The agenda

- NEGOTIATION STYLES
- HARVARD METHODOLOGY
- The Six Principles of cooperative negotiation (Harvard Methodology)
  - Main concepts
  - Keys to prepare for negotiation considering each of them
- The Stages
- Lets experience it!: the Ugly Orange Case Study
Negotiation Styles

**ACCOMODATE**

- Build friendly relationship
- Promote harmony
- Avoid substantive differences
- Give into pressure to save relationship
- Place relationship above fairness of the outcomes

**AVOID**

- Take whatever you can get/Inaction
- Feeling of powerlessness
- Indifference to the result
- Resignation, surrender
- Take what the other party is willing to concede
- Withdraw & remove = behaviour of negotiator

**COMPROMISE**

- Split the difference
- Meeting half way
- Look for trade offs
- Accept half-way measures
- Aims to reduce conflict rather than problem solve synergistically

**COLLABORATE**

- Problem solved creatively, aiming for win-win
- Search for common interests
- Problem-solving behaviours
- Recognising both parties' needs
- Synergistic solutions
- Win-win becomes the main purpose of the negotiator

**DEFEAT**

- Be a winner at any cost/Competitive
- Win-Lose competition
- Pressure/Intimidation
- Adversarial relationships
- Defeating the other becomes a goal for the negotiator

Source: Rollin & Christine Glaser
Harvard Negotiation Project

- Began in 1983
- In conjunction with MIT and Tufts
- Negotiation art and a science
Getting to Yes Authors

Roger Fisher

Bruce Patton

William Ury
Getting to Yes: 6 PRINCIPLES

What do you really care about?
The needs, concerns, goals, hopes and fears that motivate the parties

Promises made to build or finalise agreement.

Ideas about how the parties might meet their interests together.

Steps each party could take to satisfy their own interests outside the current negotiation (BATNA)

How can I persuade them they are being fairly treated?
Criteria that the parties use to legitimise their perspectives.

Prepare to communicate efficiently during the negotiation

How do you deal with people issues?

Basic building blocks of negotiation

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INTERESTS
Don’t Bargain Over Positions

- Arguing over positions produces unwise outcomes
- Arguing over positions is inefficient
- Arguing over positions endangers an ongoing relationship
- When there are many parties, positional bargaining is even worse
- Being nice is no answer
- There is an alternative...
1. Interests

The purpose of a negotiation is to satisfy your *interest* and the other party’s interests.

**POSITIONS**
- “WHAT YOU SAY YOU WANT” (DEMANDS, TERMS AND CONDITIONS, etc.)
- A position is a way to satisfy interest, a mean to an end.

**INTERESTS**
- UNDERLYING MOTIVATIONS, NEEDS AND CONCERNS, FEARS AND ASPIRATIONS
- The WHY we want something

Negotiate the **WHY**...not the **WHAT**
The purpose of a negotiation is to satisfy your interest and the other parties' interests.

**Joint problem solving:** Both parties share the problem of trying to find an agreement that both can live with.

Finding a good agreement, that does not leave potential joint gains on the table.
1. Interests preparation

**UNDERTANDING Your interests:**

- Why do I want what I want? Am I sure?
- My needs, concerns, goals, hopes and fears
- Have I assigned priorities to what is really important for me?
- Prepare yourself to communicate your interests clearly

**UNDERTANDING Their interests**

- Make sure you understand the interests of the other side
- Ask why? What is the purpose?
- Their needs, concerns, goals, hopes and fears
- Focus on interest throughout the negotiation: please, help me to understand your main concerns?
- Put yourself on the other persons shoes, see what drives them
2. Options

The range of possibilities among which parties can reach an agreement

- Create options to satisfy interests.
- An agreement is better if it incorporates many options
- Brainstorming to come up with ideas and options that can meet the interests of both sides
- Do not evaluate them during brainstorming
2. Options preparation

- Find ways to work together to maximize common benefits
- Broaden the options on the table, rather than look for a single answer.
- BE CREATIVE!
- Search for mutual gains.
- Invent ways to make their decision easy.
2. Options preparation

**AVOID**
- Premature judgment
- Searching for the single answer
- The assumption of a fixed pie
- Thinking that ‘solving their problem is their problem’

**ENCOURAGE**
- Separate inventing from deciding
  - (brainstorming)
- Consider brainstorming with the other side
2. Options preparation

Look for mutual gain

- Identify shared interests
- Dovetail different interests
  - Any difference in interests?
  - Different beliefs?
  - Different values placed on time?
  - Different forecasts?
  - Differences in aversion to risk?
- Ask for their preferences
ALTERNATIVES
3. Alternatives

What I am going to do if we don't reach an agreement?

- Deals I can take outside of the possible agreement
- Look at all your alternatives and select the BEST
- Know your BATNA

**Best Alternative To a Negotiated Agreement**

You are going to negotiate with more CONFIDENCE if you know what you can do if the negotiation fails.
3. Alternatives Preparation

YOUR BATNA
- Before going into the negotiation explore other possibilities outside of it
- Once you have all potential alternatives, select one that is the Best Alternative (BATNA)
- What can you do to improve your BATNA?

THEIR BATNA
- Think about their BATNA: What about THEIR alternatives if you do not reach an agreement?
- Prepare arguments to their BATNA: why a deal will be better for them than their BATNA
3. Alternatives

Another Example:  
http://www.youtube.com/watch?v=Ghk9jM80g7g&feature=related
Minute 3.28

Notice the resistance to think about their BATNA

How to help an account team to get ready for a sale?

Know your walkaway alternative

Would you accept any deal whatsoever?

See the results of having prepared BATNA

VIDEO: minute 0:28 to
http://www.youtube.com/watch?v=6UEdEaiVnPo&feature=related
CRITERIA
When interests are directly opposed, the parties should use objective criteria to resolve their differences.

Allowing such differences to spark a battle of wills will destroy relationships, is inefficient, and is not likely to produce wise agreements.

Decisions based on reasonable standards makes it easier for the parties to agree and preserve their good relationship.
4. Criteria

- Ex. You are negotiating your rent with the landlord and cannot reach an agreement. You are trying to apply a win-win solution but:
  - You want a low price
  - The landlord wants a high price
- Bargaining is not the answer
- Proposal: negotiate on the basis of objective criteria, independent from the parties will
4. Criteria

- What are the standards to convince each other that what we propose is fair?
- To resolve conflicting interest use independent standards: (Scientific findings, professional standards, or legal precedent, market value, precedent or industry practice)
- Is an argument based on objective criteria, independent of the parties will.
- Standards should be relevant and widely accepted
- The parties must agree which criteria is best for their situation. Criteria should be both legitimate and practical
- There are more than one objective criteria for an agreement
4. Criteria: 3 key points to keep in mind

First each issue should be approached as a shared search for objective criteria.

- Ask for the reasoning behind the other party's suggestions.
- Using the other parties' reasoning to support your own position can be a powerful way to negotiate.

Each party must keep an open mind.

- They must be reasonable, and be willing to reconsider their positions when there is reason to.

Don't give in to pressure, threats, or bribes.

- When the other party stubbornly refuses to be reasonable, the first party may shift the discussion from a search for substantive criteria to a search for procedural criteria.
4. Criteria: things to keep in mind

• How will they explain the agreement to other parties?

• Prepare to help them explain the result

• Think of impartial processes to find an objective criteria (obtaining an expert opinion, arbitration...)

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4. Criteria Preparation

- **ASK YOURSELF:** What are the standards to convince each other that what we propose is fair?

- To resolve conflicting interest use independent standards:

- Find a range of objective criteria to persuade the other party (and yourself) that what you propose is fair and makes sense (market value, precedent or industry practice)

- Standards should be relevant and widely accepted

- There are more than one objective criteria for an agreement

- Prepare to help them explain the result

- Think of impartial processes to find an objective criteria (obtaining an expert opinion, arbitration...)

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4. Criteria Preparation (summary)

- Frame each issue as a joint search for objective criteria
- Ask “What’s your theory?”
- Reason and be open to reason
- Never yield to pressure
RELATIONSHIP and COMUNICATION
6. Relationship: Separate the People from the Problem

“A basic fact about negotiation, easy to forget in corporate and international business transactions, is that you are dealing not with abstract representatives of the ‘other side,’ but with human beings”. Getting to Yes, page 18-19

- Negotiations always have two components.
  - First, you have the substance of the negotiation - in essence, what you’re trying to resolve.
  - As importantly, negotiations also address the long term relationship of the person with whom you are negotiating.
6. Relationship: Separate the People from the Problem

- Ex., a salesperson wants not only to make the sale but to keep the customer for a long period of time.

- The reality is that, in most cases, it’s more important to maintain the long term relationship than to “win” the negotiation.

- The ‘people’ and the ‘problem’ often become entangled to the point where we are treating them as one.
6. Relationship:

- **To find your way through the jungle of people problems, it is useful to think in terms of three basic categories:**
  - Perception,
  - Emotion, and
  - Communication.
First source of “people problems”: Perceptions

• As useful as looking for objective reality can be, it is ultimately the reality as each side sees it that constitutes the problem in a negotiation and opens the way to a solution.

• Put yourself in their shoes. How you see the world depends on where you sit. People tend to see what they want to see. Out of a mass of detailed information, they tend to pick out and focus on those facts that confirm their prior perceptions and to disregard or misinterpret those that call their perceptions into question.

• Each side in a negotiation may see only the merits of its case, and only the faults of the other side's.
First source of “people problems”: Perceptions

The first “people problem” are differences on perception among the parties.

Since most conflicts are based in differing interpretations of the facts, it is crucial for both sides to understand the other's viewpoint.

The parties should try to put themselves in the other's place.

The parties should not simply assume that their worst fears will become the actions of the other party.

Nor should one side blame the other for the problem.

Each side should try to make proposals which would be appealing to the other side. The more that the parties are involved in the process, the more likely they are to be involved in and to support the outcome.
Perceptions

• The ability to see the situation as the other side sees it, as difficult as it may be, is one of the most important skills a negotiator can possess.
• It is not enough to know that they see things differently.
• If you want to influence them, you also need to understand empathetically the power of their point of view and to feel the emotional force with which they believe in it.
• It is not enough to study them like beetles under a microscope; you need to know what it feels like to be a beetle. To accomplish this task you should be prepared to withhold judgment for a while as you "try on" their views. They may well believe that their views are "right" as strongly as you believe yours are. You may see on the table a glass half full of cool water.
Second source of people problems: Emotions

Negotiation can be a frustrating process.

People often react with fear or anger when they feel that their interests are threatened.

The first step in dealing with emotions is to acknowledge them, and to try to understand their source.

The parties must acknowledge the fact that certain emotions are present, even when they don't see those feelings as reasonable.

Dismissing another's feelings as unreasonable is likely to provoke an even more intense emotional response. The parties must allow the other side to express their emotions.

They must not react emotionally to emotional outbursts. Symbolic gestures such as apologies or an expression of sympathy can help to defuse strong emotions.
Third source of people problems: Comunication

¿Am I ready to listen and talk in an efficient way?
Both side communication

ACTIVE LISTENING:
In a respective way, clarifying ambiguities and making sure you have understand.

SPEAK WITH INTENT:
Clearly and with the objective of making yourself understood and with a purpose linked to your interests.
Preparation for good Communication

**SPEAK WITH INTENT**

- Question my suppositions and identify what I should be listening to
- How can I better explain my perspective?
- How can they understand it?
- Find other ways to rephrase it

**ACTIVE LISTENING**

- Make sure you understand what they say
- Reframing
- Prepare to deal with difficult emotions: be ready to give the other side the opportunity to let off steam when needed, listen and be patient

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Listening is the most powerful negotiating skill

- It begins with effective communication... understanding your preferred method and learning the method of the other party.
- *Communicate with them in a way that will be most effective with their style*
- This helps to eliminate the possibility of misunderstanding, as we communicate in many ways
Listening is your most powerful negotiating tool

But before you can listen, you have to be skilled at asking questions:

Three critical questioning skills
1. Know where your questions are going
2. Ask for permission to ask questions
3. State why you want to ask questions
Active Listening Techniques (1)

Active Listening requires the listeners’ total “presence and their ability to be objective in situations that are often clouded with strong emotion. Using the techniques listed below does not mean that listeners agree or disagree with what is being said, or that they are “coming across softly”. Its means that they are working at keeping communication channels open.

**TECHNIQUE** | **PURPOSE** | **TO DO THIS** | **EXAMPLES**
--- | --- | --- | ---
**ENCOURAGING** | To show interest | Don’t agree or disagree | “Can you tell me more about...?”
 | To encourage the other person to keep talking | Use neutral words | “I know it’s hard for you to talk about this.”
 |  | Vary tone of voice |  |  
 |  | Ensure body language is “open.” |  |  

Centre for Conflict Resolution, Cape Town, South Africa, 1999

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## Active Listening Techniques (2)

<table>
<thead>
<tr>
<th>Technique</th>
<th>Purpose</th>
<th>To Do This</th>
<th>Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clarifying</td>
<td>To help you become clear about what is being said</td>
<td>Ask questions (appropriately and not in an interrogative way) Restate wrong interpretations to encourage the speaker to explain further</td>
<td>“I’m a little unclear. How did you first hear about the rumour?” “How long has this been going on?” “So you were under the impression that...?”</td>
</tr>
<tr>
<td>Paraphrasing</td>
<td>To show you are listening and understanding what is being said To check you meaning and interpretation To help the speaker “hear” what s/he has been saying</td>
<td>Restate basic ideas and facts</td>
<td>“So you would like your parents to trust you more?” “Let me just make sure I’ve understood you so far. You’re saying that...?” “What you’re telling me is...” “So you see the problem as...”</td>
</tr>
</tbody>
</table>
### Active Listening Techniques (3)

<table>
<thead>
<tr>
<th>TECHNIQUE</th>
<th>PURPOSE</th>
<th>TO DO THIS</th>
<th>EXAMPLES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reflecting</td>
<td>To show that you understand how the speaker feels</td>
<td>Reflect or “mirror back” the speaker’s feelings</td>
<td>“You seem very upset”</td>
</tr>
<tr>
<td></td>
<td>To help the speaker evaluate his or her own feelings after hearing them</td>
<td></td>
<td>“It sounds as though you are still very angry about...”</td>
</tr>
<tr>
<td></td>
<td>expressed by someone else</td>
<td></td>
<td>“So you really felt undermined when...”</td>
</tr>
<tr>
<td>Summarising</td>
<td>To review progress</td>
<td>Restate major ideas and feelings expressed</td>
<td>“Let’s see how far we’ve got...”</td>
</tr>
<tr>
<td></td>
<td>To pull together important ideas and facts</td>
<td></td>
<td>“These seem to be the main ideas you’ve expressed...”</td>
</tr>
<tr>
<td></td>
<td>To establish a basis for further discussion</td>
<td></td>
<td>“You’ve spoken about A and B. Can you tell me some more about C?”</td>
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</tbody>
</table>
Active Listening Techniques (4)

<table>
<thead>
<tr>
<th>TECHNIQUE</th>
<th>PURPOSE</th>
<th>TO DO THIS</th>
<th>EXAMPLES</th>
</tr>
</thead>
<tbody>
<tr>
<td>AFFIRMING</td>
<td>To acknowledge the worthiness of the other person</td>
<td>Acknowledge the value and importance of their issues and feelings</td>
<td>Show appreciation for their efforts and actions</td>
</tr>
<tr>
<td></td>
<td></td>
<td>“I appreciate your willingness to try and sort out this matter / make time to talk.”</td>
<td>“You’ve really tried hard to make this work.”</td>
</tr>
<tr>
<td></td>
<td></td>
<td>“It must be difficult for you to do that.”</td>
<td></td>
</tr>
</tbody>
</table>

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Summary Relationship

- Disentangle the people and the problem
- Ask yourself: ¿Am I ready to deal with the relationship?
- Use people techniques for people problems
  - Acknowledge your emotions and theirs without blame
  - Listen actively
  - Put yourself in their shoes
  - Turn a face-to face confrontation into a side by side problem solving
  - Your are both sitting at the same side of the table dealing with the problem jointly
- Be unconditionally constructive
COMMITMENT
6. Commitments

Think carefully about the kind of commitments you should be prepared to make.

Are you capable of honoring them?

How broad should commitments be?

When will each party be expected to make good on their promises?
7. Commitments preparation

One way to build trust is to create a commitment structure that can be implemented in stages.

Parties may be more willing to make a deal with an opponent when there is an opportunity to demonstrate that each side is honoring their commitments along the way.

Once trust is broken, how can parties recover?

Gestures are one way through which a party who has lost integrity with another party due to past bad-faith actions may begin to compensate for earlier grievances.
APPLYING THE MODEL
Applying the model

1. Focus on VALUE CREATION
2. COMBINING THE RESOURCES TO SATISFY MUTUAL NEEDS
3. CLARIFYING INTEREST
4. COMMUNICATION AND RELATIONSHIP
MEASURING SUCCESS

- BATNA
- Satisfy interests
- The BEST of various options
- The results are considered legitimate
- The compromises are clear and operative
- Communication is effective
- Improves the working relationship
ANNEXES

• Videos:

  • Getting to YES Video (part 1 of 3)
    – http://www.youtube.com/watch?v=rYGJNh8wFRC&feature=relmfu

  • Getting to YES Video (part 2 of 3)
    – http://www.youtube.com/watch?v=Cchpf7IK5nY&feature=relmfu

  • Getting to YES Video (part 3 of 3)
    – http://www.youtube.com/watch?v=ILeXnpPZfrw&feature=relmfu
Stages in negotiation
The stages in the negotiation

• It is important to understand that negotiation is a process that begins before we sit down at the table and does not end if we do not know how to make the agreements reached effective.
Three stages can be distinguished in the negotiation

- **PRE-NEGOTIATION**
- **NEGOTIATION**
- **POST-NEGOTIATION**
1. Pre-negotiation

**Spatial context**
- Where am I going to negotiate?

**Time context**
- How long am I going to negotiate?
- How do I structure the time of the negotiation?

**Organisational context**
- Agenda
- Interlocutors
- Negotiation team

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1. Pre-negotiation - Prepare

• Research

• LIST your objectives and their objectives

• Those you INTEND to get

• Those you MUST get
2. Negotiation

This stage includes the negotiation process in the strict sense of the word:

- Interests
- Alternatives
-Opening the negotiation: Initial offer
- Proposals
- Claims and concessions
- Search for joint benefits
- Etc.
2. Negotiation

• Listen carefully
• Ask questions
• Clarify
• Summarise
• Don’t argue, interrupt or assume

...BUT
2. Negotiation- Propose

• Make proposals
• State conditions
• Express concerns
• Search for common interests
• Use positive body language
2. Negotiation- Bargain

• Key words are IF and THEN

• Start making concession:
  – Every concession should have a condition
    \((IF \text{ you } \ldots \ THEN \ I \ will \ \ldots )\)
  – Conserve your concessions - don’t give everything away too soon
  – You don’t have to share every piece of information with the opposing side!
  – Don’t be afraid to say no
3. Post-negotiation

How do we formalize the agreements?

Adoption of minutes, drafting of documents?

Public documents or private documents?

Signing off the agreements?

Interpretation of the agreements reached?

Resolution of conflicts with the interpretation or implementation of the agreements reached?
3. Post Agreement- Agree

- Usually final concession:
  “IF you do that, THEN we have a deal!”
- Gain commitment
- Record and agree results
- Leave satisfied
3. Closing the negotiation

• Evaluate the closing proposal, comparing it with the BATNA

• Conclusion phase
  ✓ Reconsideration of the agreements reached
  ✓ Preparation of documents
  ✓ Discussion of the content of the documents
  ✓ Corresponding reviews and modifications
  ✓ Final document showing the agreement
3. Closing the negotiation

- Forming the commitment
  - Signing a private document
  - Elevating it to public document status
  - Registration
7 Deadly Sins of Negotiating

- Pride - Be prepared to compromise
- Gluttony - Don’t bite off more than you can chew
- Anger - Handle objections calmly
- Covetousness - Prioritise needs/wants
- Envy - Know competitors strengths & weaknesses... AND your own
- Sloth - Do your homework
- Lust - Don’t look desperate to settle
An Unconditionally Constructive Strategy

Do only those things that are both good for the relationship and good for us  
- whether or not they reciprocate

- RATIONALITY: Even if they are acting emotionally, balance emotions with reason
- UNDERSTANDING: Even if they misunderstand us, try to understand them
- COMMUNICATION: Even if they are not listening, consult them before deciding on matters that affect them
- RELIABILITY: Even if they are trying to deceive us, neither trust them nor deceive them: be reliable
- NON-COERCIVE MODES OF INFLUENCES: Even if they are trying to coerce us, neither yield to that coercion nor try to coerce them, be open to persuasion and try to persuade them
- ACCEPTANCE: Even if they reject us and our concerns as unworthy of their consideration, accept them as worthy of consideration, care about them and be open to learning from them

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# Negotiation Check List

<table>
<thead>
<tr>
<th>Good Practice</th>
<th>Avoid</th>
</tr>
</thead>
<tbody>
<tr>
<td>✓ Actively listen</td>
<td>✗ Interrupting</td>
</tr>
<tr>
<td>✓ Question for clarification</td>
<td>✗ Attacking</td>
</tr>
<tr>
<td>✓ Summarising</td>
<td>✗ Blaming</td>
</tr>
<tr>
<td>✓ Test commitment</td>
<td>✗ Talking too much</td>
</tr>
<tr>
<td>✓ Seeking &amp; giving information</td>
<td>✗ Sarcasm</td>
</tr>
<tr>
<td>✓ Encourage two way conversation</td>
<td>✗ Threats</td>
</tr>
<tr>
<td>✓ State and plan your proposal – then summarise</td>
<td>✗ Taking it personally</td>
</tr>
<tr>
<td>✓ Use the ‘if you ....then we’ll’ principle</td>
<td>✗ Closed body language</td>
</tr>
</tbody>
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To receive more material and information

Thanks!

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