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STRATEGIES FOR MORE EFFECTIVE NEGOTIATIONS
Wednesday, March 2, 1011

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FABRAL

A Framework To Improve Your Negotiation Performance


- The Negotiating Process
- Understanding Different Types of Negotiation
- Understanding BATNA
- Developing Strategies to Effectively Negotiate
- Tactics: Negotiating Do's and Don'ts
- Summary



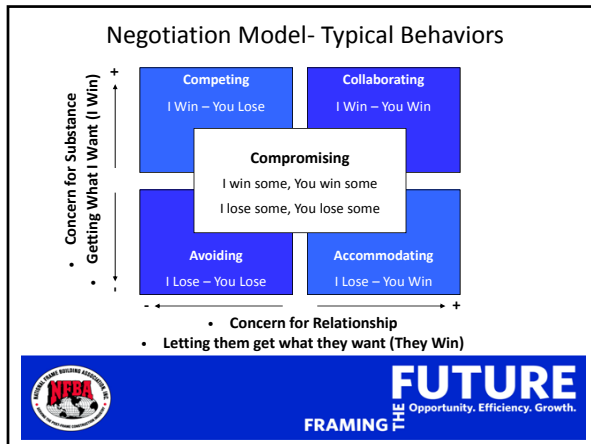
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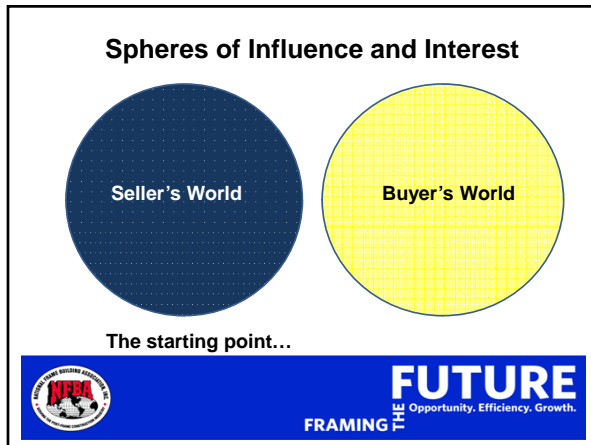
4 Elements of Every Negotiation

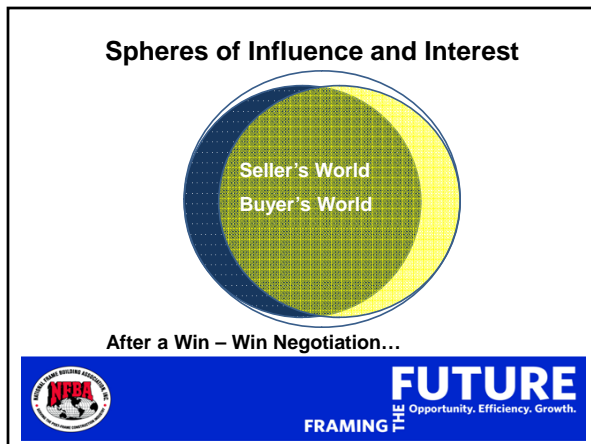
- (1) Power – real or perceived power of both sides
- (2) Aspiration Level – aim high for optimal results
- (3) Deadlines – creates pressure to close the deal.
- (4) Relationships between the parties.



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A Win – Win Deal

- Less about the process and more about the result.
- All options have been explored and no value left on the table.
- Both parties leave feeling like they’ve won.
- Shared interests makes the pie bigger.
- Mutual trust / positive relationship.



Winning Strategies

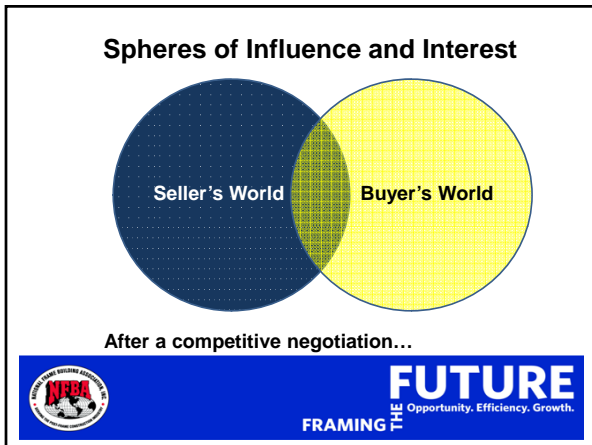
- Preparation is of paramount importance.
 - Define the goals of the negotiation.
 - Our strengths and weaknesses.
 - The other sides strengths and weaknesses.
 - Development of your BATNA.
- Win – win not appropriate for all situations.

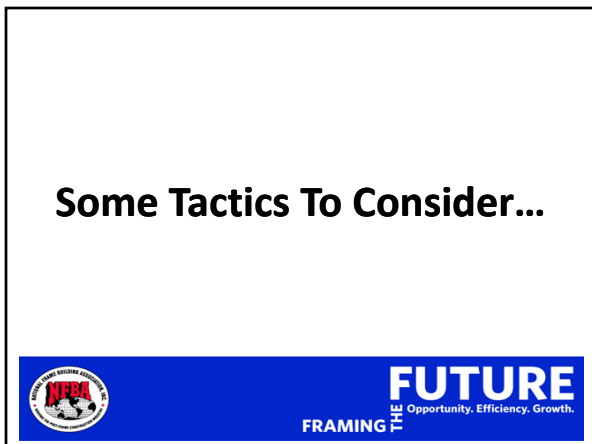


Competitive Negotiations









“Your price is too high!” or “You’ve got to do better than that!”



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(1) Explore total cost – price is only one element of the mix.

(2) The power of legitimacy:

- Track record
- References
- Awards
- Testimonials
- Printed price pages

(3) Test that assumption – be prepared to employ your BATNA



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What happens if we can't settle?...BATNA ?

Best Alternative To a Negotiated Agreement




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Building Your BATNA
Planning and preparation are critical.

- 1) What are your available options?
- 2) Estimate your counterpart's options.

Consider these factors:

- ✓ Cost
- ✓ Feasibility
- ✓ Consequences
- ✓ Be creative



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“Your price is too high!” or “You’ve got to do better than that!”



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I never argue about our competitor's price – they know what their products are worth!



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Winning Negotiation Rules

- Pick the best place and time to negotiate.
- Buyers should try to get cost breakdowns. Sellers should not give them.
- Don't say yes too quickly.
- Don't make the first major concession.
- Be stingy with your concessions and leave room to negotiate.



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Winning Negotiating Rules

- Watch your concessions as deadline approaches.
- Understand that things are not always what they appear to be.
- Watch out for funny money.
- Shut up.



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Making Concessions

- When making concessions, keep in mind the following:
 - Always defend your own interests.
 - You should try to move the other party closer to the deal.
 - You should try to increase the satisfaction of the other party.
 - ALWAYS ask for something in return.



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My Negotiation Has Stalled! Tactics For Breaking Deadlocks

- Revisit / find common ground.
- Change the level of negotiator.
- Go off the record.
- Bring something new to the discussion.
 - Information, people, service, product
- Take a break.



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The Concept of Power



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Negotiating Do's & Don'ts



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Negotiating Do's & Don'ts

- Do leave room to negotiate.
- Do let the other party open up first.
- Do be stingy with concessions.
- Do watch your rate and pattern of concessions.



Negotiating Do's & Don'ts

- Don't concede first on a major issue.
- DON'T split the difference.
- Don't ask "Where do I need to be?"
- Watch out at deadline time.
- Do say no at least once during the negotiation.



Negotiating Do's & Don'ts

- Focus on the pressures of the other party.

- Plan / Plan / Plan!!



A negotiation planning checklist will include:

- Assessment of the situation
 - What kind of negotiation will this be?
 - Your issues & priorities
 - Potential strategies to employ
 - Their issues and priorities
 - Gaps between the two positions
- Development of Ideas / Brainstorm



A negotiation planning checklist will include:

- Competitive Assessment
 - Your SWOT
 - Their SWOT
- Development of Proposals – WRITE IT DOWN!
 - For several options develop:
 - Your aspiration point
 - Your reservation point
 - You BATNA



A negotiation planning checklist will include:

- Roles and make-up of negotiating team
- Prepare a written plan of attack
- And finally, your logistics plan:
 - When and Where?

Then go execute!



Summary



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- In business, everything is negotiable.
- Set high aspirations.
- Focus on the “other side’s” issues.
- Plan.
- Say No at least once.
- ALWAYS ask for something in return.
- Practice and have fun!



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“In business as in life, you don’t get what you deserve, you get what you negotiate.”...Chester L. Karass

If you don’t ask, you will never, ever get!



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Thanks for your time and attention.

?



Scott Bacon



Sources:
Karrass Effective Negotiating
Fisher and Ury – Getting To Yes

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