



NY GovBuy

co-sponsored by



Negotiating for Results

Paul J. Brennan, FNIGP, CPPO

April 30 & May 1, 2019

#2019NYGovBuy  @NYSPRO  @nysprocurement

What is Negotiation

#2019NYGovBuy  @NYSPRO  @nysprocurement



NY GovBuy

What is Negotiation?

- What other words may we use instead of “negotiate”
- How do you define negotiation?
- What are examples of situations where you would negotiate?



What is Negotiation?

- Successful negotiations may be fairly judged by three criteria
 - Should produce a mutually beneficial agreement
 - The process should be efficient
 - It should improve, or at least not damage, the relationship between the parties



What is Negotiation?

- A dialogue between two or more people or parties intended to reach a beneficial outcome over one or more issues where a conflict exists with respect to at least one of these issues.
- Thus, negotiation is a process of combining divergent positions into a joint agreement under a decision rule of unanimity.



What is Negotiation?

- It is aimed to resolve points of difference, to gain advantage for an individual or collective, or to craft outcomes to satisfy various interests.
- It is often conducted by putting forward a position and making concessions to achieve an agreement.
- The degree to which the negotiating parties trust each other to implement the negotiated solution is a major factor in determining whether negotiations are successful.



What is Negotiation?

- People negotiate daily, often without considering it a negotiation.
- Negotiation occurs in organizations, including businesses, non-profits, and within and between governments as well as in sales and legal proceedings, and in personal situations such as marriage, divorce, parenting, etc.
- Professional negotiators are often specialized, such as union negotiators, leverage buyout negotiators, peace negotiator, or hostage negotiators.



The Successful Negotiator

#2019NYGovBuy  @NYSPRO  @nysprocurement

The Successful Negotiator

- What are the characteristics of a successful negotiator?

They:

- See possibilities rather than problems
- Are excellent communicators
- Keep an open mind
- Have confidence in their own abilities (or act like they do)
- Have confidence in the negotiation process
- They are willing to listen
- They are optimistic

The Successful Negotiator

- What are the characteristics of a successful negotiator?

They:

- Do not allow their ego to interfere with a win/win solution
- Are creative and ready to consider ways of doing things differently
- Are flexible
- Have excellent self-control
- Are always well prepared
- Are life-long learners

The Successful Negotiator

Essential Skills



Communication skills



Understanding
body language



Problem solving



Creative thinking



Building enthusiasm &
confidence

Personality Styles

#2019NYGovBuy  @NYSPRO  @nysprocurement



NY GovBuy

Personality Styles

Having an awareness of your personality style and knowing how to respond to the styles of others will improve your communication skills with your negotiation partners.





Reserved

Controls Feelings, Objective/Dispassionate,
Cool and Calm, Task Oriented

Yield

(Ask)

Suggests
Cooperative
Slow paced
Minimizes risks
Goes along
Asks questions

(Tell)

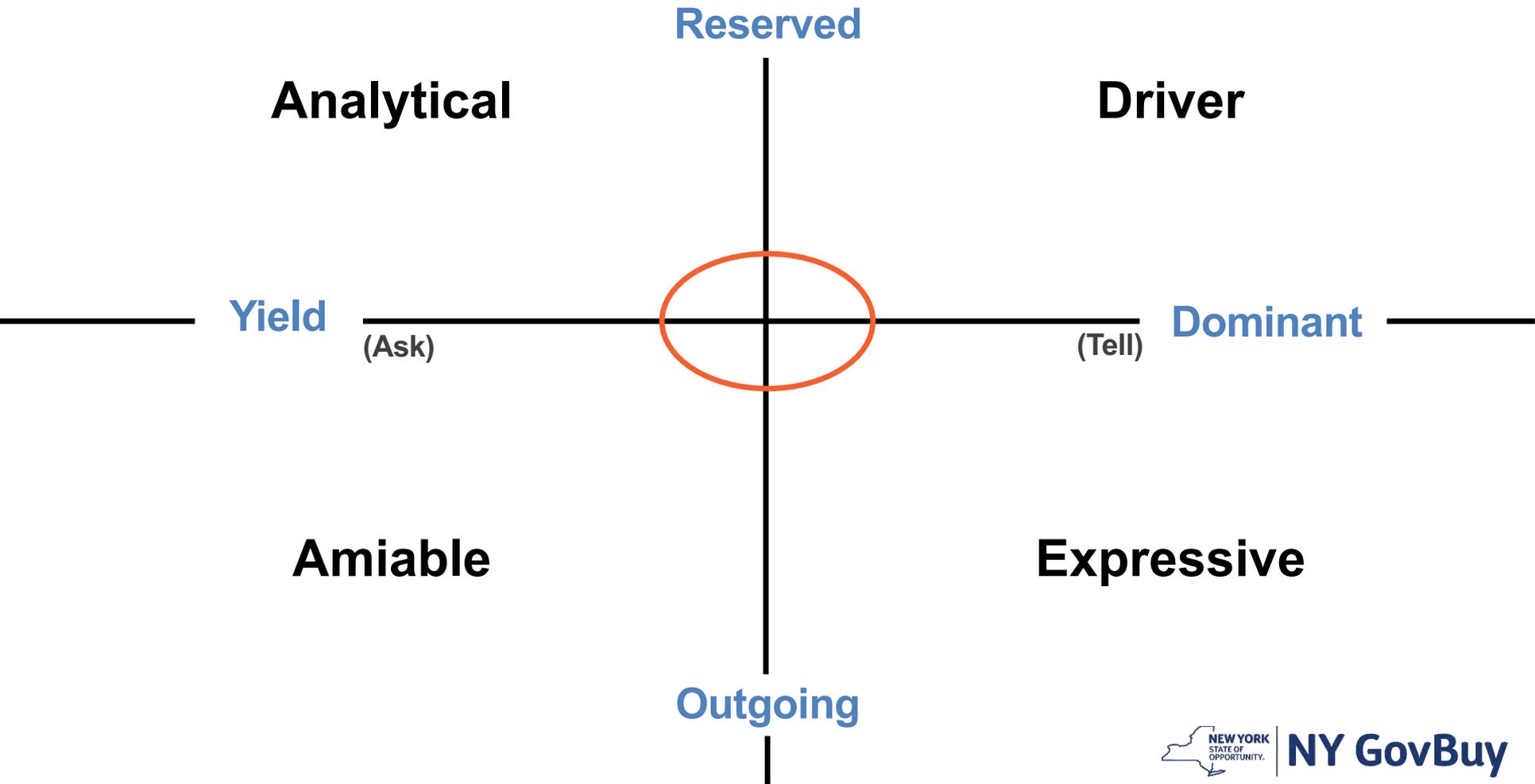
Dominant

Directs
Competitive
Fast paced
Takes risks
Takes charge
Makes statements

Outgoing

Exhibits Feelings, Involved with Others,
Interactive, People Oriented





Identifying THE DRIVER

Planner
Goal setter
Disciplined Organized
Open to new ideas
Enjoys using power
Confident and authoritative
Task oriented
Makes fast decisions
Can be kind and helpful



Insensitive
Easily bored
Aggressive
Overbearing
Impatient
Blunt
Ruthless
A poor delegator
Conscious of status
Materialistic

Influencing the Driver

- Present your ideas in ways that boost the person's prestige.
- Genuine praise can work wonders.

Influencing the Driver

- Use power words such as:
 - Best
 - First
 - Biggest
 - Unique
 - Powerful
 - Quickly





Identifying THE ANALYTICAL

Calm & Thorough
Good listener
Rational
Logical
Loves statistics of all types
Formal and disciplined
Thoughtful
Subtle
Deliberate



Makes slow decisions
Procrastinates
Closed to new ideas
Hates overt persuasion
Searches for inaccuracies
Slow to trust
Distant and unemotional
Bureaucratic
Demands evidence
Requires guarantees

Module 2 | 21



Influencing the Analytical

- This person is strongly independent. Don't rush things – plan to give the person plenty of breathing space and thinking time.
- If your suggestions stack up, the person will come round to your way of thinking. Putting everything in writing (along with lots of juicy statistics) can be a good idea.
- Above all, don't even think about conning this type of person – it will be spotted instantly.

Influencing the Analytical

- Use power words such as:
 - Proof
 - Reason
 - Evidence
 - Safe
 - Facts
 - Figures
 - Tried & Tested
 - Research
 - Logic



Identifying THE AMIABLE

Good listener
Dependable
Friendly
Loyal
Passive
Gentle
Thoughtful
People oriented
Quiet
Easily influenced!



Cautious
Submissive
Slow to trust
Requires proof
Relies on outside approval
Hates pressure
Dislikes change



Influencing the Amiable

- They often have a long record of poor decisions. They are, therefore, suspicious and slow to accept new ideas.
- Take your time, nurture the relationship and work hard to gain their trust.
- Be prepared to provide ample proof and guarantees that your ideas will pay off.



Influencing the Amiable

- Use power words such as:
 - Security
 - Fail Safe
 - Safety
 - Tried & Tested
 - Guaranteed
 - Reliable
 - Proven
 - Popular



Identifying THE EXPRESSIVE

Responsive
Talkative
Very sociable
Friendly
Good listener
Impulsive
Creative
Relishes new ideas
Enthusiastic
Makes rapid decisions



Undisciplined
Poor timekeeper
Disorganized
Lazy
Impulsive
Gullible and easily led
Impatient
Emotional
Nostalgic
Over generalizes



Influencing the Expressive

- These people like to be liked and appreciated.
- They need people around them and are anxious to develop and maintain relationships.
- Be prepared to steer and control the conversation.



Influencing the Expressive

- Use power words such as:
 - Fun
 - Inexpensive
 - Appreciate
 - Simple
 - Enjoy
 - Easy
 - Convenient
 - Trouble Free



The Negotiation Process

#2019NYGovBuy  @NYSPRO  @nysprocurement



NY GovBuy

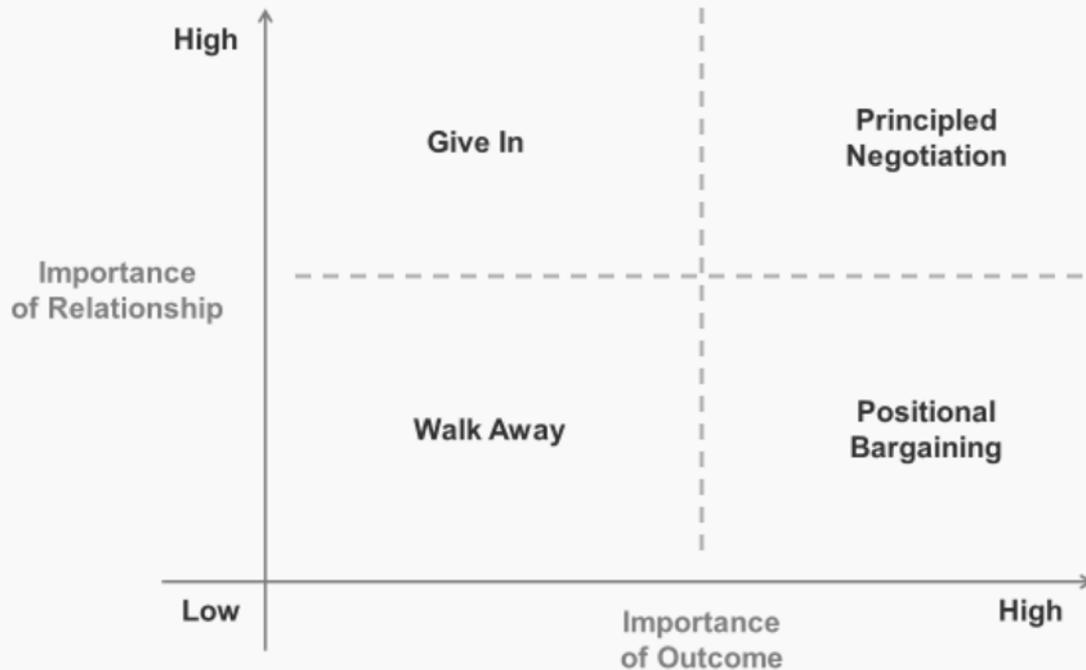
Negotiating Strategies

- Compare the relative importance of:

Relationship

Outcome or Result

Choose a Strategy



Positional Bargaining

CUSTOMER	SHOPKEEPER
<ul style="list-style-type: none">• How much do you want for this brass dish?	<ul style="list-style-type: none">• That is a beautiful antique, isn't it? I guess I could let it go for \$75.
<ul style="list-style-type: none">• Oh, come on, it's dented. I'll give you \$15.	<ul style="list-style-type: none">• Really! I might consider a serious offer, but \$15 certainly isn't serious.
<ul style="list-style-type: none">• Well, I could go to \$20, but I would never pay anything like \$75. Quote me a realistic price.	<ul style="list-style-type: none">• You drive a hard bargain. \$60 cash, right now.
<ul style="list-style-type: none">• \$25.	<ul style="list-style-type: none">• It cost me a great deal more than that. Make me a serious offer.
<ul style="list-style-type: none">• \$37.50. That's the highest I'll go.	<ul style="list-style-type: none">• Have you noticed the engraving? Next year, pieces like that will be worth twice what you pay today.

Hard and Soft Negotiating

SOFT	HARD
<ul style="list-style-type: none">• Participants are friends	<ul style="list-style-type: none">• Participants are adversaries
<ul style="list-style-type: none">• The goal is agreement	<ul style="list-style-type: none">• The goal is victory
<ul style="list-style-type: none">• Make concessions to cultivate the relationship	<ul style="list-style-type: none">• Demand concessions as a condition of the relationship
<ul style="list-style-type: none">• Be soft on the people and the problem	<ul style="list-style-type: none">• Be hard on the problem and the people
<ul style="list-style-type: none">• Trust others	<ul style="list-style-type: none">• Distrust others
<ul style="list-style-type: none">• Change your position easily	<ul style="list-style-type: none">• Dig in to your position
<ul style="list-style-type: none">• Make offers	<ul style="list-style-type: none">• Make threats
<ul style="list-style-type: none">• Disclose your bottom line	<ul style="list-style-type: none">• Don't disclose your bottom line
<ul style="list-style-type: none">• Accept one-sided losses to reach agreement	<ul style="list-style-type: none">• Demand one-sided gains as the price of agreement
<ul style="list-style-type: none">• Search for the single answer: the one they will accept	<ul style="list-style-type: none">• Search for the single answer: the one you will accept
<ul style="list-style-type: none">• Insist on agreement	<ul style="list-style-type: none">• Insist on your position
<ul style="list-style-type: none">• Try to avoid a contest of wills	<ul style="list-style-type: none">• Try to win a contest of wills
<ul style="list-style-type: none">• Yield to pressure	<ul style="list-style-type: none">• Apply pressure

Arguing over
positions
produces
unwise
agreements

Arguing over
positions
endangers
ongoing
relationships

Being
NICE
is **no**
answer !

Principled Negotiation

01

PEOPLE

Separate the people from the problem

02

INTERESTS

Focus on interests, not positions

03

OPTIONS

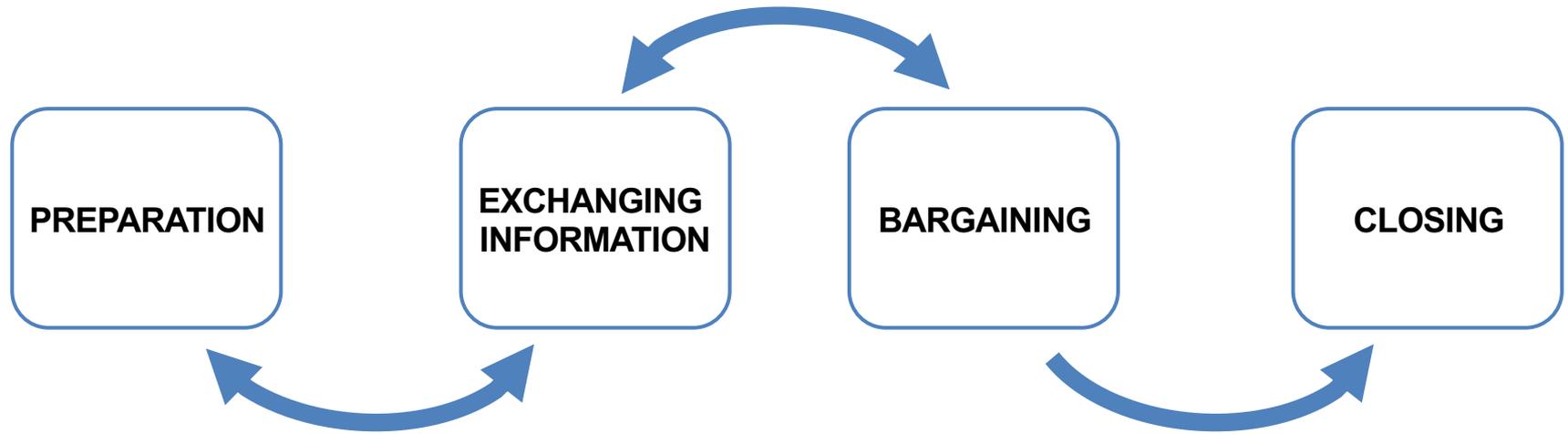
Generate a variety of possibilities before deciding what to do

04

CRITERIA

Insist that the result be based on an objective standard

The Negotiation Process



Prepare for Negotiation

#2019NYGovBuy  @NYSPRO  @nysprocurement



NY GovBuy



Preparation Steps



Information about your **situation** Information about the **other party**

Gather research





Preparation Steps

- As with almost anything you do, preparation is a very important part of the process. 80% of your success will depend on how well you prepare for the negotiation.
 - WAP = Walk away position (What is the least you will accept?)
 - BATNA = Best alternative to the negotiated agreement (If you can't reach an agreement, what is your best alternative)
 - WATNA = Worst alternative to the negotiated agreement (If you can't reach an agreement, what the worst thing that could happen?)
 - ZOPA = Zone of Possible Agreement (What areas might you be able to agree on right away?)



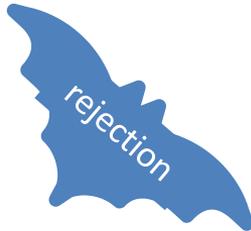


Dealing with Fears

What are some other fears you are familiar with?



**FEAR
OF**



Only our **minds** can
produce fear

Researching Your Side

Determine your main objective

Determine your supporting points

Determine a fallback position

Identify your Best Alternative To a Negotiated Agreement (BATNA) and Worst Alternative To a Negotiated Agreement (WATNA)

Identify your WAP

What Zone Of Possible Agreement (ZOPA) might exist?



Researching the Other Side



What is their business about?

What are their competitors like?

What is their stock like?

What associations does the person belong to?

What people do you both know?

What hobbies does the person have?

Module 4 | 47



The Nuts and Bolts

Always

prepare your research in a professional format and bring it with you.

Ensure

you have separate folders for confidential information and information you're going to share

Keep

both sets of information with you at all times during the negotiation.

You should

have an information sheet outlining your: Main objectives, supporting points, fallback position, BATNA, WATNA, WAP, and ZOPA.



Where to Meet

The best place to meet is somewhere that you feel comfortable – your office, your company’s boardroom, or even your favorite coffee shop



The worst place is somewhere your opponent feels comfortable

Neutral ground would be a rented boardroom or a restaurant neither of you have visited before

If you’re given the choice, choose a time of day that works **best for you**

Opening the Negotiation

#2019NYGovBuy  @NYSPro  @nysprocurement



NY GovBuy

Making the Right Impression

Confident posture

Eye contact

Minimal body movement

Clothes are clean, ironed, stain-free

Shoes are clean and polished

Fingernails are clean

Pleasant expression





Small Talk

- Has a bad reputation.
- Without it, many of us will never get to those “real” conversations.
- Helps us put others at ease and make them comfortable.
- Breaks the ice and goes a long way toward furthering a relationship.
- Is crucial to getting negotiation off to a good start.



Setting Ground Rules

Set out some ground rules for the negotiation

Negotiate about how you will negotiate

What are some good ground rules for negotiating?

Exchange Information and Bargain

#2019NYGovBuy  @NYSPRO  @nysprocurement



NY GovBuy



Exchanging Information

- Start by outlining your position and having the other party outline their position
- If you've identified a zone of possible agreement (ZOPA) that gives a solution that you're happy with, you will want to outline that as well

The Bargaining Stage

Techniques for Success



Equalization



Building a Case



Ask “What if” Questions



It’s Too Bad...



Wear Them Down



Mix It Up



Bridge the Gap

Inventing Options for Mutual Gain

Four major obstacles that inhibit the inventing of lots options



Premature judgment



Searching for the single answer



The assumption of a fixed pie



Thinking that “solving their problem is their problem.”

Inventing Options for Mutual Gain

There are some easy ways to overcome these challenges and invent options towards mutual gain



**Make their decision
easy**



Whose shoes?



What decision?



Identify shared interests

Handle Opposition

#2019NYGovBuy  @NYSPRO  @nysprocurement



Getting Past No to Yes

- Go to the balcony
- Step to their side
- Invite them to step to your side
- Build a golden bridge
- Make it difficult to say “no”
- Use high-yield questions

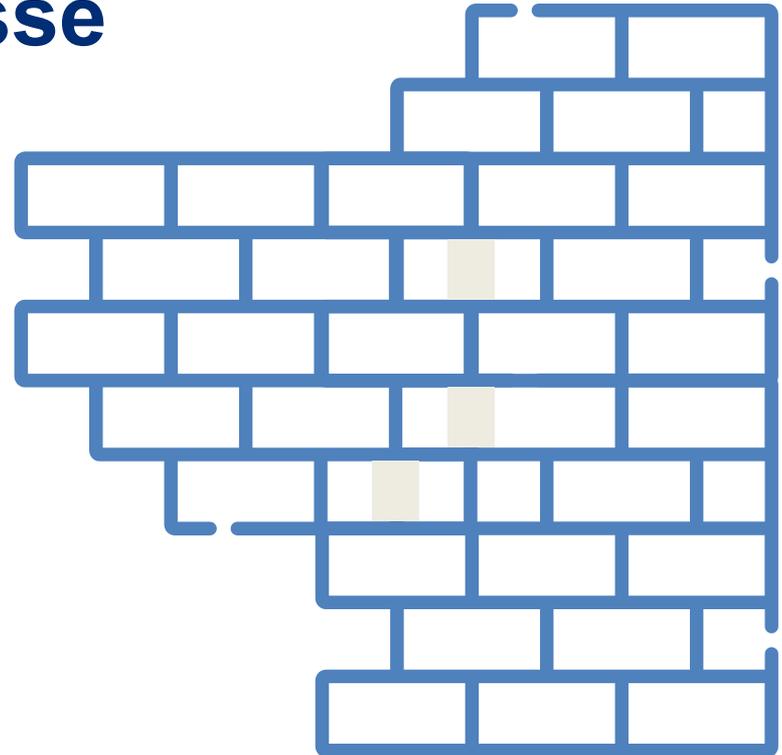




Dealing with the Impasse

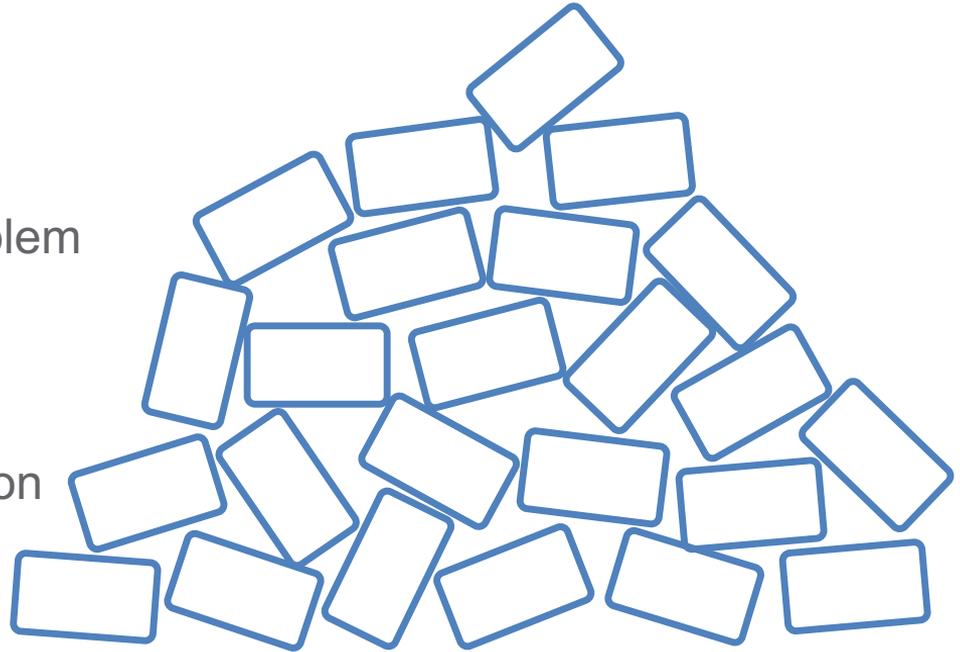
Break it by

- Taking a break
- Identify hidden interests
- Deal with unrealistic expectations
- Use brainstorming techniques



Other Ways to Break the Impasse

- Avoid positional bargaining
- Separate the person from the problem
- Focus on interests
- Work towards a mutual gain solution
- Insist on using objective criteria





Dealing with Negative Emotions

- Instinctive reactions to negative responses:
 - Strike back
 - Give in
 - Break off negotiations
- Won't solve the problem
- How can we develop a mental attitude of detachment?





Dealing with Negative Emotions

- It helps to use the other person's name.
- Listen and allow the other person to vent and get their feelings out.
- Don't interrupt.
- Try not to use red flag words like "but," "always," and, "never."
- Give them a token or early concession of something you consider less important, but may be important to the other party.
- Apologize for the situation, not your action.
- Agree with the other party using a sentence like, "From your perspective, you are absolutely right."



Dealing with Negative Emotions

- Point out where you agree more than you point out differences.
- Build their self-esteem. Give them sincere praise on what they do well.
- Prepare three questions for which they will have to say “yes.”
- Make sure your words and your body language are consistent.
- Use more “I” than “you” statements.
- People don’t care what you know until they know that you care.

Close the Negotiation

#2019NYGovBuy  @NYSPRO  @nysprocurement



NY GovBuy



Moving from Bargaining to Closing



- Do you truly think your opponent will say yes?
- If you're not sure, keep bargaining.
- You may want to summarize your last counter offer, or ask your opponent for more details on their last offer.
- Body language can be your biggest key.

Moving from Bargaining to Closing

SUGGEST OR ASSUME ACTION

SUMMARIZE THE DEAL

STOP TALKING



Moving from Bargaining to Closing

- Things not to do:
 - Beg, plead or bully
 - Give your opponent too much time to think it over
 - Raise additional questions or points during your closing procedure



The Closing Process

- Three possible outcomes to a negotiation:
 - Win – Lose
 - Win – Win
 - Lose - Lose



The Closing Process

Getting Consensus

Please explain what we have agreed to.

Do you agree with what we have agreed to?

Are you committed to carrying out the agreement?

If not, what factors need to be clarified?

The Closing Process

What do we mean by a sustainable agreement?

What makes a sustainable agreement?

Three Steps

01

Getting everyone's perspective

02

Reviewing the information

03

Outlining the options

QUESTIONS?