

Negotiation Analysis

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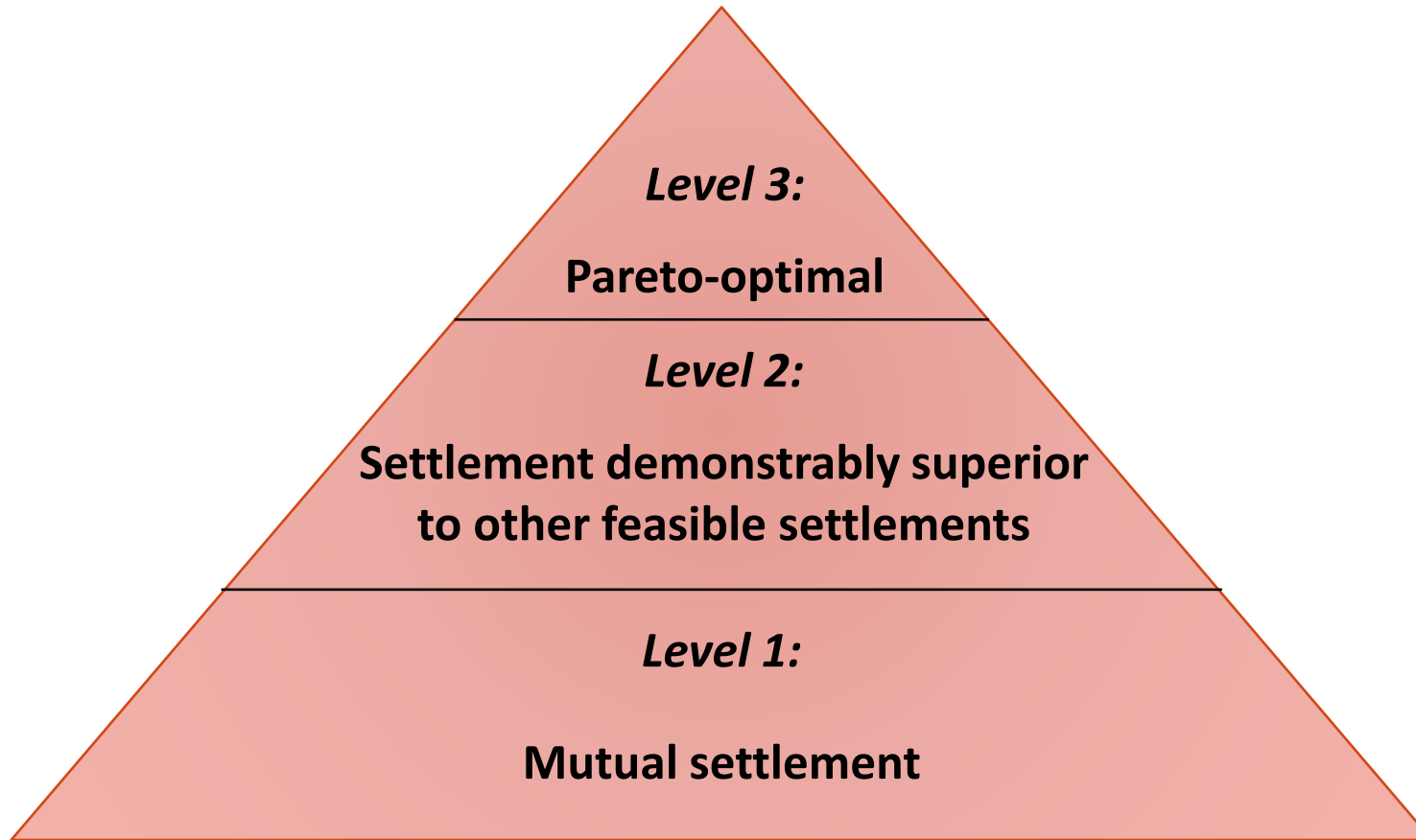
Agenda

- Integrative Negotiations
- An Experiential exercise
 - Debriefing

Integrative Negotiation

- Win-Win Negotiation
- Typical Characteristics
 - *More than one issue*
 - *Differing strengths of preference*
 - *Differing interests*

Pyramid of Integrative Agreements





What do I do with all this information?

AHM: Firm of the Future

- Position – what negotiator wants on the issue
- Interest – why negotiator is taking the position
- Priority – relative importance of the issue to the negotiator
- Target – overall goal for the negotiation
- Reservation Price (bottom Line , walkaway) – minimum the negotiator will take and say yes
- BATNA – best alternative to a negotiated agreement – what is the best outcome of the negotiator if no agreement is reached?

Issue Importance

- Not all issues are equally important to me
- Some issues may be more important to you than to me
- Golden Opportunity to Logroll!

Relationship

- People in organizations typically discover when outcomes are thoroughly skewed and don't forget easily
- **Negotiators should value the relationship and the long term implications especially in internal negotiations!**

Bedrock of Negotiations is....

TRUST

- Deterrence based trust
- Knowledge based trust
- Identification based trust

Attributions that lead up to Trust

- Integrity: Does this person tell the truth? Does s/he do what s/he says s/he will do?
- Competence: Can this person accomplish what you expect of them and what s/he has promised?
- Benevolence: Do they truly care about your interests?

Building Trust

- Two ways
 - Cognitive Route
 - Affective Route

Trust Equation!

$$\text{Trust Worthiness} = \frac{\text{Credibility} + \text{Reliability} + \text{Intimacy}}{\text{Self Orientation}}$$

How to build trust

Rational and Deliberate Mechanisms

- Transform personal conflict into task conflict
- Agree on a common goal or shared vision
- Capitalize on Network Connections
- Find a shared problem or a shared enemy

How to build trust

Psychological Strategies

- Similarity
- Mere Exposure
- Reciprocity
- Schmoozing
- Flattery
- Self - Disclosure

Integrative negotiation strategies

- Ask diagnostic questions and listen, don't argue
- Build trust
- Reveal some information about preferences & priorities
- Unbundle the issues
- Package issues, avoid sequential bargaining
- Make multiple offers simultaneously
- Post settlement-settlement technique

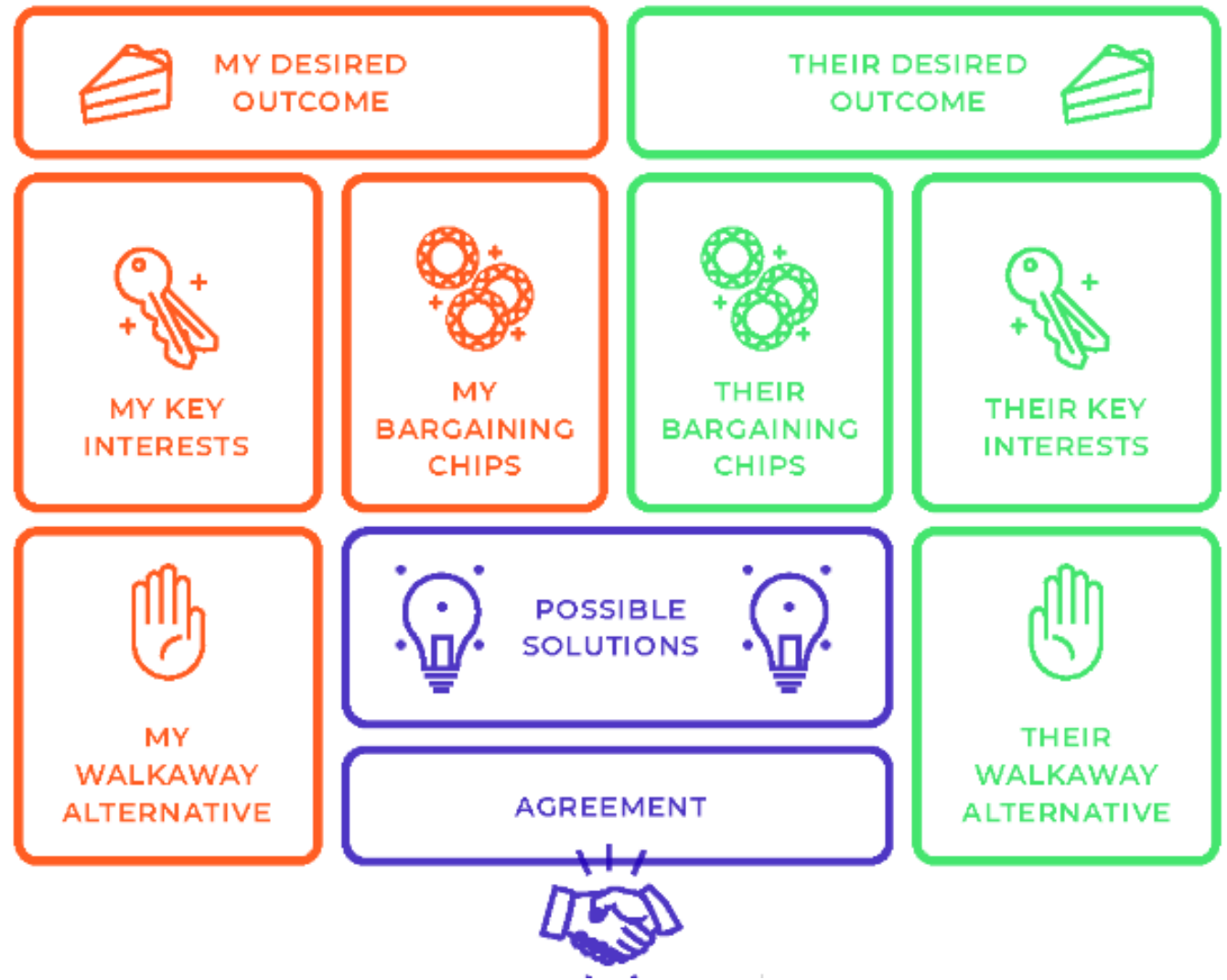
Develop a Scoring System

- The goal is to quantify all issues – generally in terms of dollars
- Define issues – remember these may change once you meet with the other side
 - Fractionate larger issues into smaller ones
 - Prioritize issues
 - Assign relative weights (e.g., divide 100 points among all issues)
- Check for indifference between outcomes with the same dollar value
- Make your scoring system dynamic not static
- Use scoring system to determine reservation price

Negotiation Planning Document

Issue	Self	Other
	Position	
	Underlying Interest	<input type="text"/>
	<input type="text"/>	<input type="text"/>
	<input type="text"/>	<input type="text"/>
	<input type="text"/>	<input type="text"/>
Reservation Price		
Target Price		
BATNA		

Negotiation Canvas



Common mistakes in Integrative Agreements

- First offer was accepted immediately
- Both parties considered less than three to five versions of potential deals
- You didn't ask other party any questions
- Other party didn't ask any questions
- Neither party tried to “tweak” the deal to improve
- You revealed nothing
- Other party revealed nothing
- Negotiated only one issue (salary)
- Negotiated (multiple) issues independently of the others

Takeaways: Strategies

- Trade Off: Logroll
 - When you prefer one issue more than another, and your counterparts' preferences differ from yours, this is a golden opportunity.
- Get Information about His/Her Preferences
 - Give out Information Slower than Your Counterpart
- Work for your Very Best Outcome
 - Make sure that S/he is Happy with the Outcome, too.

Takeaways: Pitfalls

Common Pitfalls

- Premature judgment
- Searching for the single answer
- The assumption of a fixed pie
- Thinking that solving their problem is their problem

What can you do?

- Figure out their interests
- Invent multiple agreements
- Separate inventing from deciding