

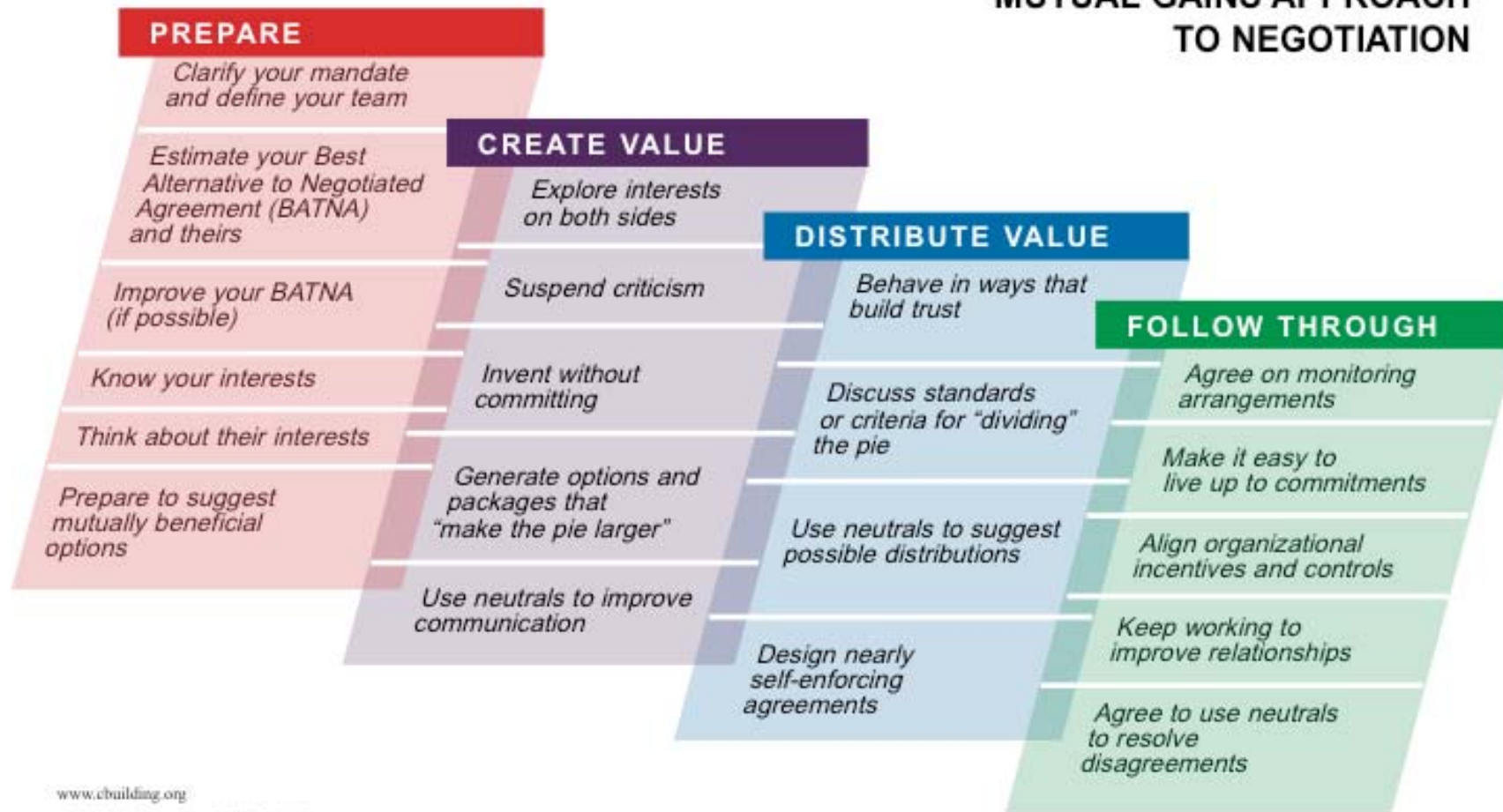
Creating Value, Not Compromise



An Alternative...



MUTUAL GAINS APPROACH TO NEGOTIATION



Integrative Bargaining



- Integrative bargain allows for joint gain and not zero-sum outcomes
- Explore interests:
 - Objective and subjective, short term and long term
 - Common, competing, and independent
- Evaluate alternatives
- Obtain and convey essential information
- Generate creative options

Focus on Interests, Not Positions



Position = What you want
Interest = Why you want it

- In preparation, analyze your interests, and theirs
- At the table, explain your interests
- Ask questions & listen to discover their interests

How to Explore Interests?



Ask and be ready to answer:

- “Why is that important to you?”
- “What are the key things that underlie that?”
- “Is it really something else that concerns you?”
- “Would we be moving in the right direction if...?”

Multiple Interests



- Take into account **multiple interests** when communicating
 - Substantive (I want to reduce consumer complaints)
 - Procedural (I want a fair process)
 - Personal (I need respect, dignity. . .)
 - Psychological (I am mistrustful, anxious, angry . . .)
 - Cultural (I am a member of . . .)
 - Cognitive (I understand/misunderstand . . .)

Creating & Claiming Value



Creating Value requires:

- Clear communication
- Openness on interests and ideas
- Creativity
- Joint problem-solving

Exercise



Turning Positions into Interests

- Our group has to take the lead on this initiative
- We want equal matching funds from all partners
- Devices must measure within 5% accuracy
- No non-members are allowed on the list-serve

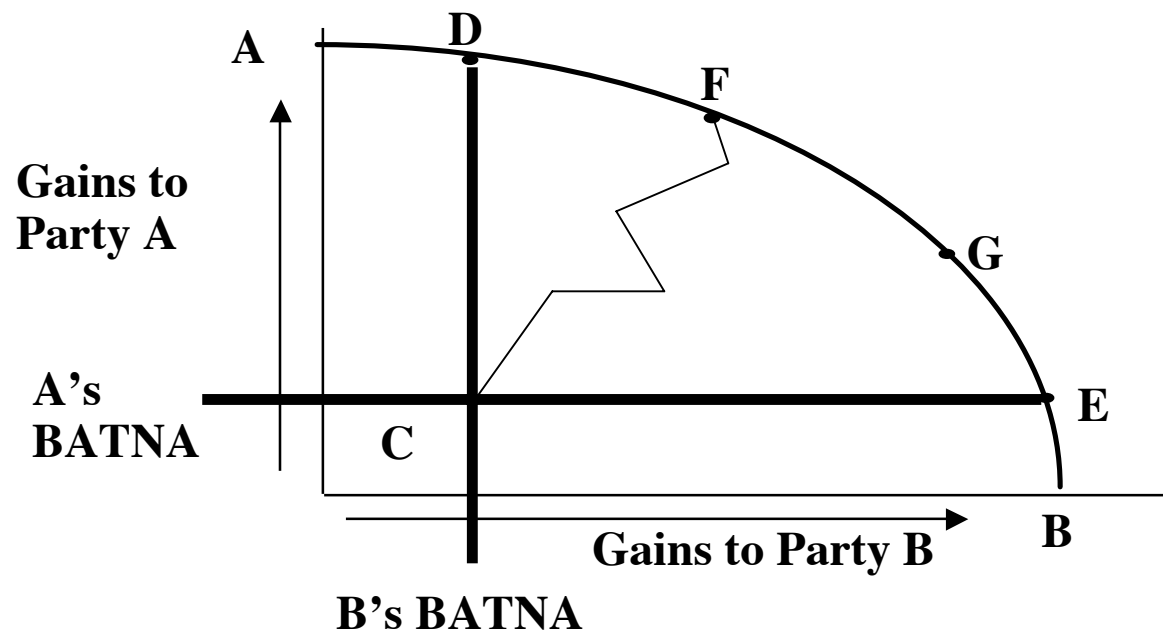
What's a BATNA?



BATNA: Best Alternative to a Negotiated Agreement

- Best alternative action you are able to pursue away from the table
- When you know your BATNA, you know the minimum you should accept at the table

Creating Value



Moving Toward the “Frontier Curve”

Create Value, Not Compromise



- Collect Information About Their Interests
- Clarify Their Interests, Beliefs, Constraints
- Communicate Your Interests
- Create Multiple Options Without Committing
 - *Improve your BATNA and Theirs*
- Capture Differences ... *That Can Lead to Mutual Gains*



Activity: Ted Willy



FOCUS: Improving integrative bargaining skill

Schedule:

20 minute preparation

20 minute negotiation

20 minute debriefing

Joint Gains



Why do negotiators leave value uncreated?

- Failure to really know own interests and capabilities
- Failure to probe for the full set of other's interests
- Failure to build trust, communicate, share information
- Excessive “value-claiming” by one or both sides
- Information as two-edged sword: essential to solve joint problem, but a source of vulnerability

Creating & Claiming Value



Claiming value often entails:

- Closely-guarded information
- Misleading impressions
- Extreme or rigid demands (positions)
- Threats and “difficult” behaviors

A dynamic that can lead to:

- Lowest common denominator agreements
- Impasses
- Soured relationships
- Difficult implementation

Finding Joint Gains



- Explore interests to discover opportunities for joint gains
- Don't assume there is just one issue
- Brainstorm low cost ways to meet your counterpart's interests in exchange for reciprocity
- Use contingencies when parties have differing views of - or concerns about - the future

Using Standards



- Use objective standards to avoid the “I want, you want” struggle
- Choosing standards is a negotiation in itself
- Standards provide each negotiator with persuasive rationales for their second tables

Value Creating Moves



- **Set the Table**
- **Uncover interests**
 - Interests are the foundation of viable options
- **Invent options**
 - Invent, create, explore, imagine, “what if?”
 - If you view negotiation as compromise, that’s what you’ll get
 - Squeeze out value, not each other
 - Separate inventing from committee (for a while)
- **Package options**
 - Don’t trap the negotiation by issue-by-issue resolution
 - Make multiple offers
- **Seize on differences**
 - Differences are the currency of negotiation

Creating Value Reflections



- Think about an example of a successful radon initiative or event that was implemented in your region where collaboration was an asset.
- Think about time & energy you spend managing or responding to conflict, misunderstand, lack of clarity on roles and responsibilities, etc, and how you might use that time and energy on more effective and proactive purposes.

Creating Value



For tomorrow:

- How might *mutually agreeable changes* to current processes and structures or *new initiatives* on **proficiency** (of devices and professionals), **standards** (existing and future), and **relationships** lead to improved outcomes for your stakeholders?

Creating value is hard because



- People value losses greater than gains
- Players position themselves too early & often on the wrong things
- Players limited by “focusing” bias
- Reactive Devaluation (“buyers remorse”) reduces the perceived value of offers
- Claiming value tends to swamp creating value

Remember . . .



- Create value, don't compromise it
- Interests are the foundation of agreement
- Consider both what can be gained and what can cease being lost
- Invent multiple options, not offers
- Trade across differences
- Package issues to accommodate trade-offs