

Strategic Negotiation

Presented by: Brian Menzies & Karl Busch



Think! Inc.
Negotiation Solutions

Objectives

- Review two fundamental principles of negotiation:
 - Consequence of No Agreement
 - Trades
- Introduce the Think! Process for Negotiation

Common Negotiating Mistakes

- Failure to consider the strategy of the other side
- Emotional escalation to the wrong objective
- Planning for one round of a multiple round negotiation — tactical vs. strategic thinking

Negotiation Case Exercise

- Audit existing strengths and weaknesses
- No inventing data
- 5 min to read and plan
- 10 min to negotiate
- Seller report deal results for recording

Who Had the Power in This Negotiation?

Buyer CNA:

(Consequences of No Agreement)

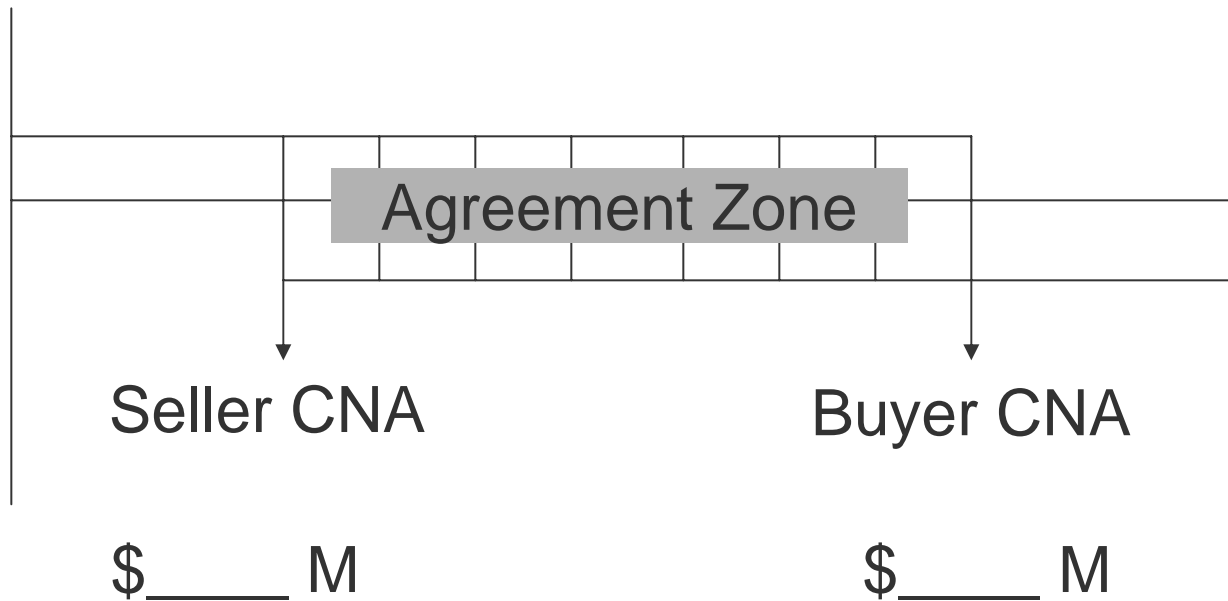
Analysis:

Seller CNA:

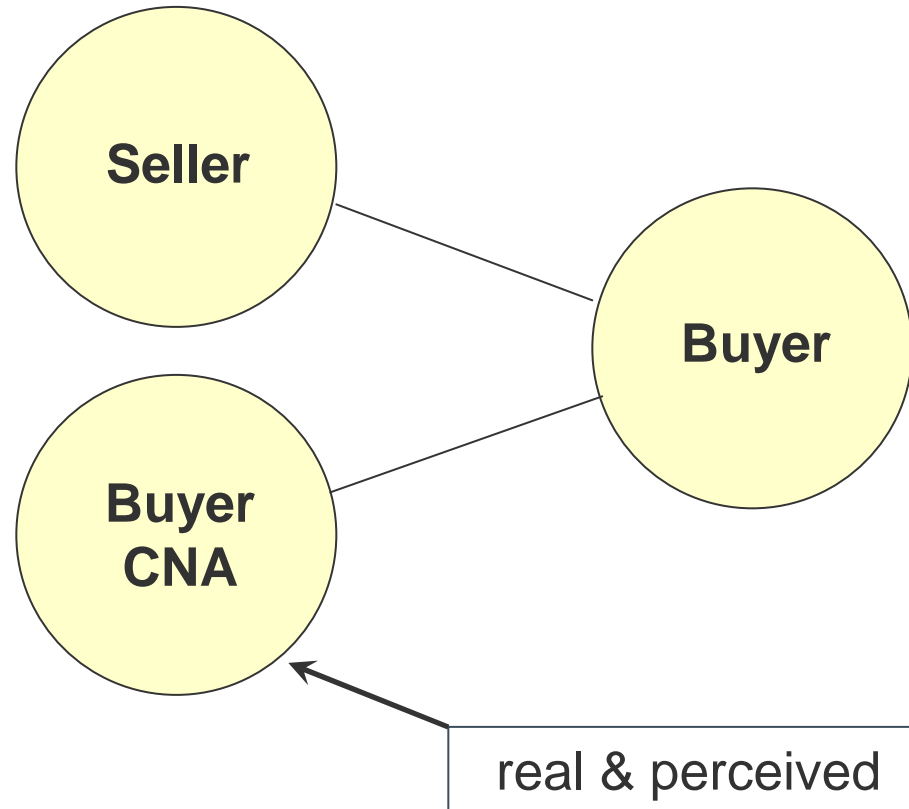
(Consequences of No Agreement)

Analysis:

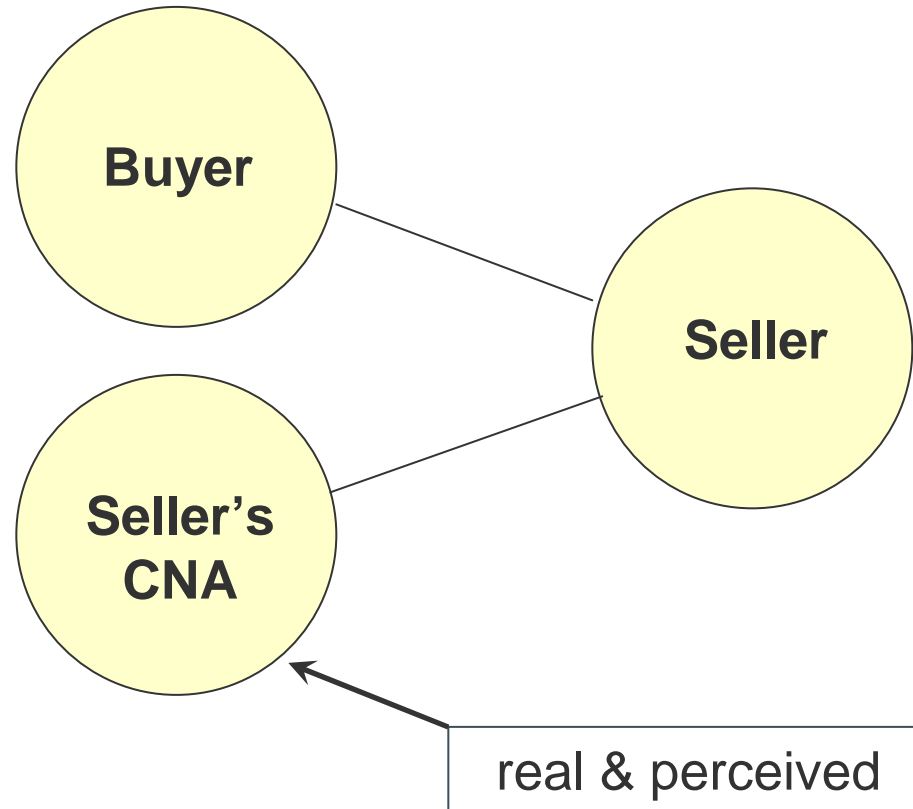
CNA's Define the Agreement Zone



Negotiation Structure – Our Perspective



Negotiation Structure – Their Perspective



CNA – Consequences of No Agreement

- Diagnosis of power
- Rational Agreement Zone
- Offer valued against “perception” of CNA
- Proactively manage the process



Power comes from CNA...you can improve yours

What Was the Main Item Being Negotiated?

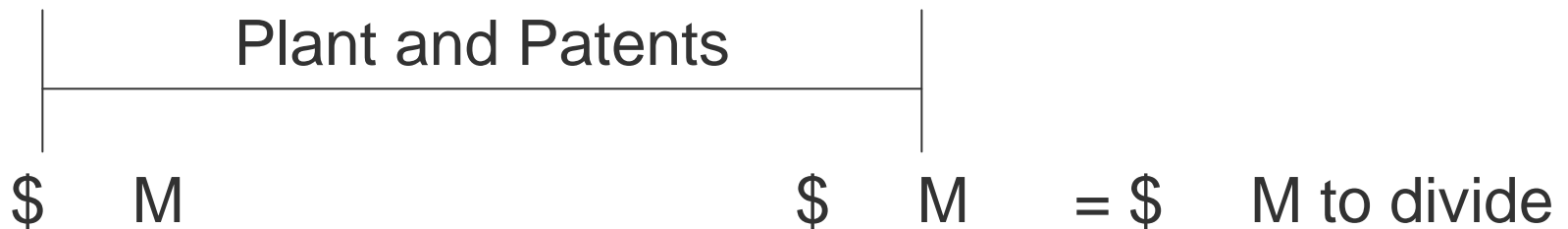
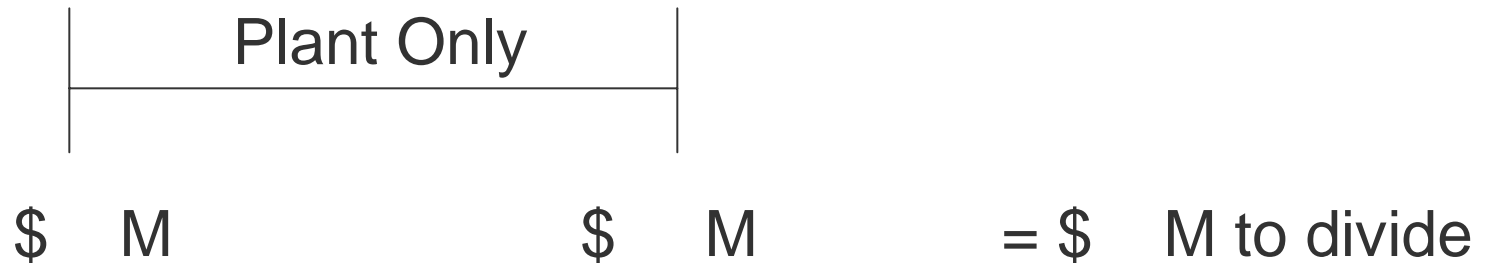
Main Buyer item/range:

Main Seller item/range:

Other Buyer items/ranges:

Other Seller items/ranges:

Expand the Agreement Zone



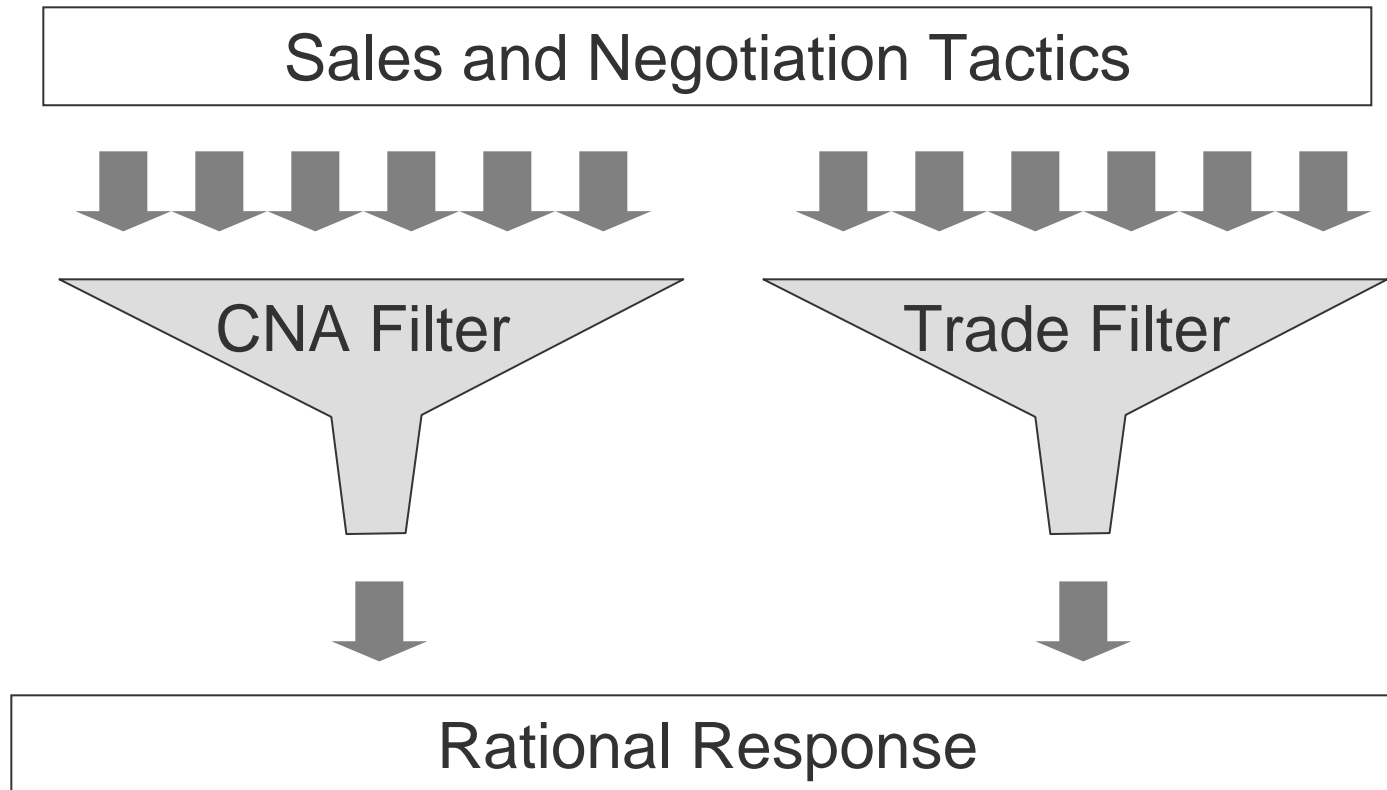
Creating Value by Trading – Two Rules

- Never concede – always Trade
- Never negotiate one thing by itself

Creating Value by Trading

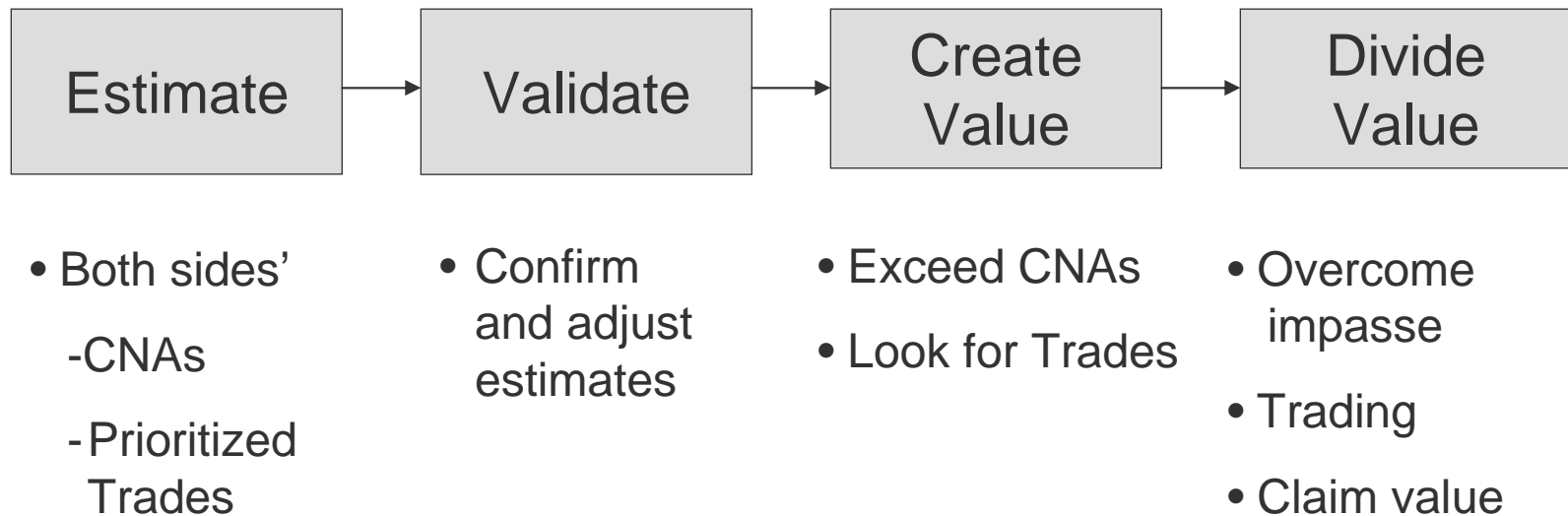
- Never concede – always Trade
- Never negotiate one thing by itself
- Trading items of different ranking create true business value

Analytics as the New Tactics



Think! *Strategic Negotiation Process*

Goal: Create joint value & divide it given concerns for the ongoing relationship



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Think! Inc. *Strategic Negotiation*

“There are no silver bullets...

...however, a well executed process improves the chances that we do better over time.”

Max Bazerman, Ph.D.

Think! Inc. Partner

Harvard Business School Professor

For Further Information

www.e-thinkinc.com

Brian Menzies

brian.menzies@e-thinkinc.com

310-463-9340

Karl Busch

karl.busch@e-thinkinc.com

877-652-2956