Winning Negotiations and Effective Conflict Resolution Principles and Techniques

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Program Overview and Description

- Introductions, Program Overview and Description
- The Current Environment / Changing Your Paradigm
- Defining The Process
- 10 Guidelines for Effective Conflict Resolution
- Personal Attributes, Skills and Abilities of Negotiators
- Goals and Objectives
- Stages of the Negotiations Process
- Using 3 Negotiations Tools as Leverage
- Verbal and Nonverbal Communications
- Win - Win Conflict Resolution Process
- Mock Negotiation – Group Exercise
- Closing comments

Objectives and Description

A brief overview and success oriented presentation on providing a framework and template for analyzing, strategizing, planning, and implementing an approach on how to more effectively negotiate “contracts and business deals” in both our professional lives as well as improving the process of conflict resolution in our personal lives.
What is the best way for people to deal with their differences?

What is the best advice one could give two partners breaking apart a relationship who want to know how to reach a fair and mutually satisfactory agreement without ending up in a bitter fight?

Perhaps more difficult, what advice would you give one of them who wanted to do the same thing as the other?

Every day families, neighbors, couples, employees, bosses, businesses, consumers, salesman, lawyers, governments and nations face this dilemma of how to get to an equitable agreement without going into harmful battle.

Like it or not, YOU are a person who negotiates and resolves conflict; a world class negotiator!!

Negotiations/Conflict resolution are a fact of life...
- You discuss raises with your boss
- You try to agree with a stranger on a price for their house
- Two lawyers try to settle an issue arising from an accident
- A government official meets with union leaders to avert a strike
- A buyer and seller try to come to agreement on price, terms, etc.

All of these are negotiations and conflicts requiring effective resolution

Everyone resolves conflicts and negotiates something everyday even when they think they are not doing so

NEGOTIATIONS AND CONFLICT RESOLUTION ARE A BASIC MEANS OF GETTING WHAT YOU WANT FROM OTHERS!!

It is a back and forth communications process designed to reach an agreement when both parties have shared common interests

Standard strategies for this often leaves people feeling dissatisfied, worn out or alienated
Winning Negotiations and Effective Conflict Resolution Principles and Techniques
The Current Environment / Changing the Paradigm

- More and more, certain events and occasions require conflict resolution and negotiations
- Conflict resolution and negotiations is a growth industry
- Most people want to participate in decisions that affect them
- Today’s more educated workforce, often find it difficult to accept decisions dictated to them by someone else
- Although conflict resolution takes place every day, it is not easy to do well

- People differ in values, goals and objectives. As such they will use negotiations and conflict resolution to handle their differences
- People often find themselves in a dilemma when it comes to negotiations and conflict resolution
- They see two ways to negotiate and resolve conflict: easy or tough
  - The easy negotiator sees themself wanting to avoid personal conflict and so makes concessions readily in order to reach agreement
  - The tough negotiator sees any situation as a contest of wills in which the side that takes the more extreme positions and holds out longer may fare better

- The tough negotiator must win
  - This often produces an equally hard response which exhausts people and resources, thereby harming relationships on both sides
- There are alternative ways to resolve conflict
  - Ways that are not easy nor tough but rather both as required and necessary
- The method of “Principled Conflict Resolution”
  - Decide matters on merits, principles and issues
  - Not through a haggling process focused on what both sides say they will and will not do
- It suggests that you look for mutual gains whenever possible
  - Where your interests conflict, both sides should insist that the results be based on some fair standards
Winning Negotiations and Effective Conflict Resolution Principles and Techniques
The Current Environment / Changing the Paradigm

- The method of principled negotiations is “hard on the merits and soft on the people,” with no tricks and no posturing
- Principled negotiations shows you how to obtain what you are entitled to and remain professional, decent and respectful
- It enables you to be fair while protecting you against those who would take advantage of your fairness
- Every negotiation and conflict is different but some have basic elements which do not change

Winning Negotiations and Effective Conflict Resolution Principles and Techniques
Defining the Process

- Defining The Process…
- To confer with another or others in order to come to an agreement on terms and conditions
- The process of discussing and agreeing on all terms and conditions of a proposed agreement and or understanding between the parties
- To maintain a “Win - Win” environment
- It requires effective communications
- Both parties must strive to seek mutually satisfying agreements based on merits, principles, issues and matters of common concerns and not one of positions or people

Winning Negotiations and Effective Conflict Resolution Principles and Techniques
Defining the Process

- In the final analysis, the negotiations and conflict resolution process is an interpersonal process
- After all the planning and strategizing and despite the fact that individuals may be representing large organizations, negotiations is an intensely personal face to face interaction
- The study and understanding of negotiation behavior is a key to successful negotiations
Basic Principles of the Negotiations Process

- Position your case advantageously
- Know the full range and strength of your power
- Know the other party, their strengths and power base
- Satisfy needs over wants
- Set high aspirations
- Manage information skillfully
- Concede according to plan
- Understand the benefits of effective negotiations

Ten Guidelines for Effective Conflict Resolution

- Prepare for the process
- Recognizing different perceptions
- Avoiding corners (threats and ultimatums)
- Using creativity and imagination
- Appreciating the power of silence
- Making trade-offs
- Helping the other side to agree
- Taking notes
- Value deadlines
- Anticipating no agreement

Characteristics of the “Perfect Negotiator”

I could put the following information in some kind of order of personal preference / precedence, but I am sure we would find ourselves disagreeing to some degree

So why don’t you try your hand at rating these in some order which you think the perfect negotiator should be considered for selection. Place a number commencing with #1 opposite each criteria in descending order on importance
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Principles and Techniques Personal Attributes, Skills and Abilities - Characteristics of “The Perfect Negotiator”

- Ability to play act
- Knowledge of competitor’s products and service
- Good personality
- Ability to analyze facts
- Ability with mathematics
- Able pricing and finance
- Ability to avoid issues
- Have social grace, able to drink or refuse, entertain
- Knowledge of own products and services
- Knowledge of own company policies and procedures
- Knowledge of Government rules, regulations, laws
- Good hygiene, breath, etc.
- Proper attitude
- Be a good listener
- Be a good speaker
- Have even temperament, not to emotional
- Be an excellent planner
- Knowledge of psychology
- Be prompt for appointments and with the data
- Able to accept criticism
- Ability to flexible / firm
- Be of equal status / rank as opponents
- Capable of being respected and grant respect to others

What Makes a Good Negotiator?
This is a question that has fascinated business people and diplomats through the centuries
Negotiations is one of the most difficult jobs a person faces
It requires a combination of traits not ordinarily found in business
It demands good business judgment and a keen understanding of human nature
Effective negotiators have some distinctive common traits:
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Personal Attributes, Skills and Abilities

- An ability to negotiate effectively with members of their own organization and gain their confidence
- A willingness and commitment to plan carefully, know the product, the rules of engagement, the alternatives and the courage to probe and check information
- Good business judgment and an ability to discern the real bottom-line issues
- An ability to tolerate conflict and ambiguity
- The courage to commit oneself to higher targets/take risks that go with it
- A commitment to integrity and mutual satisfaction
- The insight to view the negotiation from a personal standpoint; to see the hidden personal issues that may affect the outcome
- Self confidence based on knowledge, planning, organizational skills
- A willingness to use team experts
- A stable person with a high level of self esteem can negotiate with him or herself and have fun doing so
- A willingness to get involved with the opponent & people in their organization
- Three primary attributes of successful negotiators: knowledge, attitude and hard/technical skills
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Goals and Objectives

- What are Your Specific Goals and Objectives?
  - Obtain new/recurring business?
  - Create goodwill? Impress the buyers or the sellers?
  - Maintain long-term relationship with the other side?
  - Eliminate/irritate the competition?
  - Show expertise with new product or service?
  - New market place?
  - Maximize profit/recover costs?
  - Tactical or strategic in nature?
  - What is the desired end state you are trying to achieve?
  - “Begin with the end in mind.”
  - Personal, business, community etc.
  - What are the risks and benefits both upside and downside?
  - What is your risk mitigation planning process?
  - What are your alternatives to a negotiated agreement?
  - What are your backup plans if things do not go as you had planned?
  - Plan the work and work the plan, but remain flexible!

Planning for the Process

- Planning for the Process
  - The following represents key areas of “planning subject matter” that must be addressed as you proceed in preparing for your negotiations:
    - Customer and situation constraints
    - Selecting the right personnel for the process
    - Determine the sources of power for both sides
    - Address the decision making processes
    - Perform a worth risk and cost or price analysis
    - What is the “information strategy”?
    - What is the “product strategy”?
    - What is the status of the long and short-term relationships?
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Planning for the Process

• What goals/objectives process have you established/planned for?
• What are your “authority tactics?”
• What are your “demand and offer tactics?”
• What are your “time and ‘decoy tactics’?”
• What are your “credibility tactics?”
• What are your “association tactics?”
• What are your “initiative tactics?”
• What are your “concessions tactics?”
• What is your direct and indirect fact finding plan?
• What are your tension relievers?
• What are your “closing tactics?”

Strategy

• Establishing the Strategy - “If you do not know where you are going, any road will take you there”
• The method of conducting operations, especially by the aid of maneuvering or tactics
• To begin with the end in mind and to achieve the desired end state

The Essence of a Good Strategy

• Adjust your ends to your means
• Keep your objective always in mind
• Choose the line of least resistance when appropriate
• Exploit the line of least resistance
• Take approaches which offer alternative objectives
• Ensure your plan is firm yet flexible and adaptable to changing conditions
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Strategy

Plan your Strategy and Overall Strategic Objectives

- What are we going to talk about?
- What decisions do I want the opponent to make?
- What do I want? What does he or she want?
- What are the facts? What other information do I need? What are my assumptions? How good are they?
- What can be learned form the past negotiations?

- What are the most and least important issues?
- What are my aspirations levels for each issue?
- What is going for me or against me on each issue?
- What should be or not be on the agenda?
- Am I prepared for my tactics and countermeasures for each issue?

Tactics

Establishing the Tactics

- Tactics defined
  - A mode or set of procedures and steps for gaining advantage or success
- Distinction between strategy and tactics
  - Strategy deals with the planning, direction, vision, long-term
  - Tactics covers actual processes & maneuvers used to implement the strategy

Principles of Tactics

- Negotiations is a physical act; its direction is a mental process
- The better your strategy, the easier it will be to gain the upper hand through the use of tactics
- The tougher your methods, the more bitter and angry you will make the opponent
- Resulting of hardening their resistance and defensiveness
- Too extreme of an approach may solidify your opponent’s superiors behind him
- The more you try to impose entirely your own way, the stiffer the obstacles you will raise in your path
- Leave a line of retreat open for both sides
- Provide your opponent with a mechanism to get themselves out of trouble
- Have alternative objectives available
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Fact Finding and Bargaining

- **The Fact Finding Process**
  - To define the issues and to determine the range of negotiation positions on both sides and to determine if both sides are ready for negotiations

- **Bargaining – Commitment and Flexibility**
  - Commitment: Resolve = persuasion; Tough = rules of the game
  - Opportunity to explore the other party’s position
  - Increases the chance other party will make the first concession
  - Flexibility: You should reduce your aspiration level if the process becomes difficult
  - You can increase your demands as a result of threats and intimidations
  - A better deal may present itself to the process
  - You can avoid a “win-lose” confrontation

- **Your initial position should be start tough and aim high. Why?**
  - Makes demands credible; modifies the opponent’s position and aspiration levels; helps maintain flexibility

- **The “Negotiations Tools” as Leverage**

  - **Use of certain “Tools as Leverage” is critical to success in the process; Rationality, Psychological Influence and Power**
  - **Leverage defined**
    - The increased means of accomplishing some purpose
    - An advantage to act effectively
    - To maximize the advantage in gaining successful settlements
    - The capacity to overcome resistance and modify the conduct of another person
    - The capacity to prevent your conduct from being modified to your disadvantage
    - The ability to influence/to have an impact upon decisions/actions
    - Making something happen that provides positive benefits

- **Rationality as Leverage**
  - Leverage is gained through knowledge, information and facts
  - People are influenced and persuaded through rational arguments based on facts
  - Through knowledge, facts and orderly decision making, negotiators gain leverage by locating and correcting information gaps and faulty reasoning
  - Negotiators build leverage through expertise on the formal requirements of the negotiations
  - They resolve conflict through the reference to the rules, procedures and legal requirements
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The “Rationality Tool” as Leverage

<table>
<thead>
<tr>
<th>Strengths</th>
<th>Limitations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Applies most often</td>
<td>Rationality may not exist</td>
</tr>
<tr>
<td>Quantifies issues</td>
<td>No common logical basis</td>
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<tr>
<td>Promotes equality, win / win</td>
<td>You may not be right</td>
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<tr>
<td>Difficult to dispute</td>
<td>Sensitive errors-loss of credibility</td>
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<tr>
<td>Logical preparation</td>
<td>Success depends on who has the best information</td>
</tr>
<tr>
<td>Less chance of being intimidated</td>
<td>Assumes that the world is in fact objective</td>
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The “Psychological Influence Tool” as Leverage

Psychological Influence as Leverage
- People are influenced when they feel others understand and are empathetic with their feelings, values and beliefs.
- Negotiators gain leverage by paying close attention to people’s ideas, feelings, commitments and ways of behaving.
- When trying to influence people, negotiators try to find out their psychological needs, values and beliefs.
- They make an effort to develop a sense of empathy/understanding.
- “Seek first to understand before seeking to be understood.”
- Negotiators strive to develop an open problem solving environment, emphasizing the development of trust.

Strengths
- Inspires confidence and lasting relationships.
- Promotes empathy / agreement.
- Helps understand strengths / weaknesses of opponent.
- Creates image of what you want.
- Mutual personal agreement.
- Builds trust / respect.
- Creates atmosphere to renegotiate.

Limitations
- If it recognized as insincere, then it doesn’t work.
- Can be very time consuming.
- Requires a better knowledge of your adversary.
- Issues do not get quantitative.
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The “Power Tool” as Leverage

Power as Leverage – “Power is in The Head”

- Power is the capacity to modify the conduct of another person through the use of sanctions (penalties) and rewards
- The use of power as leverage is based on the premise that people are influenced through political / economic rewards and penalties
- When these factors are involved, negotiators attempt to uncover them and seek out ways to meet them
- Power is gained by going beyond “formal authority” and “requirements.”
- Controlling these various types of resources upon which others are dependent is a key to success
- Creating a sense of obligation and projecting an image which communicates power

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The Verbal / Non Verbal Communications Process

The Verbal / Non Verbal Communications Process

- The ability to effectively communicate, both verbally and non-verbally is critical to a successful outcome
- This process consists of more than the spoken or written language
- We also communicate through a variety of nonverbal communication processes
- A person’s nonverbal communications process or body language is usually involuntary
- The nonverbal signals we transmit, often are a more valid source of gleaning information vs. signals which are verbal
- When a person’s verbal and nonverbal communications are congruent we tend to relax, trust and believe
- If they are incongruent, we tend to distrust, doubt and suspect
- Although we can manipulate and disguise our verbal messages at will, our bodies are predisposed to convey only the true meaning of our expressions
- When verbal and nonverbal messages conflict, the listener invariably relies upon the nonverbal. We trust actions more than words. The 70 - 30 rule
- The transmission of mixed (contradictory) messages lends an overall negative feeling towards the communications process and ultimately the outcome of the desired goals
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The Verbal / Non Verbal Communications Process

- **Types of Nonverbal Communications**
  - Gestures, postures, facial expressions, eye contact, body, timing and silence between verbal exchanges, touching, sounds, interpersonal space, clothes, signs

- **The Importance of Nonverbal Communications**
  - Increases the congruency of verbal and nonverbal communication processes
  - The feedback function: Are you getting the message across?
  - Increases the listening effectiveness process
  - Recognize patterns of increasing conflict or cooperation
  - Strengthens the empathy and understanding process

Guidelines to Follow

- Check for clusters of nonverbal signs to increase accuracy
- Look for patterns in the other person over a period of time
- Be careful not to read too much into situations
- You may be at a different level of awareness due to the process and other possible distractions
- Some people display nonverbal behaviors which are unalterable or are due to physical factors or limitations
- Look for some of the following “nonverbal clusters” when you are engaged in the negotiations process and conflict resolution

Clusters to Observe

- Openness
- Defensiveness
- Evaluation
- Boredom
- Suspicion
- Readiness
- Need for reassurance
- Cooperation
- Frustration
- Confidence
- Nervousness
- Self Control

Communications Behavioral Styles

- Basically there are 4 Styles
  - Amiable Style
  - Expressive Style
  - Analytical Style
  - Driver
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“Win-Win” A Different Way to View the Process

The “Win-Win” Process

- There are alternative ways to resolve conflict
- Ways that are not soft nor hard but rather both as required
- “Principled conflict resolution” is to decide issues on merits
- Not through a haggling process focused on what both sides say they will do and not do
- It suggests that you look for mutual gains whenever possible
- That where your interests conflict, both sides should insist that the results be based on some fair standards independent of the will of the other side
- The method of principled negotiations is hard on the merits and soft on the people
- Employing no tricks and no posturing

The Method

- Separate the people from the problem
- Focus on the interests, not the problem
- Invent options for mutual gain
- Insist on using objective criteria and data

Group Exercise – Mock Negotiation Case

- “Buying and Selling a Brief Case”
Thank you very much!! It has been a pleasure.

I wish all of you the best of luck in your desire and ability to resolve conflict in your personal and professional lives.

Kind regards, Robert F. New Jr.

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