offers
- Usually components of options are strategically laid on the table
- This phase is building the foundations for possible agreements/solutions
- Communication is tentative so as not to get tied down prematurely
  - Limiting expressions such as if, perhaps, might, depending, try, what do you think of, etc. are common
- The hints of first concessions are often observed here
- Discussion time can be bargained "I will have an open discussion about this, but then let's have a discussion about this" - great tactic to get other side to listen
Don’t Argue: Step To Their Side

- Listen actively and acknowledge their point
- Agree wherever you can
  - Agree without conceding
  - Accumulate yeses
- Acknowledge the person
  - Acknowledge their authority and competence
  - Build a working relationship
- Express your view - without provoking
  - Don’t say “but”, say “yes...and”
  - Make “I” statements, not “you” statements


Step 3: Edging Closer

- Good options are discussed with increasing detail and often begin to be bundled together into solutions
- Implementation procedures and commitments begin to be discussed and agreed upon
- This is often when the atmosphere created during the warm up phase pays off


Don’t React: Go to the Balcony

- Dangers of reacting
  - Sticking back
  - Going in
  - Breaking off
- Know your hot buttons
- Buy time to think
- Don’t get mad, don’t get even, get what you want

Step 4: Conclusion/Commitment

- Secure commitment, not just agreement.
- Establish accountability to each other (i.e., what will be lost if either party fails to perform?).
- Gain signatures on a written agreement to bind the commitment.

Obstacles to Agreement

- Not their idea
- Unmet interests
- Fear of losing face
- Too much too fast

Negotiation Skills Overview

- Negotiation skills can be applied to many situations
- Find the win...even better find the win-win solutions
- Go slow to go fast. Information is powerful
- Find solid ground and expand that ground
- Don’t be your own worst enemy. Calm down and always think strategically