EMBRACING THE FUTURE OF OUR ECONOMY

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Negotiation Strategy: How do you become a better negotiator?

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“In all these years I’ve been carrying it and reading it every day, I go so caught up in keeping it safe that I forgot to live by what I learned from it.”
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“To do more for others than you do for yourself”
A plan based on knowing yourself and knowing the other party will allow you to win every negotiation before it even begins.
Knowing Yourself

There are five key choices in the Strategy Choice Cascade:
1. What is our winning aspiration?
2. Where will we play?
3. How will we win where we have chosen to play?
4. What capabilities must be in place to win?
5. What management systems are required to ensure the capabilities are in place?
# Knowing Yourself

## SWOT Analysis

<table>
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<tr>
<th>STRENGTHS</th>
<th>WEAKNESSES</th>
<th>OPPORTUNITIES</th>
<th>THREATS</th>
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<tr>
<td>Things your company does well</td>
<td>Things your company lacks</td>
<td>Underserved markets for specific products</td>
<td>Emerging competitors</td>
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<td>Qualities that separate you from your competitors</td>
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<td>Few competitors in your area</td>
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<td>Internal resources such as skilled, knowledgeable staff</td>
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<td>Emerging need for your products or services</td>
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<td>Tangible assets such as intellectual property, capital, proprietary technologies etc.</td>
<td>Unclear unique selling proposition</td>
<td>Press/media coverage of your company</td>
<td>Changing customer attitudes toward your company</td>
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Identify your Goals
Do you want to maximize the short term value or work to establish a longer term collaboration that will grow value over time? Is your goal to steal market share at the expense of profit? Make sure to know what you want going in, instead of settling for what you end up with.
Are You In a Negotiating Situation?

The first, and most important, step in preparing for negotiations is to decide whether you are actually in a negotiating situation. A negotiating situation exists when you are in any communication or problem-solving situation with others that can work out to your advantage. If there is no advantage to you, then don’t negotiate; there is no point. Consider the following options before you negotiate:

1. **Do Nothing**
   - In reactive negotiation, doing nothing calls the other side’s bluff; they may or may not use their power to force you to move. In proactive negotiation, doing nothing is likely to lead to missing an opportunity for gain.

2. **Take What You Want**
   - In proactive negotiations, you could simply use the power you have to take what you want. You risk a resent-and-revenge reaction from the other side if you do this.

3. **Agree to Their Terms**
   - You could decide that agreeing to their terms without the hassle of negotiations is your best course.

4. **Go to a Third Party**
   - If it is likely that you will end up going to a third party at a later stage, you might want to avoid the hassle and choose this option straightaway.

"Engage only when it is in the interests of the state; cease when it is to its detriment. Do not move unless there are definite advantages to be won."

*(Sun Tzu: "The Art of War", 400BC - 320BC)*
Knowing The Other Party: Double Swot

**Strengths** of each side are the power each side has over the other. Astute negotiators are aware of the other side's power but are not overawed by it.

**Opportunities** are the benefits that can come our way from a negotiated settlement. The greater these are, the more we will want to make a deal.

**Weaknesses** are the areas you can exploit in the other side to improve your bargaining position. All negotiators have weaknesses in that they have a need to reach agreement with the other side and therefore a dependence on them to settle.

**Threats** are the things we might lose or miss out on or suffer if we fail to get what we want.
Fact Finding

- Have some pre-meeting questions
- Learn who the stakeholders are
- Who is the decision Maker
Fact Finding

- Have some pre-meeting questions
- Learn who the stakeholders are
- Who is the decision Maker
- Can you avoid procurement
Knowing The Other Party: Active Listening

- Actively listen to the other party
- Ask clarifying questions
- Summarize to assure you understand
- Find common ground and move forward

*If you are not active listening, it shows*

“Active listening is the stealth weapon of effective negotiation.”

— Robert C. Bordone,
Harvard Law School
Knowing The Other Party: Active Listening

Which game are you playing?
Knowing The Other Party: Active Listening

Which game are you playing?

If you're explaining, you're losing.

— Ronald Reagan —
What’s the Plan

- **During your negotiation’s planning phase, determine how you can position your perspective (value proposition) such that the other negotiator accepts it as being beneficial to her.**
- Prior to entering into the ‘official’ negotiation, thoroughly explore how you might address situations that may arise.
- Consider how and when you can use leverage, and the form in which it may appear, to influence the other negotiator.
- Structure your offers and counteroffers so that they flow in the direction you’ve set for the outcome of the negotiation.
- Position yourself properly before the negotiation (i.e. get write-ups in news articles; heighten your perceive expertise via social media, etc.)
- Use empirical data to improve your negotiation position.

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**THE SUPREME ART OF WAR IS TO SUBDUE THE ENEMY WITHOUT FIGHTING.**

Sun Tzu
What’s the Plan: Options

• Joint Fact-Finding (What if we were the same company?)
• Create More Value Through Trades
• Contingent Agreements
So Now you got a plan

Everyone has a plan, until they get punched in the mouth

Commander’s Intent
The actual Negotiation

• Have an agenda
• Make Introductions
• Have an ‘opening speech’.
• Make sure you have the proper environment/ Room layout.
• Dress Accordingly
• Most Importantly: Work your Plan
Questions?