The Art of Negotiation

Process, Skills and Strategies
What is Negotiation?

- Conference with others to achieve a compromise or agreement – Concise Oxford Dictionary

- Negotiation is an explicit voluntary traded exchange between people who want something from each other – Gavin Kennedy
When Do You Negotiate?

- When you need someone’s consent
- When time and effort of negotiating are justified
- When the outcome is uncertain
Types of Negotiation

- Face-to-Face
- Group
- Paper contract
- Telephone
- 3rd Party with a mediator
- E-Negotiation
Negotiation Principles

* The are no set rules
* Establish an agenda
* Everything is negotiable
* Ask for a better deal
* Be creative
* Learn to say "NO"
* Always get something
4 Phases of the Negotiation Process

- Plan
- Presentation
- Proposal
- Agreement
Plan

- List your needs and wants
- Speculate on the needs and wants of the other party
- Delineate the possible consequences
- Develop your BATNA
BATNA

- Standard against which any proposed agreement should be measured
- Negotiating without a BATNA is fantasy
- The better your BATNA, the greater your power
- Knowing your BATNA gives you additional confidence in the negotiating process
List of actions you might take if no agreement is reached

Create promising ideas and convert them into practical alternatives

Prioritize and designate the best alternative
Presentation

- Present your needs and wants
- Give reasons for your position
- Refer to your planning sheet
  - Issues involved
  - Best and worst
  - Offers and counteroffers
Proposal

- Formulated after your hear the other sides presentation
- Requires careful review of all the issues (spoken and unspoken)
- Evaluated against your BATNA
- Contains what you believe to be the best elements for a wise and lasting agreement
Agreement

- Requires full understanding of the terms and conditions by both parties
- Indicates the time period the agreement
- Provides consequences if the agreement is broken by either party
- Win – wins are the best outcome
Skills

* Listen
* Concentrate
* Ask open ended questions
* Be proactive
* Look for commonalties
Strategies

- Ask for more
- Be creative
- Challenge everything
- Focus on the other party’s pressure
- Know when and always be willing to walk away
- Aim high and expect the best outcome
Take Aways

- Know yourself
- Prepare in advance
- Develop a good BATNA
- Be principled in your negotiations
- Goal is to reach a wise agreement
# Negotiation Check List

<table>
<thead>
<tr>
<th>Good Practice</th>
<th>Avoid</th>
</tr>
</thead>
<tbody>
<tr>
<td>✓ Actively listen</td>
<td>✗ Interrupting</td>
</tr>
<tr>
<td>✓ Question for clarification</td>
<td>✗ Attacking</td>
</tr>
<tr>
<td>✓ Summarising</td>
<td>✗ Blaming</td>
</tr>
<tr>
<td>✓ Test commitment</td>
<td>✗ Talking too much</td>
</tr>
<tr>
<td>✓ Seeking &amp; giving information</td>
<td>✗ Sarcasm</td>
</tr>
<tr>
<td>✓ Encourage two way conversation</td>
<td>✗ Threats</td>
</tr>
<tr>
<td>✓ State and plan your proposal – then summarise</td>
<td>✗ Taking it personally</td>
</tr>
<tr>
<td>✓ Use the ‘if you ….then we’ll’ principle</td>
<td>✗ Closed body language</td>
</tr>
</tbody>
</table>
# Negotiation Planning Instrument

<table>
<thead>
<tr>
<th>Parties</th>
<th>Issues</th>
<th>Opening Offer</th>
<th>Fallback Positions</th>
<th>Bottom Line (Reservation Point)</th>
<th>Most Likely Alternative</th>
<th>Available Alternatives</th>
<th>Interests</th>
<th>Creative Options</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>7</td>
<td>8-10</td>
<td>6</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>11</td>
</tr>
</tbody>
</table>
Be Prepared!

"The picture’s pretty bleak, gentlemen. ... The world’s climates are changing, the mammals are taking over, and we all have a brain about the size of a walnut."