

# PROJECT MANAGEMENT INSTITUTE THAILAND



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## **“WIN-WIN” NEGOTIATIONS – INTRODUCTION TO CONCEPT AND METHODOLOGIES**

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# “WIN-WIN” NEGOTIATIONS – INTRODUCTION TO CONCEPT AND METHODOLOGIES

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*Getting to Yes – Negotiating an  
agreement without giving in*

*by Roger Fisher, William Ury and Bruce  
Patton.*



# TOPICS to be DISCUSSED

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- Main methods/styles of Negotiating
- Positional Bargaining
- Principled Negotiation
- People – separate the people from the problem
- Bottom Line
- Develop Your BATNA
- Questions



# What are the main methods/ styles of Negotiating?

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- Soft Negotiations
- Hard Negotiations
- Principled Negotiations



## Where does Win – Win Negotiation fit into PMI? (Which Knowledge Areas)

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- Human Resource - Manage Project Team
- Communication - Manage Stakeholder Expectations
- Procurement - Conduct Procurement
  
- All areas where project managers need to communicate and negotiate, reach an agreement, with other people



# Where does Win – Win Negotiation fit into PMBOK?

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Win – Win Negotiations are referenced in  
PMBOK Appendix G Section G 8  
Negotiations



# Famous Examples Where Win – Win Negotiations Were Used

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- Camp David Peace Accord, peace treaty between Israel and Egypt
- Nuclear Proliferation Treaty, reduction of nuclear arms between the USA and USSR
- Law of the Sea Conference, 150 countries negotiated for ocean rights ranging from fishing to mining the sea bed



# Positional Bargaining

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- People negotiate, bargain, over their positions and spend all their effort clarifying and defending them.
- When agreements are reached they are usually a splitting of the differences between the negotiators positions or one side “giving in” to the other side.



# Principled Negotiation (Negotiation on the Merits)

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## Components/Criteria

- People – separate the people from the problem
- Interests – focus on interests, not positions
- Options – generate a variety of possibilities before deciding what to do
- Criteria – insist that the result be based on some objective standard



# Life Cycle of the Negotiation (Stages)

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- Analysis – diagnose the situation, gather information, organize it and think about it
- Planning – generate ideas and decide what to do
  - How should we handle the people problems, what are the most important interests, what are realistic objectives
- Discussion – when communicating look towards agreement; acknowledge

**PROBLEM**

Positional Bargaining: Which Game Should You Play?

**SOFT**

Participants are friends.

The goal is agreement.

Make concessions to cultivate the relationship.

Be soft on the people and the problem.

Trust others.

Change your position easily.

Make offers.

Disclose your bottom line.

Accept one-sided losses to reach agreement.

Search for the single answer: the one *they* will accept.

Insist on agreement.

Try to avoid a contest of will.

Yield to pressure.

**HARD**

Participants are adversaries.

The goal is victory.

Demand concessions as a condition of the relationship.

Be hard on the problem and the people.

Distrust others.

Dig in to your position.

Make threats.

Mislead as to your bottom line.

Demand one-sided gains as the price of agreement.

Search for the single answer: the one *you* will accept.

Insist on your position.

Try to win a contest of will.

Apply pressure.

**SOLUTION**

Change the Game — Negotiate on the Merits

**PRINCIPLED**

Participants are problem-solvers.

The goal is a wise outcome reached efficiently and amicably.

**Separate the people from the problem.**

Be soft on the people, hard on the problem.

Proceed independent of trust.

**Focus on interests, not positions.**

Explore interests.

Avoid having a bottom line.

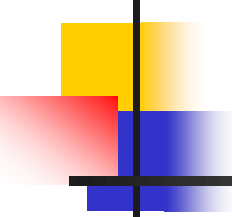
**Invent options for mutual gain.**

Develop multiple options to choose from; decide later.

**Insist on using objective criteria.**

Try to reach a result based on standards independent of will.

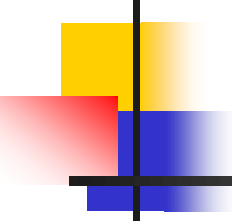
Reason and be open to reasons; yield to principle, not pressure.



# People – separate the people from the problem

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- Negotiators are people; they have emotions, positive and negative, deeply held values, different backgrounds and viewpoints
- They see the world from their own personal vantage point/cultural issues
- They can fail to interpret what you say in the way you intend
- Misunderstanding can reinforce prejudice and lead to reactions that produce counter reactions

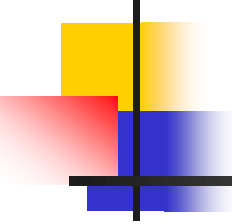


# People – separate the people from the problem (cont.)

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Negotiators have 2 kinds of interests

- In the substance (item being negotiated)
- In the relationship (rarely is a negotiation a singular event)

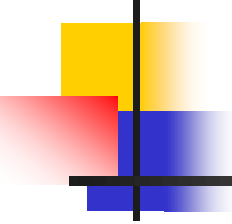


# People – separate the people from the problem (cont.)

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Some of the major people problems in negotiations are:

- Treating the people and the problem as one
- People draw from comments on substance unfounded inferences that they treat as facts about the other person's intentions and attitudes towards them
- Don't deduce their intentions from your fears
- Don't blame them for your problem

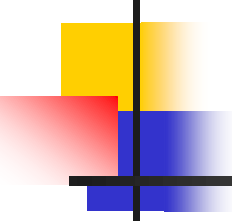


# People – separate the people from the problem (cont.)

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Some of the major people problems in negotiations are: (cont.)

- Base relationship on accurate perceptions, clear communication, appropriate emotions, and a forward looking, purposive outlook
  - Perceptions may not be correct but to this person they are facts
    - Need to ensure that everyone has the same perception



# People – separate the people from the problem (cont.)

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Some of the major people problems in negotiations are: (cont.)

- Look at the situation from the other person's viewpoint
- Deal with people problems immediately and directly



# What if the Other Side is More Powerful?

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In response to power, the most any method of negotiation can do is to meet 2 objectives:

- Protect you against making an agreement you should reject
  - Establish a “Bottom Line” – Worst Acceptable Outcome
- Help you make the most of the assets you do have so that any agreement you reach will satisfy your interests as well as possible.



# Bottom Line

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- To a Buyer – highest price you will pay
- To a Seller – lowest amount you will accept



## Bottom Line (cont.)

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- Advantage – protects you from accepting an offer that does not meet your minimal needs. It makes it easier to resist pressure and temptations of the moment.
- Disadvantage – inhibits imagination, limits your ability to benefit from what you learn during negotiation



# Develop Your BATNA – Best Alternative to a Negotiated Agreement

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- It is the standard that any proposed agreement should be measured against for acceptance.
- It protects you from accepting terms that are too unfavorable and from rejecting terms it would be in your interest to accept.
- It is flexible enough to permit the exploration of imaginative solutions.



# Develop Your BATNA – Best Alternative to a Negotiated Agreement

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- One frequent mistake is to psychologically look at your alternatives in the aggregate.
- If you do not accept the negotiated settlement, you must accept only one of your alternative options.



# Develop Your BATNA

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- Creating a list of actions you might take if no agreement is reached
- Improving some of the more promising ideas and converting them into practical alternatives
- Selecting the one option that seems best
  
- Do not forget to think about the other side's BATNA. The more you learn of their options, the better prepared you are for the negotiations.



# Questions about Fairness and “Principled” Negotiation

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- Does positional bargaining ever make sense?
- What if the other side believes in a different standard of fairness?
- Should I be fair if I don't have to be?



# Questions about Dealing with People

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- What do I do if the people are the problem?
- Should I negotiate even with terrorists or someone like Hitler?
- When does it make sense not to negotiate?
- How should I adjust my negotiating approach to account for differences of personality, gender, culture, and so on?



# Practical Questions

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- How do I decide things like, “Where should we meet?”
- Who should make the first offer?
- How high should I start?
- Concretely, how do I move from inventing options to making commitments?
- How do I try out these ideas without taking too much risk?



# Questions about Power

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- Can the way I negotiate really make a difference, if the other side is more powerful?
- How do I enhance my negotiating power?



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**Thank you for your attention !!!**

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