

# Negotiation: Strategy and Planning

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# Please Read Me

- Check the message **Welcome greeting** published in the News Bulletin Board.
- Dear student please edit your profile uploading a photo where your face is clearly visible.
- The purpose of the virtual meetings is to answer questions and not to make a summary of the study material.
- This presentation is based on (Lewicki, Barry, and Saunders 2016, Chapter 4)

# Purpose

Understand and explore the main elements of the negotiation strategy, the process to select a strategy as well as the way in which most negotiations evolve to effectively plan a negotiation.

# The importance of planning in negotiations

- Some quotes about planning:

*"Everyone has a plan until they get punched in the mouth"*

— Mike Tyson

*"No battle plan ever survives contact with the enemy"*

— Helmuth von Moltke the Elder

- Therefore, there is no need to plan?
  - Absolutely not, but if your plan is not flexible you will get punched in the mouth and no part of your plan will survive when you negotiate with the counterpart.
  - Also don't expect everything will work millimetrically according to the plan because the counterpart might also have a plan and they will react strategically to your plan.

# The importance of planning in negotiations

- Without planning results occur more by chance than by negotiator effort
  - Behaviour of Successful Negotiators: Find some successful negotiators and watch them during actual negotiations to find how they do it.
    - (Rackham and Carlisle 1978a): planning is the foundation for any successful negotiation
    - (Rackham and Carlisle 1978b): exploration of options, common ground, long-term implications, setting limits<sup>1</sup> and use an issue planning method over sequence planning<sup>2</sup>
- Also check out in the **Links of interest** the video: How to negotiate properly? (Magic Markers 2018)

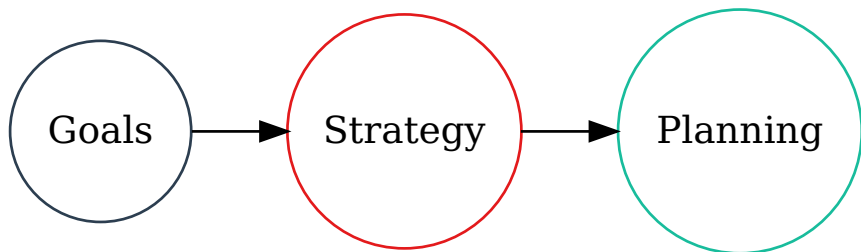
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<sup>1</sup>Plan in terms of a range and not around a fixed point

<sup>2</sup>Issues are independent and not linked by a sequence

## Key steps in the planning process

- Relationship between key steps in the planning Process (Lewicki, Barry, and Saunders 2016, Chapter 4, p 90)



# Goals

- The first step to execute a negotiation strategy is to determine one's goals.
  - **Substantive:** goals about tangible factors (price, terms of a contract, product specifications)
  - **Intangible:** goals about intangible factors (personal values and emotions of the parties such as defeating the other party or reaching a conciliation at any cost)
  - **Procedural:** goals about how the negotiation process occurs (define plans or just have a voice during the negotiation)
- The negotiator must identify what kind of goals to pursue<sup>3</sup>. What definitely cannot be ignored is the substantive goals given that it refers to the tangible aspects.

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<sup>3</sup>Identifying goals in practical terms simply means making a list to prioritize them



# Goals

- When defining goals take into account these 4 aspects (Lewicki, Barry, and Saunders 2016, Chapter 4, p 90-91):
  - Goals are specific objectives that are sought realistically.
  - Own goals can potentially be linked to the goals of the other parties.<sup>4</sup>
  - If in identifying the goals these are not attainable then:
    - Modify them so that they are attainable
    - Discard the negotiation as an option to reach an agreement<sup>5</sup>
  - The goals that are identified must be concrete, specific and measurable so that it is easier to:
    - Communicate to the other party what you want to achieve
    - Understand what the other parties want
    - Determine if the proposed proposals satisfy what you want to achieve

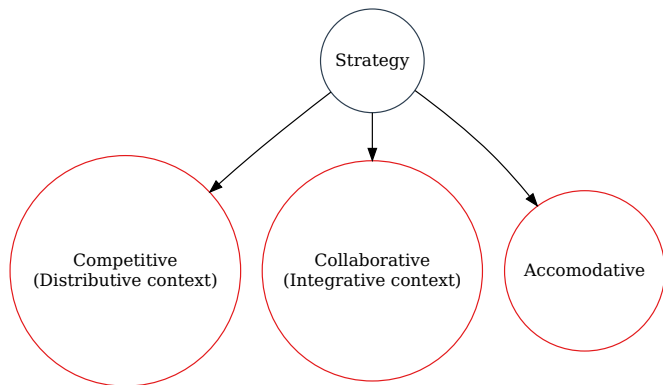
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<sup>4</sup>It is easier to reach an agreement if you have common goals

<sup>5</sup>Remember that negotiation as a form of **decision making** is not the only method that exists!

# Strategies

- Different engagement strategies in a negotiation context<sup>6</sup>

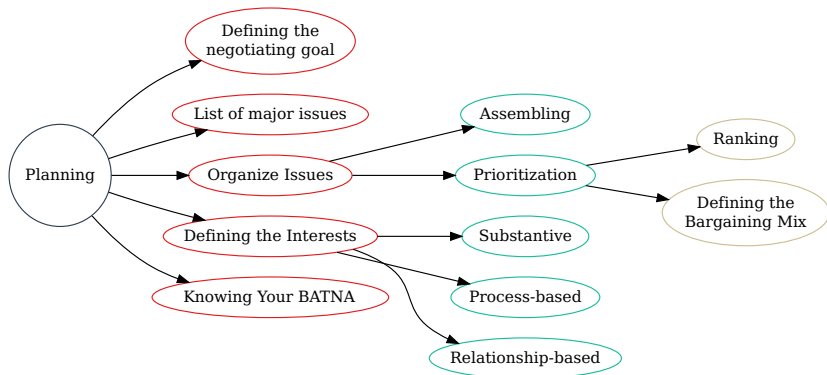


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<sup>6</sup>Check out (Lewicki, Barry, and Saunders 2016, Chapter 4, p 94, Table 4.1) for more details

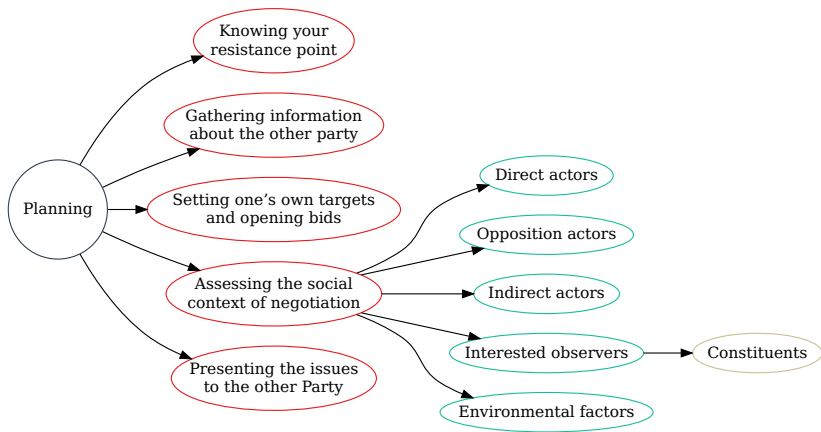
# Planning process

- Key steps in the planning process (Lewicki, Barry, and Saunders 2016, Chapter 4, p 96-112)



# Planning process

- Key steps in the planning process (Lewicki, Barry, and Saunders 2016, Chapter 4, p 96-112)



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# References

Lewicki, Roy J., Bruce Barry, and David M. Saunders. 2016. *Essentials of Negotiation*. Sixth Edition. Dubuque: McGraw-Hill Education.

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