

SKI 2083

SKILLS TRAINING

STRATEGY

AND

NEGOTIATION



Lets be subtle about this, we want to do
business with them in the future.

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WHAT IS STRATEGY?

Strategic thinking is involved in a range of normal activities. But that doesn't mean that it is easy. There are a range of techniques which can be learnt which enhance strategic thinking

Whilst the course does not expect you to become generals you will be introduced to some of the crucial methods of making strategy, and, using the many excellent web links listed for each task, you will be made familiar with strategy in practice. Many of the links are to leading academic institutions or government resources.

WHAT IS NEGOTIATION?

Are you a negotiator?

What is negotiation?

How could you negotiate better?

The answer to the first question might seem relatively obvious but in fact there are many types of situations and skills required in order to negotiate effectively. Most people negotiate constantly without even thinking about it as negotiation. You are pretty certain to negotiate with course coordinators, other students, in shops and banks and so on. You may want more time to study, a day free for family matters, more effort from your fellow students in group work. Maybe you want to borrow some money from the bank but you also want to pay as little interest as possible, or you are at a second hand book fair and want to bargain down the price for a rare edition of Karl Marx's 'Das Kapital' that you have always wanted.

You will have your idea about what you want from others and how you would like to go about getting it. But what about the person you are negotiating with? What should your bottom line be? What methods are there for achieving your goals? How can negotiations be analyzed? The course aims at helping you to identify your own negotiation skills and to improve on them. It will help you to be aware of the standard tricks that can be employed by others to get their way.

Learning Goals

In this course students will learn about strategy and negotiations. Success in negotiations is often not about out maneuvering the other party, although that may happen, but rather about applying diplomatic negotiating skills to finding the possibilities for consensus. Success in negotiations is closely associated with having a clear strategy - where possible points of compromise have already been considered, and detailed planning of the various phases of the negotiation.

Students will be trained in negotiation skills and the requirements of a complex negotiation. In the final simulation, students will enjoy the challenging experience of participating in complex two-hour negotiation. Before and after the simulation, the students discuss their strategies and outcomes in the negotiation journal.

The purpose of this project is to provide students with the skills necessary for completing a successful negotiation: analytical, strategic, social and bargaining. Students are trained to be analyze complex negotiation situations and to then apply the theories that they have learnt to maximize their outcomes. Please note that as strategy and negotiation skills are generic the course will be mostly using negotiation simulations used in business. These have been chosen because they are the most useful and comprehensive available.

Objectives of this course:

- To teach students the strategy and negotiation skills required to achieve optimal outcomes in a competitive setting.
- To train students in planning negotiations and carefully deciding on the most useful strategy etc.
- Students will participate in a complex negotiation of around 2 hours where they will to put into practice what they have learnt.

Mode of operation and evaluation

This learning community requires that students prepare **in advance** of the actual meetings and read the course book readings thoroughly. Although the course simulations use examples from the business world the skills trained are valid for all negotiation situations.

There may be some lectures.

The learning community has three points of assessment:

1. Participants should submit a journal of 2500 words in which they reflect on the readings and how they have applied them to the negotiation simulations. This is 50% of the final grade.

The journal should include:

- A literature review of 'The Expert Negotiator' by R. Saner (2012)
- Prior to negotiations students note down how they are going to use negotiation theory and tactics to achieve their goals. They should provide a list of negotiation goals, tactics, alliances (when appropriate) that are intended.

- After negotiations students should reflect on how successful they were in using negotiation theory and applying tactics and alliances and achieving their aims. What improvements could have been made.
- The final negotiation simulation should be planned carefully and notes included in the journal both before and afterwards a reflection on the negotiation should be included.

The journal should not consist of bullet points or copy pasted information and should be submitted using Safe Assignment.

2. The final simulation will be assessed for the negotiating team as a whole and account for quarter of the points available.

3. ALL group members are expected to contribute to the position paper of the team and individual efforts should be clearly indicated as the remaining quarter of the points will be allocated on the basis of the individual contributions.

The position paper should be submitted to your tutor at least two days before the simulation. It should contain the following:

- Detailed SWOT analysis of your group
- Detailed SWOT analysis of the opponent group
- ZOPA and BATNA
- A completed negotiation check list and scoring scheme
- List of intended negotiation techniques learnt from the course, indicate which chapters from the book, that you intend to use **and**
- A list of those which you anticipate the other group may use and how you intend to deal with them.
- Completed scoring sheets

Remember that your group simulation grade will be based on how your group applies the skills learnt and not whether you win or not.

Assessment Form for the Final Simulation:

S and N Simulation - Assessment Form - SKI2083

	1	2	3	4	5
Final Score					

Presentation of Group

Overall quality of presentation:

1	2	3	4	5

DELIVERY

Professionalism (dress, attitude, posture,
speaking, overall preparedness)

1	2	3	4	5

Negotiation

Overall Effectiveness of techniques used:

1	2	3	4	5

Face to Face Behavior

Achievement of negotiation techniques indicated in position paper
Successful use of general negotiation techniques

Negotiation Score.....

1	2	3	4	5

Planning (Position/Strategy Paper)

Overall comprehensiveness of planning:

Long-term vs. Short-term

Consideration of the other group's
plans

Exploration of Options

Attention to Common Ground vs. Conflict

Setting Limits:

BATNA

Range planning

List of intended use of Negotiation
Techniques

Sequence planning
SWOT analysis
Decision making matrix
Negotiation Checklist

Paper Score.....

1	2	3	4	5

Resit

If the final grade for the whole course is a fail and the student has made a genuine attempt at both the simulation and the paper then a resit paper can be taken

Attendance Requirement

Students are allowed to miss one meeting. Missing two meetings will result in an extra assignment. NO further missed session is possible.

Course coordinator

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WEEK 1

STRATEGY 1

‘You must study the enemy’s plans so that you will know his vulnerabilities and his strengths alike. Stir him up in order to learn his patterns of movement. Try and lure him into showing you his position and situation. Launch a preliminary attack to gather information as to where he is strong and where he is lacking.’¹

There are many theories about what exactly strategy is however it seems fair enough to state that it is the plan made by a person or organization to attain a desired goal. That plan should be structured, detailed and yet flexible. It will be based on a prior self assessment of the individual concerned, company or for that matter army. Part of any strategy must be the willingness to reassess a situation as it develops.

Any strategy will need to be based on the best information available and will rely heavily on the correct assessment of that information. Information can be regarding territory, allies, opponents, logistics and, of course, data on the strategist’s own company, army or population. It can be attained via questionnaires, espionage, scouts, officials and officers. But unless it is properly evaluated, and distributed to the correct decision makers it is useless.

Finally the strategic plan must be able to be implemented. That requires a clear division of tasks, responsibility, accountability and a structured flow of communication. The right people need to know at the right time what they are required to do.

Unsurprisingly there are several tools which governments and companies use to improve their strategic choices. The goal of this session is that you familiarize yourself with some of the main tools available.

Assignment 1

Working in small groups use the websites on the next page and the course book to explain the uses of the below. You will need to write a short summary on each. Your summary should contain the aspects of each that your group found most important and useful. Read widely from the other tools used by the UK government for strategy and policy making. See if you can find examples of some of them used in practice, if necessary using other websites than those provided:

SWOT,
PESTEL,
Scenario Building.
Strategic Analysis Check list-Strategic Positioning Grid

¹ Tzu, Sun. The art of war. The cornerstone of Chinese strategy. 2003 Astrolog Publishing House Ltd. Isreal 38-39

Websites:

http://webarchive.nationalarchives.gov.uk/20031220221857/http://cabinetoffice.gov.uk/strategy/downloads/survivalguide/dev/st_define.htm

<http://hsctoolkit.bis.gov.uk/The-tools.html>

<http://www.businessballs.com/pestanalysisfreetemplate.htm>

http://www.cass.city.ac.uk/__data/assets/pdf_file/0010/37297/picture_this.pdf

<http://www.au.af.mil/au/awc/awcgate/awc-thkg.htm>

<http://www.quickmba.com/strategy/swot/>

http://www.oecd.org/document/49/0,3343,en_36702145_36702265_37627633_1_1_1_1,00.html

<http://ucanr.org/sites/oakplanner/files/71734.pdf>

<http://www.millennium-project.org/millennium/scenarios.html>

http://www.iss.europa.eu/uploads/media/Report_22_Arab_futures.pdf

Reading and Tasks to be done before Week 2

Students should read:

Saner, R. *The Expert Negotiator* 4th Revised Edition (2012) Martinus Nijhoff Publishers. p.19-47 and p.111-136

e-reader - K. Dixit and B. Nalebuff (2008). *The Art of Strategy*. Norton. p. 32-50

Prepare small group verbal presentations on SWOT, PESTEL, Scenario Building, Strategic Analysis Check list-Strategic Positioning Grid tool and give an examples of these –if possible- used by a company, government etc.

WEEK 2

STRATEGY 2

‘The process which begins with the recruitment of the troops and mobilizing them, to organizing them into a harmoniously functioning unit and setting up camp, has no more difficult element than that of maneuvering into the best position. The difficulty arises from the need to make the most roundabout path into the most direct one, and to turn handicap into advantage.’²

‘A skilled general will get his victory from manipulation of the situation and not from demanding it of his men. He will choose the right troops and make the best use of the situation.’³

Assignment 1

Last session the tools of the trade were introduced and you prepared short summaries on them and how scenarios have been used. Present your group findings.

Assignment 2

Backward reasoning is one of the important skills which a strategist will logically follow straight after carrying out a scenario and SWOT analysis. He or she will now have to decide how to plan the organization’s activities to deal most effectively with the expected scenario. Use of backward reasoning and a decision tree can be helpful here as a tool to anticipate the likely responses to the organization’s proposals and plans. Of course flexibility has to be maintained but preparation and correct allocation of resources count for much of any success.

You now have to apply the rules of the survivor game you read about in ‘The Art of Strategy’ to a somewhat changed set of circumstances. The new instructions are below and you must work together using the literature you have already read to decide on a solution using backward reasoning.

“Let us turn the flag game into hot potato: now you win by forcing the other team to take the last flag. It’s your move and there are 21 flags. How many do you take?”⁴

Work in small groups on the problem and compare your answer to those of the other groups.

² Tzu, Sun (2003). *The art of war. The cornerstone of Chinese strategy*. Astrolog Publishing House Ltd. p.41

³ Ibid P.34

⁴ K. Dixit and B. Nalebuff (2008) *The Art of Strategy*. Norton. p.47

Assignment 3 (If there is sufficient time)

It is that time of the year again in a large European state. Trade unions and employer organizations are preparing for rounds of pay negotiations. You have been given the dubious position as an expert consulting firm of secretly advising both sides. One side are a trade union representing the municipal workers of a large industrial state, the other is the representative of the municipal governments. There is an ongoing financial crisis that is cutting back government revenues and the federal government wants savings to be made. However the municipal workers haven't received a substantial pay rise for years and the dangers of inflation loom. The government wants a zero pay round whereas the union wants a pay rise of 5%. Decide on a strategy for both and provide recommendations for the style of negotiations to be followed.

Reading and Tasks to be done before Week 3

Students should read:-

Saner, R. The Expert Negotiator 4th Revised Edition (2012) Martinus Nijhoff Publishers.
p.47-86

e-reader - Lewicki, B. Barry, B and D. Saunders. Negotiation: Readings, Exercises and Cases Sixth Edition (2010) McGrawHill §1.4,

WEEK 3

NEGOTIATION 1

‘Therefore I say know your army and know yourself and ...you will never be defeated in a hundred battles. When you know yourself but not your enemy, you have an equal chance of winning or losing. When you are ignorant of both yourself and your enemy, you will surely be defeated in every battle.’⁵

‘There are five potentially fatal flaws in a general’s character. If he is reckless, he might be killed. If he is a coward, he can be captured. If he is irascible, he might make himself ridiculous by showing his quick-temperedness. If he is sensitive, he may be insulted too easily, and if he is too compassionate, he can be easily annoyed.’⁶

The first rules of strategy and negotiation are that you know your self and your own strengths and weaknesses. Generals in ancient history deliberately set out to understand their opponents. If you do not then you will find yourself at the mercy of a skillful negotiator.

Assignment 1

Salary Negotiations.

Reading and Tasks to be done before Week 4

Students should read:

Saner, R. The Expert Negotiator 4th Revised Edition (2012) Martinus Nijhoff Publishers.p.151-172

Lewicki, B. Barry, B and D. Saunders. Negotiation: Readings, Exercises and Cases Sixth Edition (2010) McGrawHill details on exercise 26 on p.542.

The instructions for their allocated role for the exercise and prepare for the simulation next week.

Both the above will be issued by tutors.

⁵ Tzu, Sun 2003. *The art of war. The cornerstone of Chinese strategy.* Astrolog Publishing House Ltd. p.25

⁶ Ibid p.49

WEEK 4

NEGOTIATION 2

‘The process which begins with the recruitment of the troops and mobilizing them, to organizing them into a harmoniously functioning unit and setting up camp, has no more difficult element than that of maneuvering into the best position. The difficulty arises from the need to make the most roundabout path into the most direct one, and to turn handicap into advantage.’⁷

‘A skilled general will get his victory from manipulation of the situation and not from demanding it of his men. He will choose the right troops and make the best use of the situation.’⁸

Negotiation involves a range of contexts and structures. It involves negotiators, positions, strategy and interests. It can also involve emotion, power, strategy and personality. Essentially the more a negotiator focuses on structure and avoids the excessive use of emotion, the more long term a business relationship they will have. That said, the above division is far from neat and complete and overlaps will of course occur. The goal of the negotiator will be to try and deal with the problematic factors and to return the negotiation to structure. To achieve this it is important to be aware of your own SWOT and to expand your ability to find alternative solutions and expand the cake for all. You need to plan for the negotiation, evaluate your decisions and decide on your BATNA.

Assignment 1

The New House Negotiation. Ideally the ‘fishbowl’ setting should be followed.

Reading and Tasks to be done before Week 5

Students should read:

Saner, R. The Expert Negotiator 4th Revised Edition (2012) Martinus Nijhoff Publishers. p.87-109

Lewicki, B. Barry, B and D. Saunders. Negotiation: Readings, Exercises and Cases Sixth Edition (2010) McGrawHill details about exercise 13 ‘Island Cruise’ on page 508.

The instructions for their allocated role for the exercise and prepare for the simulation next week.

Both the above will be issued by tutors.

⁷ Tzu, Sun. 2003 *The art of war. The cornerstone of Chinese strategy.* Astrolog Publishing House Ltd. P.41

⁸ Ibid P.34

WEEK 5

NEGOTIATION 3

'If your enemy is quick-tempered, try to irritate him. If he is a cavalier, try to encourage his arrogance. If the enemy troops have reorganized and are well prepared, try to wear them out. If they are united, try to encourage dissension among their ranks. Attack the enemy when he is not prepared, surprising him when you are not expected. These are the keys to victory for the strategist. They cannot be pre-formulated...

*When moving troops about, you should pretend immobility. When near the enemy, try to seem far away, and when far away, try to make it seem that you are near. Bait the enemy when he is in disarray. Be prepared to strike when you see that the enemy has secured all sides. Avoid the enemy for a while when he seems stronger.'*⁹

There are a range of skills which are used in negotiations; you need to be aware of them in order to keep the discussion on track and to ensure that you do not lose out to the skillful negotiator who decides to use them. One obvious point to make is that you never know which aspects of a deal are important to your negotiating partner. It may well be that one issue that you consider to be insignificant is vital for your negotiating partner.

Assignment 1.

Island Cruise.

Reading and Tasks to be done before Week 6

Students should read:

Saner, R. The Expert Negotiator 4th Revised Edition (2012) Martinus Nijhoff Publishers.p.137-155 and p.173-186

Their allocated instructions for the exercise as provided by tutors and prepare for the simulation next week

⁹ Tzu, Sun. The art of war. The cornerstone of Chinese strategy. 2003 Astrolog Publishing House Ltd. p.14

WEEK 6

NEGOTIATION 4

The main goal of strategy and negotiations is to achieve an outcome which will be beneficial to the actors concerned individually but usually there has to be a sense in which all sides are winners. This is particularly the case if long term relations are at stake. The question is how can this be achieved? How should you deal with problematic situations?

Assignment 1

Bestbooks/Paige Turner

Final Simulation Preparation

Ridgecrest School Dispute.

Classes will be divided into two and issued with the appropriate secret instructions for the final simulation in week 8. The groups should prepare a strategic negotiation plan for submission prior to the exam indicating a range of negotiating tactics they intend to try and use.

Reading and tasks to be done before the next session

Students should read:

Saner, R. The Expert Negotiator 4th Revised Edition (2012) Martinus Nijhoff Publishers. and p.245-274

The allocated instructions for the exercise as provided by tutors and prepare for the simulation next week

WEEK 7

NEGOTIATION 5

Negotiations are difficult enough when the actors share the same culture but what happens when actors from other cultures are involved? Much has been written on this issue in the era of globalization but theory is one thing practice is quite another...

Assignment 1

Bacchus Wine.

Exam Simulation Preparation

Ridgecrest School Dispute.

Classes will be divided into two and issued with the appropriate secret instructions. The groups should prepare a strategic negotiation plan for submission prior to the exam indicating a range of negotiating tactics they intend to try and use.

Reading and tasks to be done before the next session

Students should read:

Saner, R. The Expert Negotiator 4th Revised Edition (2012) Martinus Nijhoff Publishers.
p. 187-218

Lewicki, B. Barry, B and D. Saunders. Negotiation: Readings, Exercises and Cases Sixth Edition (2010) McGrawHill The information on exercise 18 on p.521

Their allocated instructions for the exercise as provided by tutors and prepare for the simulation next week