Welcome

Creative Negotiation

Henning Sejer Jakobsen

We wish something nice: A kind gesture

Used as:
- Start
- End
- Changing status

Also used in letters as:
- Dear....
- Kind regards
- With reference to

Kindness = The effort you put into the act
Body language
Preparation in negotiation

Preparation

Negotiation

Sale

Bargaining

Collective bargaining

Problem-solving
Negotiation ≠ Trade

A creative process
On-going process
Find possibilities
Focus on process

Rationel process
Ending process
Choose possibilities
Focus on goal
**Principled Negotiation**

<table>
<thead>
<tr>
<th>PEOPLE</th>
<th>Separate the people from the problem</th>
</tr>
</thead>
<tbody>
<tr>
<td>INTERESTS</td>
<td>Focus on interests, not positions</td>
</tr>
<tr>
<td>OPTIONS</td>
<td>Invent options for mutual gains</td>
</tr>
<tr>
<td>CRITERIA</td>
<td>Insist on objective criteria</td>
</tr>
</tbody>
</table>
Negotiate

Create

Evaluate

Will I?

Negotiate

Trade

Deal/ending

Act

?
Transaction

Parent

Adult

Child
Gavin Kennedy’s 4 step model

<table>
<thead>
<tr>
<th>PREPARE</th>
<th>WHAT DO WE WANT?</th>
</tr>
</thead>
<tbody>
<tr>
<td>DEBATE</td>
<td>WHAT DO THEY WANT?</td>
</tr>
<tr>
<td>PROPOSE</td>
<td>WHAT WANTS COULD WE TRADE?</td>
</tr>
<tr>
<td>BARGAIN</td>
<td>WHAT WANTS WILL WE TRADE?</td>
</tr>
<tr>
<td>Initiator</td>
<td>Involving</td>
</tr>
<tr>
<td>----------------------</td>
<td>--------------------</td>
</tr>
<tr>
<td>Assertive</td>
<td>Initiator</td>
</tr>
<tr>
<td>Accepting</td>
<td>Non initiator</td>
</tr>
<tr>
<td>Initiative Type</td>
<td>Involving</td>
</tr>
<tr>
<td>-----------------</td>
<td>-----------------</td>
</tr>
<tr>
<td>Initiator</td>
<td>Faith</td>
</tr>
<tr>
<td>Non Initiator</td>
<td>Security</td>
</tr>
</tbody>
</table>
The assertive *NO*

1. Use the word NO if you mean it!

2. Avoid beating about the bush, excuses and a body language which contradict your NO e.g. by smiling.

3. Unmask yourself if necessary. Use sentences like: “I am sorry if I have hurt you, but No.” “It is difficult for me but I say No.”

4. If necessary ask how the other party feels when your rejection is unmistakeable.

5. If necessary suggest an alternative if you mean it.

6. Close the situation.
## Principled Negotiation

<table>
<thead>
<tr>
<th>PROBLEM</th>
<th>SOLUTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Positional bargaining: Which game should you play?</td>
<td>Change the game – Negotiate on the Merits</td>
</tr>
<tr>
<td><strong>SOFT</strong></td>
<td><strong>HARD</strong></td>
</tr>
<tr>
<td>Participants are friends</td>
<td>Participants are enemies</td>
</tr>
<tr>
<td>The goal is agreement</td>
<td>The goal is victory</td>
</tr>
<tr>
<td>Make concessions to cultivate the relationship</td>
<td>Demand concessions as a condition of the relationship</td>
</tr>
<tr>
<td>Be soft on the people and the problem</td>
<td>Be hard on the problem and the people</td>
</tr>
<tr>
<td>Trust others</td>
<td>Distrust others</td>
</tr>
<tr>
<td>Change your position easily</td>
<td>Dig in to your position</td>
</tr>
<tr>
<td>Make offers</td>
<td>Make threats</td>
</tr>
<tr>
<td>Disclose your bottom line</td>
<td>Mislead as to your bottom line</td>
</tr>
<tr>
<td>Accept one-sided losses to reach agreement</td>
<td>Demand one-sided gains as the price of agreement</td>
</tr>
<tr>
<td>Search for the single answer: the one they will accept</td>
<td>Search for the single answer: the one you will accept</td>
</tr>
<tr>
<td>Insist on agreement</td>
<td>Insist on your position</td>
</tr>
<tr>
<td>Try to avoid a contest of will</td>
<td>Try to win a contest of will</td>
</tr>
<tr>
<td>Yield to pressure</td>
<td>Apply pressure</td>
</tr>
<tr>
<td></td>
<td>Reason and be open to reasons; yield to principle, not pressure</td>
</tr>
</tbody>
</table>

*Separate the people from the problem*

*Focus on interests, not positions*

*Invent options for mutual gain*

*Insist on using objective criteria*
<table>
<thead>
<tr>
<th>The hidden language of signals the Signal You Hear</th>
<th>What it really means</th>
</tr>
</thead>
<tbody>
<tr>
<td>‘We would find it extremely difficult to meet that deadline’</td>
<td>Not impossible if we are incentivised</td>
</tr>
<tr>
<td>‘Our production line is not set up to cope with this requirement’</td>
<td>But it could be changed - for a price</td>
</tr>
<tr>
<td>‘I am not empowered to negotiate this price’</td>
<td>See my boss who is empowered</td>
</tr>
<tr>
<td>‘It is not our normal practice to break bulk’</td>
<td>But we could be persuaded to do so - make it worth our while</td>
</tr>
<tr>
<td>‘Our company never negotiates on price’</td>
<td>But we do negotiate on what you get for that price</td>
</tr>
<tr>
<td>‘We can discuss that point’</td>
<td>It is negotiable, possibly</td>
</tr>
<tr>
<td>‘We are not prepared to discuss that at this stage’</td>
<td>We’ll discuss it later</td>
</tr>
<tr>
<td>‘We never admit liability’</td>
<td>We might make an ex gratia payment</td>
</tr>
<tr>
<td>‘We could not produce that quantity in that time’</td>
<td>But with more time we might do so</td>
</tr>
<tr>
<td>‘It is not our policy to discount our prices, and if we did it would never be as much as 10 per cent’</td>
<td>We might agree a lower discount if you order a larger quantity/pay earlier</td>
</tr>
<tr>
<td>‘These are our standard contract terms’</td>
<td>Everything is negotiable</td>
</tr>
<tr>
<td>‘That is an extremely reasonable price’</td>
<td>It’s our first offer and we might have other reasonable prices</td>
</tr>
</tbody>
</table>

1. Universalism vs. particularism
   (What is more important, rules or relationships?)

2. Individualism vs. collectivism
   (Do we function in a group or as individuals?)

3. Neutral vs. emotional
   (Do we display our emotions?)

4. Specific vs. diffuse
   (Is responsibility specifically assigned or diffusely accepted?)

5. Achievement vs. ascription
   (Do we have to prove ourselves to receive status or is it given to us?)

6. Sequential vs. synchronic
   (Do we do things one at a time or several things at once?)

7. Internal vs. external control
   (Do we control our environment or are we controlled by it?)
Gary Lim combine this in four

Group Dependence

Hierarchi

Relationship

Harmony
Trade - The evaluation and rationel process

Negotiation - The creative and constuctive process

Us - And our interest

Opponent - And their interest

Surrounding - Rule, custom and practice

Ours base of support

Opposite party base of support
Optimal agreements

Area of potential joint gain (Breach curve)

How satisfied they are

How satisfied you are

Bargaining zone
THE DIRTY DOZEN

1: Position Pressure
2: Psychological Warfare
3: Casting Suspicion
4: Confrontation Techniques
5: Threats
6: The Trojan Horse
7: Grouping Terror
8: Master of the Universe
9: Judgement
10: Role Manipulation
11: The Cairo Method
12: The Agility Method
Stage the negotiation

1. **Preparation**
   - Assess the situation
   - Assess your counterparts interests
   - Assess your own possibilities

2. **Create trust**
   - Give time until everybody is comfortable
   - Build bridges between relations

3. **Create joint platforms**
   - Create platforms of agreement
   - Base the negotiation on areas of agreement

4. **Separate the negotiation**
   - Negotiation is a creative process
   - Making a deal is an assessment process

5. **Take (critical) objections positively**
   - Criticism is often a sign of understanding
   - Negotiation is acceptance of loss

6. **Use movement**
   - Use your counterparts arguments to create joint interest
   - Make yourself familiar with your counterparts interests
   - Put yourself into your counterparts position
Stage the negotiation

7  Focus on principles
   • Principles on the basis of objective criteria
   • Principles which protect both parties interests

Be assertive
   • Separate the person from the problem
   • Do not let other peoples aggression get to you
   • Do not let your own aggression get to you

9  Reformulate
   • Avoid misunderstandings and different perceptions
   • Attacks should be reformulated to principles

Accept others strongpoints
   • Yours counterpart is clever too
   • Negotiation is 80% learning

11 Establish the optimum basis for agreement
   • The optimum is agreement on the next step
   • The next step could be a deal
   • Often the next step is a new negotiation

12 Follow-up as agreed
   • A negotiation result is nothing in itself
   • The result becomes visible with the next step
Negotiation: The Art of Reaching Agreement

Creative Negotiation Technique

Henning Sejer Jakobsen