NEGOTIATIONS 101

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AGENDA

• Intro
• Let me get $2
• Defining Negotiation
• Things to keep in mind
• Review a preparation sheet for better negotiation planning;
• Let’s get to work- Partner activity to identify current negotiation,
• Group negotiation assessment
• Reflection and next steps: setting a personal action plan for your improvement
Who’s in the room?!
- Artists?
- Talent Managers?
- Entrepreneurs?
- Intra-preneurs?
- Corporate leaders?
- Students?
NEGOTIATING WITHOUT “CASH”
Let me get $2- Instructions

- You and another person must divide $2 between you today; what you get, the other person loses.
- You will have specific, personal instructions with each new partner; they will be different each time.
- You may not tell anyone else about these instructions until the bargaining is over.
- You will have a 2 minutes to consider strategy and tactics; please make notes as to your plans and ideas about how you will bargain.
- You and your partner will discuss for 5 minutes

- It is not possible to ask questions for more instructions; just do as well as you can.
LET ME GET $2- QUESTIONS

Here are your questions:

• What do you want here?
• What is your most optimistic hope?
• What is your realistic expectation?
• What will you settle for?
• What does the other person probably want?
• How will you find out?
• How will you persuade the other person?
• What will your moves be?
LET ME GET $2- ROUND 1

• Divide $2 with your partner.
• Please follow the FIRST SET of secret instructions you were given & keep them secret.
Let Me Get $2- Round 2

- Switch partners.
- Divide $2 with your partner.
- Please follow the SECOND SET secret instructions you were given & keep them secret.
LET ME GET $2- ROUND 3

- Don’t Switch
- Divide $2 with your partner.
- Please follow the THIRD SET of secret instructions you were given & keep them secret.
Major strategies that people adopt in negotiations:
• Competition – working to achieve the best deal for yourself
• Collaboration – working to achieve the best deal for each other
• Avoidance – avoiding conflict (no getting anywhere)
• Compromise – Reaching some acceptable end result (give and take)
• Accommodation – giving in
• and Revenge – making the other guy suffer on purpose

• Was building a relationship necessary? (beneficial)
• Did anyone cheat? (Why?)
Negotiation Terminology

- Win-lose (aka distributive)
- Collaborative (aka integrative or win-win)

- Bargaining range: Can be negative (no room for settlement)
- Reservation Point (RP): The point at which you stop bargaining OR move the RP to achieve a settlement
- BATNA: The Best Alternative to a Negotiated Agreement (fall back)
- Target: what person wishes to get
NEGOITIATION FACTORS

• Strategy (competitive, collaborative) is not the same as one’s style and demeanor (charming, aggressive).
• Ethics: how comfortable am I lying
• Tangibles (money, in this case)
• Intangibles (relationship, trust, friendly feelings)
STAGES OF NEGOTIATION

Preparation  Negotiation  Settlement  Evaluation
Asses the overall value that is “on the table”
- What are reasonable targets on both sides?
- What are recognizable value adds?
- What are the secret weapons?

Where do you look?
- Market Standards
- Industry Standards
- Individual Standards
BATNA

- Best
- Alternative
- To
- Negotiated
- Agreement
NEGOTIATION

- Communication is Key and mostly non-verbal
- Pay attention to your tone and pace
- Use summarizing statements, and repeat in your own words to encourage agreement
Settlement

- Agreement
  - Contracts (binding, non-binding)
  - Memorandum of Understanding
  - emails
  - “hand shake”

- Next steps to completion
NEGOTIATORS ASSESSMENT

- Record how things are going on these soft skills areas as well as compared to your preparation estimates

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<thead>
<tr>
<th>Statement</th>
<th>Rank now</th>
<th>Want to be</th>
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<tbody>
<tr>
<td>I find it easy to establish rapport</td>
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<tr>
<td>I find it easy to set outcomes in advance of discussions</td>
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<td>I find it easy to obtain authority for negotiations</td>
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<td>I find it easy to observe interactions</td>
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<td>I find it easy to analyse offers</td>
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<td>I find it easy to determine other party’s value add</td>
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<td>I find it easy to determine other party’s negotiation limits</td>
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<td>I find it easy to determine other party’s ‘point of no return’</td>
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<td>I find it easy to change language to match that of other party</td>
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<td>I find it easy to help a discussion to progress when it is blocked</td>
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<td>I find it easy to give effective feedback to individuals</td>
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<td>I find it easy to maintain my own integrity whilst negotiating</td>
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NEGOTIATIONS PREP SHEET

• PEOPLE / POSITIONS: Who are they? What is their current position?
• INTERESTS: What motivates each side to negotiate? (financial, non-financial goals, needs, fears, etc)
• OPTIONS: What are the current possible solutions on the table?
• CONCESSIONS: What are you willing to adjust to close the deal?
• ALTERNATIVES: What each side could do **on their own** to meet their interests away from the table?
• OBJECTIVE STANDARDS: Standards of fairness recognized by the negotiators.
• RELATIONSHIP: The quality of the negotiators’ interactions and the level of trust.
• COMMUNICATION: Information sent and received by each side.
• COMMITMENT: Process and Outcomes
LET’S GET TO WORK