

SYNERGY 2009 Breakout Session

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Adapting Your Negotiation Approach in the Current Economic Environment

Negotiation Skills for the Procurement Professional
(in a weak economy)

The group did a partnership activity. Frenkel asked each person to stand across from their partner and try to convince the other person to come over onto their side. If you can get the other person to come to your side, you will get \$1,000. He left the partners to discuss for a few minutes and then asked around the room to see what outcomes there were. Only one group of two made \$2,000, which didn't surprise Frenkel. He said that there were no limits or guidelines that said you both couldn't cross the line. He explained that the assumptions of most groups were:

- ... There is going to be one winner and one loser
- ... Rules were set (no one negotiated for more time)
- ... There was a fixed sum of \$1,000

There is a strategic loop. If you take action and get poor results, don't just continue the loop because you will keep getting the same results. You must go back to the frame and identify a new test plan (slide: Common vs. Strategic Loops).

You cannot continue to make concessions and give in because it will lead to resentment.

There are many negotiation styles (slide: Negotiation Styles).

- ... Competing (my way) is ok for one-time transactions
- ... Compromising (half way) – if you give up half of what you want, you're only half way there, but also halfway resentful
- ... Collaborating (our way)
- ... Avoiding (no way) – no engagement; if you avoid it, you are just delaying the inevitable
- ... Accommodating (your way) – if the substance of the discussion is important to you, you should not accommodate

Typically people just negotiation success on how much you are able to get the other side to move. This isn't a good way to judge the negotiation success. You must take control and figure out what you think it's worth to you. Ask, "why do I really want what I'm asking for?" (e.g. Two little girls are fighting over an orange. Their mom comes into the room and take the orange away, cuts it in half and gives each girl one half. A few minutes later, the mom sees one daughter has peeled the orange, eaten it and thrown the peel in the garbage. She then sees that her other daughter has peeled the orange, shaved the peel for its rind to make a pie and thrown the inside of the orange in the garbage. Had she asked why each of them wanted the orange, she could have solved the discussion in a smarter way.)