The “Secrets” of Successful Negotiation

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The Negotiation Process

1. Preparation

2. Bargaining

3. Agreement
Be prepared…

☐ You
☐ Opponent
☐ Situation
Be prepared…

- You
  - Overall goal- target
  - Issues
  - BATNA
  - Core values
  - Resistance point
- Opponent
- Situation
BATNA

Best Alternative To a Negotiated Agreement
Target

- The value you would like to have
- Your dream agreement
Resistance point

- The value below which you would rather walk away
- “reservation price”
- “bottom line”
Be prepared…

- You
- Opponent
  - Core values
  - BATNA
  - Resistance point
- Situation
Be prepared…

- You
- Opponent
- Situation
  - What deadlines exist?
  - Rules of the game?
    - Fairness norms
    - Setting limits
  - What topics do you wish to avoid?
Pitfalls

- Overconfidence
- Underconfidence
- Unreasonable expectations
- Emotions
Begin the Bargain

- Set a collaborative mood.
- Clearly define issues.
- Who fires the first shot?
- Ask questions.
Ask questions…

- Open lines of communication
- Discover underlying positions
- Control situation
- Keep your opponent occupied, reduces his “thinking” time
- Alternative to direct disagreement
Pitfalls

- Mythical Fixed Pie
- Anchors
- Framing
- Posturing (position)
- Irritators
- Excessive competitiveness
Distributive Negotiations

- Parties only concerned with how a fixed pie will be divided.
Integrative Negotiations

- Have the potential to expand the size of the pie; win-win
Anchor

= base figure from which negotiators add or subtract to judge offers
Framing

- Perspective
  - Risk or opportunity
  - Net profit potential or purchase price
Interests v. Positions

- Positions = bids, offers, stated objectives
- Interests underlie and motivate positions
Irritators

- Direct insults or unfavorable value judgments about the other party (e.g., unfair, untruthful or unreasonable)

- Gratuitous favorable things about yourself or your offer (e.g., a generous offer)
Some Specific Tactics

When your opponent is:

- stubborn
- indecisive
- threatening/ intimidating
- stalling
- ultimatum
- insufferably obnoxious
Stubborn

- Refuses to make a decision
- Character trait or negotiating tactic?
Indecisive

- Incapable of making a decision, doesn’t have authority?
- Counter tactics to force a decision:
  - Set deadline
  - Limit options
  - Involve boss
Threatening/ Intimidating

- Ignore it.
- Generally it’s an idle threat.
- Mind your BATNA: sometimes best deal is no deal.
- Don’t get angry; that’s exactly what opponent wants.
- Getting flustered can cause you to make careless mistakes.
Stalling

- Pure tactic; NOT personality trait.
  - Trying to wear you down?
  - Simultaneously negotiating with someone else?

- TIP: Try making your best offer contingent upon quick acceptance.
Ultimatum

- Ignore it.
- Respond with your own ultimatum.
- Recognize and accept the ultimatum.
Insufferably Obnoxious

- Self-control.
- Bluster is a substitute for preparation.
- Refuse to negotiate while the irritating tactics continue.
- Make reasonably frequent contacts to educate them, and to open the road to co-operation when the tactics end.
Respond, don’t react!

All responses should be:

- immediate
- proportionate
- not ambivalent; unambiguous
Mind Your BATNA!

- Move your case forward/ search for alternative transactions.

- Be patient – recall they fear failure; what is their BATNA?
NEGOTIATION
Thank you

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