

Negotiations

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Negotiation is a process that happens whenever at least one person is trying to get another to do or not do something for him or her

Framing Negotiations

- Negotiation is *everywhere*
- Negotiation has purpose and is a purpose that requires several skills
- Every negotiation entails a relationship
- There are numerous ways to negotiate with unique potential risks and rewards

...we have to negotiate to get what we need or want. We negotiate to *increase value* for ourselves

Substance value is whatever a negotiator wants that could be priced in a market. *Relationship value* is normally intangible, associated with a feeling and cannot be priced.

Every negotiation move has an intention, positive or negative, conscious or not, of generating substance and relationship value

A win-lose approach happens when one party attempts to get what they want in a negotiation by demonstrating or using power over the other...as a consequence, the parties focus on power as the most important resource to win in a win-lose approach

What are Characteristics of the Win-Lose?

- Big power difference and short-term concern
- Focus on losses rather than win-win
 - Lose certainty
 - Lose focus
 - Lose value
 - Lose potential future value
 - Lose tomorrow
 - Lose our ethics
 - Lose control
 - Lose peace of mind

The win-win approach happens when at least one party tries to get what he or she wants with the other party's consent and *without* the need to use or display power...the secret of win-win lies in making resistance unnecessary

...the *main* tool of win-win (negotiations) is communication, *not* power as in the win-lose approach

What are the Obstacles to Win-Win Negotiations?

- Win-win negotiations are complex
- Instincts and defensiveness are hard wired
- Being soft or nice is not the same as being collaborative
- How are we defining value and fairness?
- We focus on lowering our risks

...the heart of the matter is that we act within the confines of our assumptions and fundamental beliefs about something

...the need for trust to negotiate is the very thing that
pushes trust away

...interdependence is more quickly communicated than trust...when there is a negotiation, there is at least some level of interdependence. All we need to do is identify it clearly.

...everything we say, do, don't say, or don't do, sends a message. How aware are you of your behavior in laying the groundwork to obtain desired outcomes?

Simulation Analysis:
MedLee Joint Venture Negotiation

What are the risks each side is concerned about in the negotiations? How valid are the concerns of each side?

What are the contributions and attributes that each partner brings to the potential joint venture that make each side *interdependent*?

How can we craft win-win value creating benefit (compensation) pay-offs that recognize the different risks and contribution of each party?

Simulation Follow Up Specific Questions

- If we describe negotiation as a process, how well were you able to shift the dynamic from win-lose competition towards a more systematic process?
- Describe your attempts to push past win-lose negotiations and negotiate collaboratively with your partner to focus on value creation options. What were times you found yourself or fell into win-lose conflict bargaining?
- What are your strategies from how you phrase things to your solution proposals to draw your counterparty towards win-win outcomes and processes?