

Effective Negotiations

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Effective Negotiations

Topics Covered

- Definition of Negotiation
- What Project Managers Negotiate
- Why Negotiations Fail
- Building Blocks for Successful Negotiations
- Lessons Learned . . .

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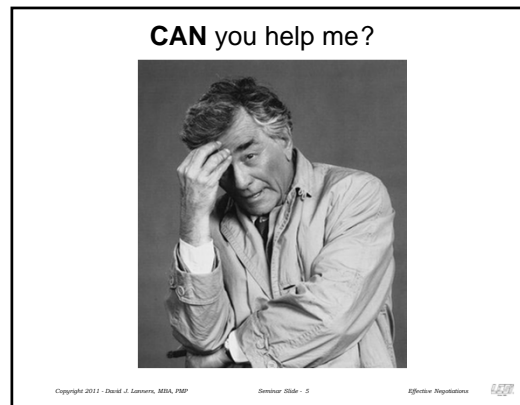
What is Negotiation?

- Getting a deal
- Agreement
- Compromise
- Bargaining
- . . .

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What do PMs Negotiate?

- Scope
- Requirements
- Resources
- Schedules
- . . .

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Why do Negotiations Fail?

- Lack of influence
- No political power
- Low priority issues
- Vague objectives
- . . .

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Building Blocks for Success . . .

- Positions vs. Interests
- Options
- Standards
- People Issues
- Alternatives (*BATNA*)
- Closure

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Positions vs. Interests

- **What are Positions?**
 - Things they say they want
 - Demands
 - Terms and conditions
- **What are Interests?**
 - Underlying motivations
 - Needs and concerns
 - Fears and aspirations

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How to Discover Interests

- Never take positions for granted
- Look for underlying Interests
- Put yourself in your partner’s shoes
- Ask “WHY” questions
- Ask “WHY NOT” questions

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What is an Option?

- Possible agreement
- Part of a possible agreement
- It is NOT a commitment
- Discovered by brainstorming
- Think brain “*streaming*”

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Rules for Brainstorming

- NO criticism
- NO commitment
- Listen politely
- ADD to options
- Work with CANS (*avoid can'ts*)

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Long-term Effects?

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Independent Standards

- Market value
- Precedent
- Industry Practices
 - Relevant
 - Widely accepted
 - Facilitate agreement

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Using Standards

- **Sword:** Explain to the other side why the proposal would be fair to them . . .
- **Shield:** Explain why the other side's proposal does not feel fair
- Standards are not created *equal*

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People Problems

- Emotions
- Perceptions
- Communication

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People Solution

- Empathy
- Active Listening
 - Paraphrasing
 - Mirroring
 - Matching

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What is Your BATNA?

- **BATNA = Best Alternative To a Negotiated Agreement**
- Alternatives are deals that can be made “away from the table”

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Preparing Your BATNA

- Know your *BATNA* before you start your negotiating
- Improve your *BATNA* as you learn or discover other alternatives
- Estimate your partner’s *BATNA*

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Common Closure Mistakes

- Not thinking about closure until the end of negotiations
- Locking things in at the beginning

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Benefits of a “Framework”

- Things don’t get left out
- Remaining problems are visible
- Specific agreements can be reviewed without getting locked in on issues that remain open

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Steps to Achieve Closure

- Picture agreement before starting
- Do not commit until the end
- LIST the issues to be discussed
- Build a framework for agreement
- Convert the framework to a draft
- Exchange drafts and revise
- Try contingent offers (If, then)
- Be generous at the end

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Summary

- Positions vs. Interests
- Options
- Standards
- People Issues
- Alternatives (*BATNA*)
- Closure

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