NEGOTIATION

with Margaret Neale Professor, Stanford Graduate School of Business

DISCUSSION GUIDE

KEY POINTS

Negotiation is problem solving.

Instead of approaching negotiations as a win/lose situation, see if you can come to an agreement that makes all parties better. Successful negotiations do not begin as a demand or ultimatum. They start with the question, "Is there an alternative solution that can benefit both you and me?"

The goal is not to get a deal. The goal is to get a good deal.

Getting a good deal is the desired outcome of a negotiation. Agreement is not. Every bad deal is a deal to which you have agreed. To define a good deal, understand three things upfront:

- What are your **alternatives**? What do you have "in hand" in case a new agreement is not reached? The person with superior alternatives does better.
- What is your **reservation**? The bottom line below this, you are better off walking away. Above this, you are better off.
- What is your **aspiration** for the deal? What is your realistic view of the best possible outcome? Aim high, but also support your goals with arguments about why your "Ask" is reasonable.

Four steps to achieving a successful negotiation.

- 1. **Assess.** Do the benefits of engaging in this negotiation outweigh the costs? Can you have influence in this situation? What is the price you are willing to pay to avoid negotiating?
- 2. **Prepare.** What are your interests in this negotiation? What are the interests of your counterpart?
- 3. Ask. Engage with your counterpart. You have unique information your counterpart needs. Your conversations with your counterparts give you the opportunity to share this information as well as listen to their perspective.
- 4. **Package.** Make proposals that package together issues and solutions. Start with the results you can deliver to your counterparts, your team, or your organization. Do not negotiate issueby-issue. Use "if/then" statements as a tool to present your "Ask."







Women increase the chance of a success when a proposal is framed in terms of benefits to your counterparts, team, or organization.

Women fare better in negotiations when competence is paired with a "communal" approach that considers the good of your counterpart, your team, and/or the organization as a whole. A well-prepared "Ask" packages issues together (rather than asking for a single request, like more money) and frames the proposal as benefitting the group as a whole.

Three questions to prepare women to enter a negotiation.

Women face unique challenges and opportunities in negotiating. Use these questions to negotiate with greater success.

- 1. **Why** are you asking? How will my solution or desired outcome benefit my counterpart, my team, and/or my organization? Start with the benefits to your counterpart, team, or organization.
- 2. **How** are you asking? Are you bundling your requests with benefits to your counterparts, team or organization? Package individual requests together into a proposal using "if/then statements." Stay away from single-issue negotiations.
- 3. **For whom** are you asking? If you are able to achieve these desired outcomes, who else will benefit? How does your proposal represent the interests of your family, your group, or your cause? When you are asking, think about how your proposal benefits them.

Negotiation is more than a salary discussion.

Many of us only think of using negotiation in contracts or around salary. Instead, think of situations at work and in your personal life as opportunities to create value so that you can get more of what you want and your counterparts get solutions that meet their needs.

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Personal Inventory

| First 5 minutes: Fill out this inventory. |
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| Think of your a recent negotiation. What were the benefits of undertaking this negotiation? What were the risks of undertaking this negotiation? |
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| What was important to your counterpart? What was important to you? In what areas did you and your counterpart share the same interests? |
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| What were the different issues and options you packaged in your proposal? How did the proposal benefit your counterparts? What was the outcome? → For example, in a job change, you could package your role definition, responsibilities, and expected results that benefit your team and organization, as well as title, salary, equity, time commitment, etc. |
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- → Share with your Circle. 2 minutes each. 20 minutes total.
- 1. What was your negotiation?
- 2. How prepared were you?
- 3. Share one example from the past month when you made an "Ask"? What happened?

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Practicing Skills

This has two parts, so make sure you stick to the time allotted so everyone gets a turn.

First 6 minutes:

Break into pairs. Share with your partner an unresolved issue that you would like to resolve with an "Ask."

- What is the situation? Who is your counterpart?
- What do you know about your counterpart? What is important to them? What results are they responsible for generating?
- What specific results or value do you bring to your counterpart in delivering their results?
- What is your realistic view of the best possible outcome?
- Assess. Do the benefits of engaging in this negotiation outweigh the costs? Can you have influence in this situation?
- Prepare. What are your interests in this negotiation? What are the interests of your counterpart? What are your alternatives to this negotiation?
- Ask. When you engage with your counterpart, what is the unique information that you have to share? What is the unique information you would like to get? Practice your negotiation with your partner.
- Package. What are the different issues you can package in this negotiation? Think of using "if/then" statements.

After 6 minutes: Switch and let your partner share.

- Share with your Circle. 1 minute each. 10 minutes total.
- What is your proposal?
- How does your "Ask" resolve your issue?
- Does your proposal make you and your counterpart 3. better off?

This concludes the meeting.

NOTES

One Action

| In the next week, make an "Ask." It could be a situation where you want a different choice than your friends or family members, or a problem to solve at work. Think of solutions that make all parties better off. Remember, you do not have to agree to any deal. | | |
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| Share with your Circle your One Action in your next meeting | g. | |
| <u> </u> | NOTES | |
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NEGOTIATION

Bringing It Home

| Assess | Start with an unresolved issue you would like to resolve with an "Ask." What are the benefits of undertaking this negotiation? |
|---------|---|
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| Prepare | What is important to your counterpart? What is important to you? In what areas do you and your counterpart share the same interests? |
| | |
| Ask | Engage with your counterpart. You have unique information your counterpart needs. How will you engage with your counterpart? What is the unique information you have to share? |
| | |
| Package | What are all the different areas and issues you could potentially include in a proposal? → For example, in a job change, you could package your role definition, responsibilities, expected results that benefit your team and organization, as well as title, salary, equity, time commitment, etc. |
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