



# Creating a Playbook for Effective Negotiation

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**NCACPA 83<sup>rd</sup> Annual Symposium  
November 16, 2022**

# Negotiation

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A method of back and forth communication designed to reach agreement while leaving the other side intact and positive.



# Feelings About Negotiation

    % of all adults in the United States don't feel confident with their negotiation skills.

Every month, 28,000 people do a Google search for 'how to negotiate salary.'

Every month, 2800 people do a Google search for 'how to negotiate car price.'

## Why do you avoid negotiation?



IT MAKES ME NERVOUS/ANXIOUS.



I DON'T WANT TO SEEM DIFFICULT.



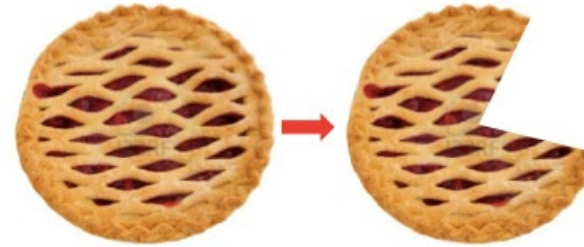
I AM AFRAID I WON'T GET WHAT I WANT.



I DON'T KNOW HOW TO ASK FOR MORE.

# Types of Negotiations

- Distributive



- Integrative





# What Makes Integrative Negotiation Different?



**Separate the people from the problem.**



**Focus on interests, not positions.**



**Invent options for mutual gain.**



**Insist on objective criteria.**

# Principle 1: Separate the People from the Problem.

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- Disentangle the people from the problem.
- Acknowledge perceptions and emotions.
- Listen actively.



## Principle 2: Focus on Interests, Not Positions.

Positions: What parties say they want in a negotiation.

Interests: Why parties want what they want in a negotiation.



@JonnyGoldstein  
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## Principle 3: Invent Options for Mutual Gain.

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- Focus on the variety of ways issues/ interests (yours/theirs) might be addressed.
- Avoid assuming there's a single solution.
- Don't assume zero-sum conditions.
- Think creatively.

# Principle 4: Insist on Objective Criteria.

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- Fair standards: market value, precedent, professional standards, “best practice,” industry average, equal treatment, etc.
- Fair procedures: e.g. last best offers, taking turns, drawing lots

# Experiencing an Impasse?

- The single most powerful tool in a negotiation is the ability to get up and walk away without making a deal



# Developing a BATNA

<b>List</b>	List what you would do if you fail to reach an agreement.
<b>Convert</b>	Convert the most promising options into practical choices.
<b>Select</b>	Select the best option; that is your BATNA.



# Using Your BATNA

If an offer is better than your BATNA, consider improving or accepting it.

If it is worse than your BATNA, consider rejecting it.



# Tips for Successful Negotiations

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- **Know the walk-away point.**
  - Know what your deal breakers are.
  - Think through what will happen if there's no deal on the other side.
  - Think about the other person's walk-away point.





# Tips for Successful Negotiations

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- **Negotiate process before substance.**
  - Understand how to get where you need to go.
  - Who are the stakeholders who need to be involved?
  - Who are the decision makers?



# Tips for Successful Negotiations

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- **Prepare ahead of time and know exactly what you want.**
  - Identify what success looks like for you.
  - Define your interests.



# Tips for Successful Negotiations

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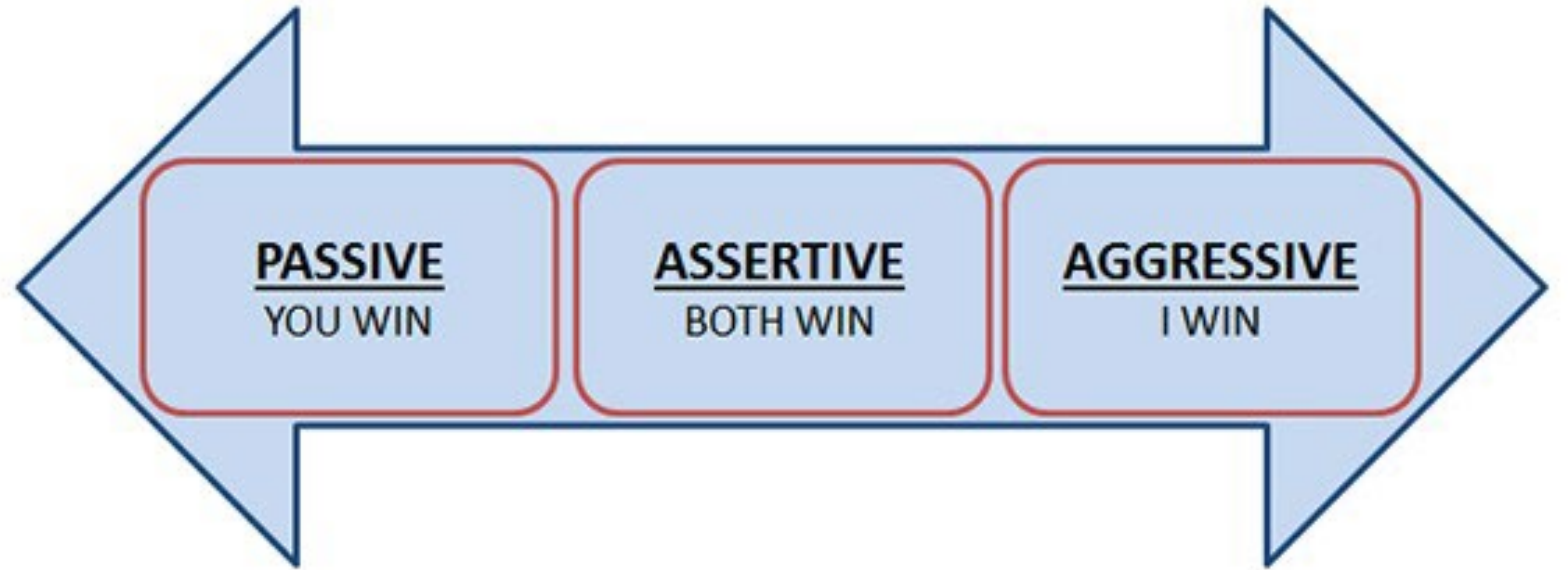
- **Be an active listener.**
  - Don't feel like you should do all the talking. Listen and ask lots of questions.
  - Acknowledging the other person's point of view helps them to be more receptive to hearing your point of view.





# **“Avoidable” Errors in Negotiation**

# Failure to Be Assertive at Appropriate Times



**Believing  
Power Comes  
Solely From  
Superior Force**



# Failing to Commit to An Agreement When Conditions Are Met



# Getting Distracted





# Failing to Do Your Homework





# Negotiation Tactics

# Compromise



# Expand/ Modify the Pie



# Logroll



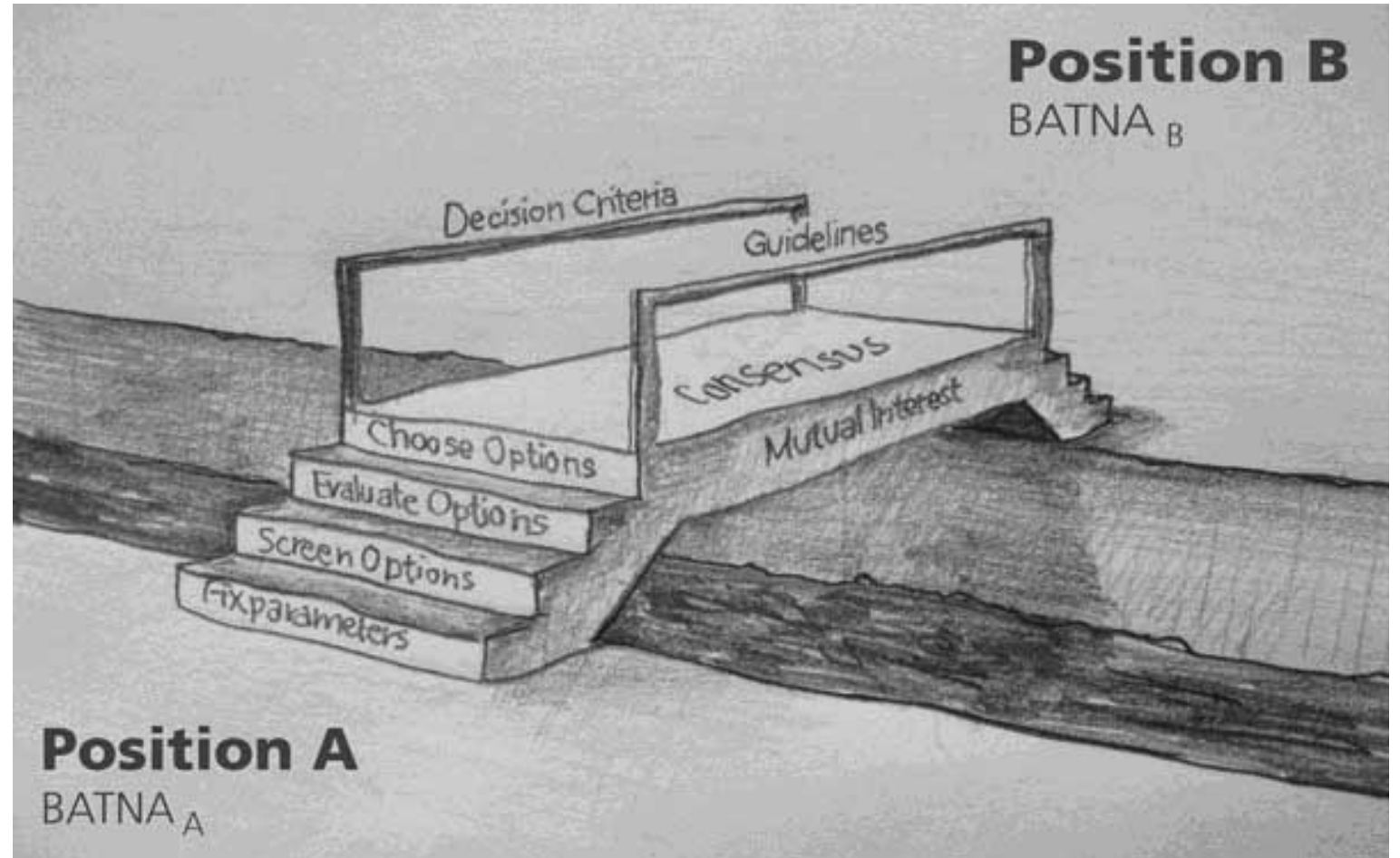
- Offering the other side something that they value more than you, in exchange for gaining something from them that you value more than they do.

# Logrolling Example

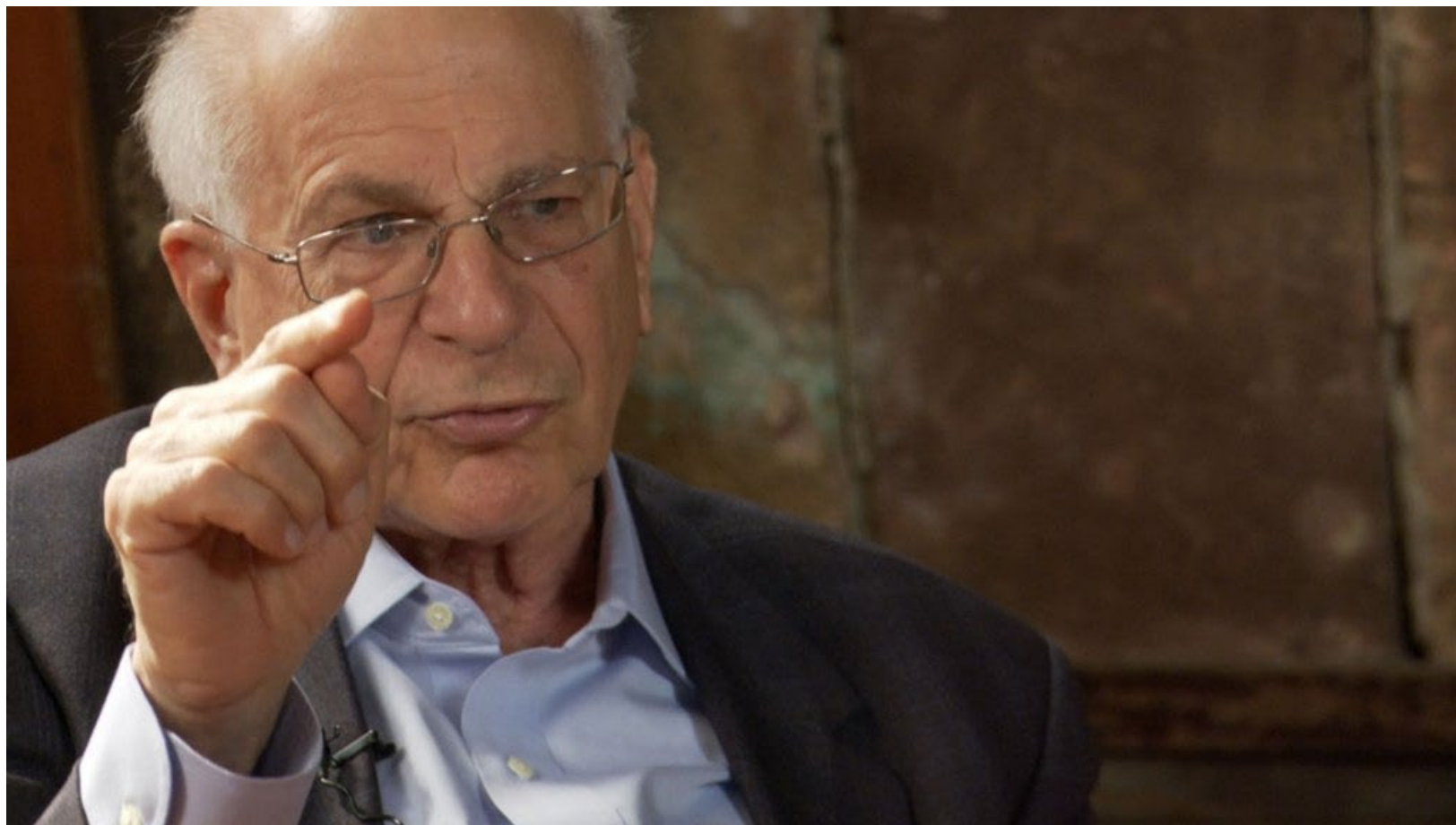
A union might concede on a no-strike clause in exchange for wage raises, which it prefers over the no-strike clause.

Management might give up their demand to hold the line on wages in exchange for the no-strike clause, which it prefers over the lower wages.

# Find a Bridge Solution



# Anchoring





# Nibbling



- Asking for a number of small concessions without negotiating
  - Fees
  - Time
  - Information
  - Just “one more thing”

# Good Cop/Bad Cop



# Bogey



- Playing up an issue of little importance.

# Snow Job



- Confuse the other party with huge amounts of information.

# Chicken



- When you are given a last chance to take a final offer or risk the consequences.

# Closing the Deal

Provide alternatives (2 or 3 packages)

Assume the close

Split the difference

Exploding offers

Deal sweeteners



# Best Practices for Negotiators

## 1. Be prepared.

- Understand and articulate your goals and interests.

## 2. Diagnose the fundamental structure of the negotiation.

- Is it a distributive or integrative negotiation or blend of the two?
- Choose strategies and tactics accordingly.

# Best Practices for Negotiators

3. **Identify and work the BATNA.**
  - Be vigilant about your BATNA.
  - Be aware of the other negotiator's BATNA.
  
4. **Be willing to walk away.**
  - Strong negotiators are willing to walk away when no agreement is better than a poor agreement.



# Best Practices for Negotiators



## **5. Remember the intangibles.**

- “See what is not there.”
- Ask questions.

## **6. Remember that rationality and fairness are relative.**

- Find external benchmarks of fair outcomes.

# Best Practices for Negotiators

## 7. Continue to learn from your experience

- Analyze each negotiation
  - Plan a personal reflection time after each negotiation
  - Periodically take a lesson from a trainer or a coach
  - Keep a personal diary on strengths and weaknesses and develop a plan to work on weaknesses

