

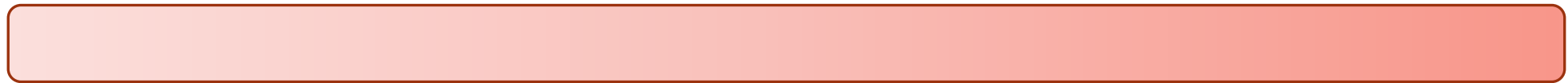
Negotiation Analysis

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Who am I?

- Resident Faculty in the area of organizational behavior and strategy, was with Singapore Management University before this.
- Associate Dean for the Advanced Management Programs and Executive Director: Centre for Learning and Management Practice
- Second career: Spent over 15 years in consulting and think tanks, still involved in consulting and leadership coaching and advisory
- Have authored three books: Leadership, Creativity and Leading in Uncertainty.
- Goldman Sachs: 10K Women Entrepreneurship
- Research: Ambidexterity of Organizations, Entrepreneurship and Women Leadership
- Have worked across: Europe, Middle East, North Africa and Asia

About the course



Simple, two party,
Single issue

Complex, multi-issue,
multi-party negotiations

*All the above will be done through activities in class, followed by
debriefing sessions*

Negotiation

Negotiation is collective decision making process that is consequential for all parties involved.

Building a Framework

- Assess your BATNA
 - *Best Alternative To a Negotiated Agreement*
 - The course of action you will pursue if and when the current negotiation is unsuccessful
 - Without the understanding of the BATNA it is impossible to know when to accept an offer and when to walk away in order to pursue other options

Building a Framework

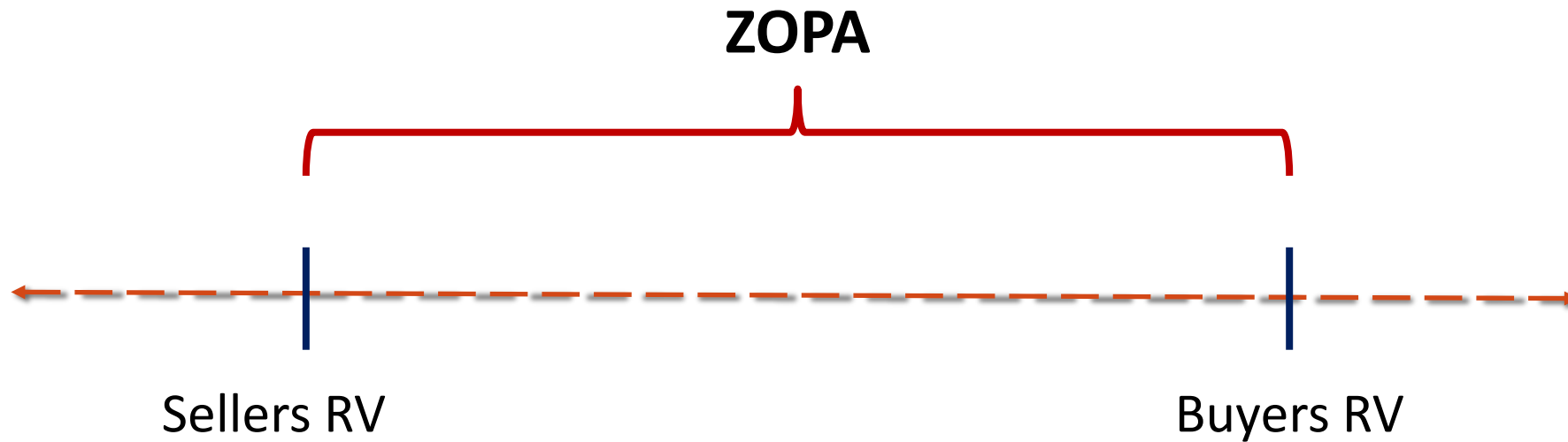
- BATNA Assessment requires the following steps:
 - Identify all plausible alternative options you might pursue if you are unable to reach an agreement with the other party
 - Estimate the value associated with each alternative
 - Select the best alternative:
 - This is your BATNA

Building a Framework

- Assess your BATNA
 - Calculate your Reservation Price/ Reservation Value
 - Quantification of your BATNA
 - The monetary 'walk way point' in a negotiation
- Assess the other party's BATNA and Reservation value
 - The maximum the other party is willing to pay!

Building a Framework

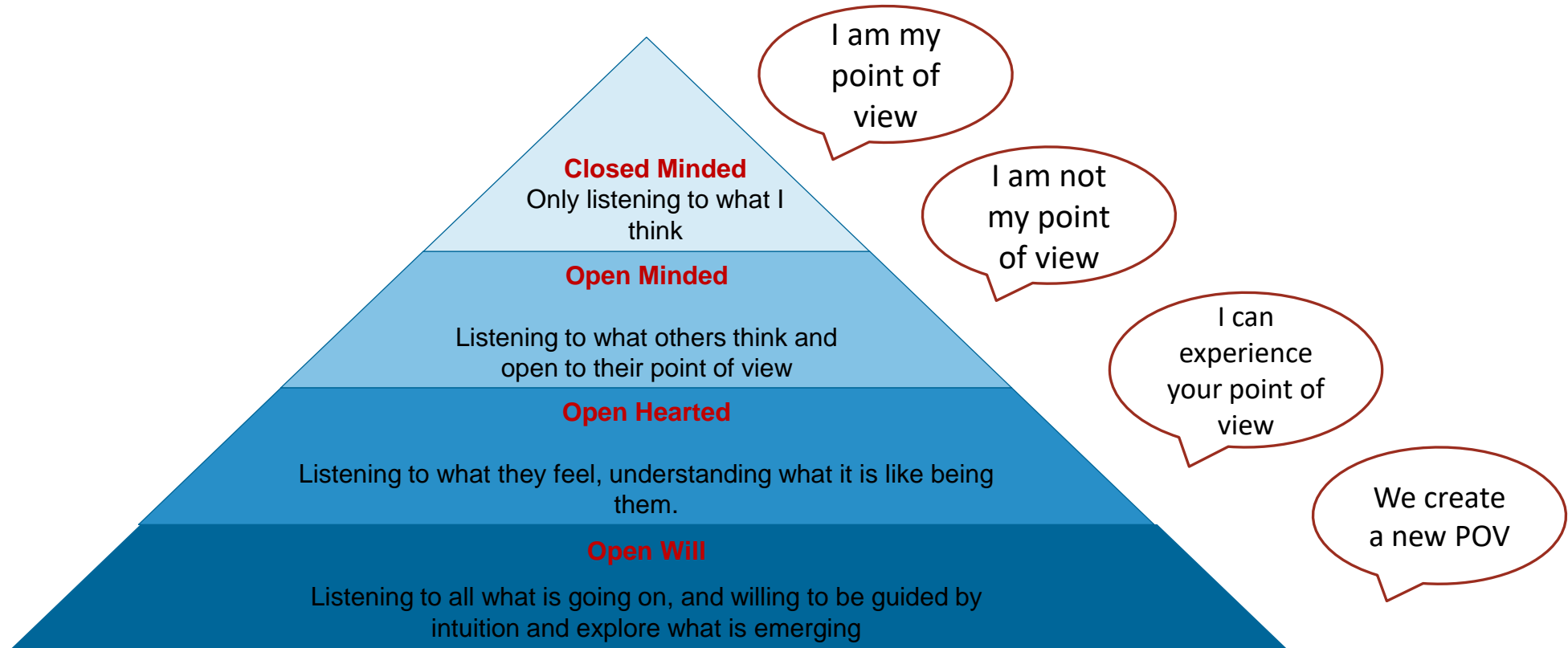
- Evaluating the ZOPA
 - Zone Of Possible Agreement



Obtaining Information

- Careful of a mind trap!
 - Negotiating with a singular goal
 - My world view: My target price
 - Convince/ influence/ persuade the other party to give in
 - Antidote: Learning about the other side but....
 - Preparation

Levels of Listening



Should you make the first offer?

- What STOPS people from making first offer!
 - I will 'insult' or 'put the other party off' if they open too high (selling) or too low (buying).
- When TO MAKE the first offer
 - Do you have enough information about the other party's Reservation Price and ZOPA
 - First offer should NOT be a range!

How Aggressively Can You Anchor?

- Keep the entire ZOPA in play
- Make an offer that you can justify – and provide the justification
- Set high, but realistic aspirations
- Consider the relationship and the context

How to respond to an Aggressive Offer?

- Ignore their anchor
- Respond with an expression of disbelief to show that you think the offer is a non-starter
- Ask them to justify their offer: but be careful!
- Make an anchored counter-offer, then propose moderation
- Give the other side an opportunity to moderate without losing face

How to respond to generous offers?

- Increase the other party's satisfaction
- Keep integrity in Mind
- A caveat

Finally....

- Improve our outcome
- Improve the relationship