



# Negotiation

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*“Every challenge is won before it is fought”*

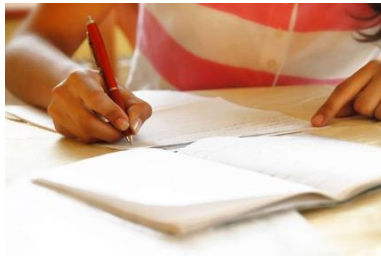
*“Every challenge is won before it is fought”*

- Sun Tzu



# PREPARE WHENEVER POSSIBLE

(USE AVOIDANCE IF NECESSARY TO BUY TIME)





# Preparation

- What information do you need to make your case?
- How much of it do you have to hand now?
- You have **7** minutes



# THE ENVIRONMENT SETS THE TONE





# THE OPENING SETS THE MOOD & THE SCENE



# You must anchor first

- There is very, very, strong evidence that the first party to make an offer gains a strong advantage in establishing the point around which a negotiation will move.
- If you don't get in first.....





## Re-anchoring

- If you believe that the other party has offered an unreasonable starting point say so and ask them to justify it.
- Your research prior to the negotiation should have given you sound evidence for your starting point. Make that case strongly and then state your anchor point.
- If you don't have your evidence based anchor ask yourself why not. Is the other party right or have you just failed to undertake adequate preparation?



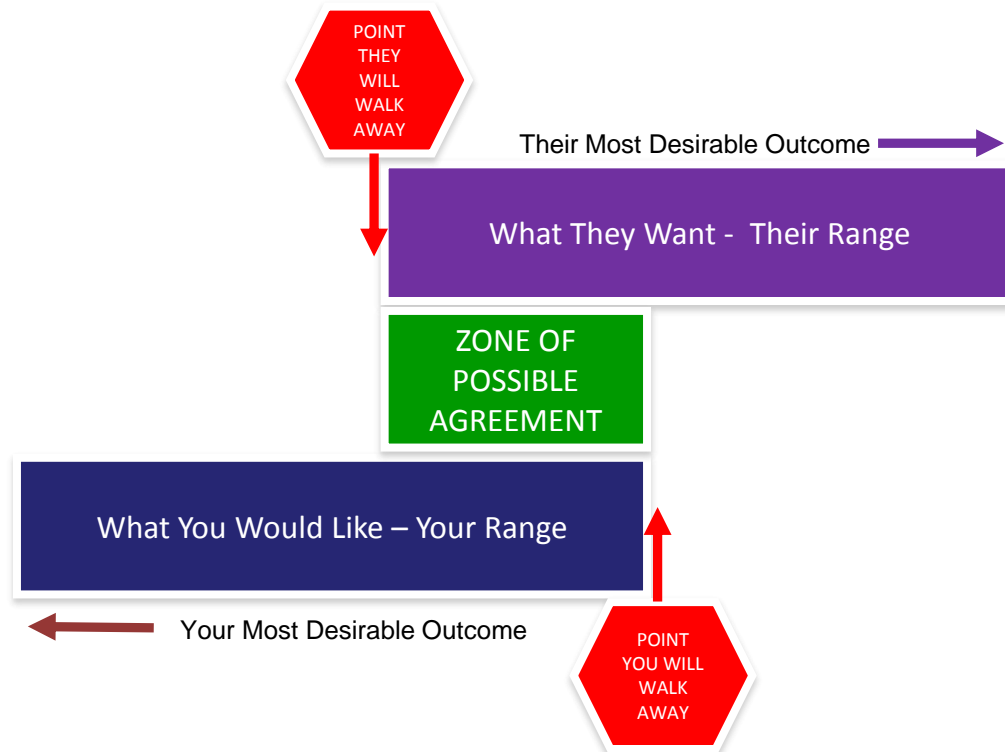


# Where to place your anchor? ZOPA

- The “Zone of Potential Agreement” or ZOPA is quite simply the overlap between your position and that of the other party
- For example; imagining that the seller of a second hand car wants £3,000 for it but will accept £2,250. You are hoping to get away with spending only £2,000 but you could go as high as £2,500
- What is your zone of potential agreement?



# ZOPA





# Ask yourself

Do you have any idea of the other parties “settlement range”?

If not, how could you gain some insight into it?

You have **5** minutes



# Just in case you can't reach agreement; you need a BATNA

BATNA: Best Alternative to a Negotiated Agreement. "The reason you negotiate is to produce something better than the results you can obtain without negotiating." The result you can obtain without negotiating is your BATNA.

"The better your BATNA, the greater your power" The same will hold true for the other party.

Identify your BATNA (it may be to walk away, or the current situation or something else) and identify the BATNA of the other party. Telling them their BATNA can be a good "logic" strategy



# Developing your BATNA

1. Be creative to compile a list of actions you might take if no agreement is reached
2. Improve some of the more promising ideas and convert them into practical alternatives
3. Select, tentatively, the one alternative that seems best

You have **7** minutes