

Principled Negotiation

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Session Overview

- Introduction- 5 minutes
- Overview of Principled Negotiation- 25 minutes
- Small group negotiation sessions- 45 minutes
- Wrap up & evaluations- 15 minutes

Session Objectives

- Understand the elements of principled negotiation and how to apply them
- Identify the limits of bargaining over positions
- Recognize the value of understanding your best alternative to a negotiated agreement
- Identify strategies for negotiating with positional or hard bargainers

Overview of Principled Negotiation

- Types of negotiation
 - Negotiation context
 - Conflict resolution mode
- Principled negotiation
- Common negotiating mistakes

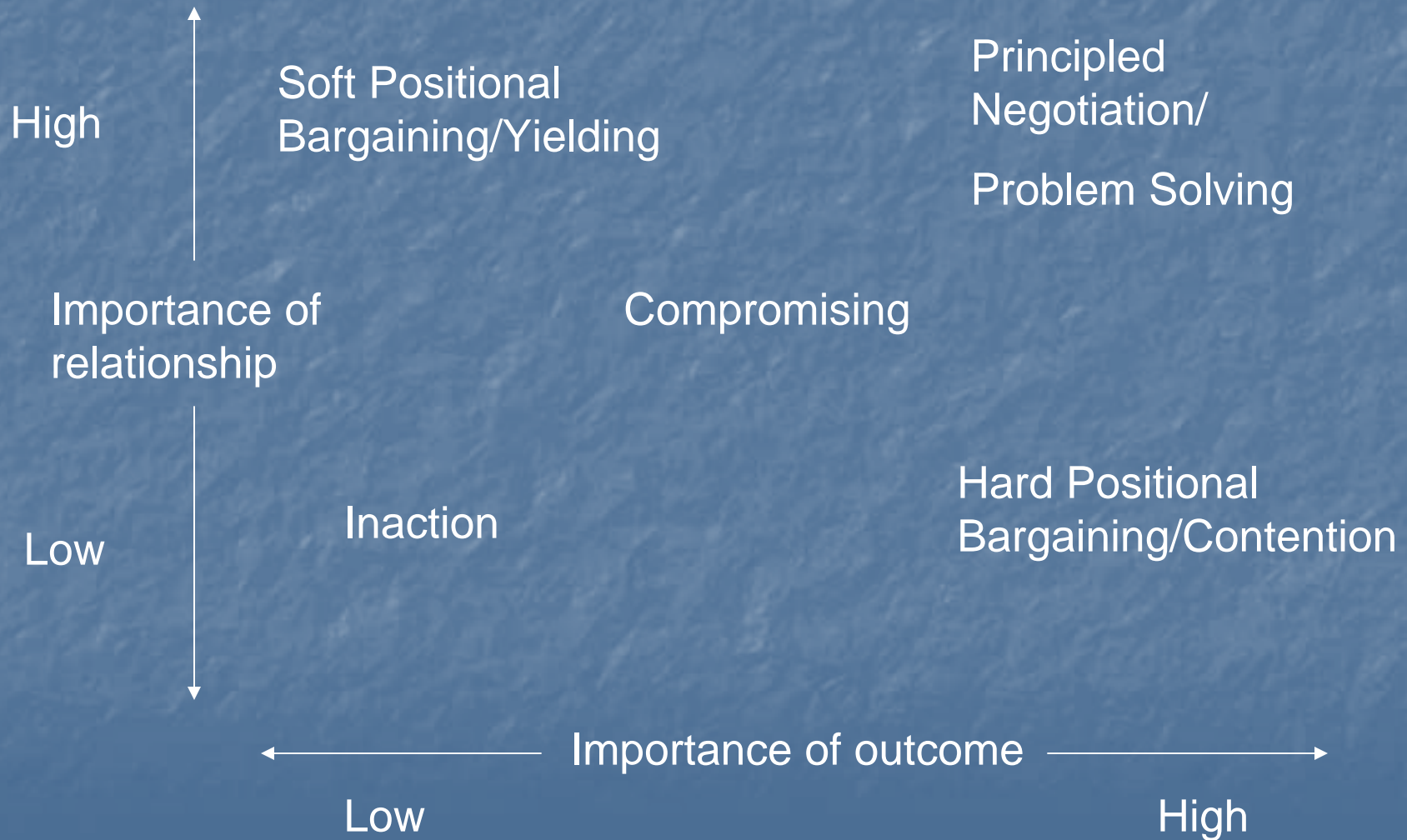
Negotiation

- A discussion intended to produce an agreement
- Goals
 - Produces a wise agreement, if agreement is possible
 - Is efficient
 - Improves, or doesn't damage, the relationship between parties

Negotiation Context

- How important are the relationships between negotiators?
- How important is the outcome to you?
- What is your usual conflict resolution mode?

Negotiation Context



Two levels of negotiation

- Substance of the negotiation (salary, price, etc)
- How you will negotiate the substance (soft/hard positional bargaining, principled negotiation)
 - Negotiation about negotiation
 - Allows the “rules of the game” to be changed

Why positional bargaining may not be a good strategy

- It is inefficient
- May produce unwise agreements
- May endanger ongoing relationships
- It may not even lead to a conclusion

So what's the alternative?

Principled Negotiation

- Principles, not positions, are central
- Separates the people from the problem
- Focuses on interests, not positions
- Invents options for mutual gain
- Insist on using objective criteria

Fisher R, Ury W. Getting to Yes

Positional Bargaining vs. Principled Negotiation: the Principles

Positional Bargaining		Principled Negotiation
Soft	Hard	
Participants are friends	Participants are adversaries	Participants are problem solvers
Goal is agreement	Goal is victory	Goal is wise outcome reached efficiently and amicably

1. Separate the People from the Problem

- Every negotiation has 2 interests- substance and the relationship
- Positional bargaining puts relationships and substance in conflict
- Separate the relationship from the substance

1. Separate the people from the problem

Positional Bargaining		Principled Negotiation
Soft	Hard	
Make concessions to preserve relationship	Demand concessions as condition of relationship	Participants are problem solvers
Soft on people and problem	Hard on people and problem	Soft on people, hard on problem
Trust others	Distrust others	Proceed independent of trust

Preserving Relationships During Negotiations

- Accurate perceptions
 - Reality as other side sees it is the problem in the negotiation and the key to a solution
 - Learn to see things from the other's side
 - Don't blame the other side for your problem
 - Explicitly discuss each other's perceptions
 - Give them a stake in the outcome by involving them early in the process

Avoiding Emotional Roadblocks

- Recognize and understand emotions on both sides
- Explicitly acknowledge each sides emotions
- Don't react to emotional outbursts; listen quietly
- Use symbolic gestures and apologies

Improving Communication

- Listen actively and reflect back what you think is being said
- Speak about yourself, not about the other side
 - "I feel let down" vs. "You broke your word"
- Speak for a clear purpose
 - Before speaking know what you want to communicate or find out.

2. Focus on Interests, Not Positions

- Wise solutions reconcile interests, not positions
- Identify the interests which underlie the other's positions and the impact of your positions on their interests
- Explicitly discuss the interests of both sides
- Firmly advocate for your interests

2. Focus on interests, not positions

Positional Bargaining		Principled Negotiation
Soft	Hard	
Change your position easily	Dig in to your position	Don't have a position
Make offers	Make threats	Explore interests
Disclose your bottom line	Hide your bottom line	Avoid having a bottom line

3. Invent Options for Mutual Gain

- Avoid premature closure and premature criticism of ideas
- Brainstorm (with or without the other side), reserving judgment on the merits until later
- Focus on shared interests
- Look for options that make it appealing for the other side to say yes

3. Invent options for mutual gain

Positional Bargaining		Principled Negotiation
Soft	Hard	
Accept one sided losses to reach agreement	Demand one sided gains as price of agreement	Resist one sided solutions
Search for single answer: one <i>they</i> will accept	Search for single answer: one <i>you</i> will accept	Develop multiple options to choose from: decide later

4. Insist on Using Objective Criteria

- Bringing standards of fairness, efficiency, or scientific merit to bear on problems promotes efficient and amicable paths to wise agreements
- Frame issues as a joint search for objective criteria
 - Employ a third party, if necessary, to help determine the most appropriate criteria
- Never yield to pressure

4. Insist on using objective criteria

Positional Bargaining		Principled Negotiation
Soft	Hard	
Insist on agreement	Insist on your position	Insist on objective solutions
Try to avoid contest of will	Try to win contest of will	Try to reach result based on standards, not will
Yield to pressure	Apply pressure	Yield to principle, not pressure

Understand your Best Alternative to a Negotiated Agreement (BATNA)

- Whether to reach a negotiated agreement should rest on attractiveness of next best alternative
- Failing to clearly define a BATNA leads to insecurity
- Better your BATNA, greater your negotiating power
- Consider the other side's BATNA
- Prepare!!!
 - Know goals, situation, facts, alternatives

Common Negotiating Mistakes

- Inadequate Information
 - Often due to inadequate preparation
- Wrong people at the table
- Improper negotiating pace
- Not being firm enough
 - Be clear when yes means yes, no means no, and maybe means maybe

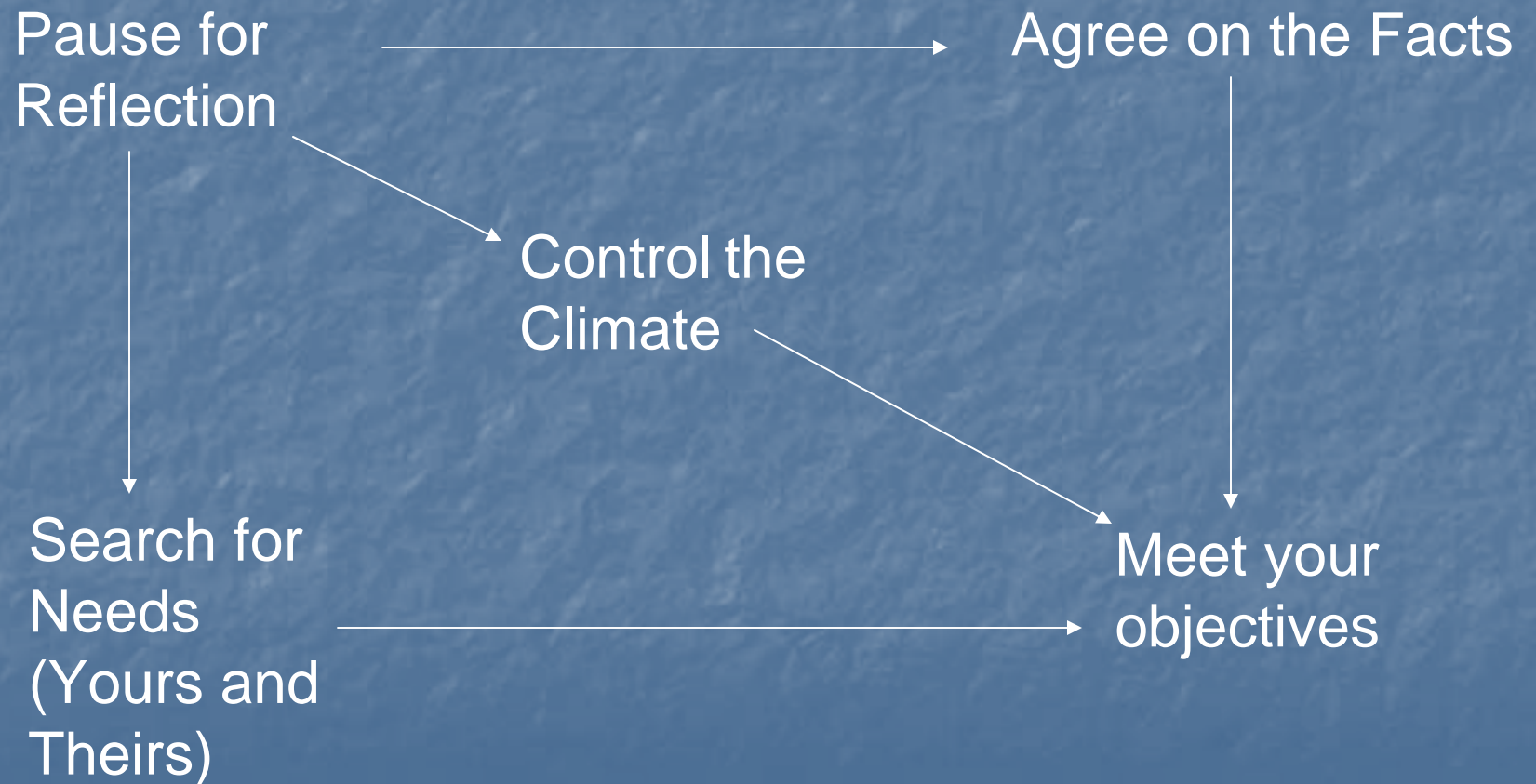
Wrap-up

- Overview of key points
 - Negotiation context
 - Principled negotiation approach
 - BATNA
- Comments/Questions from Small Groups
- Nierenberg and Ross Negotiation Framework- See handout appendix
- Evaluations

Bibliography

- Fisher R, Ury W. Getting to Yes. Random House. 1991
- Nierenberg J, Ross I. Negotiate for Success. Chronicle Books. 2003
- Thomas KW, Kilman RG. *Thomas-Kilman Conflict Mode Instrument*.
<http://www.csupomona.edu/~swking/THOMASKILMANCONFLICTMODEINSTRUMENT.doc>

Nierenberg and Ross Negotiation Framework



Pause for Reflection

- What do you want?
- How can you best meet your objectives?
- What obstacles are you likely to encounter?
- Reconsider your approach as you acquire new information (Listen)
- Pause- if you're unsure what to say or do

Search for Needs

- Two parties negotiate because each has something the other wants
- Identify your needs
- Identify the needs of the other party
- What is your minimal acceptable goal?
- Be prepared to reassess your targets while negotiating

Determine Your Objectives

- Once you understand the needs of both parties:
 - Determine objectives that meet your needs and those of the other party
 - Pause and revise objectives as necessary in response to new information or developments

Agree on the Facts

- Helpful to obtain agreement on the facts upon which each side is basing its opinions
- Often easier to start with facts upon which both parties agree
- Watch out for assumptions that are presented as facts
 - Are there factual weaknesses in the other party's arguments?

Control the Climate

- Work to maintain a cooperative climate during the negotiation
- Demonstrate a commitment to seek an outcome that satisfies the other party
- Consider the effect of every move on the negotiating climate