

# Pennsylvania Association of Conservation Districts Management Summit 2020 Webinar Series

Negotiation Skills - Part 1

Getting to Yes

Wednesday, September 9, 2020

1:00 PM - 2:00 PM

Negotiation Skills - Part 2

Difficult People and Situations

Wednesday, September 30, 2020

1:00 PM - 2:00 PM

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Team Development Services



# Hello and Introductions



We've all been a little restrained from traveling lately.

I'll "go around the room" to introduce you by name and organization; you type into chat the place you'd most like to visit when you can travel freely.

# Today

- Identify the key characteristics of a negotiation.
- Consider whether you're in a situation where attempting to negotiate is the best response.
- Consider what fear of negotiating means, and how to respond differently.
- Describe the five basic elements of a normal negotiation process.
- Take some advice from Roger Fisher and William Ury.

# Negotiating, bargaining



- Universal
- Important
- Creative
- Practical; skill-based
- Communications-based
- Emotional intelligence-based
- Surprising
- Should produce a wise agreement if agreement is possible -- meets the legitimate interests of each side .
- Should be efficient -- resolves conflicting interests fairly; is durable.
- Should not damage the relationship between the parties and takes stakeholder interests into account.

# Characteristics of negotiations

## The parties

- Two or more parties (individuals, groups, organizations.)
- Interpersonal (at least two people.)
- Intragroup (internal to an group or organization.)
- Intergroup (organization to organization.)
- Interests conflict (in the sense that they want outcomes that are not the same.)
- Voluntary process whereby influence is used; strategy pursued by choice.
- Parties prefer to search for agreement instead of fighting openly, breaking off contact, or taking to a higher authority.
- No system to resolve conflict or the parties want to work outside of system that does exist.

# Characteristics of negotiations

A process

- A process that changes over time.
- Parties will act based on how they think the other party will react.
- Parties must clarify and share information about what they both really want.



# Characteristics of negotiations

## Compromise

- We expect “give and take” and understand that compromise will take place.
- We understand that tangibles will be at stake (price; terms of agreement.)
- We understand that intangibles may also be at stake (looking good; saving face; possible future business; possible setting of precedents.)



# Characteristics of negotiations

Differences can lead to agreement


- Differences in interests (benefits vs. salary.)
- Differences in perceptions (is this property valuable or not?)
- Differences in risk aversion.
- Differences in timing.
- One way to make negotiations easier is to try to understand the other party's differences, and speak their language.





# Negotiating is one way to get things done

- Negotiation is one of four major ways to accomplish work.
- Not the only way and not always the most appropriate way.
- Three ways of trying to get another party to do what you want:
  - Management power – legitimate, referent, coercive, expert, reward.
  - Power to reward or compensate – pay someone to do what you want.
  - Power of persuasion – selling, lobbying, presenting, argument – get someone to agree with you.
  - Negotiation – exchange of information, compromise, joint decision.
- Important to think about your situation, and what intervention is most appropriate to your needs and goals.
- Situational awareness.



Why do so many  
people dislike (or even fear)  
negotiating?

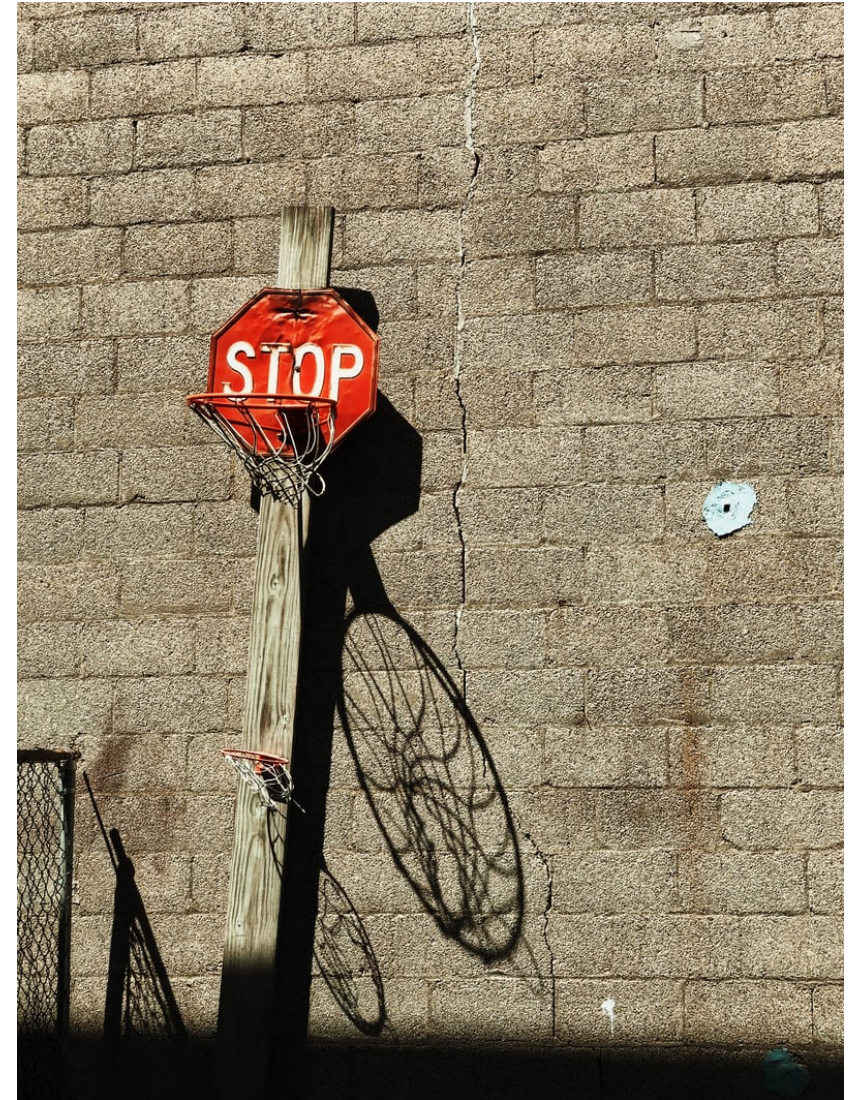
# Fear of negotiating can be fear of appearing incompetent

Exploring fear of appearing incompetent, competency pressure, tactics and perceptions in negotiations  
Parlamis, Badawy, Haber, and Brouer (2020) International Journal of Conflict Management

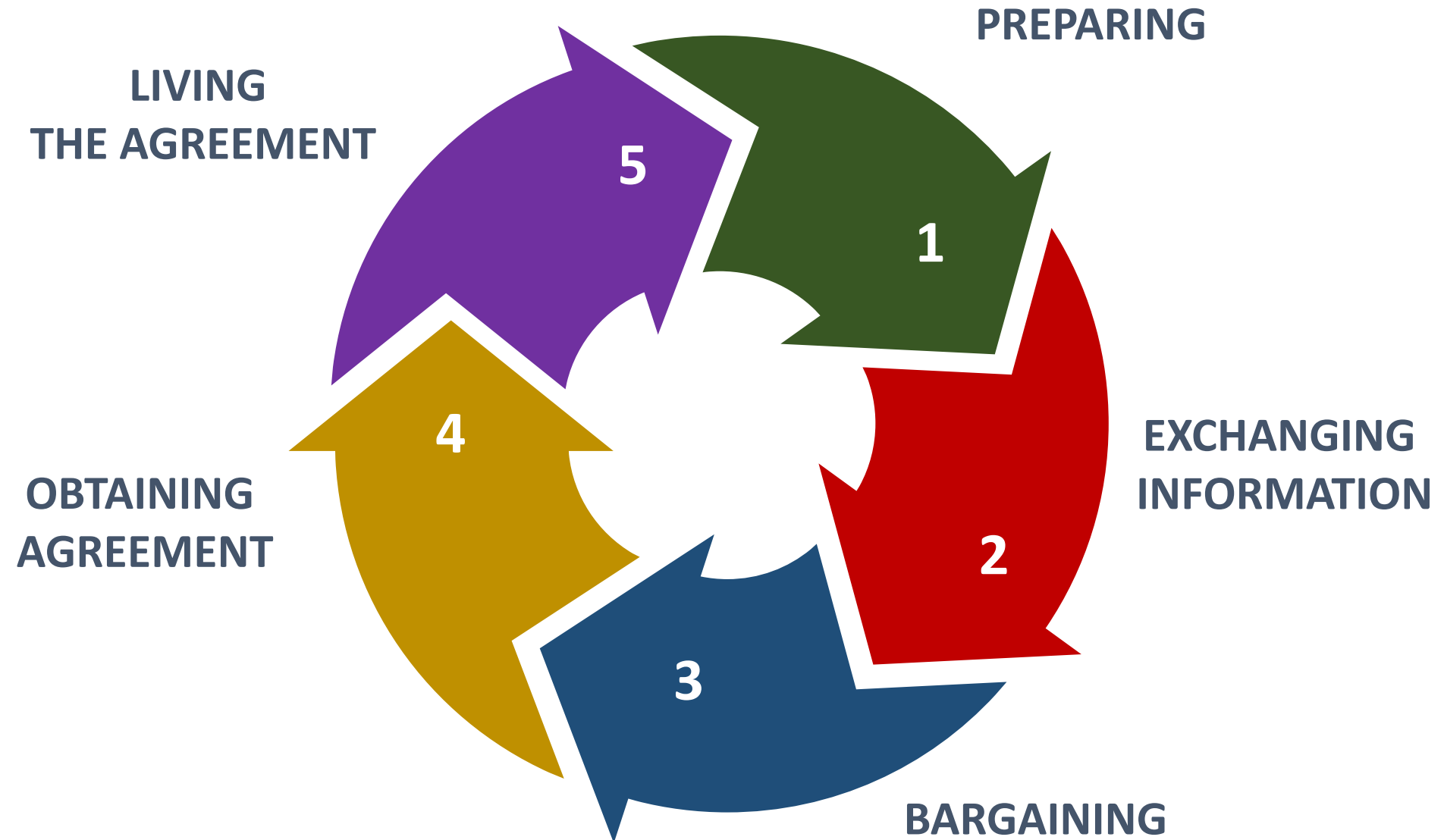
- Analyzed buyer-seller interactions
- People with a higher fear of appearing incompetent feel more and more under pressure to be competent
- This pressure can lead to greater use of competitive tactics ...
  - Misrepresenting own interest
  - Holding back information
  - Making unreasonable offers
- And lesser use of cooperative tactics
  - Sharing helpful information
  - Making reasonable offers
  - Compromising

# When you shouldn't negotiate

- When you don't have "standing" to negotiate.
- When you could lose everything; risk is too high.
- When you're running at capacity; you can negotiate, but raise prices.
- When the demands are unethical or even illegal.
- When you have no (or little) stake in the outcome, or you find that the other party has no (or little) stake in the outcome.
- When you have little or no leverage.
- When you don't have time.
- When the other party acts in bad faith.
- When waiting would improve your position.
- When you're not prepared.

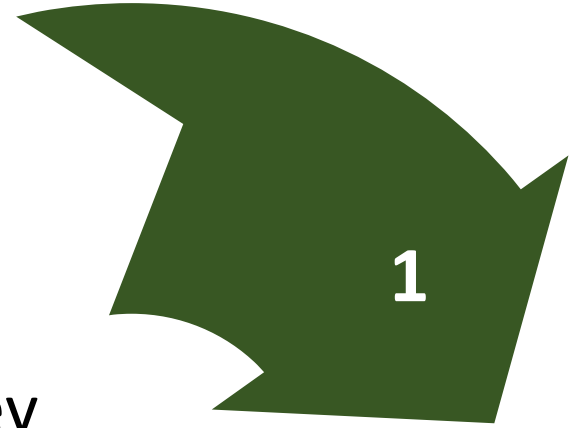


# The basic process



# Preparing

- Do you need a team, and if so, who should be on it?
- How well does your team work together and how will they communicate?
- What information do we already have at hand? (old contract; published list prices; talk to those who have negotiated in the past or just recently; P&L statements; news reports and press releases)
- What concerns do we think we will hear from the other party and is there a creative way to address their concerns?
- Are there other stakeholders (interested parties) we need to consider and possibly take care of?



# Preparing

- Find out everything you can about the other party.
- Who are this party's suppliers, customers, or other stakeholders?
- LinkedIn, Facebook, other social media.
- What do you know about other similar negotiations this party in which this party has participated?
- Filings on publicly traded companies (Annual report, 10K).
- Business libraries – Lancaster and at the Penn State Libraries.
- Hoovers; Morningstar; GuideStar.org; Dun & Bradstreet.
- Industry and trade associations; government resources; newspapers and journals; LexisNexis; Westlaw.

What preparation have you done that you feel made the most difference in a negotiation?





# Exchange of information

- Start on a friendly basis; find some common ground
- If an assumption is presented that you need to correct, do so now.
- Start assessing the other party's interests – why the other party wants something, rather than what they say they want (position.)
- Start insisting that this negotiation will proceed based on objective criteria.
- If you're part of a negotiating team, discuss your perceptions of the other party - "compare notes."

# Bargaining



3

- One of the parties begins by making a proposal.
- The other party responds, usually:
  - This is a good offer; here's where I'd like to see an improvement
  - This is a disappointing offer; here's how we can move closer to what will be acceptable
- The two sides continue to propose and counter-propose.
- Some parts of a proposal may be accepted immediately, or will be traded for more desirable outcomes.
- Based on the concepts of MDO and LAA.

# Most Desired Outcomes and Least Acceptable Agreements

Envelope of reasonability -- Fisher and Ury, (1981, 1991, 2011) Getting to Yes

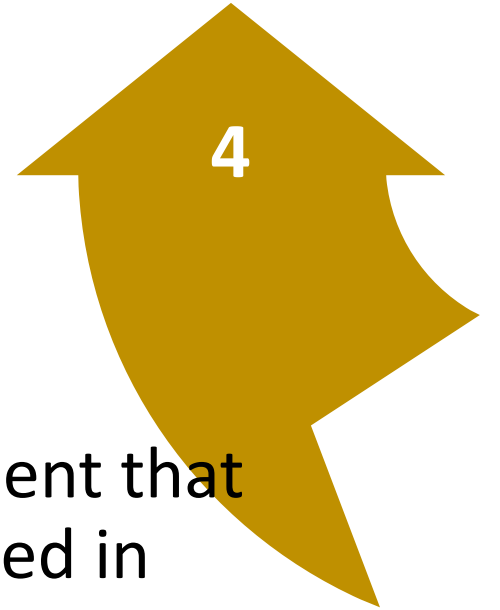
- Most Desired Outcomes (MDO) – what you want; the ceiling; fact-based; stretch goal; aggressive but not unrealistic.
- Least Acceptable Agreements (LAA) – the minimum; the floor.
- Best Alternatives to a Negotiated Agreement (BATNA) – plan B.
- Zone of Possible Agreement (ZOPA) – that overlapping range where both parties can agree.





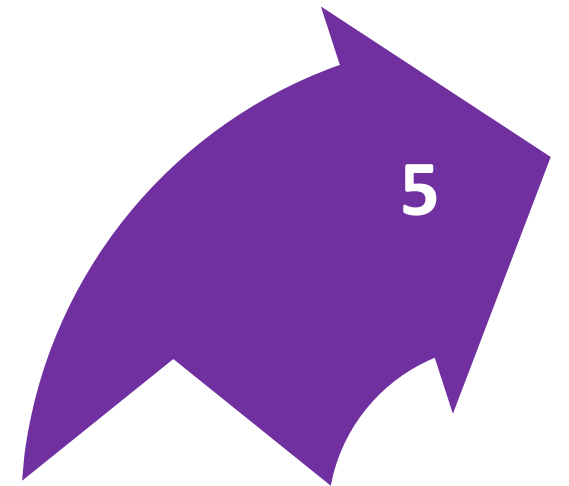
# Obtaining agreement

- Resolved all major issues.
- Both sides feel they have a reasonable contract or agreement that both sides can perform; and is understood by those involved in carrying it out.
- Ensure that you have a way to resolve new emerging disputes without upending the entire agreement.



# Living the agreement

- Performance stage.
- Also may see new disputes that should be resolved according to the process you have in place.
- Excellent performance can mean an early suggestion to renegotiate.
- Good relationships based on trust and respect are rewarding.





What have you found is the most difficult thing about "living the agreement?"

# Some negotiating advice from Fisher and Ury

Fisher and Ury, (1981, 1991, 2011) Getting to Yes

- Bargaining over positions may just waste time because the more you try to convince the other party to modify their position, the more the other party commits to their position.
- Instead, engage in principled negotiations that works from four angles:
  - People
  - Interests
  - Options
  - Criteria



# The People Are Not the Problem

Fisher and Ury, (1981, 1991, 2011) Getting to Yes

- Separate (in your mind) the people from the problem.
- Take the party's personalities out of the negotiation.
- Try to see the other party's situation as they see it.
- Understanding how the other party sees things doesn't mean you agree with their point of view.
- Show to the greatest extent possible that you are taking the other side's concerns seriously.

# Focus on Interests, not Positions

Fisher and Ury, (1981, 1991, 2011) Getting to Yes

- What's the difference? Position: What they say they want
- Interests: Why they want it
- Janae has been working from home since March due to the pandemic. Her company is gradually moving essential employees back into the office, including Janae. Janae asks to speak to her manager:
  - Janae's position: I want to move to a non-essential role.
  - Janae's manager (focusing on Janae's position): I can't move you to a non-essential role. I need more people in essential roles.
- What outcomes could arise from this discussion?
- What's the problem with "bottom line thinking?"

# Focus on Interests, not Positions

Fisher and Ury, (1981, 1991, 2011) Getting to Yes

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  - Janae's position: I want to move to a non-essential role.
  - Janae's manager (focusing on learning more about Janae's interests): Can you tell me more about why you're asking to move to a non-essential role?
  - Janae: My son's daycare has been closed since March and will not reopen until January.
- What outcomes could arise from this discussion?

# Resist the idea that a negotiation is about who gets the biggest piece of pie

- One important way you communicate during a negotiation is in the use of frames – what this negotiation is “all about.”
- How a party frames an issue will tell you what’s important to them – preferences, outcomes, how they will present their case, what information they will seek.
- One cannot avoid framing – we naturally focus on some things and exclude others.
- Understanding frames helps us to elevate the framing process by surfacing it and bringing it to light.
- I win, you lose -- is a common frame.

# The Win-Win frame

Fisher and Ury, (1981, 1991, 2011) Getting to Yes

- Starts with asking ourselves a few questions:
  - Are we somehow really on the same side?
  - Are the costs of the win-lose frame starting to look unacceptable?
  - What's the cost of a broken negotiation?
  - What if we start by looking for not one answer, but many?
- Introduce the idea of inventing options that solve problems for both sides:
  - Facilitated discussion of creative options
  - Depends on the negotiators' skill at inventing options -- "one of the most useful assets a negotiator can have."
  - Both sides have to agree to hold their fire – there is plenty of time to analyze and narrow down options

# Use objective criteria

Fisher and Ury, (1981, 1991, 2011) Getting to Yes

- “The more you and the other side refer to established standards, to precedent or community practice, the greater your chance of producing a wise and fair agreement.”
- If you start hearing a position from the other party, ask for the objective standard that supports the position.
  - Sales manager: “The price of this 2017 Honda Accord is \$18,440.”
  - Buyer: “How did you arrive at this price?”
  - Sales manager: “It’s our ‘live market price.’”
  - Buyer: “Is that based on the ‘Kelley Blue Book®’ values for this car?”
  - Sales manager: “Well, that’s part of our formula. But our formula always benefits you as a buyer.”
  - Buyer: “If I am going to buy a car here, I insist that we both use published standards that are available to me as a consumer.”

# What is the most important negotiation of your life?

The Most Important Negotiation in Your Life. Erica Ariel Fox, Harvard Business Review (September 3, 2013)

- If you have an argument with yourself, who wins?

## **The Chief Executive Officer**

Your Inner Dreamer -- Led by intuition, ability to innovate; to dream about the future, to take effective action.

## **The VP of Human Resources**

Your Inner Lover – Led by emotion, and the ability to manage relationships.



## **The Chief Financial Officer**

Your Inner Thinker-- Led by reason, ability to analyze and evaluate information.

## **The Chief Operating Officer**

Your Inner Warrior -- Led by willpower, excels at taking action, steps forward to tell the hard truth, to take a stand for your values, and to roll up your sleeves to get things done.

# What is the most important negotiation of your life?

The Most Important Negotiation in Your Life. Erica Ariel Fox, Harvard Business Review (September 3, 2013)

- You have all of these inner negotiators in you:
  1. How do these four executives operate in you today?
  2. How can you tap more into each of their skills and inner wisdom in the future?
  3. How can you balance them as four inner executives working as one team?  
How do I negotiate effectively with myself?



# For the session on Wednesday, September 30th

- If you have a particular scenario you'd like to suggest, please send a brief description to Matt Miller
- Select a few scenarios to discuss during the webinar.