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Key Negotiations Skills

20 March 2013

PCMG

Trainer: Lynn Gans, Key Corporate Training AB, Stockholm, Sweden.

Set up

- Elements of the day
- Training approach
- Logistics
- Materials
- Introductions
- Learning environment

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Workshop **ELEMENTS**

- Planning for success
- Creating common ground and preserving relationships
- Influencing skills
- Applying concepts to your reality

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Building an agreement

1 Make a suggestion

2 Check for understanding

3 Check for agreement

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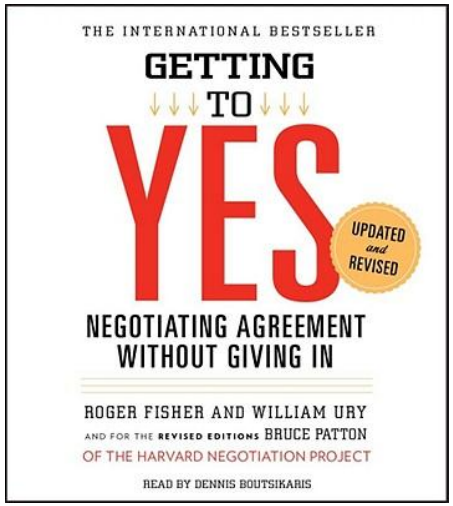
Negotiation Principles



B A T N A

Interests

External Standards

Separate the people from the problem

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B A T N A

is my

Best

Alternative

To a

Negotiated

Agreement

Steps

1. List my ATNA's
2. Evaluate value
3. Select BATNA
4. Strengthen BATNA
5. List their ATNAS
6. Evaluate value
7. Predict their BATNA
8. Weaken their BATNA

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Poker school

The poker school

Negotiation is a game. Misleading methods are okay, provided they are not illegal.

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Idealist school

The idealist school

Negotiation is serious communication, not a game. The same ethical principles that apply in one's own family shall also apply in negotiations.

"We shall ourselves follow all ethical rules that we want others to follow."

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Pragmatist school

The pragmatist school

Lies and other dubious methods should be avoided; not because they are immoral but because in the long term they cost more than they are worth.

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Negative tactics

- Good/bad guy
- Salami
- Price is too high
- Negative body language
- Nibbling
- Russian Front
- Intentional misleading/lying
- This will never be approved
- Deadline – (is there really one?)
- Bad memory
- Inside information
- Ultimatum

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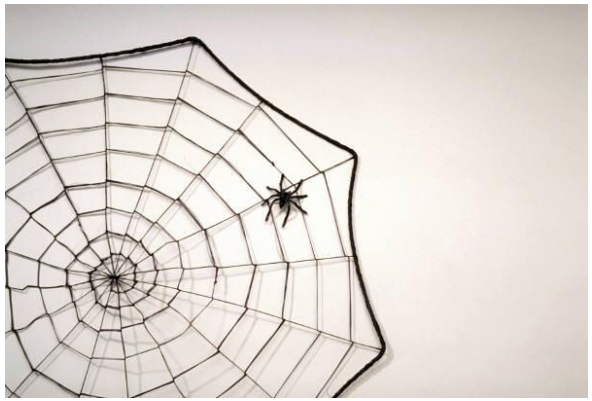
Dealing with negative tactics

- Recognise
- Assess – was it intentional?

CHOOSE YOUR REACTION

- Do nothing
- Request documentation
- Carefully confront
- Break the negotiation



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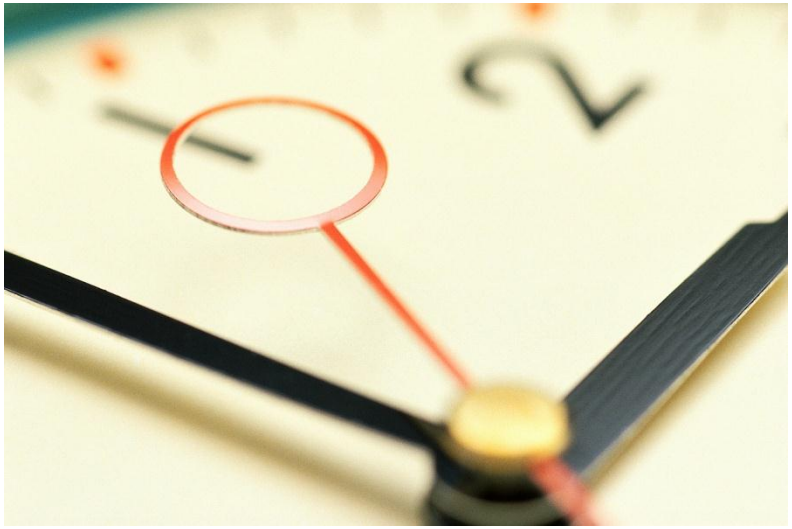
Tactical moves

Not all tactics are intentional ‘dirty tricks’

- Group structure
- Negotiation venue
- Mandate
- Use of time/agenda
- Pause/Silence



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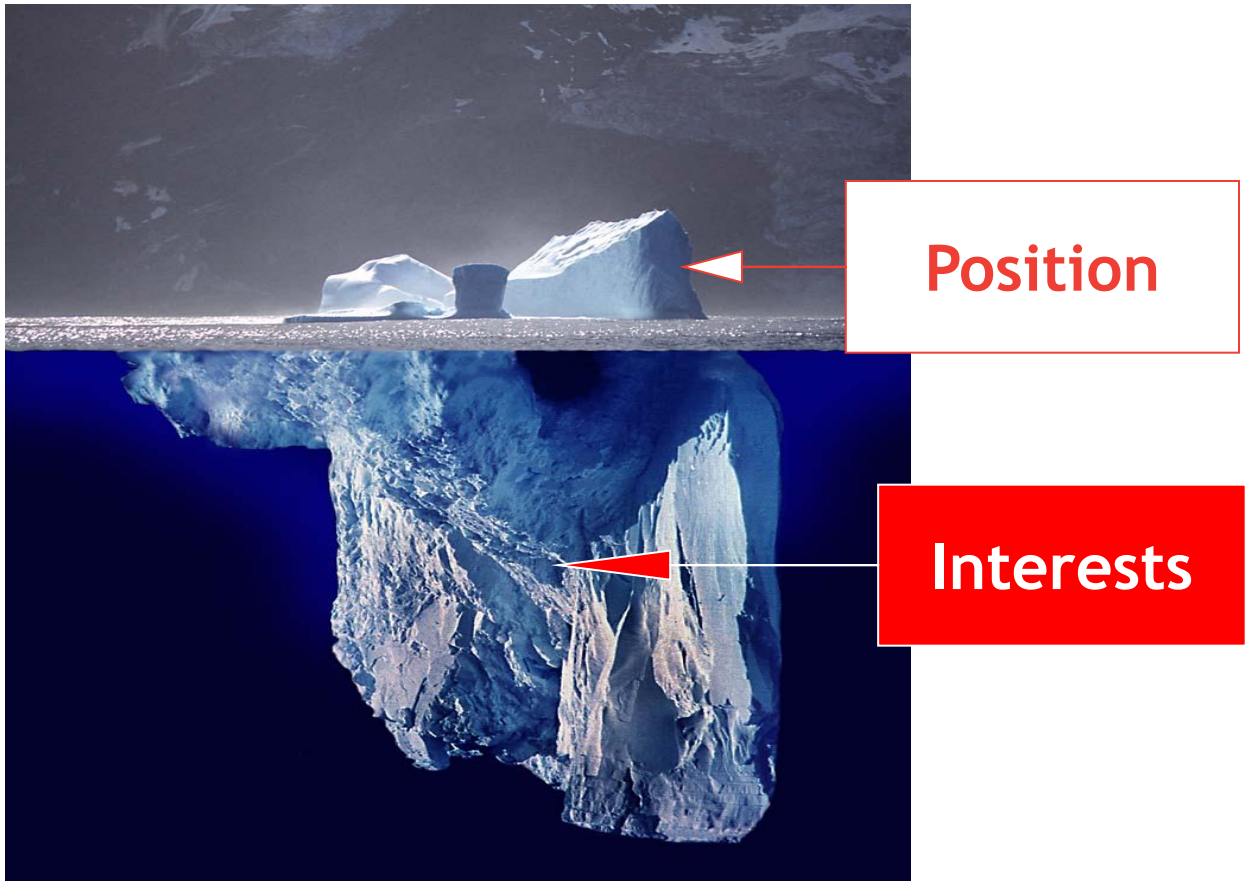
Position - Issues



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Benefits to revealing Interests

- The more you know, the easier it is to satisfy both parties
- Enables us to evaluate offers quickly – does it meet my interests?
- Provides us with the raw material to create value
- Builds trust (listening, understanding)
- Provides common ground

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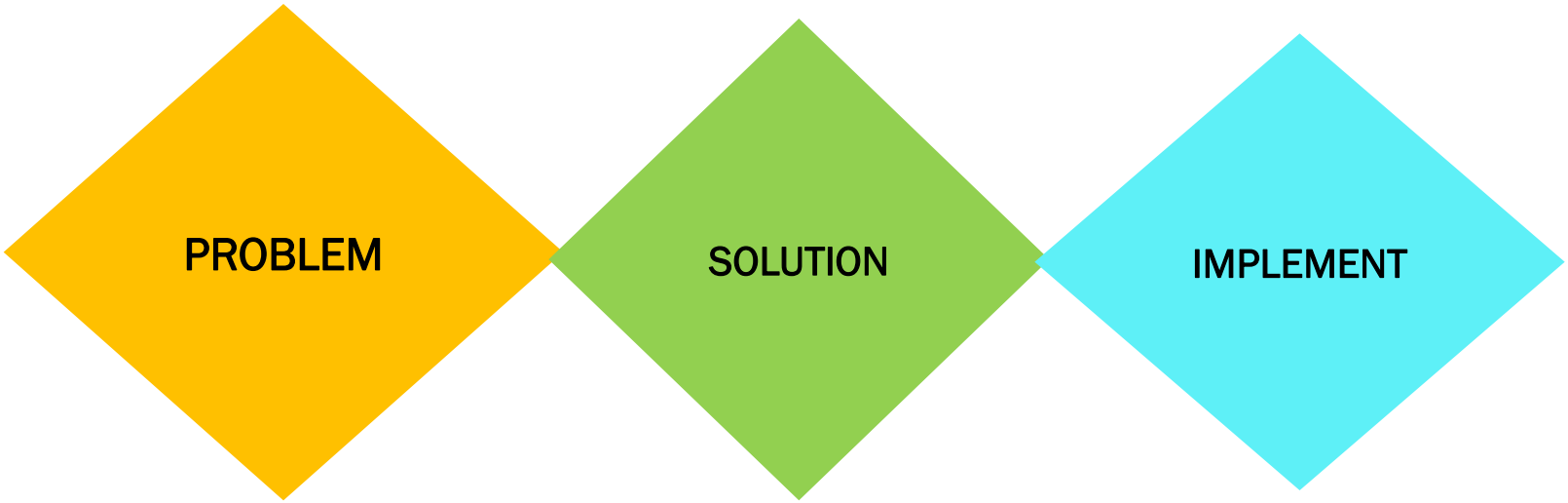
Problem Spaces



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Revealing interests

- **Interpret demands as opportunities**

  Defensive: How can I avoid accepting this demand?

  Cooperative: What can I learn from this demand? What does it tell me about the other party's needs and interests?

- **Give some information away**

  Start with something less important to you and see how the other party deals with it.

- **Make it clear that you are asking for an understanding…**

  …of needs, motivators, interests, fears or desires that the position serves and not a justification of the position.

- **Guess – many people enjoy correcting**

  "Correct me if I'm wrong…"

- **Ask their advice**

  What are you asking them to say yes to? Why might they be saying no? *"What can we do to make this something you would accept…. If we do this, would that be ok? Why not?"*

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Revealing interests – asking questions

- Open (who, what, where, when, why, how)
- Closed
- Leading
- Non complex
- Probe and lasso

Skilled negotiators ask 3 times more questions than non-skilled!

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Huthwaite Research

Skilled negotiators:

- Rated as effective by both sides
- Track record of significant success
- Low rate of implementation failure

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Verbal behaviours-used

Labelling/Flagging:

Advance indication of behaviour to be used

Eg

”If I could make a suggestion”

Skilled: ***6.4***

Average: ***1.5***

Summarizing and testing understanding

Compact restatement of previous points:

Eg

”If I’ve understood you correctly, you’re saying…”

Skilled: **17.2**

Average: **8.3**

Expressions of inner feelings…..

Eg

”I am worried that we seem to be far apart….”

Skilled: **12.1**

Average: **7.8**

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Verbal behaviours-avoided

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Irritators **Words of negligible value**	Skilled: Average:	**2.3** **10.8**
Counter Proposals **Proposal immediately following the other negotiation proposal**	Skilled: Average:	**1.7** **3.1**
Defend/Attack Spirals **Words used to attack other or defend self**	Skilled: Average:	**1.9** **6.3**
Argument Dilution **Using several reasons which in reality weaken argument**	Skilled: Average:	**1.8** **3.0**

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Definition of a Successful Negotiation

Results in a strengthened relationship and a higher level of trust than there was in the beginning

Means that regardless of the results, both parties feel satisfied and the agreement will meet the test of time

Is one that you like (all your most important interests are satisfied), they can live with (enough of their important interests are met) and value has not been left on the table.

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Separate the person from the problem

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”Be soft on the person and hard on the problem.”

Soft on the person

- Be respectful and polite
- Use the best communication skills possible
  (eg. summarise, check understanding, flag, feelings commentary)
- Don’t have to be disagreeble in order to disagree

Hard on the problem

- Never accept less than your BATNA
- Make sure agreement meets your interests
- Insist on external standards

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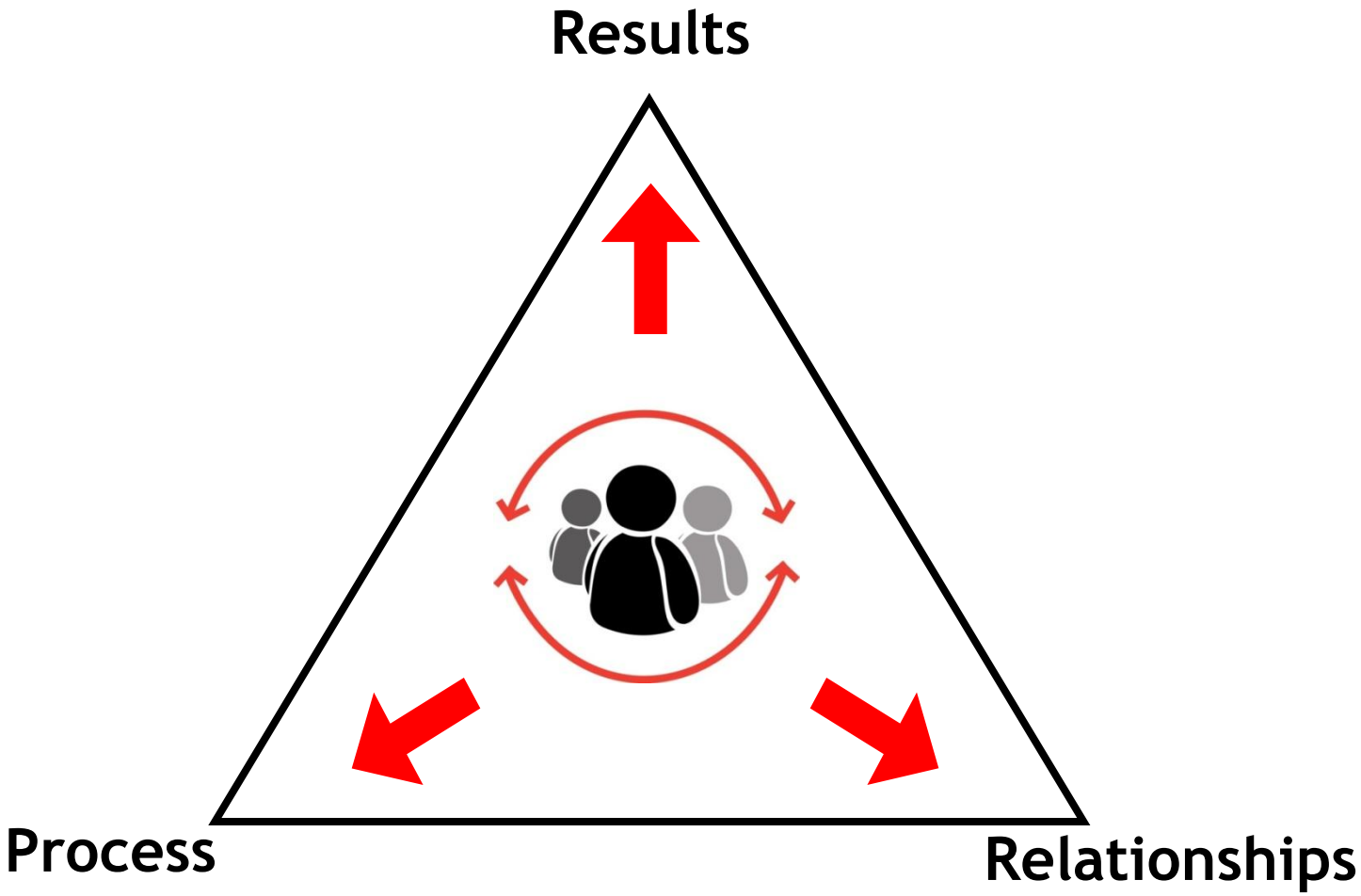
Evaluating - Dimensions of Success



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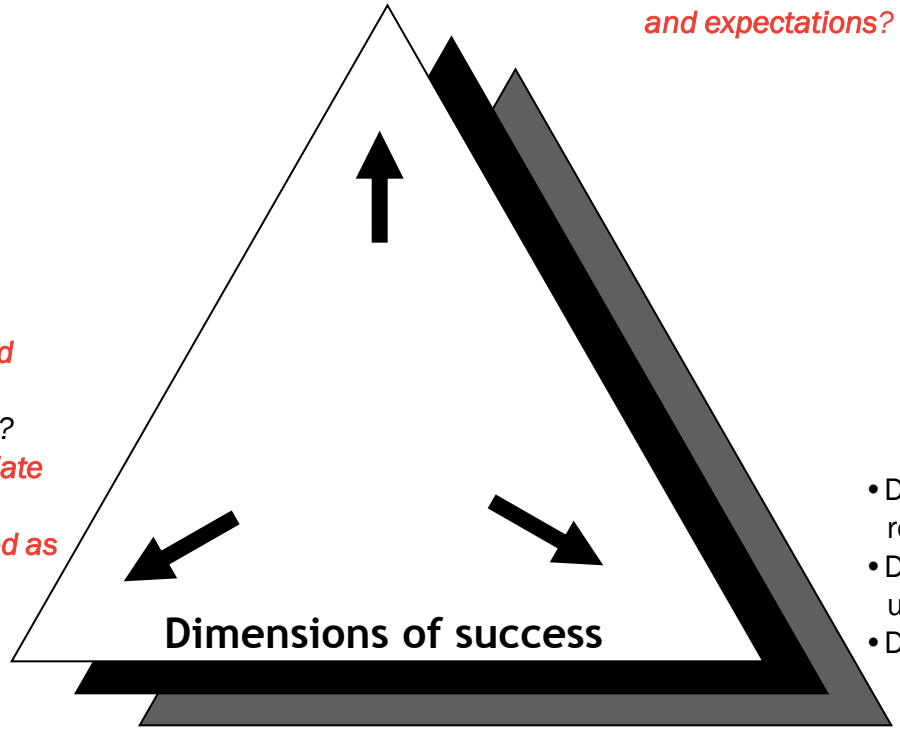
Measuring Success



- Are the results of *high quality*?
- Are the results *timely?*
- Do the results *meet our goals and expectations?*

- Is the process *clear and logical?*
- Is the process *efficient*?
- Is the process *appropriate* to the task?
- Is the process *perceived as fair* by both parties?

- Do we *communicate* respectfully?
- Do we *feel listened to* and understood?
- Do we *trust* each other?

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Sources of Power

A strong BATNA- The stronger our BATNA, the more powerful we are. However, before choosing to use our BATNA we must consider for example relationship, short-term/long-term business and level of competitiveness.

Access to Information - The more we know about the situation, the more power we have.

Trust me- If we can get the other party to trust us, we will be more able to influence them.

Understanding interests - The more we know about the other party's interests the better. Our ability in finding these interests gives us power in a negotiation.

Creating high value options – Our skilfullness in satisfying the other party's needs by creating various options is powerful. If we are able to create high value options for them at a low cost to ourselves, even better.

Legitimate external standards – The more valid our external standards are, the more likely we are to have our ideas accepted by the other party.

Taking possession of the process – Our skilfullness in managing the negotiation process means we are able to plan, predict and prevent effectively. This puts us in a postion of power.

Status – Our status in the eyes of the other party gives us authority and power.

Communicative ability – Our ability to communicate clearly and skilfully helps the other party trust us. This improves relationships and the overall result of the negotiation.

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Additional Reading

- *Getting to Yes* by Roger Fisher and Willian Ury
- *Getting Past No* by William Ury
- *Influence* by Robert Cialdini
- *NegoAuctions* by Guhan Subramanian
- *Building Agreement: Using Emotions as you Negotiate* by Roger Fisher
- *Negotiation Genius* by Deepak Malhotra and Max Bazerman
- *The Global Negotiator* by Jeswald Salacuse

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Your Trainer

Lynn Gans
is a Managing Partners of Key Corporate Training

Key has provided top quality negotiations training for over 30 years. With years of management experience, Lynn trains people in Communication Skills and in how to leverage cultural differences at work. She has been provided training, consulting services and lectures in over 25 countries.

Lynn has worked for many years with many multinational companies such as AstraZeneca, Ericsson, SKF, Schneider Electric, and St. Jude Medical. She has also worked a great deal in the public sector with The Swedish Institute, Invest in Sweden Agency, the Swedish Cabinet Office, the Prime Minister's Office and the Swedish Foreign Office.

She is on the faculty at the Stockholm School of Economics where she lectures in culture and relocation. In addition to her university degrees in Communication and Intercultural Cmpetence, she is a certified practioner by Interaction Associates as a Master Facilitator, Harvard University in Principled Negotiation, THT Intercultural Institute in Cultural Awareness training, and Lore Associates in Bid Communication.

This varied experience has enhanced her understanding of the various organisational, business and management cultures and the challenges faced when negotiating in an international environment. This is a knowledge she brings with her when she works with customers and participants.

Lynn is from the USA and has been based in Sweden for just over 20 years.

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