NEGOTIATIONS 101: BASICS AND PRACTICAL APPLICATIONS

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OUR PURPOSE

• Why negotiations capability matters
• Highlight the essential features of effective negotiators and effective negotiating
• Do a couple of exercises
• Review highlights
WHY NEGOTIATING CAPABILITY MATTERS

• It gives you some control over important outcomes in life
• It helps you to build stronger relationships
• It facilitates important transactions
TODAY’S LEARNING OBJECTIVES

• Survey the fundamentals of the negotiating process
• Take your negotiating profile
• Highlight critical skills
• Build awareness of negotiating opportunities
AGENDA

• The ubiquity of negotiations/A working definition
• Know thyself
• Negotiation and leadership
• Critical skills
• The negotiating process
• How to prepare
• Alternative approaches to negotiating
• Closing
• Breaking deadlocks
THE UBIQUITY OF NEGOTIATIONS

• Think of the variety of daily situations in which you negotiate or could negotiate if attuned to the opportunity

• What is NON-negotiable?

• Negotiations situations vary:
  • Range of parties (friends/family; business partners; suppliers; customers)
  • Formality (conversational; transactional; summitry)
  • Salience (minimal stakes—high stakes)
  • Complexity (simple—intricate)
A WORKING DEFINITION

• Etymology: Not leisure

• Salacuse: a process of communication by which two or more people seek to advance their individual interests by agreeing on a desired course of action

• Masters: a decision-making process in which two or more parties seek to resolve disagreements, make deals, or change behaviors
KNOW THYSELF

• Build your profile
• Know how you are perceived
• Negotiate in THEIR world
• The pyramid of an effective negotiator
THE PYRAMID OF AN EFFECTIVE NEGOTIATOR
## Negotiation and Leadership: Common Dimensions


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<td>Power</td>
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CRITICAL SKILLS

• Communications
• Listening
• Questioning
COMMUNICATIONS

• Verbal: the words you use
• Para-verbal: inflection, pace
• Body language: facial, gestures, posture, dress, handshake, distance, eye contact
LISTENING

• Passive: hear words
• Active: hear words, emotions, relationship; convey understanding; observe body language and para-verbal; communicate interest
• Clear mind of “noise”
• Focus
• Follow the 70/30 rule: listen 70% of the time
QUESTIONING

• Ask interrogative questions: how, what, why
• Ask and listen
• Recap and listen
• Use “I” not “You” word: I don’t understand rather than you don’t understand
# THE NEGOTIATING PROCESS

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<tr>
<th>PHASES</th>
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<tr>
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<td>Prepare</td>
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<td>Propose</td>
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<td>Bargain</td>
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<td>Close</td>
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<td>Implement</td>
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<td>Re-negotiate</td>
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<td>Standards</td>
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POWER IN NEGOTIATIONS

• Widely misperceived
• Under- and over-estimated
• Ability to walk away
• Availability of alternatives
• Subtle and overt

• BEST ALTERNATIVE TO A NEGOTITATED AGREEMENT (BATNA)
• What do you do if this negotiation fails?
• Failure to agree is NOT the same a failure to negotiate
HOW TO PREPARE

• Planning NOT plan
• Prospect: build alternatives
• Determine interests and positions
• Set prices: asking, target, reservation (walkaway)
• Know the other side (TOS)
• Prepare proposals
• Think radially
• Rehearse and reverse
PREPAREDNESS

• Intellectual: know the subject matter, TOS, context
• Psychological: anticipate the unexpected; focused
• Emotional: balanced (if you get angry...you get....)
• Physical: rested
NEGOTIATING STYLES

• *Dual concerns model: outcome and relationship balance*
• Accommodating
• Avoiding
• Competing
• Collaborating
• Compromising
COMPETITIVE VERSUS COLLABORATIVE NEGOTIATING: AN EXERCISE

• What do you think of when you think of a competitive negotiation?
• What do you think of when you think of a collaborative negotiation?
• How do you transform a competitive negotiation into a collaborative one?
TWO APPROACHES: COLLABORATE v. COMPETE

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<tr>
<th>COLLABORATE</th>
<th>COMPETE</th>
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<tr>
<td>Focus in interests</td>
<td>Focus on positions</td>
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<tr>
<td>Seek mutual gains</td>
<td>Seek advantage at expense of TOS</td>
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<tr>
<td>Explore options</td>
<td>Hard tactics</td>
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<td>Open communications</td>
<td>Play things close to the vest</td>
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<tr>
<td>Reciprocate</td>
<td>Dominate</td>
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INTEREST-BASED BARGAINING (IBB)

• Focus on problem NOT people
• Focus on interests NOT positions
• Explore options
• Apply legitimate standards to assess options
• Develop alternatives
CLOSING

• Start with a close in mind
• Paint a picture of what a deal might look like
• Take confidence building steps
• Build momentum
• Recap
• Leap ahead if the time is ripe
• Listen: give “considered” responses
BREAKING DEADLOCKS

• Take a break
• Walk away (temporarily)
• Change venues
• Change people
• Third-party intervention
NEGOTIATING EMPLOYMENT CONTRACTS: AN EXERCISE

• Divide into two groups: a job candidate and a department chair of a university

• Situation: job candidate and department chair are negotiating the details of an employment contract for fall 2018

• Your task:
  • What issues will you bring up (top three)?
  • What is really critical to the deal?
  • What interests are you trying to serve?
NEGOTIATING A “JOB”

• Determine what’s important
• Know TOS’s latitude
• Be flexible and reasonable
• Ask for what you can justify
• Justify through external standards
• *In Business as In Life, You Don’t Get What You Deserve, You Get What You Negotiate*
• Negotiate in their world: what can You do for Them
• “We” is a powerful word
TAKEAWAYS

• Know Thyself
• Listen
• Be Prepared
• Paint a Picture
• Prospect Alternatives
• Ask Confidently
• Negotiate in Their World
• Be Professional At All Times and In All Venues (Digital and Telephonic)