Negotiations

Creating Win-Win Agreements

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Negotiations

- Basic Framework/Concepts
- Positions
- Interests
- Options
- Standards
- Strategy
Basic Framework/Concepts

• Positional v. Interest Based
  • Positional: Quid Pro Quo Bargaining
    • The pie is fixed and the parties are there to divide it up.
    • Generally arises when prices is the determining factor.
  • Interest Based: Creative process through which solutions are found to serve all needs
    • Based on *Getting to Yes* by Ury and Fisher
    • Stresses a collaborative approach
    • The pie is not fixed (Think Game Theory)
Positions

• Positions are the terms and conditions the parties offer to each other
• Seem fixed
• “Positions are something you’ve decided upon. Interests are what caused you to so decide”
Interests

• The underlying business need that drives a position:
  • Ex: “I Need to have the equipment delivered by Nov. 1 so that I can begin work and finish by my submission deadline in March”
  • Position: Delivery by Nov. 1
  • Interest 1: Having enough time to finish using the equipment by submission deadline in March.
  • Position 2: Vendor cannot deliver until December. Query rationale: Why can’t vendor deliver until December?
Options

• Options are alternative arrangements that meet underlying interests in a manner that is less burdensome on your counterpart

  • Ex: “I’ll do preliminary experiments with the equipment for a week in Nov., but will not do the bulk of the work for all of Jan. I just need to use the equipment, don’t need it to be in Eugene.”

  • Option: Arrange for use of equivalent equipment at alternative location in Nov. and deliver equipment in December
Standards

• Standards are independent methods of measurement that remove the subjectively of the parties.

• Examples: Common Indices, like CPI; established formulas; published price lists; etc.

• Neither party is in control of a standard, so neither party feels disempowered
Negotiation Strategy

• Separate people from the problem
• Identify Interests to create Options
• Create BATNA (Best Alternative to a Negotiated Agreement) before you engage. In contract negotiations, the typical BATNA is to walk away from the transaction.
  • Know when you can walk away. There is always a “new deal around the corner.”
  • Minimize instances where you can’t walk away
Resources

• Read Getting to Yes: Available to at UO Libraries
Resources
