

# Negotiations

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# Value Negotiation: How to Finally Get the Win-win Right

If we have a relative goal, the trap is that we will likely negotiate a win-lose even if we do not want to.

We will *inevitably* compare how well we do in relation to the other party as in a competition. *Seek absolute goals*

An absolute goal protects us from manipulation as it becomes harder for them to know and exploit our limits. An absolute goal gives us a clear milestone for success

# Complexity Brings Greater Value Opportunities

- Repeated interactions allows us to trade various payoffs
- Multi-party negotiations allow for wider range of collaboration and cooperation
- Intra-organizational work which combines groups which both share objectives but may conflict over trade offs
- Wider arrays of issues open up opportunities for value creation but increase complexity for trade offs and management

# The Seven Elements of Negotiation

- Relationship
- Communication
- Interests
- Options
- Legitimacy
- Commitments
- Alternatives

In a great deal, parties do not waste time or value through poor communication. When the parties talk without listening or listen without talking, they engage in one-way communication.

One of the biggest questions we have to answer as negotiators and leaders is *how do we define success or value?*



...a Negotiation Balanced Scorecard is a way to measure the success of achieving several different objectives which can be competing and of different relevance. The NBS aims to help negotiators secure the greatest possible value on all objectives without overly sacrificing one for another.

How you define success will determine what you value, the steps you take to achieve your objectives, and the tradeoffs you are willing to make

# What Constitutes a Win-Win Agreement?

- Clear: Parties share the same understanding on potential communication gaps and ambiguities
- Sufficient: Cover the negotiators important issues, reducing the need for additional negotiations
- Operational: Parties are sure of their abilities and resources to implement it
  - Flexible: Leave room for future changes but does not need constant work
  - Verifiable: Responsibilities and targets that can be monitored increase compliance as misunderstanding and opportunistic behaviors are reduced

Case Study:  
Boston Lyric Opera

How does more information help the organization and different teams or players?

Beyond improved access to information quantity and quality, do all stakeholders in the Lyric Opera hold a similar vision about how to use the information and advance the shared objectives?  
(i.e. is it clear and sufficient?)

...described the Balanced Scorecard as “breathtakingly clarifying.” It forces people to think about the *trade-offs* that have to be confronted. If handled the right way, it should increase Board knowledge and involvement, which are keys to success for nonprofits.

Is the Balanced Scorecard *sufficient* in that it covers the important issues and reduces the need for future negotiations between stakeholders to held directors and administration *value* specific objectives?



What are the risks from using a more standardized measure of success? Put another way, does the method work across organization types, deliverable, or outcome objectives?

The Balanced Scorecard tries to integrate all three components (head, heart, hand) but some on the board feel most deeply about the heart. They feel this component has been sacrificed by introducing the scorecard.

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What strategies would you as a leader use to negotiate with the stakeholders to both reach the group objectives and ensure individual commitment is gained?