

The Art of Negotiation

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Topics for Today

- Reflections on a good outcome
- It's a Simple Process
- Some Technical Stuff - *Stasis*
- Selected Secrets of Negotiation
- Discussion and Questions

...individual companies are
determine what information goes
...as **negotiation** and then
...based assets. In part
...however intellectual
...based assets



Stephen Covey – **Begin with the End in Mind**

**THE SUPREME
ART OF WAR IS TO
SUBDUE THE ENEMY
WITHOUT FIGHTING.**

Sun Tzu

*“The supreme art of war is to subdue the enemy without fighting. **Thus, what is of supreme importance in war is to attack the enemy’s strategy.**”* – Sun Tzu, The Art of War

Reflections on a good outcome ...

- Sizeable job we did a few years ago
- Tier 2 Builder (owned by a Tier 1)
- Remote location
- Propping Materials, Cranes, etc – all in our S&I contract
- 3 Month Job took 8+ Months
- Every structural subby was going out backwards big time and wanted costs
- Very few subbys received anything
- One subby received close to what they sought ... and received a written acknowledgement by the CFO of the other side as to the professionalism and effectiveness of the approach adopted throughout the entire negotiation

Getting what we sought and our attitude to the negotiation were closely interconnected



What we see is not always what we see

March, 2015 – quite a bit of debate over this little number



What we see is not always what we see



Scientists think that it had a lot to do with the colour of nearby objects and the reflected light falling on the dress – so too in negotiations – don't miss something because you let your mind be fooled by the colour of nearby arguments



Negotiation - It's really a simple process ...



Good News – just a selected exploration of some parts of these processes today

Some Technical Stuff – The Concept of *Stasis*

The Core of Argumentation and Controversy - Stasis

Four Categories	
Stasis of Conjecture	Whether an act occurred
Stasis of Definition	What that act should be called
Stasis of Quality	Whether the act was justified
Stasis of Place	Whether the discussion is occurring in the proper forum

Argumentation is not a negative thing – it is a process of exploring an issue for the purpose of reaching a position



Stasis

Key Concepts

- It is the response rather than the assertion that determines the stasis
 - The response together with the original claim will identify the matter that is the issue
 - Strategically, it is the responder who is the party that elects where to draw the line by choosing the category of stasis at issue
- Stasis are typically progressive in nature
 - e.g. Electing a stasis in definition implicitly admits the validity of the stasis in conjecture
 - Stasis of place is an exception – it admits nothing and seeks to escalate the entire assertion on the basis that the assertion has been made in the wrong forum
 - The closer the stasis is to the beginning of the argumentation chain the easier it is to rebut the assertion
 - If several stasis are available to a responder, respond with as many as are valid – this is a more credible and consistent line of rebuttal



Stasis

Key Concepts

- Failing to agree on the stasis has serious consequences
 - If the object of negotiation (or argument or conflict) is to secure an agreed outcome then failing to agree on the stasis will be fatal
 - If you don't know what is at issue how can you construct logical rebuttals
 - Stalemates will occur if there is no clarity as entrenched positions result – red mist appears and logic goes out the door



Selected Secrets of Negotiating

It's got a lot to do with how you look at it ...





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Secrets of Negotiating

Critical to look at the issue from the other party's perspective – otherwise the negotiation is doomed before it commences



Secrets of Negotiating - It's not all about you -

Parties to a negotiation have certain desires:

- Respect
- Opportunity to be heard
- Credibility
- To be able to justify the outcome to those that matter

Skilled negotiators take time to try to satisfy these desires for their counterpart

The Ultimatum Game – are we rational negotiators?

Studies show that most people will walk away from what they perceive to be an unfair deal, even if the deal is nominally profitable – this suggests that something more than money matters to people ...

- Respect
- Opportunity to be heard
- Credibility
- To be able to justify the outcome to those that matter



Secrets of Negotiating - It's not all about you -

Listening - "Talk to Me"

- One of the best ways to find out what the other party's interests are
- Aligns perfectly with the other party's desire to be heard
- Listening builds trust
- Listening buys understanding

Types of Listening ...

- Passive Listening
 - Going through the motions – nodding
 - Can often heighten the divide – other party now thinks you understand
 - Often used as a filler whilst you are really rehearsing your response
- Active Listening
 - Starting premise is that you assume you don't fully understand
 - Genuinely seek understanding by clarifying and repeating
 - Understanding does not mean nor imply agreement
 - Skilled questioning is part of the Active Listening process
 - Look for signs that the other party thinks that they are not being heard
 - Don't switch off when the other party starts raising objectives/criticisms



As we saw earlier – Perspective has a lot to do with Negotiating

... And in particular the other party's perspective

Currently Perceived Choice Chart

Simple Grid Tool

- see issues from the other party's perspective
- use those insights to develop your negotiation strategy

Approach

1. What is the choice my counterpart thinks that they must make?
2. Why would they feel bad if they said yes to this choice? (might be several reasons)
3. Why would saying no seem like a good outcome for them? (might be several reasons)

Compile the chart with a view to revealing what the other party's driving interest might be

Develop a possible solution that addresses each of the reasons discovered affecting both sides of the decision



Secrets of Negotiating - Knowledge is Power

Importance of Research

- Undertaking research creates perspective
- Safeguards you against being misled by mistaken or fraudulent claims
- Can enhance your listening skills – allows you to read between the lines
- Allows you to consider alternatives:
 - What-If scenarios
 - BATNA - **B**est **A**lternative **T**o **N**egotiated **A**greement
- Research builds a powerbase in a negotiation

Knowledge and the 7 P's

- The 3 P's of Corporate Social Responsibility
 - People , Planet, Profit
- The 4 P's of Marketing
 - Product, Price, Place, Promotion
- The 7 P's of Negotiating

Prior Preparation and Planning Prevents Piss Poor Performance



A few final thoughts for Today -

- Avoid adopting a “giving” mentality – seek a “trading” approach
- Be slow to say yes ... and even slower to say no
- If making a concession, offer something that is of greater value to the other party than the value it holds for you
- Attack the other side’s strategy not the people on the other side
- You don’t have to succeed at every Negotiation – it is but one of several alternative resolution paths available when a matter is in contention

Let us never negotiate out of fear. But let us never fear to negotiate.

John F. Kennedy

Questions and Discussion



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