

Strategic Negotiation Fundamentals

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PROGRAM ON NEGOTIATION

H A R V A R D L A W S C H O O L



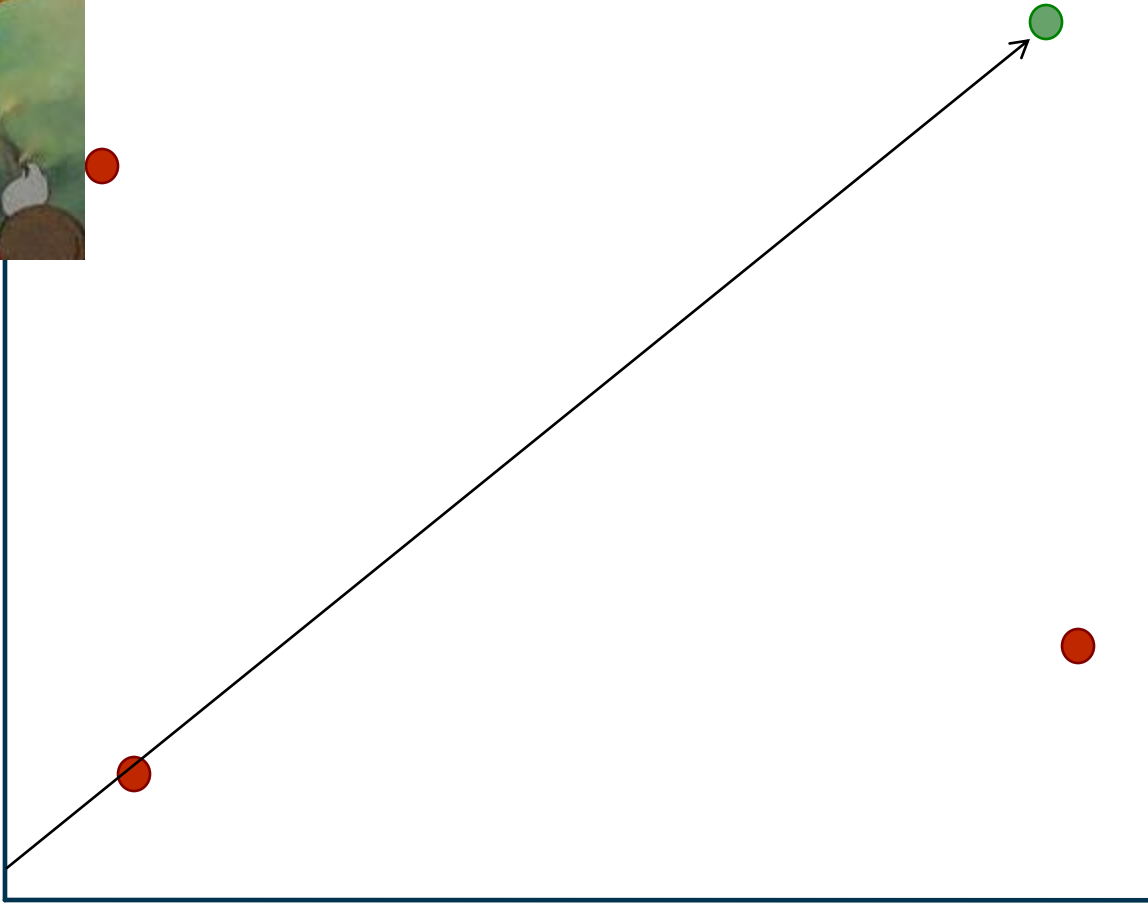
Two Early Negotiation Books:



Balancing Substance vs. Relationship



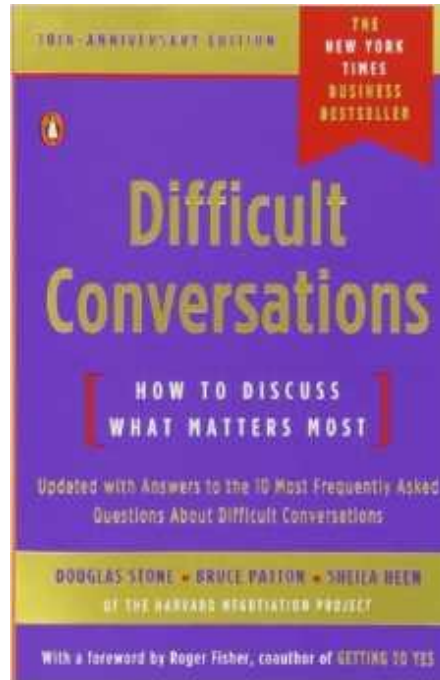
Relationship



Substance



Program on Negotiation at Harvard - Three major works to read



Individual Question:

Which types of negotiation situations do you find most challenging, and why?

What is Negotiation?

- Negotiation is a basic means of getting what you want from others.

Fisher, Ury & Patton

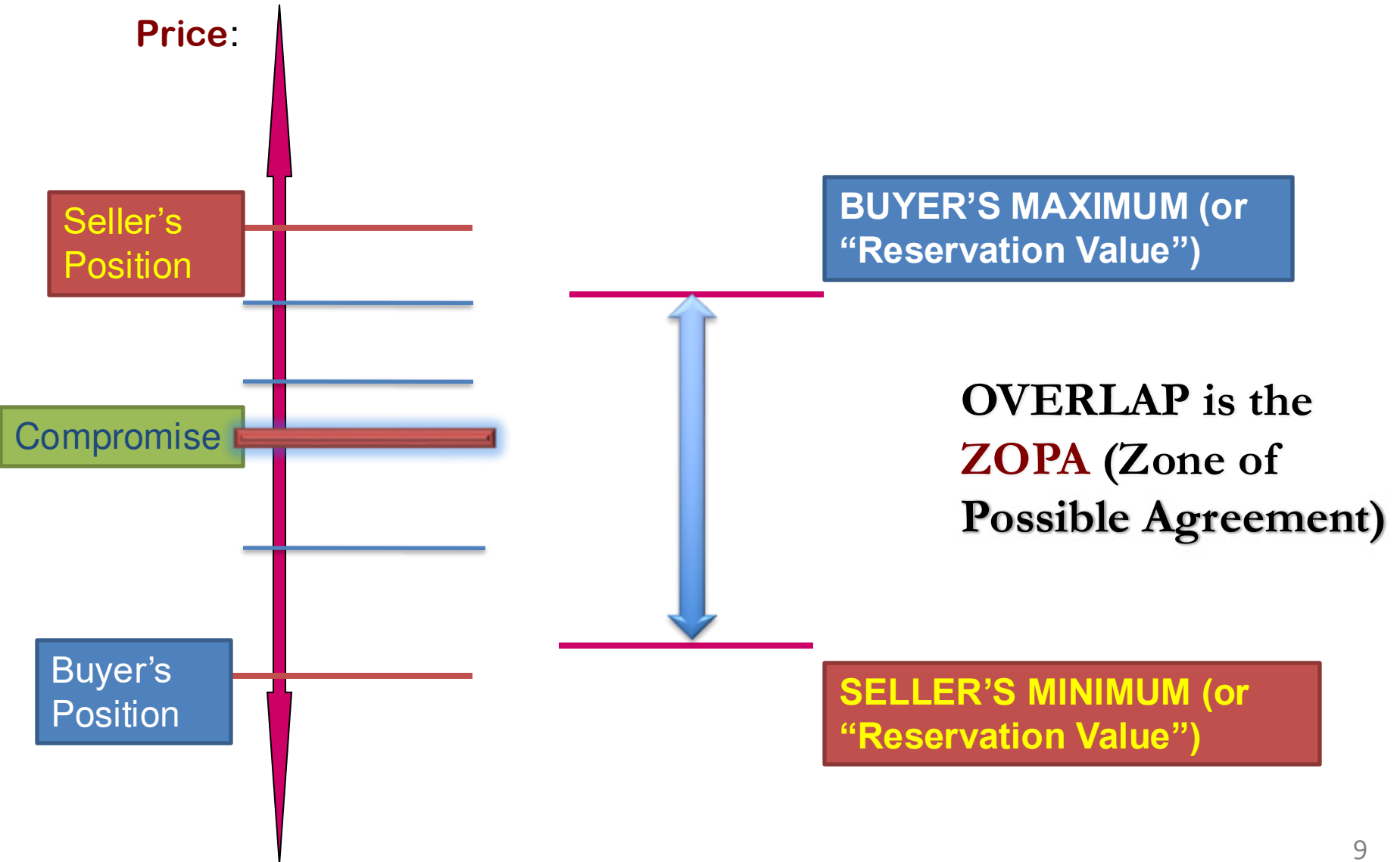
- A process of interaction to advance individual interests through joint action.

Salacuse

- Resolving Incompatible Goals.

Galtung

Distributive Model



Reflection:

1. What are some **advantages** of **distributive bargaining**? In what situations is this kind of negotiation approach useful?
2. What might be some of the problems or **dangers** of **distributive bargaining**?

Distributive Bargaining

- Simple, concrete and clear; universally known, frequently expected
- The “pie” is fixed: your gain is my loss
- Goal = to get as close to the other’s ultimate limit as possible (get most of the “pie”) relative to the other
- Negotiate by positions and concessions
- Use threats, power, commitments to persuade the other to give in
- Flexibility is a weakness
- Hide/conceal information

The 7 Element Framework

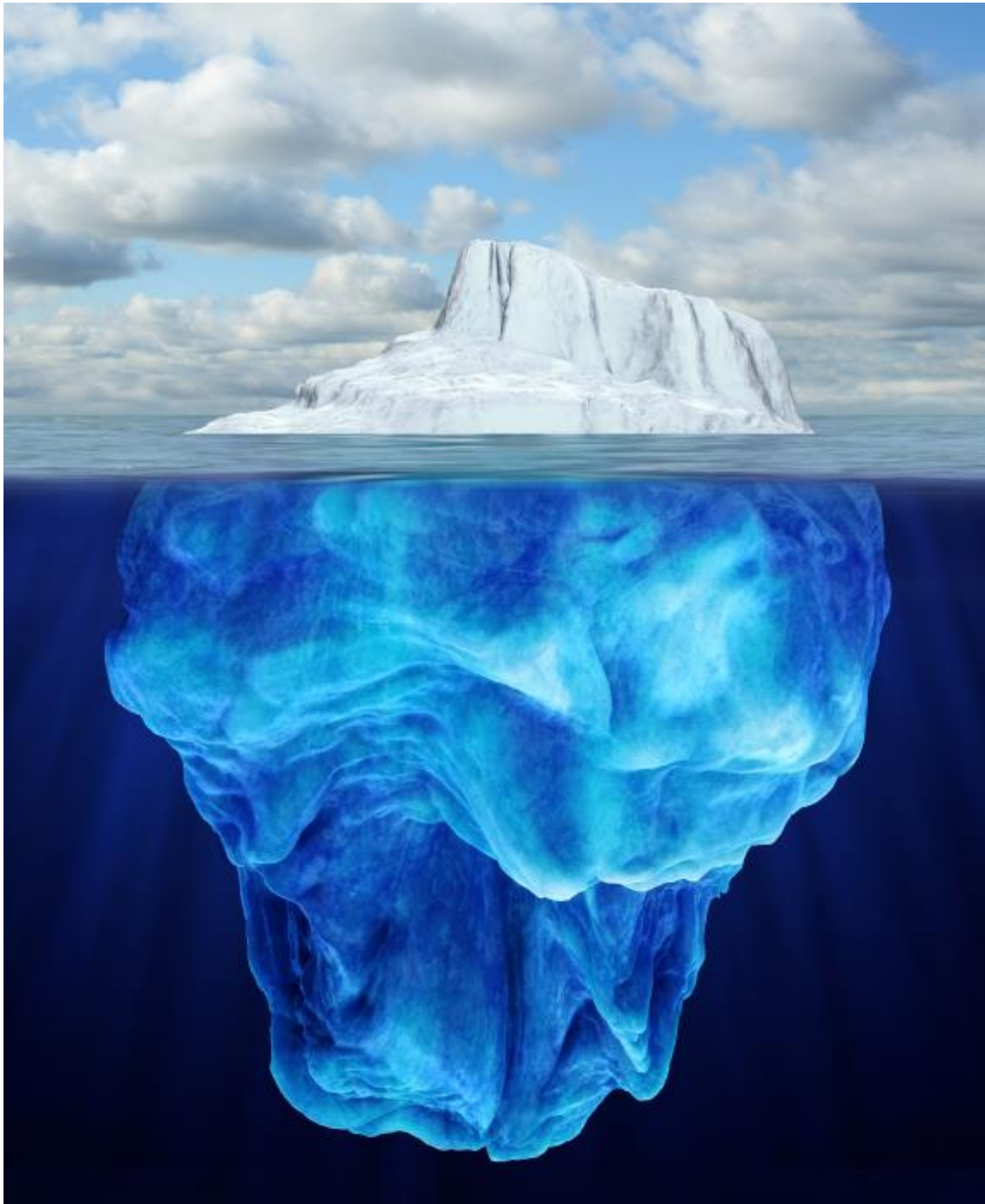


Relationship and Communication



Relationship and Communication





Positions



Interests

Interests vs. Positions

- **Position** = what you want or demand, your advocated solution
- **Interest** = why you want the position; the underlying needs, concerns, hopes and aspirations that lead you to take the position

Why Interests?

- A position may provide only one possible solution of many
- A lasting solution is more likely achieved
- Interests can be

Shared

Competing

Merely Different

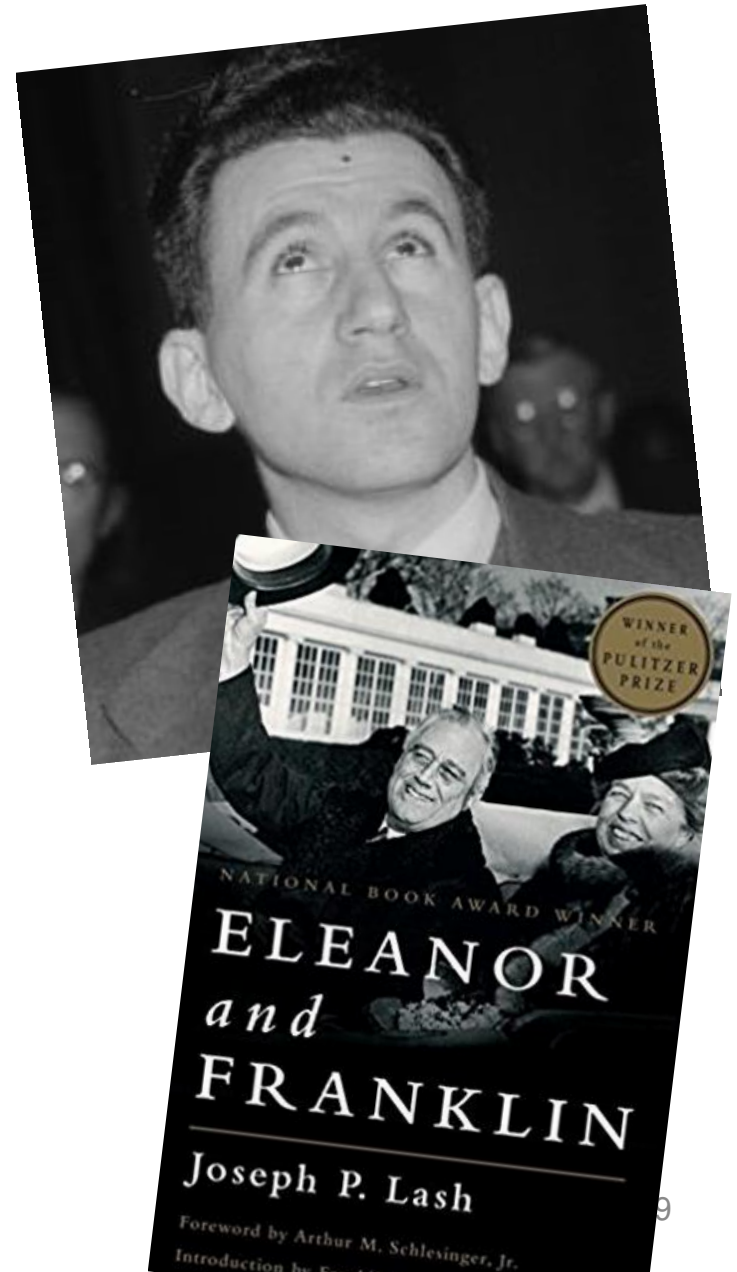
Joseph Lash

Published biographies of Franklin and Eleanor Roosevelt. The first version was a 1,000-plus page book.

The publisher asked for it to be cut, and Lash refused.

He went to a second publisher, who suggested that they turn it into two books...

The first one a Pulitzer Prize and the second was a best seller!

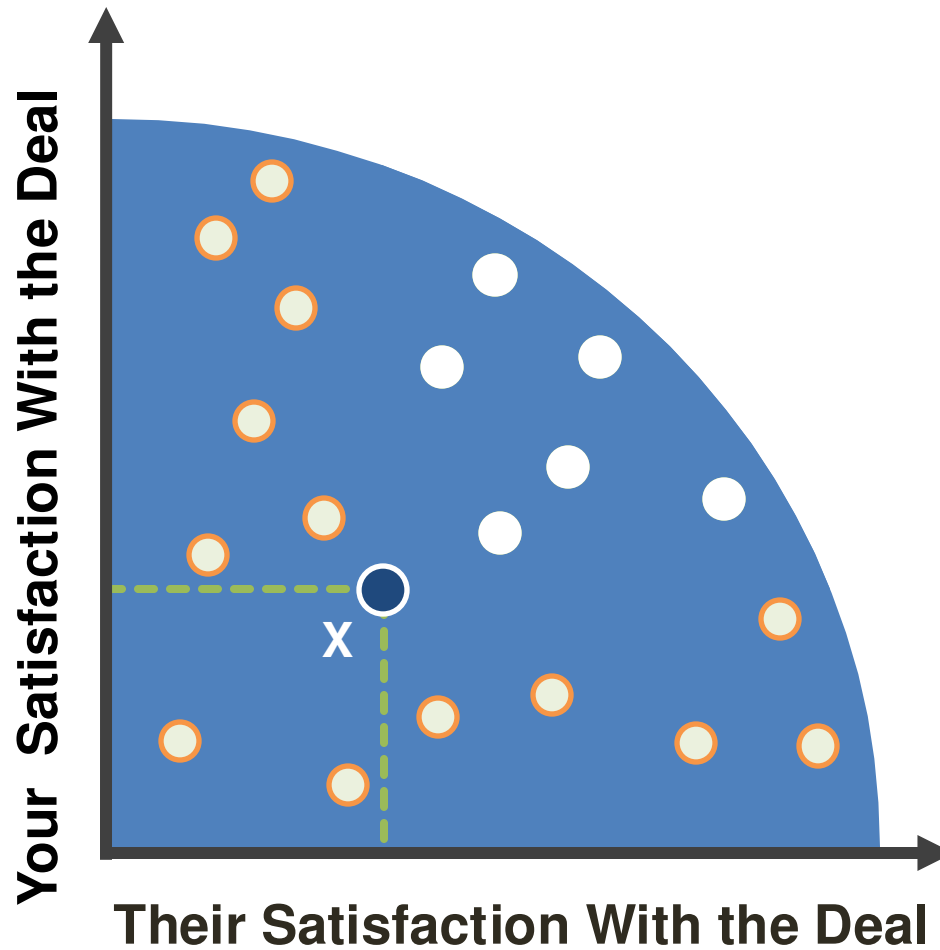




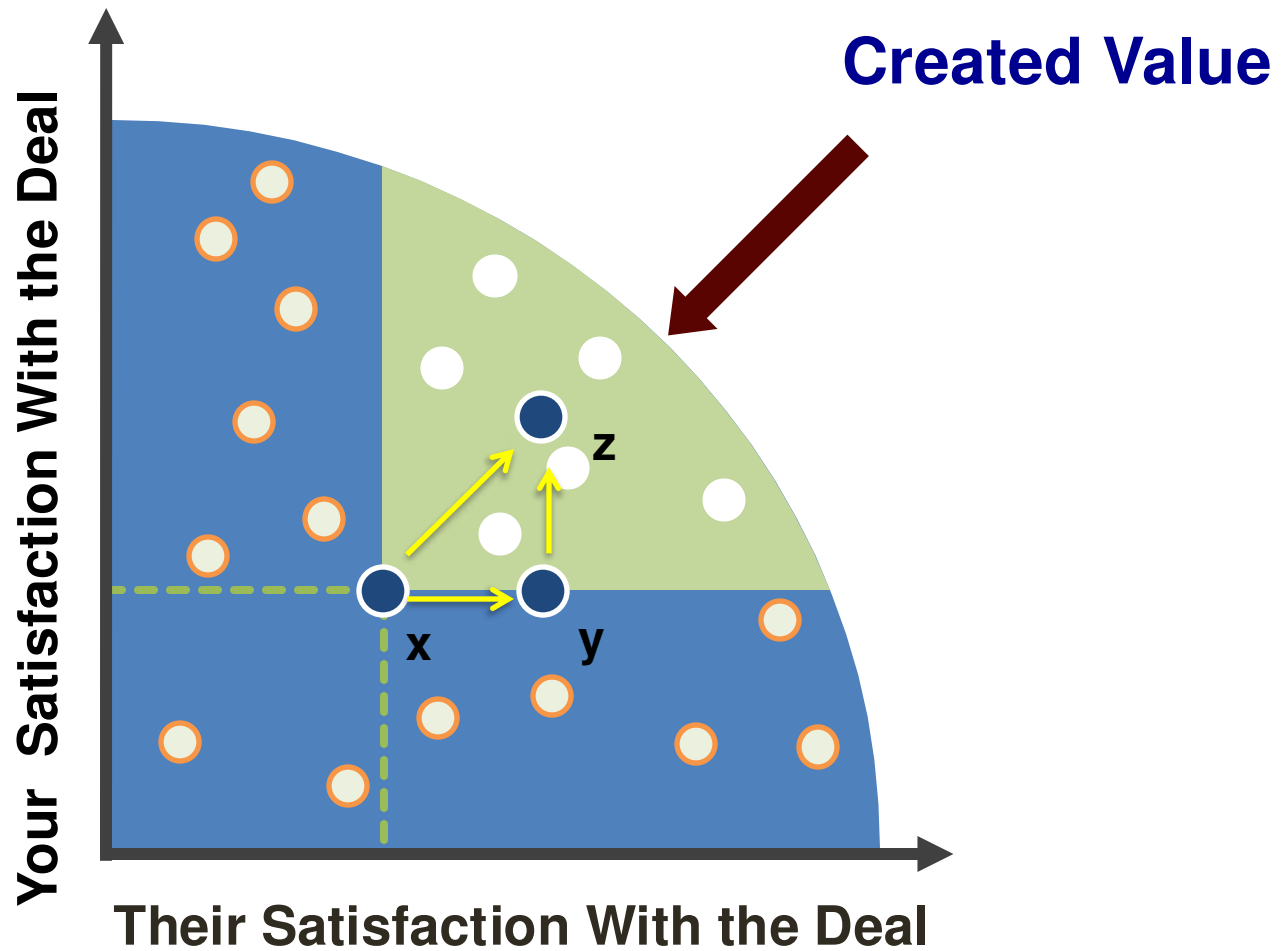
Invent Options for Mutual Gain

- Possible Solutions that Meet the Parties Interests – (not positions!)
- Don't rely just on shared interests
 - Differing interests
 - Differing values and priorities
 - Different risk preferences
 - Trade-offs across issues and priorities

No-Waste Options: Pareto Optimal Deals



No-Waste Options: Pareto Optimal Deals



Options

- Possible solutions that *meet the parties interests*.
- Facilitate a Brainstorming process:
 - *No commitments at this stage*
 - *No criticizing or critiquing of ideas*
 - *If you disagree, offer alternative ideas*
 - *No attributions/ownership of ideas*
 - *Capture all ideas*
 - *Be creative – even silly and ridiculous!*

Stephen Nachmanovitch

Improv expert, taught “Masterclasses” on improvisation at Juilliard.

“To be creative, our minds must embody **two inner characters**.

A **muse**, who ‘*proposes*’, and an **editor** who ‘*disposes*’.

The editor criticizes, shapes and organizes the raw material that the free play of the muse has generated”.

But if the critical part of our brain kicks in too soon, our “***muse gets edited right out of existence***”.

Objective Criteria

- **Standards of fairness of legitimacy that can serve as criteria for agreement.**
- **Why Objective Criteria?**
 - **Lowers risk of reverting to positional bargaining, destroying joint gains.**
 - **Reduces problem of people feeling “taken”.**
 - **Addresses problem of choosing among different options.**

BATNA

Best Alternative To A Negotiated Agreement

The best alternative you'll pursue **AWAY** from the table—what you'll do if no agreement is reached

- When you know your BATNA, you know the minimum to accept at the table – *Don't accept less than this!*

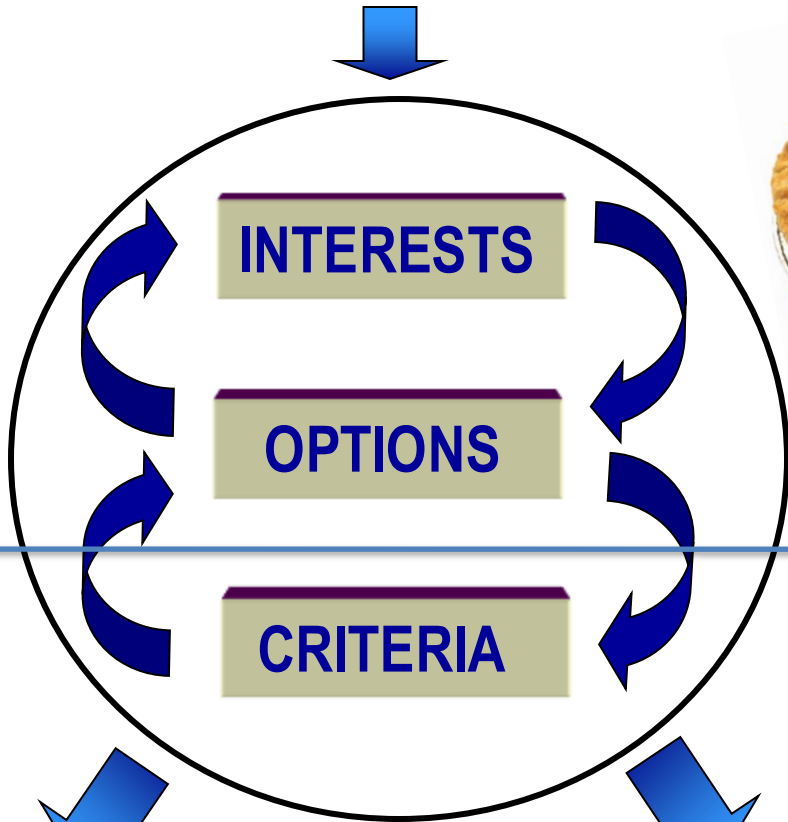
Sequencing

US Company seeks Joint Venture in Mexico:

	Mex. Co. A: 1st Choice
US Company	Mex. Co. B: 2nd Choice
	Mex. Co. C: 3rd Choice

The 7 Element Framework:

COMMUNICATION
RELATIONSHIP



Value Creation

Value Claiming

If "No"

If "Yes"

ALTERNATIVES

COMMITMENT



STRATEGIC NEGOTIATION PREPARATION WORKSHEET

Significant Parties in the Negotiation	Main Issues/topics in Conflict or Negotiation	Interests
<p>Main Parties (Identify the main people or groups “at the table” and their allies or supporters. Consider drawing a diagram – use last page if space is needed).</p>	<p>Issues or topics to deal with in the negotiation (like a Table of Contents for the negotiation):</p> <ul style="list-style-type: none"> • • • • • 	<p>Interests of the Parties: Needs, wants & concerns of each party, not just what they <u>say</u> they want.</p> <p><u>Their Interests:</u></p>
<p>Second and Third Parties: (Identify other people or groups with a stake in the outcome of negotiation, including those who might play a blocking role.)</p>	<p>Positions (stated demands) of the Parties on key issues:</p>	<p><u>Your Interests:</u> (what do you most care about and want from this negotiation? Of those, what are the priorities?).</p> <p><u>Others’ Interests:</u> (are there other key groups or decision-makers that need to be satisfied with a negotiation outcome?).</p>

Options	Alternatives (BATNA)		Legitimacy (Objective Criteria)		Communication and Relationship-Building
<p>Generate a list of possible solutions that could meet the parties' interests.</p> <ul style="list-style-type: none"> • • • • • • 	<p>Consider each party's alternatives to a negotiated agreement, i.e. what each side might do if agreement is not reached. <u>Your BATNA:</u></p>		<p>What objective criteria or standards of legitimacy are potentially relevant:</p>		<p>What is the history and current state of the relationship: how will the relationship affect the negotiations? What you could do to improve the relationship?</p>
<ul style="list-style-type: none"> • • • • • 	<p><u>Their BATNA:</u></p>	<p><u>Others' BATNAs:</u> <u>(e.g. Who might need to sign off?</u> <u>Who could act as a "spoiler"?</u></p>	<p><u>Could Help</u></p>	<p><u>Could Hinder</u></p>	<p><i>Communication:</i> How will you open the negotiation? What do you need to learn from them? What questions will you ask? What key points to convey to them?</p>

Additional Notes and or Visual Aids (such as a Stakeholder Diagram, Organizational Chart or Relationship Map):

Some Practical Tips...

- “**But**” = The Great Eraser!
- Consider the “**And**” stance, mixed intentions and balance.
- The Power of “**Because**”!

Olympics, Athens 2004

Men's 100 Meters

- | | | |
|----------------------------|-----|------|
| 1. Justin GATLIN | USA | 9.85 |
| 2. Francis OBIKWELU | POR | 9.86 |
| 3. Maurice GREENE | USA | 9.87 |



*Thank You
and
Keep in Touch!*



Further Learning on Difficult Conversations, Negotiation & Leadership:

Article on Enhancing Your Negotiation Effectiveness: <https://bloombergcities.medium.com/enhancing-your-effectiveness-as-a-negotiator-824ad18203f4>

Video Discussion on Polarizing Conversations: <https://vimeo.com/591813801/c69c8dcbf7>

Podcast on Difficult Conversations: <https://harvardbsc.simplecast.com/episodes/episode-6-managing-difficult-conversations-effectively-yGoQFQVj>

Podcast on Race and Leadership:

<https://podcasts.apple.com/us/podcast/always-bet-on-black-what-is-a-leader-a-conversation/id1526683075?i=1000498328900>

The 4P Framework for Strategic Leadership Effectiveness:

Paper on the 4P Framework for Strategic Leadership Effectiveness:
https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3689291

Podcasts on the 4P Framework for Strategic Leadership Effectiveness:
<https://bsc.cid.harvard.edu/podcasts/4p-model-for-strategic-leadership>

Practitioner Guide on the 4P Framework: Keeping Your Eyes on the Horizon:
<https://www.cityleadership.harvard.edu/research-and-resources/keeping-your-eyes-on-the-horizon-the-four-ps-framework-for-strategic-leadership>

Podcast Discussion on the 4P Framework for Strategic Leadership Effectiveness:
https://getpodcast.com/podcast/agility-at-work-one-step-ahead/35-the-four-ps-of-adaptive-leadership_e37db2fc1a

Further Learning – Harvard Case Studies on Difficult Conversations, Negotiation & Leadership:

- Valerie Jarrett, the longest serving Presidential Advisor in US history, who led the Deepwater Horizon Oil Spill Response: <https://case.hks.harvard.edu/valerie-jarrett-and-the-deepwater-horizon-oil-spill-response/>
- Admiral Jim Stavridis, former Supreme Allied Commander of NATO, who led the redeployment of NATO troops during the height of the war in Afghanistan: <https://case.hks.harvard.edu/hearts-and-minds-admiral-jim-stavridis-on-the-art-of-wrangling-nato/>
- Jamil Mahuad, former President of Ecuador, Nobel Peace Prize nominee, key architect of the Peru-Ecuador Peace Accords: <https://case.hks.harvard.edu/leadership-and-negotiation-ending-the-western-hemispheres-longest-running-border-conflict/>
- Tarana Burke, the Founder of the Me Too movement: <https://case.hks.harvard.edu/leading-with-empathy-tarana-burke-and-the-making-of-the-me-too-movement/>
- Josefina Brana-Varela, World Wildlife Fund expert, key negotiator at the Paris Climate Accords: <https://case.hks.harvard.edu/negotiating-toward-the-paris-accords-wwf-the-role-of-forests-in-the-2015-climate-agreement/>
- Ruhakana Rugunda, Prime Minister of Uganda, who led the peace talks with the rebel warlord Joseph Kony: <https://case.hks.harvard.edu/giving-peace-a-chance-the-2006-2008-negotiations-to-end-the-conflict-in-northern-uganda/>
- Marc Morial, former Mayor of New Orleans, current President of the National Urban League, who spearheaded a landmark DEI reform program with NBC Universal and Comcast: <https://case.hks.harvard.edu/embracing-the-uphill-struggle-marc-morials-quest-for-corporate-diversity/>