J.W. Kaine, Ltd.

A special presentation for

TEC

An International Organization of CEOs

MASTERING THE ART OF NEGOTIATING

You can get what you want!

Do not Bargain with yourself

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THREE NECESSARY CONDITIONS FOR A NEGOTIATION

1. The **TERMS** can be varied.

2. Most negotiations are almost always around a SCARCE RESOURCE.
   OR what is perceived as a scarce resource

3. Each party has more to GAIN by negotiating than not negotiating.

A negotiation is a process which one goes through to get an agreement. If it is a successful negotiation it will be an **agreement that works.**

watch their ~~face~~ and their words.

what are my perceptions + assumptions about:

1 – this person
2 – their organization
3 – this negotiation

what are their perceptions on

1 – me
2 – my organization
3 – this negotiation

BASIC MUST FOR GOOD NEGOTIATIONS

Negotiating is the mutual satisfaction of both parties' needs. In order to accomplish this successfully, one needs to control the following three elements.

INFORMATION.
WHAT ???
SEPARATE the person FROM the PROBLEM.

TIME.
TIME IS POWER
DEADLINES
SELF-IMPOSED
ARE they REAL
& the other SIDE

CLIMATE.
FOCUS ON WHAT is right
NOT who is right.
CONCESSIONS ARE A WAY OF LIFE.

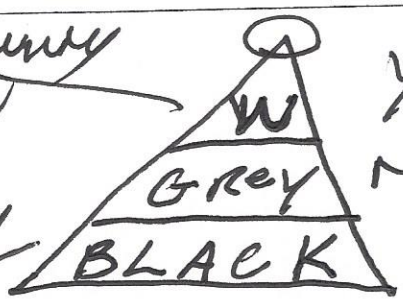
These three elements must be controlled to realize POWER

POWER is a function of

Having OPTIONS.
2- WHAT else
DO YOU NEED
TO BUY
& NEED

Taking RISKS.
1- NEVER MAKE
A CONCESSION
IMMEDIATELY
& ALWAYS USE
TIME TO ADD
UNCERTAINTY TO
UNCERTAINTY MAKE WAIT
2- NEVER MAKE
A CONCESSION WHEN
NEW INFO LIKELY
ALLOWS YOU TO

OPPONENT'S
OPTION



YES
MAYBE
NO

CONTRACT

TACTICS ARE NOT
USED TO NEGOTIATE.
BUT TO DEFEND.
1- PUT A NUMBER
ON THE PAD
2- PUT ON
TABLE

There Are Always Two Negotiations

There are always two negotiations - the first is with your own team; the second is with your opposite. You must reach accord with your own team before attempting to negotiate with your opposite.

The depth of preparation and the number and kinds of people that compose a negotiation team depends on the importance of the negotiation. It is also affected by how difficult the negotiation will be and how much time you have to negotiate.

There are advantages and disadvantages associated with a team in the negotiation. However, while one may want to be the sole representative of a team in a negotiation it is always advisable to prepare for any negotiation as a team. Whether it is a team or an individual negotiator depends on one important factor: What are the skills or functions that are needed for the negotiation at hand? If a team is used everyone must have a clearly defined role and a team captain.

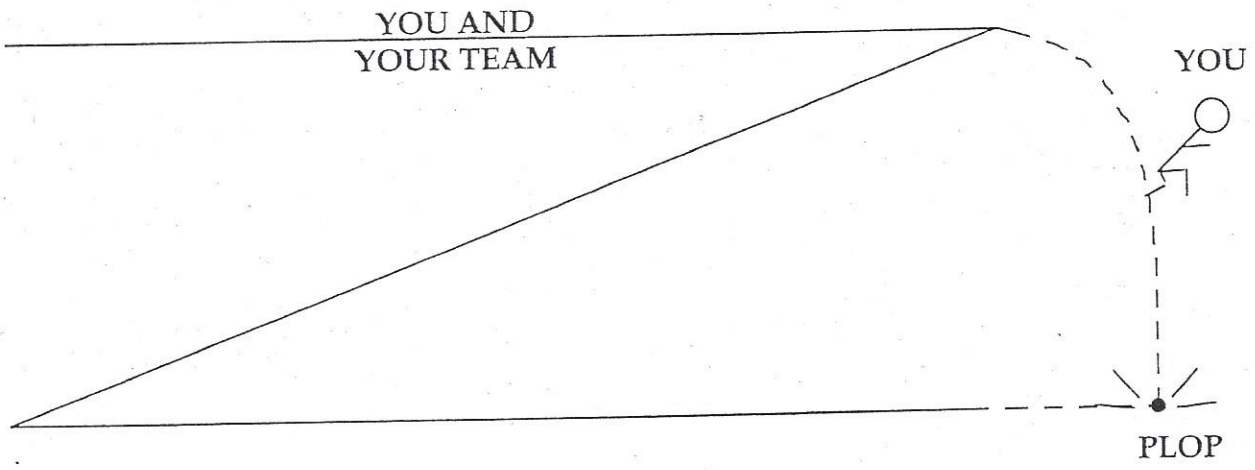
Advantages to negotiating as a team:

1. Show of **strength** and **public relations** value. The number of team members also says to the other party that the negotiation is important.
2. **Moral support.** One person can think while the other talks. This enables a pooling of judgments. A team will take a greater risk and a more informed risk than an individual.
3. **Better planning.**
4. **Better internal coordination.**
5. **More expertise.** Different technical backgrounds can correct misstatements of fact. It also has the advantage of having the information one needs at the meeting.
6. **Different roles** are easier to play. An effective team captain can use the various members of his team as excuses for gaining concessions or making concessions.
7. **Less chance for an unknown error to occur.**

Disadvantages of a team:

1. **Positions are not as solid.** Questions can be aimed at the weakest team member.
2. **Disunity.** A skillful negotiator may be able to create disagreements among the opposite sides' team members.
3. **Time.** A team will not be able to move as fast as an individual negotiator. This ability to make a quick on-the-spot decision to gain a concession or an agreement may cause some problems.
4. **Cost.**
5. **Control.** Team members sometimes speak out when they should not.

We all have observed cases of the "Z-trap" which usually results from imperfect understanding or communication with one's own team. The situation is also commonly described as like "having the rug pulled out from under you." The key to preventing this is prior planning.



DON'T LET "THEM" YANK THE GROUND
OUT FROM UNDER YOU!