

The “Secrets” of Successful Negotiation

Sponsored by the
General Counsel’s Office and the
Office of Human Resources



January 19, 2007



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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

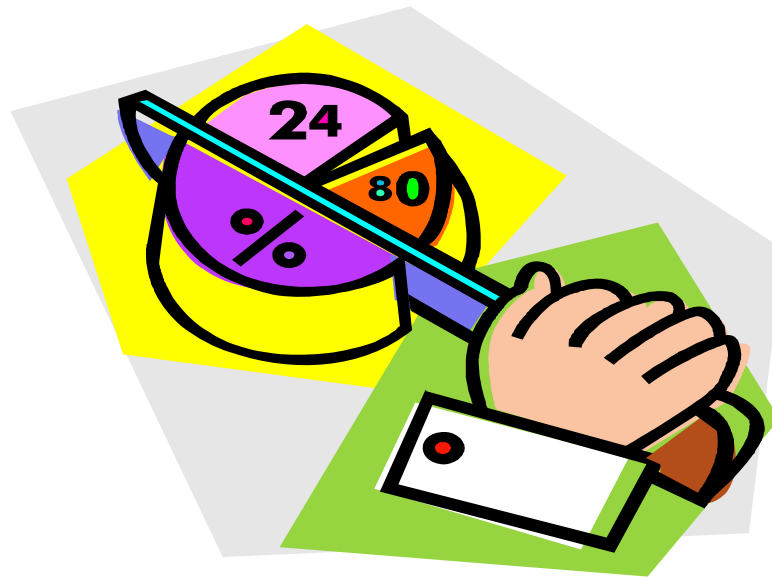


Pitfalls

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

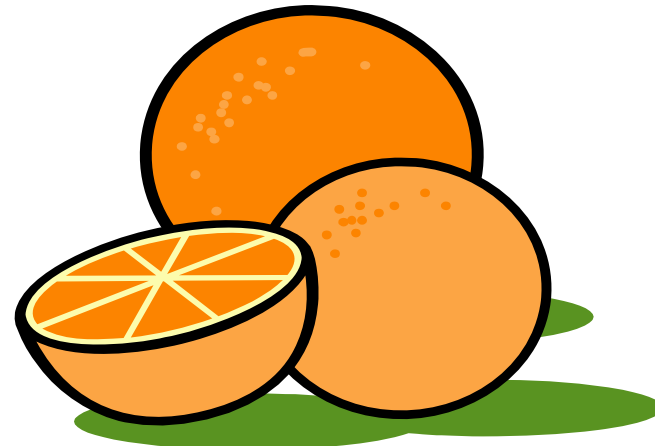
Distributive Negotiations

- 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

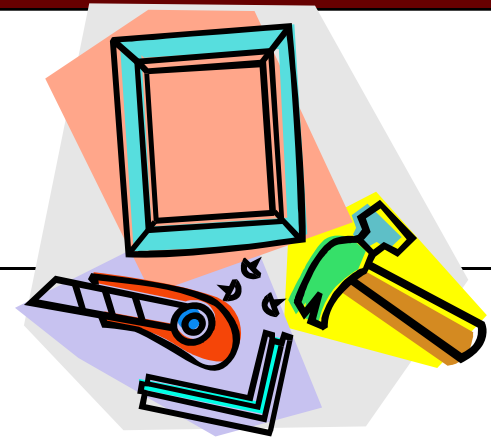


Anchor

= 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 some one 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!

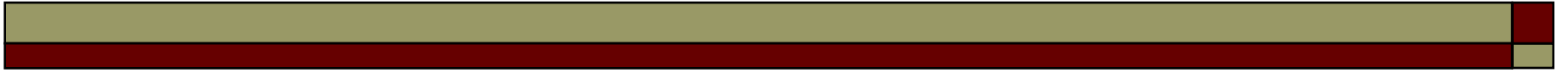
All responses should be:

- 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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January 19, 2007



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