

Negotiation Handout

Keys to Successful Negotiations:

- ❑ Develop a relationship or make a connection with the other party
- ❑ Create a favorable environment
- ❑ Don't feel rushed into making a deal that is not good for you
- ❑ Attempt to personalize the situation
- ❑ How much information should you share with the other party? It depends.
- ❑ **The key to a successful negotiation is to prepare, prepare, and prepare.**

Alternatives: The walk-away possibilities if agreement is not reached. For example if you were buying a car from a dealership, an alternative would be to buy a car from another dealer or to not buy a car at all.

Interests: The things you want – what you need from the negotiation. Interests are different from positions, which are demands made in a negotiation. Interests are the reasons underlying the demands. For example, if I want a bigger office on the 2nd floor at HHS (my position) my interests might be status, better views, or being closer to my colleagues.

Options: The possibilities on which the parties might agree. The idea is to create options that are based on interests (instead of trying to reconcile conflicting positions which is often difficult). For example, if I want but can't have a bigger office on the 2nd floor at HHS, some options might include giving me a bigger office on the 1st floor, or giving me a smaller office on the 2nd floor with a great view, depending on my interests. Do you want the bigger office or is the location more important?

Legitimacy (Standards & Norms): Using external or independent standards to bring into the negotiation to create a sense of fairness. Examples include market price, industry standard, legal precedent, third party or expert opinion, or the Blue Book value for a used car.

Relationship: The way the parties interact or work together. The idea is that good working relationships improve negotiated outcomes.

Communication: The messages that pass between the parties via words, body language, etc. The goal is to have a clear, effective, and efficient communication.

Commitments: Agreements about what we will or won't do in a negotiation.

Leverage: Using something to your advantage. It doesn't mean "taking advantage of someone."

Concession: Giving up something. (concede)

As you negotiate, it is important to write down options that are discussed.

Positional Bargaining

- ◆ Extremes, threats and typically end up in the middle.
- ◆ Distributive approach similar to haggling
- ◆ One gets something, one gets less
- ◆ Try to get the most for yourself
- ◆ May end up walking away when you don't really want to walk away.

Principled Negotiation

- ◆ Objective standards and norms
- ◆ Fair to both parties
- ◆ Integrative "win-win" approach that is interest based
- ◆ No haggling as it will ruin relationships
- ◆ Share information
- ◆ Create value for the other party
- ◆ Do well for yourself