

Executive Brief July 2012

Quick Links

PROLAUREATE LTD

SOAR

"Thoughts and action, aligned fearlessly to purpose, become crowning achievement"

Welcome! We hope you enjoy this issue of the ProLaureate Executive Brief!

Shall We Dance?

Negotiating to Win? Or Negotiating to Win-Win?

Negotiation usually involves a couple of people with both common and opposing interests, with each trying to get what they want from the other person. We do this every day in any number of circumstances with all kinds of people for all kinds of reasons.

"Diplomacy is the art of letting someone else have your way."

- Sir David Frost

At work, we negotiate for promotions, compensation, perks and other individual needs and wants; as well as, with our clients and customers on the details of a contract, pricing and many other things. And then there's the home front... the negotiations with our family over which TV shows to watch, where and when to go on a vacation or whether to make a move. Negotiating is an everyday part of life, much of which is done without conscious thought to process and procedure. Although it may seem like second nature, it is an area where - when really done with intention, purpose and well thought out objectives - it can lead to more positive outcomes and stronger relationships.

Are You a Hard or Soft Negotiator?

Most of have a natural tendency to be either a hard or soft negotiator. Hard negotiation comes with a rather high cost, though. Often times the cost is the relationship itself, so we try to avoid it by adopting a more gentle style that emphasizes the importance of building and maintaining the relationship rather than winning at all costs. Be aware of your own style and personality traits - it can help you better navigate all of the negotiations in your life.

"The most important trip you take in life is

The Usual Negotiation is referred to as "Positional"

Most negotiations fall into the 'positional' mode where the people involved unwittingly become entrenched in their positions. They try

meeting people half way."

- Henry Boyle

to reach a compromise that's as close as possible to their original goal which means they are negotiating based upon their position - and not the win/win.

Picture a toddler having a temper tantrum - these are toughest positional negotiators we know!. The child knows his position (he wants a new toy) and he wants it now (with little to no room for give and take). His plan is to not budge or give up until he gets his way (a hard bargainer no doubt). We've all seen it, and quite possible given into to this kind of bargaining, but can you imagine if adults behaved this way all of the time? Little to nothing would be accomplished and no one would be satisfied.

"Negotiation in the classic diplomatic sense assumes parties more anxious to agree

More often, a typical negotiation looks like this: you start at \$10. Your "opponent" says \$100. You then chime in with \$20-and not a penny more. The other bargainer responds with \$85. The dance continues until a middle ground is reached. Sometimes, the compromise may not fit the needs of either participant, and the relationship is then strained.

- Dean Acheson

than to

disagree."

The problem with this 'positional' negotiation process is simple: Once you take a position, you lock yourself into it. The more you defend it, the more committed you become to it. Your ego soon hinges on your position, and you then have a new goal: "saving face."

At this point, your focus is to meet your original goal, without sacrificing your original conditions. You pay less attention to the other side's position. In the end, you reach a compromise akin to "splitting the difference," as opposed to a workable solution that meets the legitimate interests of both parties. As a result, the final agreement is often less than satisfactory to both parties.

Principled Negotiation: An Alternative Process

There's an alternative to positional negotiating. Change the game entirely. Based on the Harvard Negotiation Project, this method-described in the book Getting to Yes: Negotiating Agreement Without Giving In by Roger Fisher, William Ury and Bruce Patton-is called principled negotiation, or negotiation on the merits.

"Let us never negotiate out of fear. But let us never fear to negotiate."

Principled negotiation involves finding ways to meet the basic interests of both parties, seeking mutually satisfying options and using fair standards that typically result in a sound agreement. Both parties avoid digging in their heels. They separate the personalities and egos from the problem at hand. They deal directly, empathetically and respectfully with each other. Their goal: to reach a mutually beneficial solution.

- John F. Kennedy

Four Elements to Principled Negotiation

There are four areas to consider in principled negotiation:

- 1. People: Separate the people from the problem.
- 2. Interests: Focus on interests, not positions.
- 3. Options: Generate a variety of possibilities before deciding what to do.
- 4. Criteria: Insist on a result based on an objective standard.

"He who has
learned to disagree
without being
disagreeable has
discovered the
most valuable
secret of a
diplomat."

Consider these four elements from the moment you begin to think about negotiating until an agreement is definitively reached. It will not necessarily be easy to change habits and disentangle emotions from the process and it may be difficult at first to enlist others in the task of working out a wise solution to a shared problem.

- Robert Estabrook

But, your first goal is to find a better way to negotiate. With principled negotiation, you will enjoy the satisfaction that accompanies getting what you deserve while maintaining positive relationships throughout the bargaining process and beyond.

Previous issues of The Brief can be found on our website at www.prolaureate.com.

Feel free to contact us with comments or questions. We'd love to hear from you.

We can be reached directly at 440-653-9750 or email us at leadership@prolaureate.com.

Here's to your success!

"Any business arrangement that is not profitable to the other person will in the end prove unprofitable for you. The bargain that yields mutual satisfaction is the only one that is apt to be repeated."

Sincerely,

Roxanne Kaufman Elliott ProLaureate Ltd

- Henry R Luce