



## Negotiation Skills

"If your actions inspire others to dream more, learn more, do more and become more, you are a leader."

-John Quincy Adams



# NEGOTIATION – WHAT?

*“back-and-forth communication designed to reach an agreement when you and the other side have some interests that are shared and others that are opposed”*

*(Ury and Fisher, 2000)*

*“when two or more parties need to reach a joint decision but have different preferences, they negotiate”*

*(Bazerman and Moore, 2012)*

- Values
- Expectations
- Process and
- Results

*(Ting-Toomey, 2001)*



*“We have an agreement in principle.  
The question is, do we all have the same principles?”*

alamy stock photo

# SHOULD THERE BE A NEGOTIATION?

## BATNA

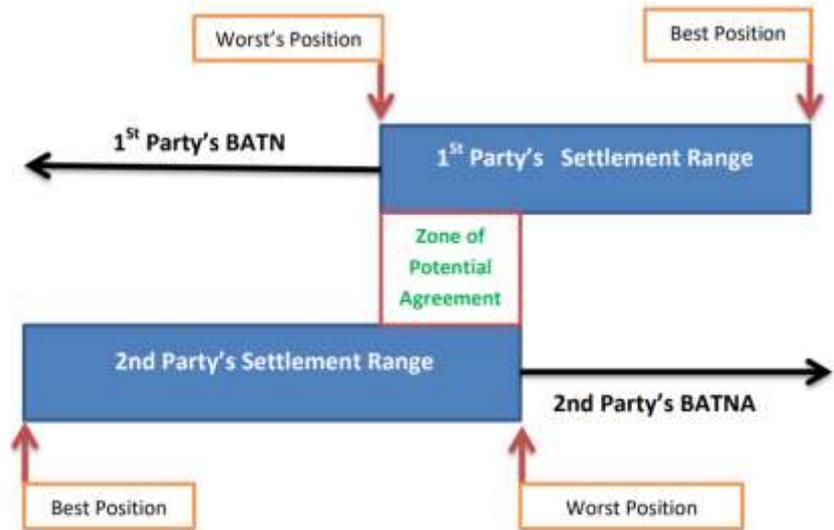
*Best Alternative to a Negotiated Agreement*

## WATNA

*Worst Alternative to a Negotiated Agreement*

## Plan B

*Alternative course of action that can give you flexibility in negotiations.*



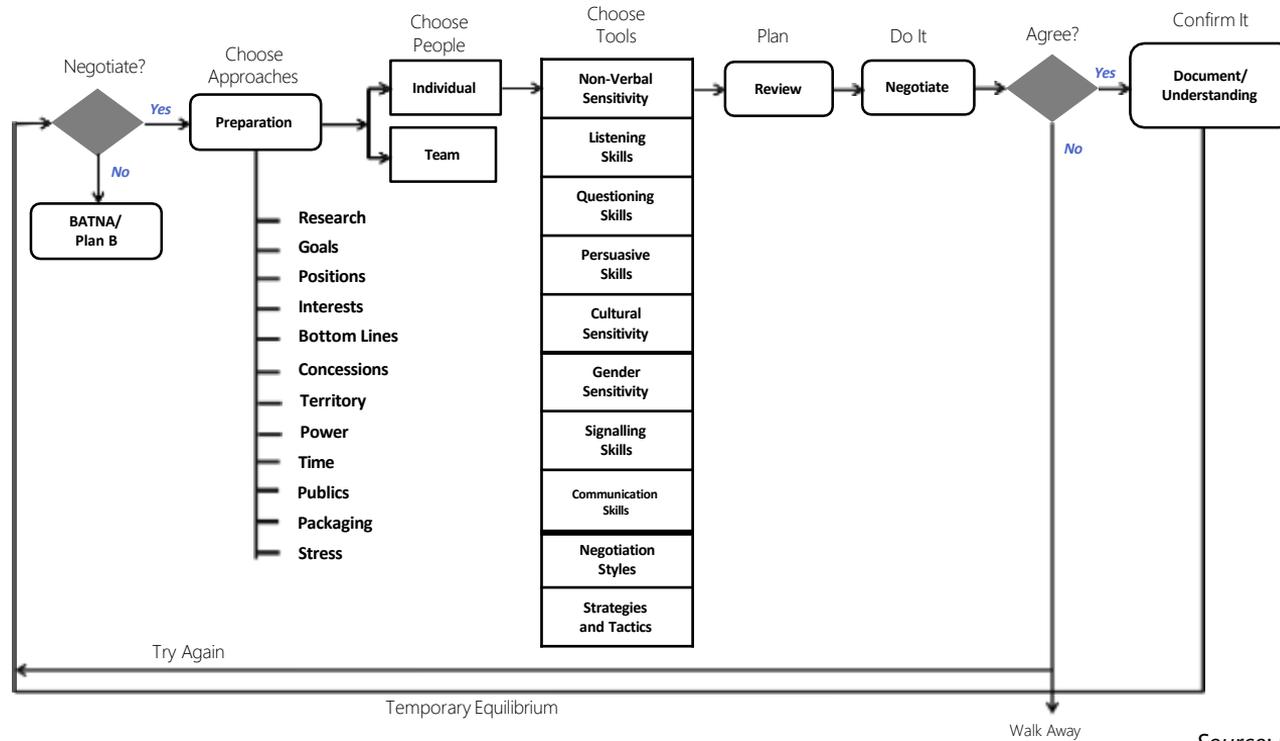
Source: <https://corporatefinanceinstitute.com/resources/knowledge/deals/what-is-batna/>



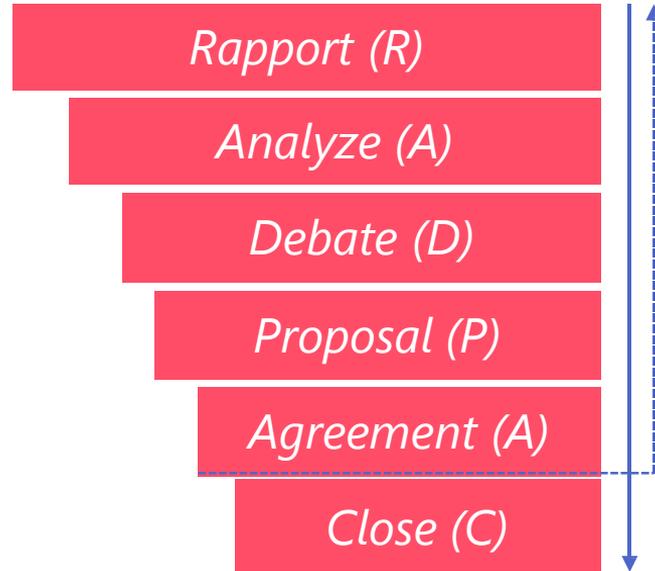
	FOCUS	COMMON BARRIERS	APPROACH
1-D	Tactics (people and processes)	Interpersonal issues, poor communication, "hardball" attitude	Act "at the table" to improve interpersonal processes and tactics
2-D	Deal Design (value and substance)	Lack of feasible or desirable agreements	Go "back to the drawing board" to design deals that unlock the value that lasts
3-D	Setup (Scope and Sequence)	Parties, issues, BATANAs, and other elements don't support a viable process or valuable agreements	Make moves "away from the table" to create a more feasible scope and sequence

Source: David A. Lax and James K. Sebenius, in HBR (Nov.2003)

# NEGOTIATION PROCESS MODEL



Source: Eunson (2002, p. 3)





		<i>Party 1</i>	
		<i>Win</i>	<i>Lose</i>
<i>Party 1</i>	<i>Win</i>	positive-sum game	zero-sum game
	<i>Lose</i>	zero-sum game	negative-sum game



# OUTCOMES OF NEGOTIATION



# REACTIVE VERSUS STRATEGIC APPROACH TO NEGOTIATION



## A REACTIVE APPROACH TO NEGOTIATION

- Focus on the deal terms.*
- Look for ways to get the maximum share of deal value.*
- Engage with all stakeholders at the counterpart as if they are aligned*
- Respond to other side's actions*
- Maximize pressure on the other side.*
- Treat every negotiation as discrete.*

## A STRATEGIC APPROACH TO NEGOTIATION

- Focus on shaping the negotiation context and process*
- Consider if and how significantly alter the scope of the deal.*
- Consider different constituencies within the counterpart and how their divergence may affect the negotiation*
- Anticipate and influence the other side's action.*
- Employ both positive and (when necessary) coercive leverage.*
- Analyse and leverage connections across negotiations.*





- *Rethink Counterparts*
- *Analyze Counterparts' Constituencies*
- *Rethink the Deal's Scope*
- *Rethink the Nature of Leverage*
- *Look For Links Across Negotiations*
- *Consider the Impact of Timing and Sequencing*
- *Be Creative about the Process and Framing*

Source: Jonathan Hughes & Danny Ertel, HBR (July-August 2020)



*"As you can see, business is slow."*



# EMOTION AND THE ART OF NEGOTIATION – THE STRATEGY



	<i>Ask yourself</i>	<i>Remember</i>
<i>The Buildup</i>	<ul style="list-style-type: none"> <li>• How do I feel?</li> <li>• Should I express my emotions.</li> <li>• How might the people across the table feel?</li> <li>• Are They likely to hide or express their emotions?</li> <li>• Should I recruit a third party to negotiate on my behalf?</li> </ul>	<ul style="list-style-type: none"> <li>• Its normal to feel anxious and excited.</li> <li>• Try to avoid expressing anxiety.</li> <li>• Expressing forward looking excitement may help build rapport</li> <li>• In emotionally charged situations(such as a divorce) consider having a third party(such as lawyer) to negotiate on your behalf.</li> </ul>
<i>The Main Event</i>	<ul style="list-style-type: none"> <li>• What things could happen that would make me feel angry?</li> <li>• What things might I do that would trigger my counterparts to feel angry?</li> <li>• What might they do or ask that would make me feel anxious?</li> </ul>	<ul style="list-style-type: none"> <li>• Be careful about expressing anger; it may extract concessions but harm the long-term relationship.</li> <li>• Avoid angering your counterparts; they are likely to walk away.</li> <li>• Preparing answers to tough question is critical for staying calm in the movement.</li> </ul>
<i>The Finals</i>	<ul style="list-style-type: none"> <li>• What are possible outcomes of the negotiation? What do I hope to achieve? What do I expect to achieve?</li> <li>• How would those outcomes make me feel?</li> <li>• Should I express those feelings and to whom?</li> <li>• How are my counterparts likely to feel about the possible outcomes?</li> </ul>	<ul style="list-style-type: none"> <li>• To reduce disappointment, outline clear aspirations and expectations and adjust them throughout the negotiation.</li> <li>• When you feel pleased about an outcome it may be wise to keep it in yourself.</li> <li>• The best negotiator creates value for everyone, claiming the lion's share for themselves but making their counterparts feel that they, too, won.</li> </ul>

(Source: Alison Wood Brooks, HBR)

# NEGOTIATION CANVAS

Title \_\_\_\_\_ Date \_\_\_\_\_

<b>1) MY DESIRED OUTCOME</b> <i>What do I want?</i>		<b>2) THEIR DESIRED OUTCOME</b> <i>What do they want?</i>		
<b>3) MY KEY INTERESTS</b> <i>Why?</i>	<b>7) MY BARGAINING CHIPS</b> <i>What do I have that they value?</i>	<b>8) THEIR BARGAINING CHIPS</b> <i>What do they have that I value?</i>	<b>4) THEIR KEY INTERESTS</b> <i>Why?</i>	
	○○○	○○○		
	○○	○○		
	○	○		
<b>5) MY WALKAWAY ALTERNATIVE</b> <i>What will I do if we do not reach a deal?</i>	<b>9) POSSIBLE SOLUTIONS</b> <i>Write solutions could work for both of us!</i>		<b>6) THEIR WALKAWAY ALTERNATIVE</b> <i>What will they do if we do not reach a deal?</i>	
	PS 1	PS 2		PS 3
	<b>10) AGREEMENT</b> <i>What did we agree to?</i>			

