



Keys of Negotiation

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Keys of negotiation

■ What is Negotiation?

Negotiation is the process by which we search for terms to obtain what we want from somebody who wants something from us.

Keys of negotiation

Pre-Negotiation Essential Questions:

1) WHAT?

2) HOW?



Keys of negotiation

■ Negotiation is:

- *Not* about outwitting/taking advantage of others
- *Not* about just getting the best possible price
- *Not* a process of haggling as in a bazaar

- Arriving at a shared solution to a problem
- Creatively resolving disputes
- Crafting outcomes that serve mutual interests

Keys of negotiation

■ What is successful Negotiation?

- It should Produce a wise agreement.
- It should be efficient.
- It should improve or at least not damage the relationship.

Keys of negotiation

Relation



Position



Keys of negotiation

**HARD
OR
SOFT?**



Keys of negotiation

- Participants are adversaries
- Goal is victory
- Concessions as a condition of the relationship
- Hard on the problem and People
- Distrust others
- Dig on the position
- Make threats
- Mislead the bottom line
- One sided gain is a must for agreement
- Single Answer / Our acceptance
- Insist on their party position
- Win a contest of will
- Apply pressure

HARD

Keys of negotiation

- Participants are Friends
- Goal is agreement
- Concessions to cultivate relationship
- Soft on the problem and people
- Trust others
- Change position easily
- Make offer
- Disclose the bottom line
- One sided lose to reach the Agreement
- Single Answer / Their acceptance
- Insist on Agreement
- Avoid a contest of will
- Yield to pressure



Keys of negotiation

- Participants are problem solvers
- The goal is wise / efficient outcome
- Separate people from the problem
- Hard on the problem – Soft on people
- Proceed independent of trust
- Focus on interests not positions
- Explore interests
- Avoid to Insist on bottom line
- Invent options for mutual gain
- Multiple Options
- Insist on using objective criteria
- Result based on standard independent of will
- Principle NOT pressure



Keys of negotiation

■ **Principled Negotiation:**

- 1) **People:** Separate the people from the problem
- 2) **Interests:** Focus on interests, not positions
- 3) **Options:** Generate a variety of possibilities before deciding what to do.
- 4) **Criteria:** Insist that the result be based on some objective standard.

Keys of negotiation

Principled Negotiation

Put Yourself in Their Shoes!

Tenant's Perceptions:

- The rent is already too high!
- The apartment needs painting!
- I know people who pay less for such a place!
- I am desirable tenant without any pet!
- I always pay the rent whenever she asks for!
- She is too cold. Never asks How things are!

Landlady's Perceptions:

- I have not increased the rent for a long time.
- He has given the apartment heavy wear and tear!
- I know people who pay more!
- His Hi-Fi Drives me crazy!
- He never pays the rent till I ask
- I never intrude on a tenant's privacy.

Keys of negotiation

Principled Negotiation

- Try to Find **ZOPA!**
"Zone of Possible Agreement"
- Try to Expand **ZOPA!**



Keys of negotiation

ZOPA



Keys of negotiation

Principled Negotiation

- What is **BATNA**?

Best Alternative to a Negotiated Agreement

If They are more Powerful.

Keys of negotiation

Principled Negotiation

- What is **Negotiation Jujitsu**?

Don't waste your energy on attack and defense!

If They Won't Play.

Keys of negotiation

Principled Negotiation

- Refuse Dirty Tricks!
- Always Look and Move forward not Back!
- Look for Mutual Gain!
- Be Fair!
- Avoid Pre-Mature Judgments!
- Don't Get Anything Personal!

Keys of negotiation

1) *Define the Box!*

2) *Keep Everything in the Box!*

3) *Wrap-up the Box!*



Keys of negotiation



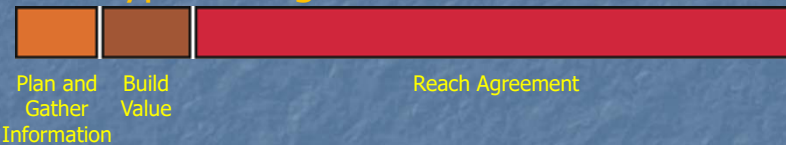
■ *Prepare Your Checklists:*

- Pre Negotiation
- Negotiation.....
- Post Negotiation

Keys of negotiation

The Role of Preparation in Success

The Typical Negotiators



The Top Negotiators



Keys of negotiation

- **Negotiation is not Possible without Communication.**



Meeting
Phone
E-mail
Mail



Keys of negotiation

- **Communication Tips:**
 - Know your Subject before open your mouth.
 - Write down the points you want to cover about each item.
 - Clear-off desk, Turn off phones.
 - Stay Alert!
 - Don't interrupt.
 - Look the other person in the eyes.
 - Count to 5 before responding.
 - Restate or paraphrase what the other person said.

Keys of negotiation

■ Communication Tips:

Pay Attention to the Body Language!



Who is Receptive?

- Leaning Forward
- Sitting at the edge of the chair
- Increasing eye contact
- Uncrossing legs
- Touching the forehead or chin
- Elevating the head
- Hands are open & comfortable
- Sitting on the table

Keys of negotiation

■ Communication Tips:

Pay Attention to the Body Language!



Who is not Interested?

- Twisting to face the exit
- Reducing eye contact
- Locking ankles
- Crossing legs tight
- Leaning back in the chair
- Looking on the clock
- Fidgeting nervously
- Leaving the room frequently
- Stretching the muscles

Keys of negotiation

■ Communication Tips:



Phrases to Use:

- Please.....!
- This is not in the box / Let's consider on...
- That is more than we want to spend.
- Can you reconsider the numbers?
- Work with us / me on this!
- We are not in the same city.
- Be reasonable!
- You are too expensive!
- I got disappointed.
- I just couldn't bring it back to my boss.

Keys of negotiation

■ Communication Tips:



Phrases to Avoid:

- Trust me!
- Am I Right??
- We are Done! I Don't have anything else to say!
- Take it or leave it!
- Kind of... Sort of...Probably...Maybe
- I am not sure but.....
- Ahhh mmmm
- @\$%\$%%!!!

Keys of negotiation

■ Communication Tips:

Dealing With Tricky Negotiators:



- You Can't Be Serious!!!
- The Invisible Competitor
- No-Way Jose!!! It's against Our Policy
- Deadline Dilemma!
- Just one Last Thing!
- Premature Order- You Will Start We Will..
- I Don't Have the Authority
- Over My Dead Body!
- Let me Think About it!
- Adding New Faces

Keys of negotiation

■ Communication Tips:

*Questions Have Two Sides:
Your Side or Wrong Side!*

*Ask Productive Questions
Ask More Questions*

*Ask the questions that you already
know the answers of!*

*Persons Who Ask questions
Win More than 80% of Negotiations*



Keys of negotiation

■ Communication Tips:

Put Both Parties in the LEVEL Situation EVEN if You Believe that You Are More Powerful!



Keys of negotiation

■ Communication Tips:

**Unbundle the Gains!
Bundle the Losses!**



Make Your Packages Presentable!

Keys of negotiation

■ Closing the Deal:

- Avoid Making Last Minute Concessions!
- Ask Final Questions and Clarify!
- Encourage Your Counterpart to Move Forward
- Review and Confirm Every Agreements
- Validate and Remind Benefits of Each Agreement
- Take a Break Before Closing
- Confirm Deadlines For All Agreements
- Make Sure Items Are Signed And Dated



■ What is Mediation?

- It serves as an "assisted negotiation."
- It is voluntary: parties can leave whenever they want.
- It is generally confidential.
- The mediator has an equal and balanced responsibility to assist each party.

■ What are the Advantages of Mediation?

- The facilitator/mediator can bring parties together in a forum where positions and facts can be presented to the other side's decision makers.
- The facilitator/mediator can offer the parties a realistic assessment of the possibilities for settlement.
- When parties can agree and design their own solution, they can create the most desirable outcome possible.

10 Homilies of a Successful Mediation

■ #1: Do Not Mediate Unless the Ultimate Decision Makers are Present

- The importance of this rule cannot be overstated.
- Any settlement proposal is easily undermined if the purposed decision maker does not have authority to enter into a binding agreement.
- When the ultimate decision maker makes the decision it eliminates the second-guessing or "arm-chair quarter-backing" that can occur without that decision maker's participation.

10 Homilies of a Successful Mediation

- #2: Have Enough Succinct Information to Make an Intelligent Decision
 - Do you have all the information necessary to evaluate and weigh the options to make a decision regarding the settlement proposal?
 - Before you undertake mediation, determine if additional information is needed to enable you to make intelligent decisions regarding the settlement options presented.

10 Homilies of a Successful Mediation

- #3: Have All the Necessary Parties Present to Resolve the Issues Involved
 - It makes no sense to attempt to settle a large and complex construction case without the participation of the necessary parties.
 - There is no chance for a global settlement unless all the necessary parties are present to resolve the issues involved.

10 Homilies of a Successful Mediation

■ #4: Avoid Blind-siding the Other Side

- For many the desire to spring new information at the mediation to coerce or force a more favorable settlement is tempting and often perceived to be a tactical advantage.
- The strategy almost always fails because it does not give the other side sufficient time to assimilate the information so it can be used and evaluated in an intelligent manner by the decision maker.
- When presented with information for the first time the decision maker's natural reaction is to step away.

10 Homilies of a Successful Mediation

■ #5: Determine Your Acceptable Minimal Settlement, Not Your Minimal Wish List

- What are acceptable settlement terms?
- A realistic assessment needs to be made as to what is truly acceptable *based upon the known facts*.
- It is also necessary to have a game plan to determine what you may have to do if you hear something new and unpleasant at the mediation.

10 Homilies of a Successful Mediation

■ #6: Make Your Pitch to the Other Side's Decision Makers

- More likely than not, the mediation is the one and only time you will be able to speak directly to the other side's decision makers.
- Decision makers will tune out advocacy, so be persuasive.
- The mediation is not the place to indulge in argument or sarcasm.
- The focus should be on a polite, professional, cogent, and persuasive presentation of the facts as to why the decision makers should settle the matter now.

10 Homilies of a Successful Mediation

■ #7: Determine What Kind of Team to Bring to the Mediation

- Two types of team members are essential for a successful mediation: decision makers and data or information people.
- The data or information people may include a particular, articulate, credentialed consultant or expert.
- All things being equal, bring the minimal but sufficient number of decision makers.

10 Homilies of a Successful Mediation

■ #8: Develop Creative Settlement Options and Options if Negotiations Stall

- Before going into the mediation try to develop some creative settlement options.
- Anticipate the possibility if stalled negotiations and address the problem beforehand.
- Decision trees and "what if" models are useful tools in preparing for mediation and facilitating the settlement process.
- The options are only limited by imagination.

10 Homilies of a Successful Mediation

■ #9: Recognize and Avoid Wishful Hearing

- We are all guilty of hearing only what we want to hear.
- Don't reject a proposal because it doesn't fit nicely into the decision tree or decisional framework you developed beforehand.
- Evaluate each proposal independently on its own merits in order to avoid missing an opportunity for settlement.

10 Homilies of a Successful Mediation

- #10: If an Agreement is Reached, Do Not Conclude the Mediation Without Reducing the Essential Elements to Writing and Executed by the Parties
 - Don't go through the patient, exacting, and often exhausting process of a complex negotiation without reducing the agreement to writing.
 - If the agreement is not immediately reduced and executed, it can be repudiated with no recourse in the courts.
 - Avoid "settler's remorse"; get it in writing right away.

Thank You!