The Art of Negotiation

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Agenda

- Basic Concepts of Negotiation
- The Negotiation Process
- Developing Your Skill as a Negotiator

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“Negotiation is the process of back-and-forth communication aimed at reaching agreement with others when some of your interests are shared and some are opposed.”

“Negotiation is not limited to the activity of formally sitting across a table discussing a contentious issue; it is the informal activity you engage in whenever you try to get something you want from another person”

William Ury: “Getting Past No”
When you hear the word negotiation, what do you think of?

Perhaps it is better to think of Negotiation as **Problem Solving**
Question: Types of Negotiation

Discussion:

What are some examples of the types of negotiation you are involved with
In Negotiation We Are Trying To:

• Shape the perceptions of the other party

• Get the best offer from the other party
Who Gets the Money?

Exercise with a group of 4 or 5 people:

• Who deserves the $10,000?
• You have 3 minutes to think of why you should get $10K.
• Then tell your story, to persuade your tablemates. Each person has 3 minutes
• Your group will vote (majority wins)
• Debrief...Who got the $? ....why ?

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What Can be Negotiated?

- During a negotiation with a vendor/supplier, what are some typical issues that you negotiate?

- During an internal negotiation, what are some issues that you typically negotiate?
Be Careful

- AVOID Single Issue Negotiation!
- Do NOT get stuck in an exact sequence!
Case Study

- At your table, read the case study and take 5 minutes to formulate & write your response.

- Share your thoughts with 3 other people and compare notes

- We will then debrief as a group

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Two Types of Negotiation

• **Competitive:** One party wins and the other looses. Relationships are not important. The assumption is that the pie is only so big and I want most or all of it.

• **Collaborative:** Creating a win-win for both parties. Takes time and creativity as we explore the issues. We expand the pie. Long term relationships are created.
Collaborating

- It is a win-win (Creates long term relationships)
- “I am concerned about myself and I am equally concerned about you.”
- Helps create creative new solutions to a problem or conflict
- Takes time, energy and a commitment to work together to solve the problem or conflict
- We look beyond the positions to explore issues and interests of the other party
- If you can effectively collaborate, you will distinguish yourself among your peers!

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Negotiation Model

- Coming to Agreement 40%
- Exploring 40%
- Rapport Building 5%
- Closure & Documenting 15%

Planning before the negotiation
Take as long as necessary

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Preparing to Negotiate (The Plan)

- Analyzing the other party
  - Research the other party’s areas of concerns
  - Predict the other party’s interests and positions & BATNA
  - What are their bases of power
  - Estimate the other party’s prioritization of interests

- Analyzing yourself
  - Express your areas of concern as specific interests
  - Outline three positions for each interest (& BATNA)
  - What are your bases of power
  - Prioritize your interests
- Decide if you will try to compete or collaborate

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## Developing the Plan

### Key Issues

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<th>Positions</th>
<th>BATNA</th>
<th>Basis of Power</th>
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Develop a plan for yourself *and* the other party
Key Negotiating Elements & Skills

• Developing a plan (for you AND the other party)
  - Knowing your BATNA (Best Alternative To a Negotiated Agreement)
• Using active listening
• Building rapport
• Separating positions from interests & goals
• Reframe
• Being creative to develop a solution
• Documenting you agreement

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Rapport

- Developing rapport is the foundation of effective communication, conflict resolution and negotiation:
  - If you have it, magic can happen
  - If you don’t have it, this becomes your top priority before you start interacting with another person or group.
- Rapport is an ongoing process
  - One of your goals is to develop and maintain rapport throughout the interaction

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It’s about the other person...it is not about you.

Develop rapport by asking questions about the other person...entering their model of the world.

Then find what you have in common

“Walk a mile in their moccasins”
If rapport is not present, it becomes a top priority in working with the people on your team.

Effective relationships are enabled when team members are in rapport.
In Summary Building Rapport

- Getting to know the other person
- Look for common interests
- Identify common associations
- Telling stories or jokes
- Mirroring body postures, gestures, voice, etc.
Exploring

- Identify positions and interests
- Provide and ask for information
- Determining the options
- Discuss objective criteria
- What resources does each party bring to the table
- Use active listening!
Positions vs. Interests

- Positions are typically used by both parties in the beginning of the negotiation. They might make it sound like “I must have this and I will not move”.

- Interests are the silent motivators behind (underneath) the positions. It is very important to discover people’s interests. This takes artful questioning and time.
Coming to Agreement

- Being creative
- Choosing the best options
- Measure options against your plan
- Collaboration: satisfying the interests of both parties (win-win)

**OR (less desirable)**

- Competitive: satisfying my interest and not caring about the other party (win-lose)
Closure and Documentation

- Making sure both parties understand what they have agreed to
- Summarize conclusions of each issue
- Summarize any action items and who will be responsible
- Document the major points and each item above
- At an appropriate time write up a formal agreement

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What Questions Do You Have?

Thank you for your participation!

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