



STRATEGIC NEGOTIATIONS | REGIONS 7 & 10

Thursday, Sept. 24 | 11 a.m. CDT/ 12 p.m. EDT



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Strategic Negotiations


OR...

*How to get what you need
and sustain long term
relationships!*

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Poll: With whom are your most problematic negotiations?

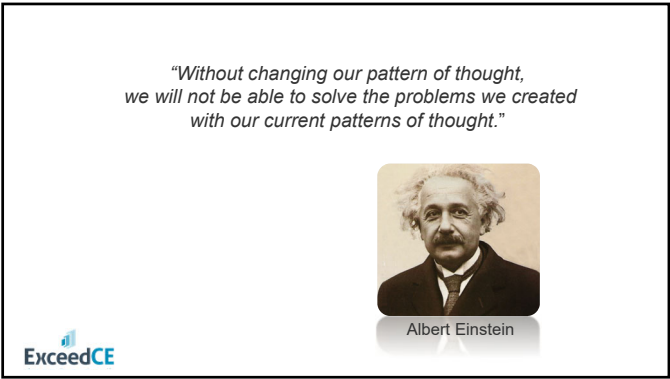




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Identify a Negotiation Underway
(3 Step Negotiation Worksheet)






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Agenda for This Webinar

1. Address challenges and opportunities (Why interest-based approach)
2. Introduce  *Three Step Negotiation* process
3. Practical applications – Q&A session



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Please type your response into chat window:

What current negotiations are keeping you awake at night?





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Challenges

Clients have grown more sophisticated and demanding

Deals frequently involve multiple players and increasing complexity

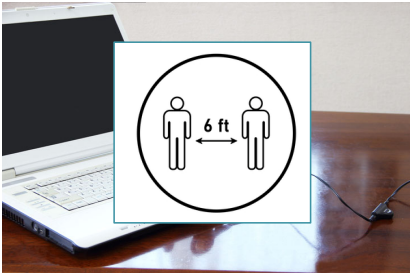
Non-monetary issues can be as important as financial concerns

Difficult negotiators or situations can jeopardize important deals



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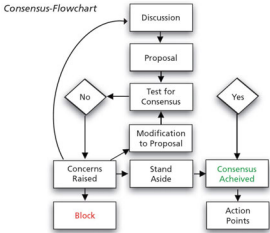
Corporate Policy



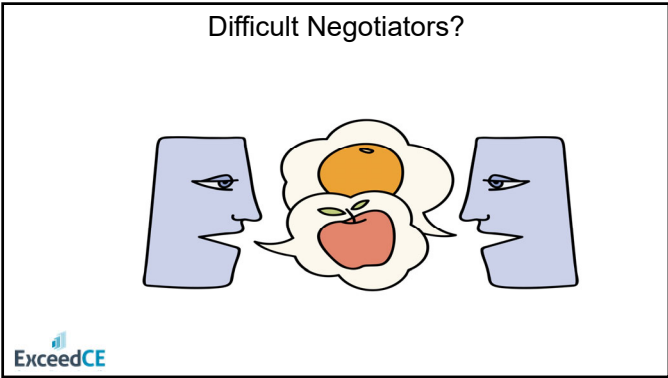
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Consensus-Flowchart



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Opportunities

- Leveraging key relationships and for sustainable, long-term value
- Staying organized and focused in complex, multi-player discussions
- Building consensus and cooperation with clients
- Using data and being systematic to address all of the key issues in any negotiation

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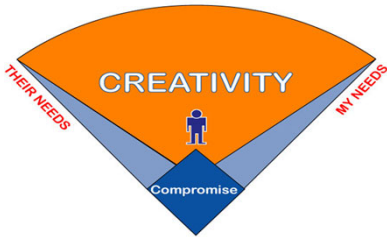
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How Do You Measure Success?

- “Winning” vs. maximizing satisfaction of your interests
- Comparing your outcome to the outcomes of your counterparts
- Avoiding conflict (internal and external)
- Long term vs. short term interests
- ✔ Assessing outcomes against internal goals

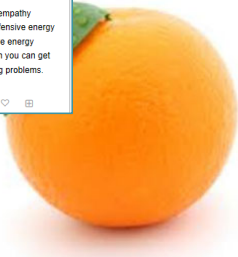
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Relationship or Substance? or Both!

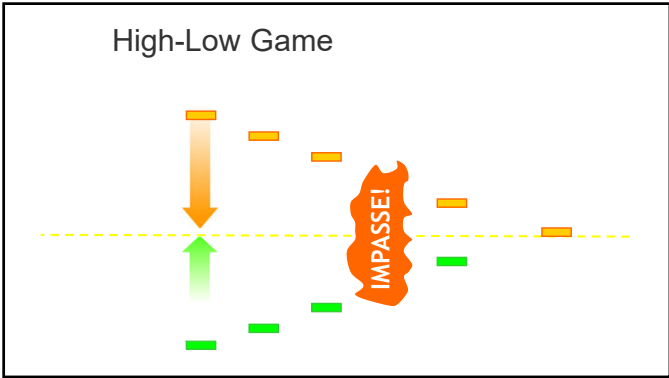


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When you show deep empathy toward others, their defensive energy goes down, and positive energy replaces it. That's when you can get more creative in solving problems.
Stephen Covey



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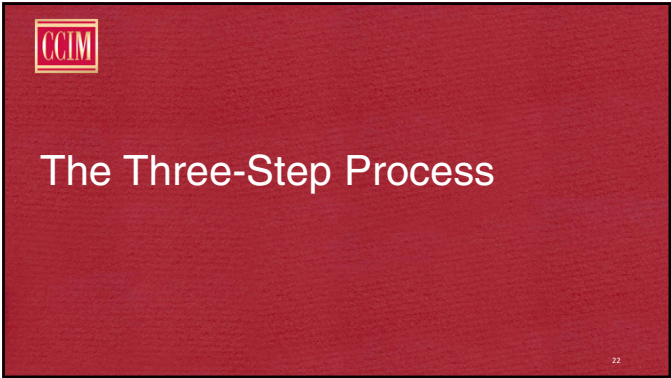
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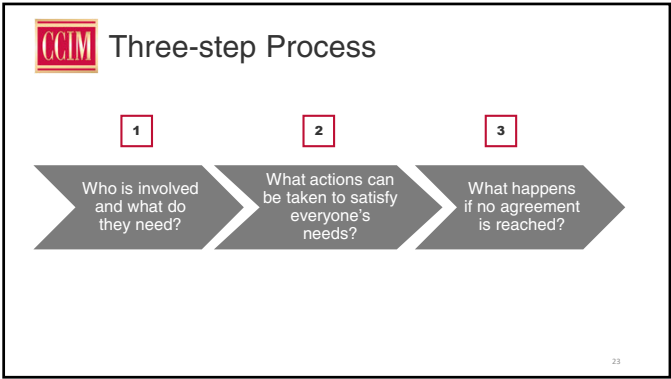
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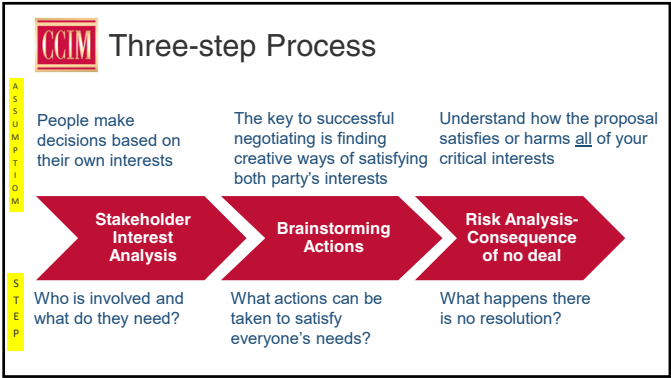
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Stakeholder Analysis

Step 1 of the Three-Step Process

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Step 1: Stakeholders' Interests Analysis Chart

Step 1

	Stakeholders			
Issues				

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Sample Stakeholders' Interests Analysis Chart

Step 1

Issue	Bldg Owner	Tenant	Tenant Broker	Mayor
Location in Building	Agree	Agree	Agree	n/a
Price	Too low	Too high	Too high	n/a
Signage	Smaller	Larger	Larger	Agree
Improvement \$	Okay	Too low	Too low	n/a
Partner Relationship	Good	Good	Good	n/a
CEO home	n/a	Close	Close	Friends
Tax relief	n/a	Need	Need	Working w/City
Jobs	n/a	Will Provide	Will Provide	Working w/City
Building Vacancy	50% sf	25% sf	25% sf	Other space

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Case Study: Florida Farms



Impasse!



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Use interest chart to understand client mindset

1. List the stakeholders

2. Identify Issues

3. Determine Interests

	Stakeholders			
Issues	Susan	Janice	William	Developer
Decision Control	<u>Veto power</u>	Contribute	Contribute	<u>Absolute</u>
Family Legacy	Ensure	Protect	Support	Support
Profit	Ensure	Maximize	<u>Maximize</u>	<u>Maximize</u>
Project Aesthetics	Best Practice	Contribute	n/a	Quality
Developer Fee	Minimize	Minimize	Eliminate	<u>Maximize</u>



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Position vs. Interest



Positions tend to be distributive

Interests are integrative opportunities to make the pie bigger


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Position or Interest?



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Interests = Answers to this Question

On the issue of _____, what does
[Issue]
_____ need?
[Stakeholder]

Answer: [Interest]

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Relationship Building – Talking About Interests


Focus on needs

Solicit interests directly from stakeholders (listen)

Confirm, review and update analysis through discussions
and other contacts



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Brainstorm Actions
Step 2 of the Three-Step Process

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Step 2: How can we get them what they need...
So we can get what we want...






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Key Definition

Actions: Possible options for satisfying interests through a negotiated agreement


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List Actions Steps/Recommendations that will help meet stakeholders' respective needs.



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Step 2: Possible Actions for Case Study




Question: What actions steps can be proposed to satisfy the interests of all stakeholders?

	Stakeholders			
Issues	Susan	Janice	William	Developer
Decision Control	Veto power	Contribute	Contribute	Absolute
Family Legacy	Ensure	Protect	Support	Support
Profit	Ensure	Maximize	Maximize	Maximize
Project Aesthetics	Best Practice	Contribute	n/a	Quality
Developer Fee	Minimize	Minimize	Eliminate	Maximize

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Step 2: Possible Actions for Case Study

1. Create development oversight committee with tie-breaker from independent third party
2. Tour other new urbanist communities throughout country
3. Conduct community forum to receive input from local stakeholders
4. Hire independent development consultant to complete detailed analysis on market demand
5. Hire law firm to amend EIR to accommodate increased density
6. Create project theme around family contributions
7. Enhance “waterfall” for profit to developer




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*“If you don't get what you want,
it's a sign either that you did not seriously want it,
or that you tried to bargain over the price.”*



Rudyard Kipling



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Risk Analysis

Step 3 of the Three-Step Process

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Step 3


Step 3: What happens if there is no resolution?

(BATNA /CNA Fighting Alternatives)



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Key Definition

Consequences that may occur if there is no agreement

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Step 3: What Happens if there is no resolution?


Stakeholders will try to satisfy their own interests unilaterally and may try to harm the interests of others

Evaluate the impact of what people may do (for you and other stakeholders)


Respectfully communicate these consequences (on critical interests) when necessary



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Tactics



Designed for one side only
Used to get a competitive advantage
Rarely do you not see or use tactics in real life
Skilled negotiators learn to recognize tactics and to counter them

"A tactic, that is recognized as a tactic, is really no tactic at all."

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Summary: Three Step Process

1. Who is involved and what do they need?

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2. What can we do to get them what they need (so we can get what we want)?

↕

3. What happens if there is no resolution?

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What's Next?

Peak: How Great Companies get their Mojo from Maslow, Chip Conley

The Power Broker--Robert Moses and the Fall of New York, Robert A. Caro

Tai Pan, Clavell

Risk, Ruin & Riches : Inside the World of Big Time Real Estate, Jim Powell

Winning Through Intimidation, Ringer

Toward a Psychology of Being, Abraham Maslow

Strategic Negotiation, Brian Deitmyer, Rob Kaplan

Getting to Yes, Fisher, Ury, Patton

Getting Past "No" , Ury

You Can Negotiate Anything, by Cohen

No Fault Negotiating, Leritz

Negotiation Analysis: the Science and Art of Collaborative Decision Making , Raiffa



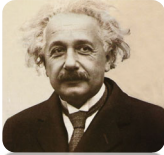
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What might you do differently in preparation for your next negotiation?

1. Change from default approach to negotiation
2. Gather data/intelligence/analysis
3. Confirm interests of parties

"Without changing our pattern of thought, we will not be able to solve the problems we created with our current patterns of thought."





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