

Core Negotiation Skills

An 8 Hour Primer

Module 1: Basic Concepts

In this Module, we will learn how to:

- Define negotiation.
- Explore key success strategies.
- Apply different negotiation approaches.

Defining Negotiation

- Negotiation is a process centered on a discussion that is intended to produce an agreement.
- In its simplest form, it could be considered to be about power.
- Negotiation takes place over a period of time and moves through a series of steps.
- Good negotiators are excellent communicators and relationship experts.

Defining Negotiation

- Choose two examples and discuss (or write 3 to 4 sentences) how you could resolve them through negotiation.
 - Workplace contracts about wages and benefits
 - Divorce
 - Buying new furniture for the office

Key Skills for Success

Allow for Creative Flexibility

- Negotiating is about flexibility and innovative thinking, rather than aggression and confrontation.
- Refer to the person you are negotiating with as your “partner” or “counterpart” to evoke a spirit of teamwork and cooperation.
- The goal is to establish strong and effective relationships from which to negotiate.

Key Skills for Success

Prepare

- We cannot emphasize strongly enough how important preparation is to a planned negotiation.
- An effective negotiator always comes to the table very well prepared, and is often willing to balance that preparation with flexibility.

Key Skills for Success

Know the Role of Value

- Creating and claiming value are at the heart of the negotiating process.
 - *Creating* value means that we can develop effective and creative solutions that meet the needs of everyone involved in the negotiation. In negotiation terms, this is commonly known as “expanding the pie.”
 - *Claiming* value refers to the size of the piece of the pie we receive as a result of negotiation.

Key Skills for Success

Understand Negotiating Styles

- Good negotiators understand their own style, as well as that of other people.
- They understand their own limitations, and how their style can work for and against them.
- They exhibit high levels of self-control so that they maintain composure and control through the negotiation process.

Key Skills for Success

Understand Negotiating Styles

- Cooperative negotiators look for a “win-win” situation where both parties know that they were able to get the best possible result.
- Competitive negotiators aim to “win” in the negotiation. Their goal is to get as much value as possible for their objectives, whether their counterpart gets any satisfaction or not.
- What is your negotiating style?

Key Skills for Success

Understand Negotiating Styles

- Effectiveness is an important element of style.
 - An effective, competitive negotiator may bully an ineffective, cooperative negotiator.
 - Someone who is competitive, but not very effective, would be inclined to intimidate or bluff their way through a negotiation because they are not well prepared.

Key Skills for Success

- Think of the last time you negotiated something. This might be something routine that you did not recognize as a negotiation (who paid for lunch, for example), or it might be a formal process you went through. Briefly describe the situation.
- Were you cooperative or competitive?
- How effective were you in your approach?
- Were you satisfied with the outcome? Was your partner?
- What would you do differently next time?

Key Skills for Success

Manage the Process

- Negotiation is a process that moves through a series of phases.
- Understanding the phase you are in, as well as developing skills pertaining to each step of the process, enhances your negotiating ability.

Key Skills for Success

Handling Relationships

- Negotiating involves creating, maintaining, or damaging relationships.
- Building strong relationships and developing trust are extremely important when it comes to negotiating.
- Developing strategic alliances can lead to much greater outcomes than negotiating for a win with no regard to the effects.

Key Skills for Success

Learning

- It is imperative to continue learning and developing communication skills, as well as the techniques for relationship building, persuasion, and negotiating.
- Learning also means that we keep abreast of changes in the industries in which we work – for workplace negotiations, aspects of the economy, and the labor market.

Key Skills for Success

A Word About Experience

- Negotiation is really a social process, where training and experience are tremendous assets.
- Inexperienced negotiators can learn a tremendous amount simply by observing and assisting successful negotiators.

Types of Negotiation

- Negotiation types include:
 - Integrative/Distributive
 - Inductive/Deductive/Mixed
 - Soft/Hard/Principled
 - Alternative Dispute Resolution
 - Non-negotiable Positions/Options

Types of Negotiation

Integrative/Distributive

- When distinguishing between integrative and distributive negotiations, we are saying that the parties are looking for different things as they approach the negotiation.
- Integrative negotiations are commonly referred to as “win-win.”
- Distributive negotiations are referred to as “win-lose.”

Types of Negotiation

Inductive/Deductive/Mixed

- Inductive refers to starting on small details and working upward until a settlement is reached.
- Deductive negotiations start with an agreed upon strategy.
- Mixed negotiations are the most common; they are a blend of inductive and deductive methods.

Types of Negotiation


Soft/Hard/Principled

- Soft and hard bargaining involves negotiating a position rather than interests.
 - Soft bargainers seek agreement despite great cost, and offer concessions as a way to create or preserve a positive relationship with the other side.
 - Hard bargainers are competitive, hide their bottom line, and offer few concessions, if any.

Types of Negotiation

Soft/Hard/Principled

- In their book, *Getting to Yes*, Fisher, Ury, and Patton recommend principled negotiation, instead of hard vs. soft, because principled negotiation relies on interests rather than positions.



Types of Negotiation

Alternative Dispute Resolution

- Alternative Dispute Resolution (ADR) continues to be a popular alternative to negotiation.
- ADR allows the negotiating parties to utilize a formal dispute resolution process.
- One factor that makes ADR different is the idea that the negotiating partners must be satisfied with the outcome.

Types of Negotiation

Non-Negotiable Positions/Options

- A good negotiator is prepared to use several possible approaches and formulas.
 - They often ask questions more than they provide answers.
 - They can assess a situation, including the expertise of the parties involved, and adapt formulas to suit the occasion.
 - At the beginning of a negotiation, it is important to establish a formula that will be agreed upon between the parties.
 - It is equally important to recognize when the formula is getting in the way of making progress because it is too rigid and needs to be tailored to the situation.

Phases of Negotiation

- Negotiation is not the same as bargaining.
- Negotiation is a process, and bargaining is only one stage of that process.
- There are four phases of negotiation.

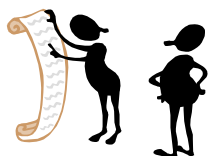
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Phases of Negotiation

- Preparation:
 - Negotiators need to review previous examples or other incidents that might have bearing on the current situation.
 - Parties will decide to negotiate rather than pursue court ordered settlements as a way to control their costs or the amount of time spent in court.
 - When the cost of NOT negotiating a resolution is higher than the cost of negotiating, then negotiation can be the most desirable course of action.

Phases of Negotiation

- Exchanging information is really an extension of preparation, and allows both parties the opportunity to consider all of the available information before a bargaining meeting takes place.



Exchanging Information

- For example, say that you are the new supervisor of a twenty-person team at work. Your sense is that production could be improved if the tasks were divided differently among members of the team. You mention this in passing to your boss. He shares with you that a couple of team members tried something like this before, but it never got off the ground because some members became territorial and felt their jobs were being threatened.
- Your boss has shared an important piece of information with you. How can you use this knowledge as you continue to prepare for a negotiation with your boss?

Phases of Negotiation

- Bargaining is:
 - The “meat and potatoes” part of negotiation.
 - Where interested parties go over their agreements and negotiate changes, sometimes one term at a time.
 - The phase where actual sacrifices and concessions are made.

Phases of Negotiation

- Once the parties have completed bargaining, made all the adjustments, and agreed upon the least uncomfortable result, the negotiation is ready for commitment and closure.
- Commitments can be made public as a way to share the conclusion of the process.
- One final, important note in the process is to make absolutely sure that you have a commitment to carry out the agreement that has been negotiated.

Summary

- Formal negotiations evolve through a process of careful preparation and discussion.
- We engage in informal negotiations all the time, so having expertise in formal procedures can help us to work toward things that we want in day-to-day activities.
- Preparation can make a mild mannered negotiator a powerful master.
- Understanding the types of negotiation styles, and the negotiating partners' values, are important aspects of being able to apply flexibility during the process, and to build relationships that lead to collaborative solutions.

Review Questions

1. What is the difference between creating and claiming value?
2. What does mixed negotiation mean?
3. What is the difference between bargaining and negotiating?
4. What are the four stages of negotiation?
5. In your own words, explain the value of preparation.

**Module 2:
Preparing for Negotiation**

In this Module, we will learn to:

- Establish rules that lead to effective negotiation.
- Effectively prepare the research that is required to negotiate.
- Set limits.

Keys to Preparation

- During the negotiation process, emotions can run very high. Establishing a set of rules or guidelines at the beginning of the process will help partners focus on what is necessary and meets their needs.
- They might need adjusting for each item being negotiated, but a general set of rules regarding conduct and behavior at the beginning of each round will likely be the most effective.

Keys to Preparation

Ten guidelines that will assist you in improving negotiations:

1. All parties must agree on ground rules and guidelines.
2. Expect that negotiating will take much more time than you think, and build that into your plan.
3. When it comes to wording ground rules and agreements/contracts, check and double-check language.
4. Establish who the true decision makers are, and make your choices clear.
5. Use collaboration to preserve relationships and build trust.
6. Humor is helpful. Do not take yourself too seriously, and take responsibility to lighten the mood of the room once in a while.
7. Apply flexibility and adaptability to the process.
8. Build strategic alliances.
9. Set yourself up to learn.
10. Be a people person.

Keys to Preparation

Flexercising

- Briefly describe a situation where being more flexible could make you more effective as a negotiator.
- Then, list three steps that could help you to become more flexible.

Identifying Your Hot Buttons

- When people make comments about (or when situations expose) things that we are ashamed of or that we try to deny, we say that they are “pushing our buttons.”
- Some examples of statements that can push our hot buttons are:
 - “When did you become a race car driver?” (criticizing our driving)
 - “Are you sure you should be eating that?” (criticizing our diet)
 - “You don’t belong here.” (insulting our membership in a group or workplace)

Identifying Your Hot Buttons

- Know what pushes your buttons and you could save yourself some grief in the negotiation process.
- What are your hot buttons?
- Give concrete examples of at least three statements that might be hot buttons for you in a negotiation. How will you respond when your hot buttons are pushed? If you cannot think of an example, two sample are provided to get you started.
 - You don’t know what you’re talking about! Haven’t you been listening?
 - Why did they send you to negotiate this issue? You’re useless/dumb/lazy!

Doing Your Research

- When doing research and preparing for negotiations, there are three important considerations:
 - Collecting facts.
 - All the information you need during negotiations.
 - Knowing priorities.
 - Understand what you and the other parties want from the negotiation.
 - Knowing principles.
 - Understand your principles, both as a negotiator and as an individual, to help you form and present a case that is compelling and believable.

Identifying Your WAP

- When you establish your priorities, make sure you have a clear understanding of your Walk Away Position (WAP).
- What is the least that you will accept (or the highest price that you are willing to pay)?
- If you are negotiating on someone else's behalf, make sure that you know their WAP so that you do not make any mistakes in negotiating for them.

Identifying Your BATNA

- You also need a Best Alternative to a Negotiated Agreement (BATNA) in your plan.
- Sometimes an issue can be settled before the bargaining phase begins if it meets your criteria as a BATNA.
- Not all negotiations have to be bargained; sometimes, when you negotiate, you can lose the opportunity to get what might have been a BATNA.

Working Within the ZOPA

- The Zone of Possible Agreement (ZOPA) is an area of overlap where the desired outcomes of both parties reside, and where both parties can live with the outcome.
- Once you reach a ZOPA, the finer details need to be worked out within the scope of what both parties have already found is potentially working for them.

Summary

- If you are preparing to negotiate, you must have a good idea of:
 - What you want.
 - How you will present your case.
 - When you are willing to walk away from a deal.
- The importance of preparation cannot be overstated.

Review Questions

1. Explain the difference between BATNA and WAP.
2. Create an example of ZOPA in the purchase of your next new vehicle.
3. Explain the importance of preparation for negotiation and its three essential components.
4. Create a list of your three key principles of negotiation.
5. What is the value of humor during negotiation?

Module 3:
Responding to Challenges

In this Module, we will learn how to:

- Maintain composure when things get heated.
- Collaborate and foster cooperation.
- Remain focused.

Ways to Stay Calm

- To retain your composure while negotiating, there are several things you can do.
 - Detach yourself from the outcome.
 - Include pre-determined break times in your rules.
 - Depersonalize the process.

Ways to Stay Calm

Detach Yourself from the Outcome

- The outcome of this negotiation is not about you personally. If your side wins or loses, you do not become a winner or loser.
- Think of it in terms of four potential outcomes.
 1. The two of you do not reach an agreement, and the negotiation ends.
 2. Your counterpart will agree to your terms.
 3. You will agree to your counterpart's terms.
 4. The two of you will compromise on some point in between your positions.

Ways to Stay Calm

- You may want to arrange for breaks after a certain amount of time.
 - For example, set a fifteen minute break every two hours or establish a break after each major point is determined.
- Whatever you agree on with your counterpart, make sure that everyone involved is able to take breaks and see to biological needs (a bathroom break), as well as get access to proper food and refreshments.

Ways to Stay Calm

Depersonalize the Process

- Your ground rules might state this, but depending on the intensity of the negotiations, you may need to remind yourself and your team if you have one.
- Use relaxation techniques to rid yourself of negative energy that can build up over the course of a day or even a short session.
- If you are negotiating something that is very personal to you, consider bringing an agent on board to negotiate on your behalf.

Work with the Other Party, Not Against Them

- Most negotiations start out collaboratively. It should be part of your mandate to work with your counterpart, not against them.
- Consider some creativity when it comes to negotiating, and let your counterpart know that you are interested in working in collaboration as a means to resolve issues or come to a decision.

Work with the Other Party, Not Against Them

- Unspoken conversations can undermine any conversation, not just a negotiation. For example:
 - Have you ever attended a training course or a meeting where people left the room commenting on what a waste of time it had been?
 - Or, have you been in a meeting where someone was speaking about a topic that everyone felt differently about, but refused to discuss?
- It is best to address the unspoken head on, and share it at the table.

Don't Bring Your Baggage to the Table

- When you are negotiating, check your personal baggage at the door.
 - Think of the things that might be on your mind as you prepare for negotiations. Make sure that you have dealt with them well before you start negotiating.
- If you open your baggage, you will make the negotiation personal, and find it difficult to detach yourself from the outcome.

Avoid Power Struggles

- At the beginning of this course, we mentioned that negotiating has a lot to do with power.
- If you find yourself drawn into a compelling conversation that becomes a struggle for power between you and your counterpart, remind yourself that the negotiation is a process.
- The outcome is not personal, and you needn't get drawn into a power struggle.

Stay Focused

- Depending on the type of negotiation you are involved in, different distractions can present themselves.
 - For example, while negotiating the terms of layoffs for a production team, the possibility of your own layoff looms in your mind.
- Use techniques of meditation, clearing your mind of clutter, to stay focused on the task at hand, and you will have much better results in your negotiations.

Stay Focused

- What kind of mind clutter is distracting you from working on this module right now?
- You can use this simple exercise whenever you have ten minutes to work through it. The steps are:
 - Identify your clutter.
 - Acknowledge it.
 - Put it in its place by deciding to do one of three things right now:
 - Set it aside entirely. (It is not important.)
 - Put it in its place by booking an appointment with yourself to work through it later. (It is important, but I am not going to let it distract me from this task tight now.)
 - Add it to your to do list and deal with it immediately after you complete work on this module.

Stay Focused

- You can use the example below to help you with the “Stay Focused” exercise.

My Clutter	Acknowledgement	Put it in its Place		
		Set aside	Appointment later	Appointment following this module
Change the oil in my car	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>

Focus on Positive Process

- In negotiating you do not want to focus on the outcome; you want to focus on the process.
- By focusing on a positive process, you will set your mind to pay attention to what is going on in the negotiation. For example:
 - Reading body language.
 - Paying attention to details in contract wording.
- Focusing on the process will prevent you from attaching yourself to an outcome, or getting distracted by other people's emotions as they work through the negotiation process with you.

Summary

- The negotiation process can provide plenty of distractions that try to pull you away from the work that you are doing.
- Maintain a sense of calm and detach yourself from the outcome to help you focus on the process of negotiating.
- Take a few moments now and then to clear your mind of clutter. This will help you to stay focused, and apply the needed energy to the work that is in front of you.

Review Questions

1. How could you establish a collaborative approach to negotiate for a raise at work?
2. What does "composure" mean?
3. What is one technique to help you remain focused?
4. If you were coaching someone on how to be a better negotiator, how would you explain this saying: "Don't bring your baggage to the table"?
5. What are three key elements to help you maintain your composure?

Module 4:
Creating a Win-Win Situation

In this Module, we will learn how to:

- Keep an open mind.
- Decide what kind of relationship we wish to foster.
- Use additional resources and expertise.

Keeping an Open Mind

- When you apply open-mindedness to negotiating, it helps to support your flexible and adaptable nature.
- Not every negotiation is about reaching a win-win solution.
- In collaborative negotiations, your real objective is to reach the best possible result for all parties.

Keeping an Open Mind

Long and Short Term Relationships

- In negotiating, the length of the relationship is very important.
- Labor negotiations are about long-term relationships. The terms that you bring up in this kind of negotiation will have a long lasting effect on the company and its employees.

Making the Most of Brainstorming

- Brainstorming is a creative period where you can surround yourself with a group of people and simply generate ideas.
- Brainstorming is a time when ideas are:
 - Freely generated
 - Recorded (on chart paper or computer is usually convenient)
 - Explored
 - Not judged

Thinking Outside the Box

- “Outside the box” thinking can generate stunning gains in the negotiation process, and lead to applicable and valuable outcomes that you never imagined when you were preparing for the process to get underway.
 - For example, think of workplace pension plan (defined contribution vs. defined benefits).

Use Your Resources

- There can be value in having an agent represent you in a negotiation, and there are many types of agents available. Resources can include:
 - Experts
 - Mediators
 - Third Parties
- Think of the potential value – or harm – that can come from a strong negotiation. There are simply some things that have better results when we rely on the help of others.

Use Your Resources

- The term "meta-negotiation" refers to changing the way that we go about negotiating; literally, it means negotiating about negotiating.
- Meta-negotiating can be used at any time during the negotiation process. When establishing ground rules, needing a break, or wanting to try a different approach, the parties can agree to change their process to used a meta-approach.

Use Your Resources

- Working with one or two participants from the workshop, create a case study about a situation at work that could be resolved through meta-negotiation. Your case study should be a paragraph of 6 to 10 sentences that describes the situation, the meta-approach used, and how the problem could be resolved. If you need ideas, think of a situation at work that you were involved in or heard about that could have been resolved in this way.

Identify Common Ground

- In the preparation phase of negotiation, when you are compiling your research and looking at the principles that will apply for a particular negotiation, it is beneficial to identify what you believe to be common ground.
- Agreeing on common ground in a negotiation means that there are some areas that can be excluded from bargaining, and that you are fostering a relationship with your counterparts.

Summary

- Turning to mediators, subject experts, or third party resources can help us do a much more effective job of negotiating.
- Identifying common ground can help to build the relationships that are so important in negotiating.
- It is also important to keep an open mind, and to encourage our partners to think outside the box for solutions that can make an average negotiation become a win-win for everyone.

Review Questions

1. Provide two examples of how meta-negotiation can impact a deteriorating session.
2. Describe "out of the box" thinking.
3. In what ways could finding common ground reduce the amount of time you spend negotiating?
4. Could a mediator also be a lawyer? If so, how?
5. Fill in the blank.

When brainstorming, we want to get all of the ideas out in the open. In order to keep the creative energy up during the session, make sure that participants do not _____ one another's contributions.

Module 5: Developing a Sustainable Agreement

In this Module, we will learn how to:

- Create a sustainable agreement.
- Incorporate everyone's perspective.
- Gain consensus.

What is a Sustainable Agreement?

- A sustainable agreement must reflect the reality of business and economic cycles, industries, and real issues that people face.
- It must also reflect the multiple aspects of the stakeholders who both provide input, and are affected by the results.
- An agreement cannot focus on one aspect of the business when the business impacts other industries, cultures, or linguistic groups.

What is a Sustainable Agreement?

- Partners must be sure that:
 - The organizations that they negotiate on behalf of are interested in having an agreement.
 - Negotiating organizations will enforce and take part in the terms of the agreement.

Getting Everyone's Perspective

- A sustainable agreement incorporates feedback from all stakeholders.
- Gathering perspective can take place throughout the negotiation process.
- It begins in the research phase, where the negotiator considers the needs of the members of an organization in conjunction with the strategic vision and mission of the negotiation.

Getting Everyone's Perspective

- Outside resources can be utilized to gather perspective.
 - For example, an outside firm that conducts employee satisfaction surveys could be used instead of doing an in-house survey.
- What are some ways, in addition to conducting employee surveys, that you could collect feedback from stakeholders?

Reviewing the Information

- The negotiator will consider the gathered information with respect to:
 - Any existing agreements.
 - The needs expressed by the organization.
 - The limits of their authority in the negotiation process.
- The reviewed information can be shared with stakeholders in the “exchange information” phase of the negotiations.

Outlining the Options

- Once one party has a clear understanding of the limitations or impacts of the terms of an agreement, it is efficient to outline options to the negotiating partners.
- Outlining options effectively can lead to group think situations where we can find consensus.
- We can sometimes find ourselves at the “agreement in principle” part of the process at this stage.

Gaining Consensus

- Consensus can be difficult during tough negotiations.
- Generally, the more stakeholders taking part in the process, the more difficult it is to reach consensus.

Gaining Consensus

- To secure the commitment to carry out the agreement, ask the other party to summarize their understanding of the agreement. To clarify, ask three questions:
 1. Please explain what we have agreed to.
 2. Do you agree with what we have agreed to?
 3. Are you committed to carry out the agreement? If not, what factors need to be clarified?

Summary

- Even though you may have an agreement in principle on many factors, it is important to make sure that the agreement is a document (either spoken or written) that people are willing to support.
- Make sure that you include all stakeholders in the negotiation process in some way, that you have all the information you need, and that you have confirmed consensus prior to signing or implementing an agreement.

Review Questions

1. What does “sustainable agreement” mean?
2. What could derail a sustainable agreement?
3. How can reviewing the information support the strength of the agreement?
4. How many questions do we need to ask to ensure commitment to carrying out an agreement?
5. Negotiation is strongly influenced by what communication skill?
