

FOCUS SPEAKER BIO Peter Spence has over 25 years' experience in negotiation practice, consultation, research, development and delivery of training interventions across the diverse fields of crisis, commercial and social negotiations. He is the founding principal of Strategic Planning and Negotiation Services (SPANS) and the organization's lead negotiation consultant, specialist agent, coach and trainer. Peter has prepared and delivered negotiation skills training and presentations to company Executives, CCDS, Directors, finance and medical professionals across a diverse range of industries, including Health, Finance, Insurance and Mining, His experience has extended to a variety of commercial and crisis negotiations and public dispute mediations. Peter is a former crisis negotiator and has completed the Harvard Law School Program on Negotiation 'Teaching Negotiation in the Organisation' course. He has also presented at international, national, state and regional forums on topics ranging from knowledge management, negotiations, disaster planning and response, Health partnerships, security, change management and developing an effective collaborative networks.

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LEARNING OUTCOMES

- Study conventional approaches to negotiation and their limitations
- Encourage participants to reflect upon the strengths and limitations of their own theory and style of negotiation
 Introduce participants to alternative approaches to negotiation that are designed to create value, develop productive and durable business relationships
- Highlight barriers to effective negotiation and methods of overcoming those barriers
- $\label{eq:definition} \mbox{Demonstrate that negotiation is a process of } \mbox{\it both claiming and creating value}$
- Understanding and applying negotiation power
 Demonstrate how participants can build the collaborative advantage to produce outcomes that will better satisfy their interests and goals

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STRATEGIC NEGOTIATION

'The greatest challenge to negotiating a successful agreement is not the other side, it is ourselves'

The fundamental theories and strategies outlined in this presentation are designed to challenge our own approach so that we may get from No to Yes in achieving what we want from Negotiations.

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SUCCESSFUL NEGOTIATIONS REACH AGREEMENTS THAT:

- Satisfy the Interests of both Parties
- · Are Efficient
- Durable, and
- Strengthen Relationships

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Poorly prepared and managed Negotiations result in:

- Failure to reach an agreement where potentially good deals exist but are missed.
- Fragile agreements that come undone
- Potential value left behind on the negotiation table
- Ongoing conflict that may damage relationships and add to costs (i.e. litigation, costly disputes)

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CONVENTIONAL NEGOTIATION MODEL Positional Bargaining: Positional Bargaining is the traditional form of Negotiation - also referred to as Distributive Bargaining. Negotiators who adopt this approach make extreme claims in an attempt to persuade, force, pressure or deceive the other side into moving toward their own preferred position.

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CONVENTIONAL NEGOTIATION MODEL

- Aligned to a competitive system where negotiators assume that resources are limited or fixed and that any gains can only be achieved at the expense of the other side
- Accordingly, this adversarial approach to negotiation is associated with 'win/lose' or sum/zero outcomes.
- The approach tends to escalate the negative emotions that inhibit our more conscious and rational decision making and joint problem-solving capability – lowering our Negotiation Intelligence

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CONVENTIONAL NEGOTIATION MODEL

- Competitive, adversarial bargaining based upon positional claims
- Belief in limited or fixed resources 'fixed pie' mentality
- Identified with Zero/Sum or 'Win/Lose Outcomes
- $\bullet\,$ Suited to single dimension and simple issues

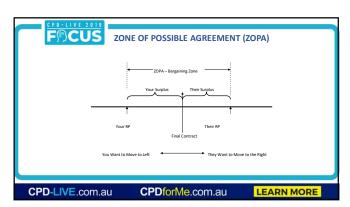
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Principled Negotiation: • Adopts a collaborative problem-solving approach that attempts to meet the substantive and legitimate interests of both parties involved • Resolves conflicting interests fairly, preserves relationships and creates long lasting durable agreements. • This form of negotiation seeks a 'win/win' outcome CPD-LIVE.com.au CPDforMe.com.au LEARN MORE

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PRINCIPLED OR INTEREST BASED NEGOTIATION Research studies have found that lawyers who used integrative bargaining tended to have better negotiation outcomes and higher levels of client satisfaction compared to those who used distributive bargaining

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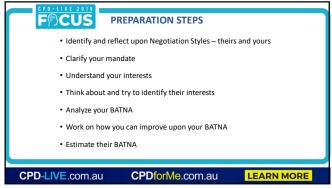
Principled or interest-based negotiation is usually identified by the following features: Collaborative Problem Solving Separates people or emotional issues from substantive problems Is focused on interests rather than positions Seeks to generate or invent options for mutual gain relying upon an abundance mentality to create value Integrative Bargaining CPD-LIVE.com.au CPDforMe.com.au LEARN MORE





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PREPARING FOR NEGOTIATION Prepare to suggest mutually beneficial options Anticipate perceptions – likes, bias, bargaining style etc. Prepare objective criteria (standards) to support your proposals Plan your negotiation process Be flexible and prepared to adapt Base your preparation around the following 7 key elements of Negotiation CPD-LIVE.com.au CPDforMe.com.au LEARN MORE









FIGUS SEPARATING PEOPLE FROM THE PROBLEM Be Soft on the People and Hard on the Problem People problems (emotions) often become entwined with the objective, rational basis for the problem $\,$ Emotional reactions are instinctive and unavoidable – we are all hard wired to automatically react to perceived threats. When we are overwhelmed by emotions our conscious brain does not function effectively - our logical, creative thinking and problem-solving skills become compromised. By identifying our emotional triggers and their impact we are then able to employ self regulating strategies to shift our thinking to more rational, conscious problem solving CPDforMe.com.au CPD-LIVE.com.au **LEARN MORE**

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FOCUS SEPARATING PEOPLE FROM THE PROBLEM • Do not ignore the people problems – disengage them from the substantive problem and treat them separately Enables you to treat each other as human beings, with understanding, empathy and respect • Encourage participants to collaborate for the purpose of attacking the problem and not one another CPD-LIVE.com.au CPDforMe.com.au **LEARN MORE**

FOCUS UPON INTERESTS, NOT POSITIONS Positions often mask what you really want Positions often increase people or emotional problems - people issues then take over from substantive issues or interests People tend to dig in to defend their positions even when this process may not be in their best interests Arguing over positions may contribute to an escalation of emotions and the problem resulting in an inefficient and unwise outcome.

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INVENT OPTIONS FOR MUTUAL GAIN Avoid searching for a single answer and bargaining over a fixed pie enlarge the pie and increase value Generate options without judging them – brainstorm ideas and possible solutions without deciding or committing Search collaboratively for mutual gains – Results in Win/Win outcomes, increases value to the agreed outcome Search for shared interests Search for different interests that may complement one another to build value – trade across differences CPD-LIVE.com.au CPDforMe.com.au LEARN MORE

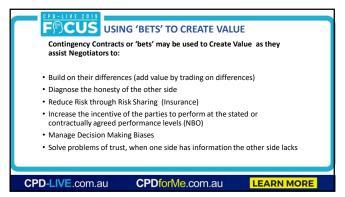
FOCUS US	E OBJECTIVE CRITERIA	
 Without rational, objective standards on which to base your negotiation, the negotiation process degenerates into bargaining over positions and not upon the underlying principles or interest of either party 		
 Insist that the outcome reflects some reasonable or fair standard that is independent of the will of either party 		
 Outcomes based upon fair principles tend to be more durable, enforceable and preserve relationships 		
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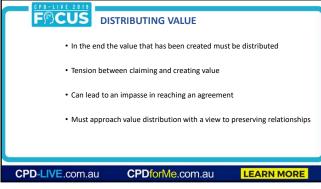




STEPS TO CREATING VALUE • Explore interests on both sides • Suspend criticism or judgment • Invent without committing (Brainstorming, generating options) • Generate options and packages that 'make the pie larger' (integrated diversity – package items that parties value differently) • Use neutrals to improve communication CPD-LIVE.com.au CPDforMe.com.au LEARN MORE

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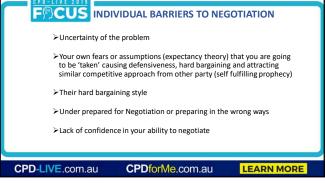
DISTRIBUTING VALUE Discuss objective standards or criteria for 'dividing' the pie – pivotal strategy to distributing value Mean what you say - promises must be lived up to – design self-enforcing dispute resolution process CPD-LIVE.com.au CPDforMe.com.au LEARN MORE

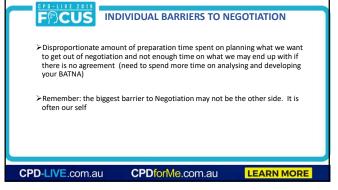
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STEPS TO FOLLOWING THROUGH Make it easy to live up to commitments (ensure agreed outcomes can be realistically achieved) Keep working to improve relationships (making agreements more durable) look at linking to other negotiations (building value post negotiation) Agree to use neutrals to resolve disagreements CPD-LIVE.com.au CPDforMe.com.au LEARN MORE





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> Negotiators often do not prepare as organisations do not allow them to (insufficient resources, time etc) > Organisation is not familiar with analysing its own BATNA • Lack of internal communication and understanding within the organisation on what the negotiators objectives are > Organisation only rewards hard bargainers > Lack of internal cooperation in advance of the negotiation task > The organisation does not provide negotiators with a clear mandate to negotiate CPD-LIVE.com.au CPDforMe.com.au LEARN MORE

DEALING WITH BARRIERS Adopt a collaborative, mutual gains approach - build your competencies and confidence in this approach Develop Negotiation and Collaboration as core organisational competencies Prepare, prepare, prepare – over 80% of successful negotiations are attributed to preparation Negotiate your mandate to negotiate Employ interest-based negotiation strategies by naming and changing the game to focus on more intelligent problem solving.

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CONTAIN AND NEGOTIATE Use your alternatives, rights and power as the 'last resort' to contain the situation and bring the parties back to the negotiation table Containment and control: Manage the Negotiation process. If you are dealing with hard bargainers who rely upon threats and aggressive behaviour, don't react and let your emotions lower rational decision making. Acknowledge feelings and concerns before moving to problem solving—(acknowledging is not agreeing)

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CONTAIN AND NEGOTIATE The pressure of time is often used to force parties into accommodating or compromising – it results in a sub-optimal agreement Don't react, but choose a purposeful response that provides you with more time to prepare and negotiate a collaborative agreement Reframe, reframe, reframe..... Shift the problem to the '3rd story' conversation – moving the story from positions to interests CPD-LIVE.com.au CPDforMe.com.au LEARN MORE

FOCUS COMMUNICATION • Communication is Negotiation – how effective we are in communicating will determine our negotiation success When another party makes an offer or threat don't react and jump straight in. Take time to prepare your response. You are more likely to give information away by reacting. • The more you speak, the more power you give away. The more you listen the more information and power you gather to prepare and manage your negotiations.

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FOCUS COMMUNICATION – ACTIVE LISTENING Don't go into a Negotiation with arguments to convince the other side they should agree with the strength of your case. Actively Listen and learn. Use probing questions to ascertain their strength, underlying motive or interests • Crisis Negotiators adhere to the universal philosophy 'Talk to me' to engage, develop rapport with and learn from others to promote mutual understanding and agreement • First seek to understand to be understood. CPD-LIVE.com.au

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FOCUS DON'T REACT, RESPOND Don't react but respond to unreasonable demands – use the power of a Positive No. • Listen to and acknowledge the basis for their arguments (actively listen) • Follow through with a statement that explains why their demand is not acceptable (and won't work) • Then ask the question on how we can work together to reach a mutually acceptable solution. Use a purposeful response to mitigate the emotional noise, reduce defensiveness and open up communication based on mutual interests and problem solving CPD-LIVE.com.au CPDforMe.com.au LEARN MORE







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FOCUS THANK YOU!		
Peter Spence is the Principal of Strategic Planning and Negotiation Services – a consultancy that provides negotiation competency training and development, coaching and advisory services. Training and support is provided to individuals, groups and Organisations. This presentation provides entry level fundamentals to Strategic Negotiation. Peter has developed and provides more in depth training and development focussed on each of the key principles of Strategic Negotiation.		
Peter adopts a hands on action learning training approach aligned to the Harvard PON Negotiation training framework involving a high level of participant interaction, simulation exercises and case studies weaved into the key learning principles. Peter has the professional experience, theory and skills to assist you to become a better negotiator or develop a world class negotiating organisation.		
Peter welcomes your inquiries to discuss negotiation training, coaching or advisory needs and can be contacted on: MOB 0457 941188		
email: <u>pmspence@bigpond.com</u> website <u>www.spans.com.au</u>		
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