



NOVA SCHOOL OF  
BUSINESS & ECONOMICS

# PERSUASION & NEGOTIATION

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## Strategy in negotiation

# Introduction

## Topics:

1. Determining your goals;
2. Strategy and tactics;
3. Key phases in negotiation;
4. Planning process.



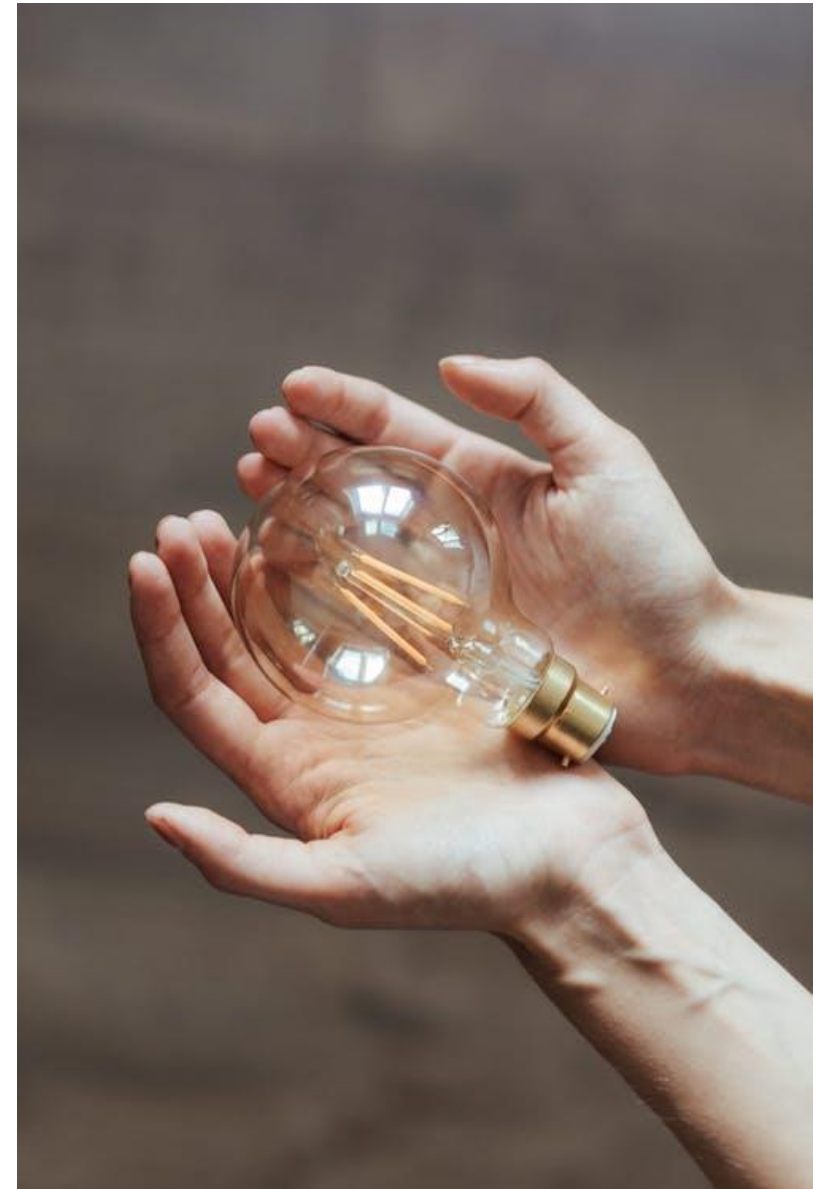
# Determining your goals

- Is the first step in the negotiation process
  - Negotiators should **specify goals** and objectives clearly
- Direct and indirect effects** on strategy:
  - *Direct effects*
    - . Wishes are not goals
    - . Goals are often linked to the other party's goals
    - . There are limits to what goals can be
    - . Effective goals must be concrete/specific
  - *Indirect effects*
    - . Forging an ongoing relationship



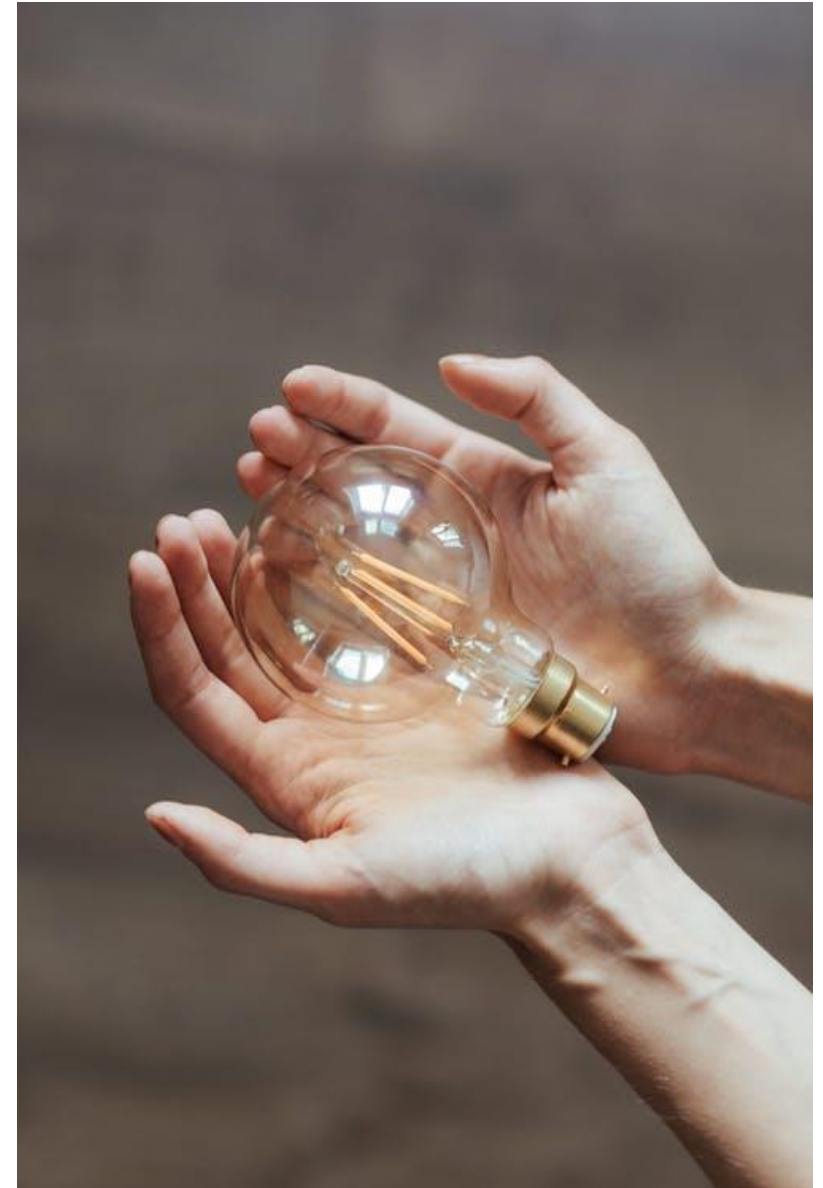
# Strategy and tactics

- **Strategy:** The overall plan to achieve one's goals in a negotiation
  - *Unilateral:* made without active involvement of the other party
  - *Bilateral:* considers the impact of the other's strategy on one's own
- **Tactics:** Short-term, adaptive moves designed to enact or pursue broad strategies
  - Tactics are subordinate and driven by strategy
- **Planning:** The “action” component of the strategy process; i.e. how will I implement the strategy?



## Four pillars of effective negotiation (Billings-Yun, 2010)

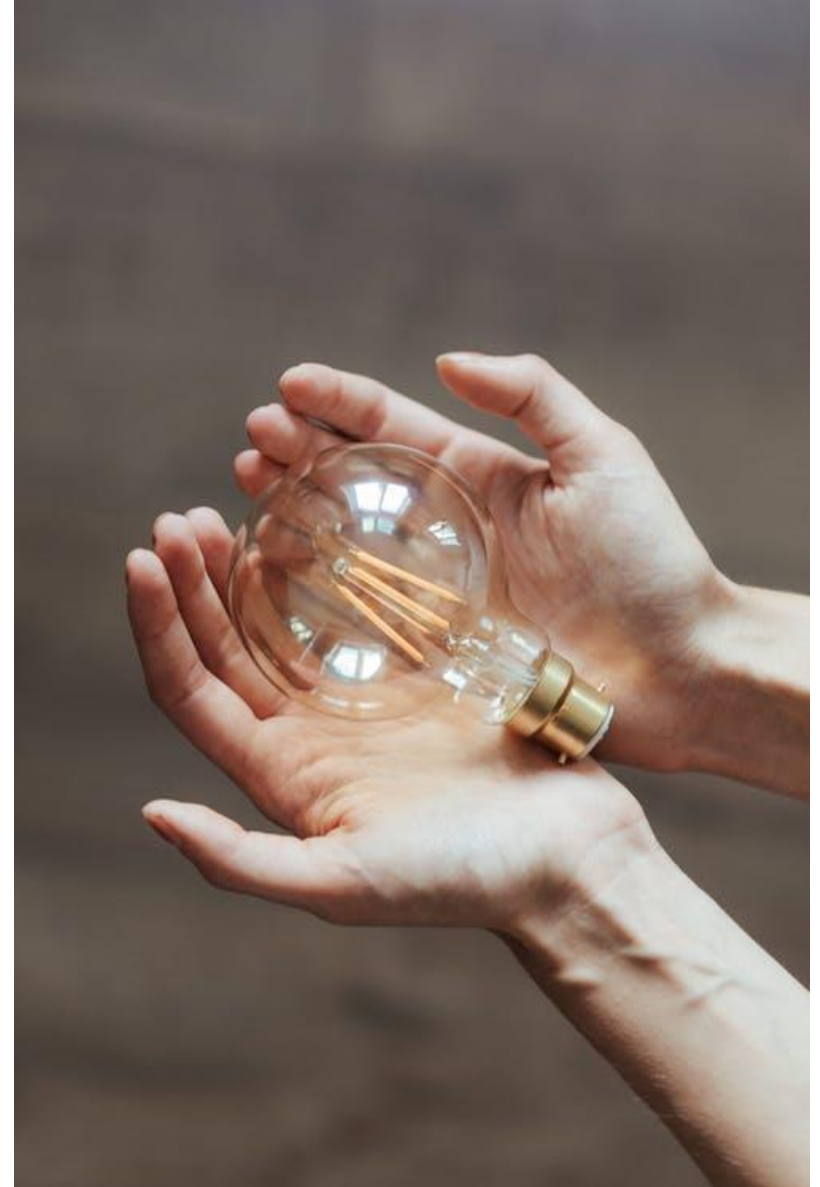
- Build a productive relationship
  - have their interests in mind (as well as your own)
  - They do not (necessarily) care about what you want
  - ***understand, anticipate, connect***
- Pursue outcomes, not points
  - Why do I want this? What will it help me to achieve?
  - Does it conflict with any of my other goals?
  - Can these terms be implemented?
  - If these terms became public, what negative repercussions might they set off?





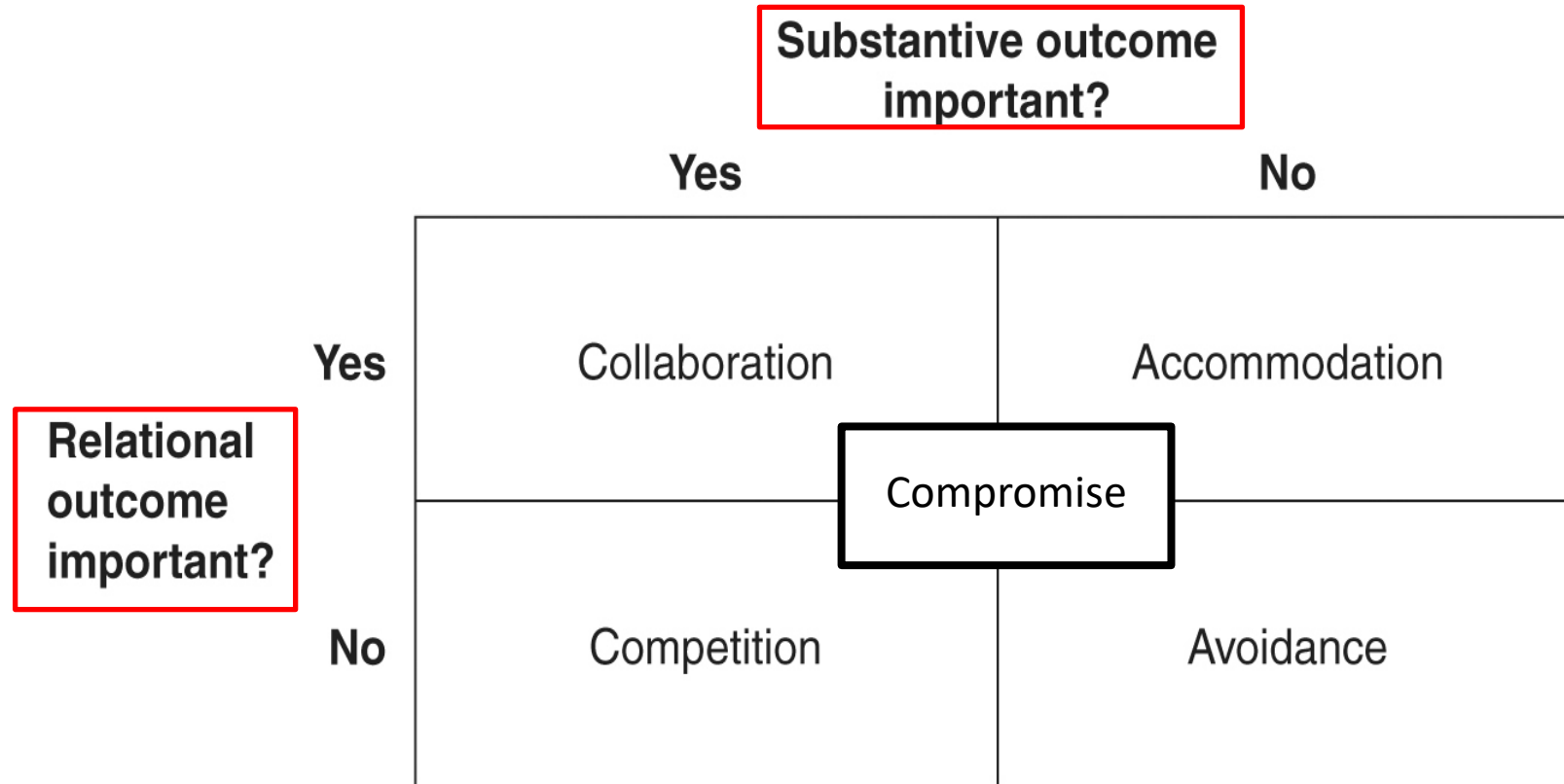
## Four pillars of effective negotiation (Billings-Yun, 2010)

- Seek solutions, avoid blame
  - problem solving is a great asset
  - both/and solutions rather than either/or contests
- Focus on fairness
  - most agreements fall because one of the parties feels they were taken advantage of
  - at different levels (outcome, process, relationship)



# Strategy and tactics

## Dual concern model (Savage et al., 1989)



*Avoidance:* Don't negotiate

*Competition:* I gain, ignore relationship

*Collaboration:* I gain, you gain, enhance relationship

*Accommodation:* I let you win, enhance relationship

# Strategy and tactics

**TABLE 4.1** | Characteristics of Different Engagement Strategies

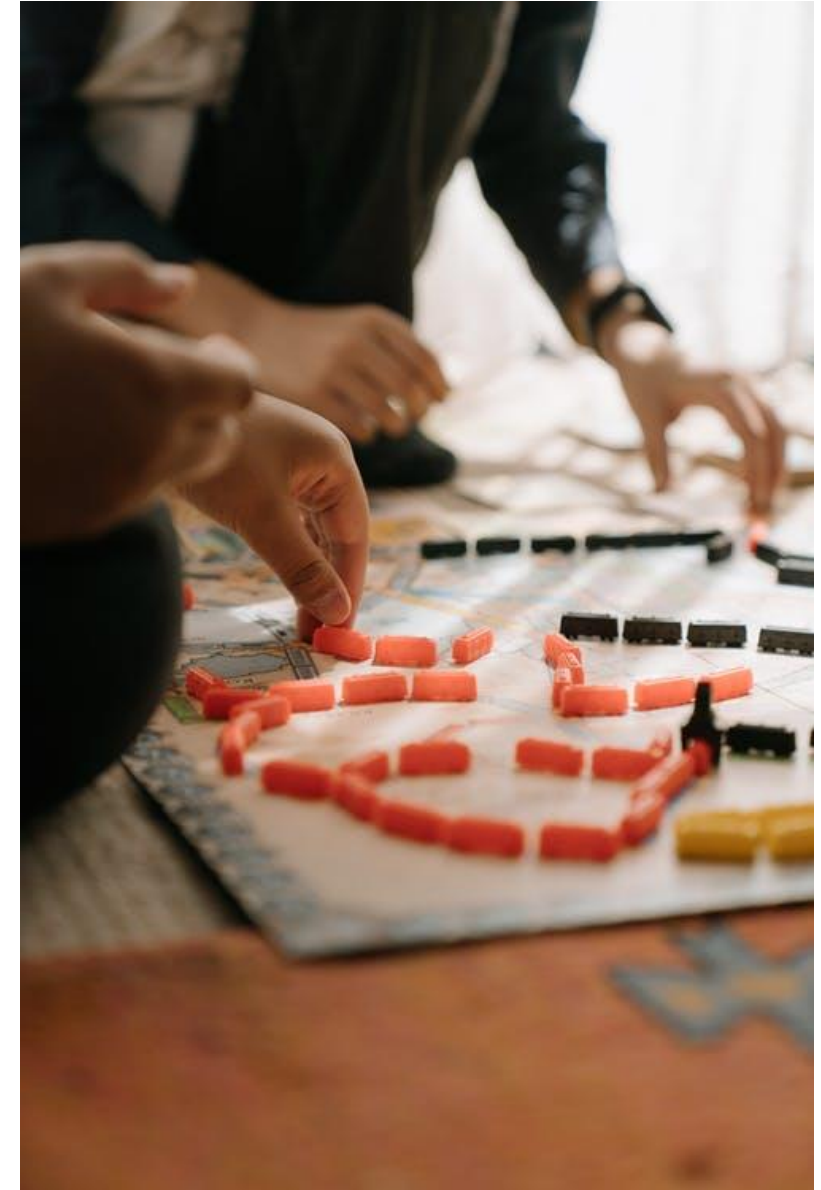
Aspect	Competition (Distributive Bargaining)	Collaboration (Integrative Negotiation)	Accommodative Negotiation
Payoff structure	Usually a fixed amount of resources to be divided	Usually a variable amount of resources to be divided	Usually a fixed amount of resources to be divided
Goal pursuit	Pursuit of own goals at the expense of those of others	Pursuit of goals held jointly with others	Subordination of own goals in favor of those of others
Relationships	Short-term focus; parties do not expect to work together in the future	Long-term focus; parties expect to work together in the future	May be short term (let the other win to keep the peace) or long term (let the other win to encourage reciprocity in the future)
Primary motivation	Maximize own outcome	Maximize joint outcome	Maximize others' outcome or let them gain to enhance relationship
Trust and openness	Secrecy and defensiveness; high trust in self, low trust in others	Trust and openness, active listening, joint exploration of alternatives	One party relatively open, exposing own vulnerabilities to the other
Knowledge of needs	Parties know own needs but conceal or misrepresent them; neither party lets the other know real needs	Parties know and convey real needs while seeking and responding to needs of the other	One party is overresponsive to other's needs so as to repress own needs
Predictability	Parties use unpredictability and surprise to confuse other side	Parties are predictable and flexible when appropriate, trying not to surprise	One party's actions totally predictable, always catering to other side
Aggressiveness	Parties use threats and bluffs, trying to keep the upper hand	Parties share information honestly, treat each other with understanding and respect	One party gives up on own position to mollify the other
Solution search behavior	Parties make effort to appear committed to position, using argumentation and manipulation of the other	Parties make effort to find mutually satisfying solutions, using logic, creativity, and constructiveness	One party makes effort to find ways to accommodate the other
Success measures	Success enhanced by creating bad image of the other; increased levels of hostility and strong in-group loyalty	Success demands abandonment of bad images and consideration of ideas on their merit	Success determined by minimizing or avoiding conflict and soothing all hostility; own feelings ignored in favor of harmony
Evidence of unhealthy extreme	Unhealthy extreme reached when one party assumes total zero-sum game; defeating the other becomes a goal in itself	Unhealthy extreme reached when one subsumes all self-interest in the common good, losing self-identity and self-responsibility	Unhealthy extreme reached when abdication to other is complete, at expense of personal and/or constituent goals
Key attitude	Key attitude is "I win, you lose"	Key attitude is "What's the best way to address the needs of all parties?"	Key attitude is "You win, I lose"
Remedy for breakdown	If impasse occurs, mediator or arbitrator may be needed	If difficulties occur, a group dynamics facilitator may be needed	If behavior becomes chronic, party becomes negotiationally bankrupt



## When to choose which strategy?

... it depends...

- Situation
- Preferences
- Experience
- Interactions between styles
- Perceptions and past experience



# Strategy and tactics

## Principled negotiation model

(Fisher et al., 1981, 2011)

<b>Problem</b> Positional Bargaining: Which Game Should You Play?		<b>Solution</b> Change the Game — Negotiate on the Merits
<b>Soft</b> Participants are friends. The goal is agreement.	<b>Hard</b> Participants are adversaries. The goal is victory.	<b>Principled</b> Participants are problem-solvers. The goal is a wise outcome reached efficiently and amicably.
Make concessions to cultivate the relationship.	Demand concessions as a condition of the relationship.	<b>Separate the people from the problem.</b>  Be soft on the people, hard on the problem.
Be soft on the people and the problem.	Be hard on the problem and the people.	  Proceed independent of trust.
Trust others.	Distrust others.	



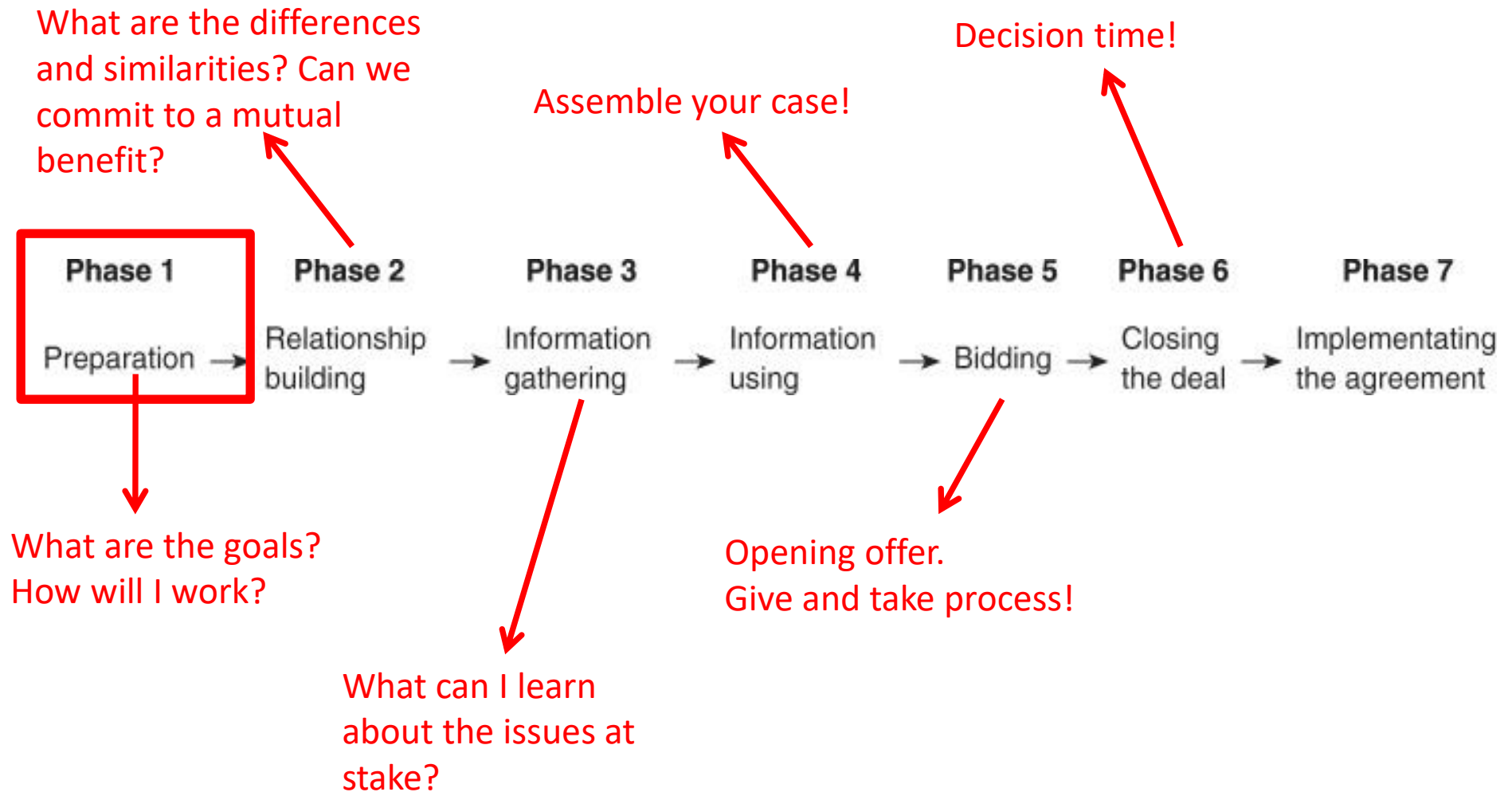
## Principled negotiation model

(Fisher et al., 1981, 2011)

<b>Problem</b> Positional Bargaining: Which Game Should You Play?		<b>Solution</b> Change the Game— Negotiate on the Merits
Change your position easily.	Dig in to your position.	<b>Focus on interests, not positions.</b>
Make offers.	Make threats.	Explore interests.
Disclose your bottom line.	Mislead as to your bottom line.	Avoid having a bottom line.
Accept one-sided losses to reach agreement.	Demand one-sided gains as the price of agreement.	<b>Invent options for mutual gain.</b>
Search for the single answer: the one they will accept.	Search for the single answer: the one you will accept.	Develop multiple options to choose from; decide later.
Insist on agreement.	Insist on your position.	<b>Insist on using objective criteria.</b>
Try to avoid a contest of will.	Try to win a contest of will.	Try to reach a result based on standards independent of will.
Yield to pressure.	Apply pressure.	Reason and be open to reason; yield to principle, not pressure.



# Key phases in negotiation





# Planning process

## 1. Define the issues

- What is to be discussed?

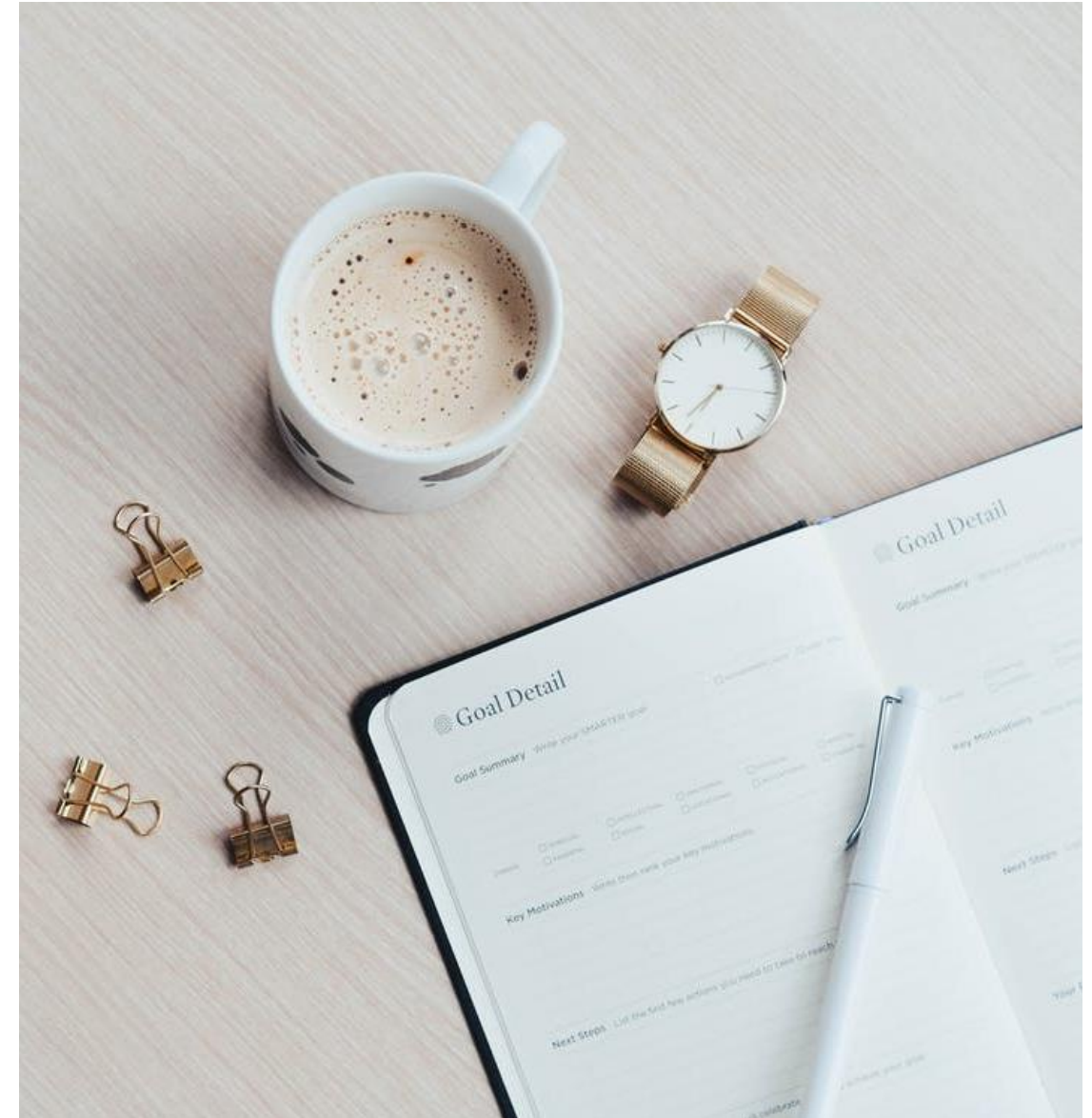
## 2. Assemble the issues and define the bargaining mix

- The bargaining mix is the combined list of issues
- What are most (and least) important issues? Are they linked?

## 3. Define your interests

- Why you want what you want

## 4/5. Know your limits (resistance point) *and* alternatives (BATNA)





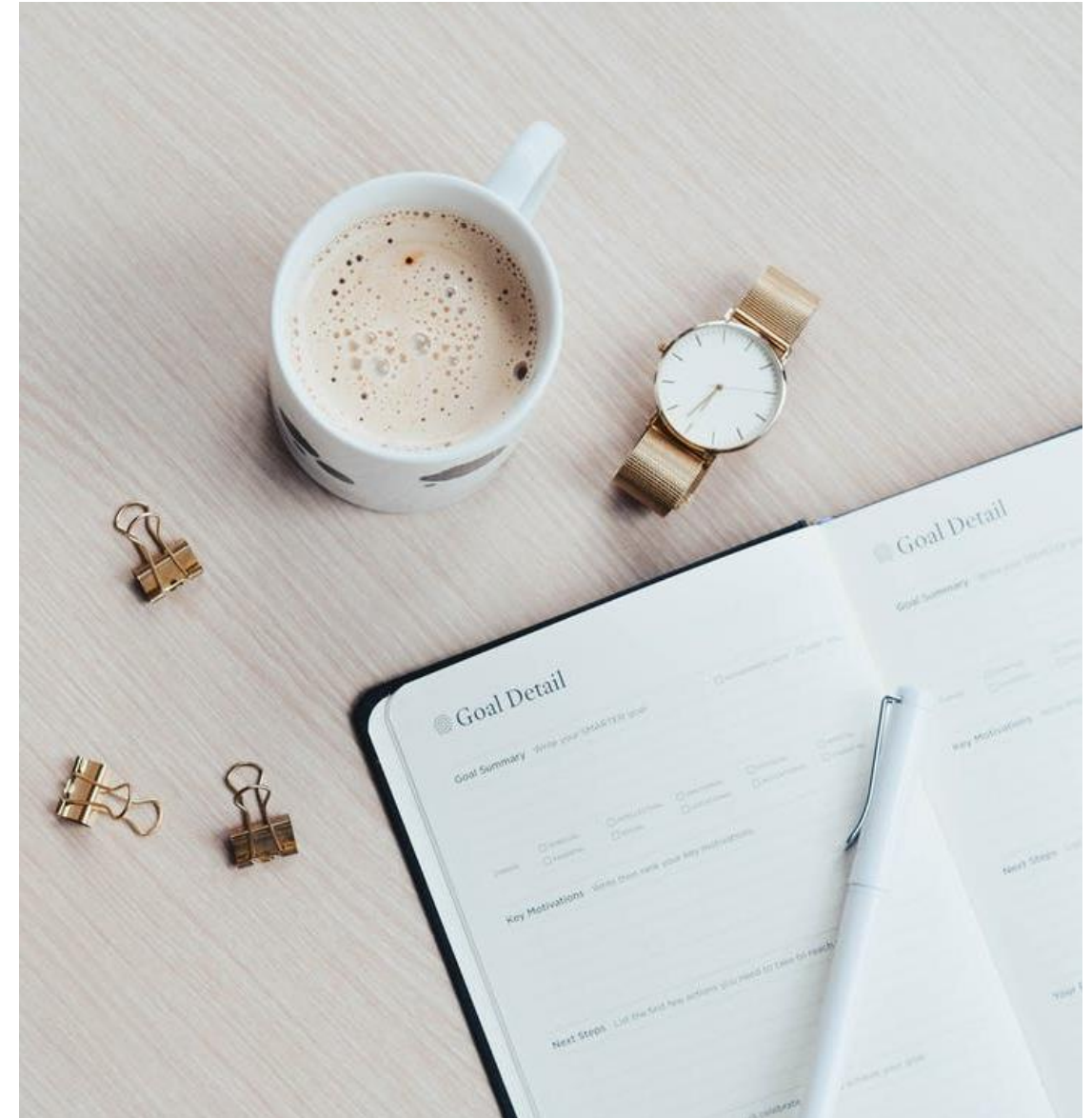
# Planning process

## 6. Set your objectives (targets) and opening bids (where to start)

- Target is the outcome realistically expected (specific, difficult but achievable and verifiable)
- Opening is usually “the best possible” settlement that can be achieved

## 7. Assess constituents and the social context of the negotiation

- In professional context usually there are multiple parties involved
- Who is on my side? And on the other side? And who is watching?



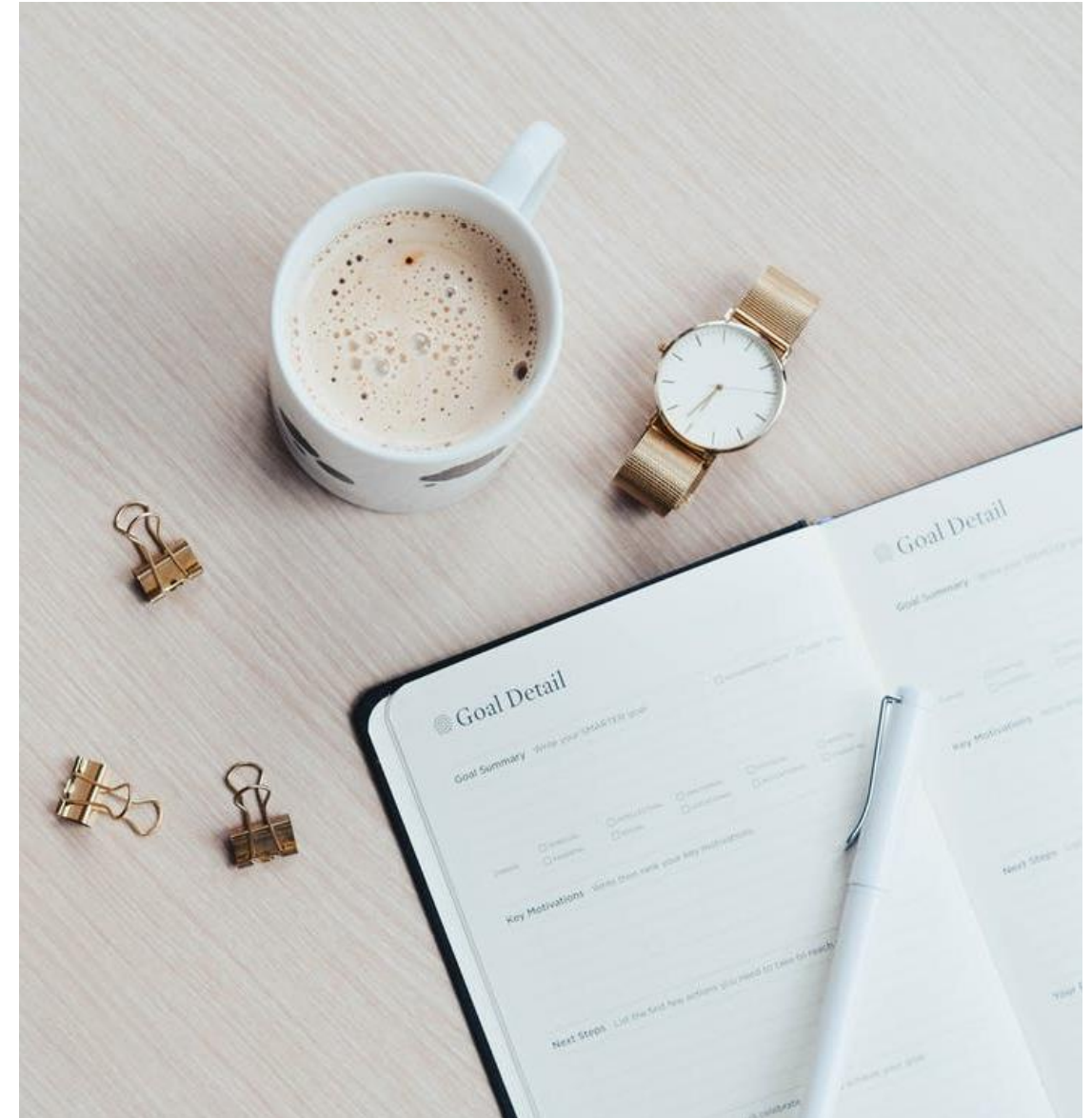
# Planning process

## 8. Analyze the other party

- Resources, issues and bargaining mix
- Why do they want what they want?
- How can I present my case clearly and refute the other party's arguments?
- What is their reputation and negotiation style?
- Their strategy and tactics

## 9. Define the protocol to be followed in the negotiation

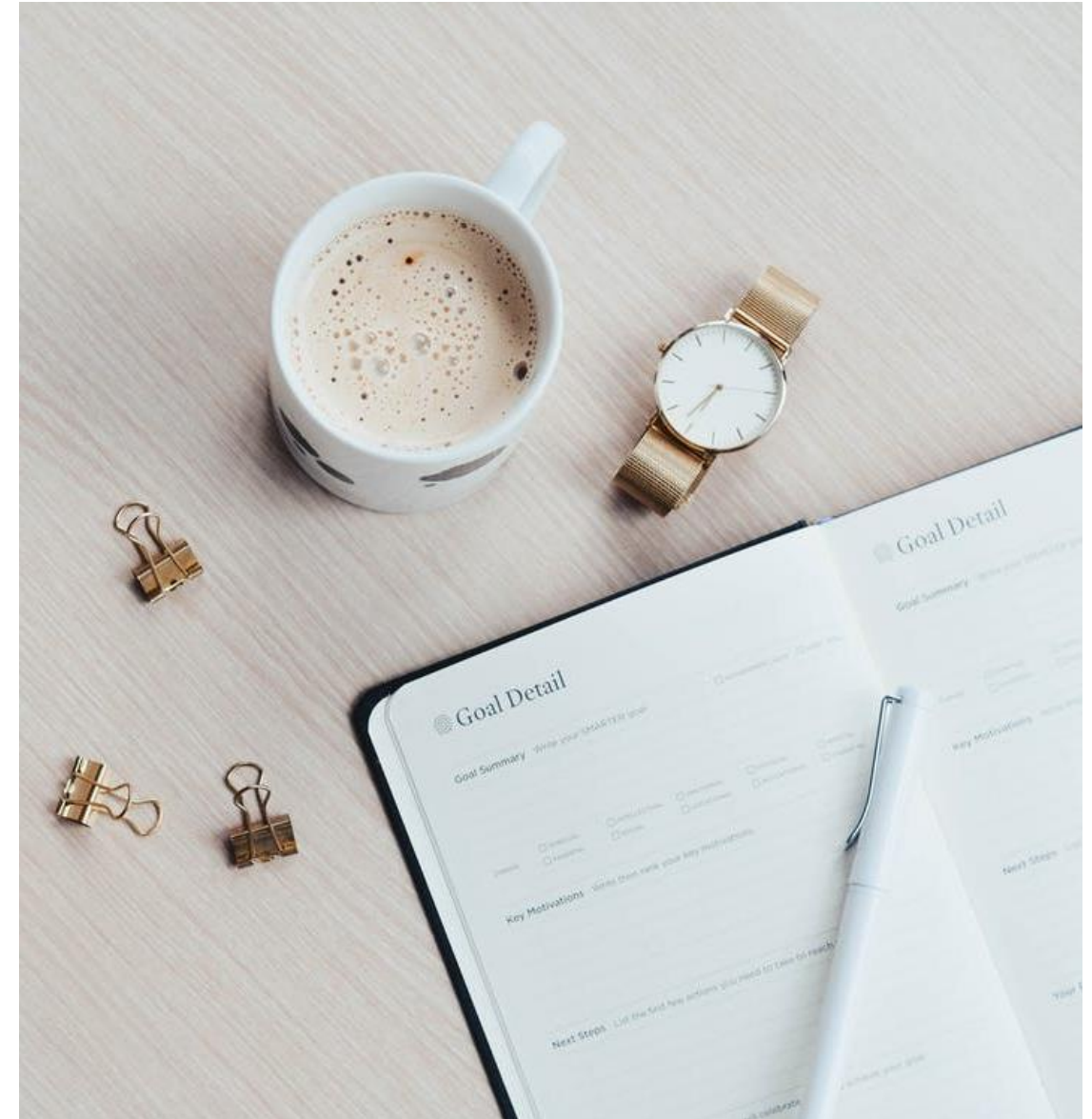
- What is the agenda?
- Who will be there?
- Where will the negotiation occur?
- What is the time period?
- What might be done if the negotiation fails?
- How will we keep track of what is agreed to?
- How do we know whether we have a good agreement?



# Planning process

## 10. Present the issues to the other party

- Present your case as clearly as possible
- Support it with facts and arguments
- Refute the other party's arguments





# Negotiation time

## CITY OF TAMARACK





# PLANNING

MUCH WORK REMAINS TO BE DONE BEFORE WE CAN ANNOUNCE  
OUR TOTAL FAILURE TO MAKE ANY PROGRESS.

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## THANK YOU FOR YOUR ATTENTION!