

Negotiating Skills Agenda

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2. Negotiating challenges for a PM
3. Negotiating Skills for a PM
 - Pre Negotiating Planning Phase
 - Understanding key motivators
 - Handling Emotions
 - Negotiating around Fixed Positions
4. Practice Win-Win Negotiations
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Negotiations Mixer

TASK: In your teams of 3 (or 4), negotiate with your partners to decide how you would divide this \$10 among you.

Once you have agreement, all 3 of you stand up.

Anyone not assigned to a team?

You have 60 seconds to negotiate. Are you ready to begin?

Go!

- Who reached a win-win agreement in 45 seconds?
- What made this a difficult task?

Next time I suggest you try “Win-Win” Negotiating”



Negotiating Challenges for a PM

1. Trade-offs between Scope, Time, Costs, and Quality
2. "Build or buy" decisions
3. Change Management
4. Resource prioritizations
5. Catch-up and Overtime needs
6. Contract overruns
7. Budget cuts
8. Vendor Selection
9. Bonuses and pay scales
10. Work Space and equipment
11. Risk Management strategies
12. Family and Friends
13. Other!

What do you consider to be your toughest challenge?

The Pre-Negotiation Planning Phase

- Decide if Subject Matter Expert involvement required
- Research options/issues and precedence's
- Understand the motivators of affected stakeholders
- Know impact of each option (time, cost, quality, scope)
- Risk/opportunity assessments
- Timing issues (urgency, best time to meet, etc)
- Summarize pros and cons
- Cultural considerations (people and Enterprise)
- Formulate strategy based on knowledge of the stakeholders
- Pre-meeting info dissemination
- Invite appropriate empowered representatives
- Set conducive agenda, facilities, timeslot, and refreshments
- Plan for timely post negotiation action
- Plan for analysis of "lessons learned" after negotiating

Some Negotiating lessons are tough to take...



“You have to learn to run in the clients shoes”

Understanding Key Motivators

Think back to the last time you were blindsided by an unexpected motivator. What was it?

Typical tangible motivators:

- Fiscal impacts (Enterprise & for their own or department)
- Workload/Overtime/training/vacation impact
- Contractual/Organizational issues, etc

Less Tangible:

- Desire to be heard and have their needs acknowledged
- Desire to save face/look good in the eyes of others
- Resistance to change (fear of unknown/untried)
- Desire to satisfy their own or bosses hidden agenda
- Biases, dislikes, ethnic customs, political alliances, etc
- Emotional (and why should they trust you?)

TIP: Learn to read body language

Handling Emotions

Emotional Challenges

Anger/exasperation

Insulted

Guilt

False flattery

Recommended Response

Allow venting. Probe for why

What wouldn't be insulting?

Focus on issues

Re-focus

Tips:

- Don't lose your cool (remember the swan!).
- Try to defuse with acknowledgement, empathy, patience, impartiality.
- Consider dealing with less emotional issues first
- Know your own "Hot Buttons"
- Practice (consider Toastmasters, etc)

Negotiating around Fixed Positions

Probe for the **beliefs and goals** behind the fixed position.

Example of a fixed position:

“I will not agree to outsource, regardless of savings”

Surface goal: “Not to be burned the way we were 5 years ago”

Underlying belief: “Work is controllable if we do it in-house”

Underlying goals: **To have control, stability, minimum risk, and not have to lay-off anyone.**

Underlying realities: Managing this work in-house is a costly pain, and not our core skill. These people can be redeployed on urgent backlog.

Now you have the basis for analysis of alternatives, risks, contingencies, develop pros and cons, then negotiate!

Practice Win-Win Negotiations

1. Establish rapport and common goals
2. Probe for understanding of beliefs, goals, win-win options, and hidden stakeholder motivators
3. Paraphrase for confirmation/affirmation
4. Analyse outcomes and risks
5. Summarize what was agreed on, and next steps (even if these are only "baby steps")

Tips:

- If stalled, back up to a fundamental that you can agree on (*e.g.* "We both want to make this a profitable venture")
- Build on this common ground (recycle if necessary)
- Avoid emotional responses (even if insulted)
- Consider interim options (or postponement) if undesirable outcome is imminent or key information is missing.

Negotiation Resources

Books:

"Human Resources Skills for the Project Manager" Vijay Virma

"Principles of Project Management" John R Adams

"The Power of Nice" Ronald Shapiro

"Swim with the Sharks Without Being Eaten Alive" Harvey Mackay

"Getting Ready to Negotiate: The Getting to Yes Workbook" Roger Fisher and Danny Ertel

"Negotiating Skills for Dummies" Michael and Mimi Donaldson

Web Sites:

<http://www.maxwidman.com/papers/negotiating>

<http://www.gantthead.com/Gantthead/JPACE/justifypages/1,1457,61,00.html>

Info on Toastmasters International

<http://www.toastmasters60.org/>

<http://www.toastmasters60.org/>

More Info and De-Risking Projects:

Contact me at bill.chadwick@sympatico.ca

Exercises

Form into teams of 3 (4 if necessary).

1. **Negotiations for a scarce resource**

The person who's birthday occurs earliest in the year plays the role of the **Negotiating PM**. Next birthday is **Susan's Manager**. The third (and fourth?) persons are **Observers** who note use/abuse of "win-win" techniques.

Background:

The **Negotiating PM** has a Programmer off sick, and wants to negotiate two weeks of Susan's time to work on the Company's most important project immediately, because Susan is the best programmer, and knows the tasks. Delays may affect everyone's bonus.

Susan's Manager is concerned the loss of Susan will mean she will not be able to complete tasks on another project their department is committed to deliver (requiring one week of work in the next 3 weeks), because the Negotiating PM has a reputation of over-utilizing resources (and padding their schedule contingency). Other commitments will also need juggling.

Time: 3 minutes

Analysis of Exercise 1

Susan's Manager's: Who felt things went very well? Why?

Observers: Lead a constructive discussion within your team on the "win-win" techniques (2 minutes).

1. Established rapport and common goals?
 2. Probed for understanding of beliefs, goals, win-win options, and hidden stakeholder motivators?
 3. Paraphrased for confirmation/affirmation?
 4. Analysed outcomes and risks?
 5. Summarized what was agreed on, and next steps?
- If stalled, returned to a fundamental that was agree on?
 - Built on this common ground?
 - Avoided emotional responses (even if insulted)?
 - Considered interim options (or postponement) if undesirable outcome was imminent, or key info missing?

Exercise #2

Roles. PM from the previous exercise becomes **Anne**, a 15 year old girl. The Observer becomes **Anne's parent**. Others are **Observers** to record use/abuse of "win/win" techniques.

Background: Anne is calling home from a payphone on Hwy 401 to tell her parent she is hitch-hiking to Hollywood to be a movie star. She has no money, is a little afraid, and secretly wants to go to drama school. The parent is worried about Anne being out after curfew. Parent picks up the 'phone, and has 3 minutes to effect a "win-win" approach before the payphone times out.

Analysis of Exercise 2

Anne(s): Who felt things went very well? Why?

Observers: Lead a constructive discussion within your team on the "win-win" techniques (2 minutes).

1. Established rapport and common goals?
 2. Probed for understanding of beliefs, goals, win-win options, and hidden stakeholder motivators?
 3. Paraphrased for confirmation/affirmation?
 4. Analysed outcomes and risks?
 5. Summarized what was agreed on, and next steps?
- If stalled, returned to a fundamental that was agree on?
 - Built on this common ground?
 - Avoided emotional responses (even if insulted)?
 - Considered interim options (or postponement) if undesirable outcome was imminent or key information is missing?

Exercise #3

Change roles. Anne becomes the Observer. The parent becomes a **driver** who's car has broken down at a garage 2 hours away from Toronto. The last person becomes the **head mechanic** at the garage.

Background: You have to be in Toronto for an important meeting in 4 hours. The mechanic estimates it will take an hour to fix your car, but there are several local clients already expecting their cars to be fixed this morning. The mechanic wants your business, but does not want to let down any of the regular clients.

Time: 3 minutes

Analysis of Exercise 3

Mechanics: Who felt things went very well? Why?

Observers: Lead a constructive discussion within your team on the “win-win” techniques (2 minutes).

1. Established rapport and common goals?
 2. Probed for understanding of beliefs, goals, win-win options, and hidden stakeholder motivators?
 3. Paraphrased for confirmation/affirmation?
 4. Analysed outcomes and risks?
 5. Summarized what was agreed on, and next steps?
- If stalled, returned to a fundamental that was agree on?
 - Built on this common ground?
 - Avoided emotional responses (even if insulted)?
 - Considered interim options (or postponement) if undesirable outcome was imminent or key information is missing?

Exercise #4

Rotate the **negotiator** role to be the proud owner of a new sports car. Select someone to be a **good friend** who wants to borrow the car on Saturday.

Background: The **Negotiator** is not using the car this weekend, but is concerned the good friend is a fast driver. The friend is generous, and has done you several favours for the Negotiator, including a recent birthday gift.

Time: 3 minutes

Analysis of Exercise 4

Good Friends: Who felt things went very well? Why?

Observers: Lead a constructive discussion within your team on the “win-win” techniques (2 minutes).

1. Established rapport and common goals?
 2. Probed for understanding of beliefs, goals, win-win options, and hidden stakeholder motivators?
 3. Paraphrased for confirmation/affirmation?
 4. Analysed outcomes and risks?
 5. Summarized what was agreed on, and next steps?
- If stalled, returned to a fundamental that was agree on?
 - Built on this common ground?
 - Avoided emotional responses (even if insulted)?
 - Considered interim options (or postponement) if undesirable outcome was imminent or key info missing?

Other

- Know who will be in attendance, and their issues
- If you can, minimize the number of people (especially negative parties who are not essential)
- Encourage capable advocates to attend
- Make notes prior, and during

Other Websites

ConflictNet www.lgc.apc.org

DiploNet [www.clark.net/pub.diplonet/diplonet.html](http://www.clark.net/pub/diplonet/diplonet.html)

Negotiation Simulations www.bsos.umd.edu/icons/icons.html

Spousal www.webcom.com/pleasant.sarah.marriage/marriage/html

Peacemakers <http://spider.lloyd.com/~fdelmer/>

Harvard Law www.harvard.edu/vine/providers/program_on_negotiation/

Conflict <http://info.rutgers.edu/RUSLN/cdispres.html>

Peace Institute <http://witloof.sjsu.edu/peace/conflict.html>

Know Your Hot Buttons

Exercise: List the last 3 times you felt someone pressed your "Hot Button".

Subject discussed	Who pushed your buttons?	Why did you feel manipulated?	Next time I will.....

Handling of Alternatives

Being Proactive with Alternatives can:

- Help position the recommended solution
- Reduce wheel spinning
- Speed decision making
- Increase Executive appeal and credibility

But there are dangers advancing alternatives...

- If alternatives are premature or not well considered
- If intangible motivators not satisfied
- Trust not established

Tip:

maximize advanced dialogue with key interest groups (except where prohibited).

Common Negotiating Mistakes

Preparation/anticipation and listening are key!

- Weak knowledge of key motivators
- Poor handling of Alternatives
- Failure to fully acknowledge the concerns of others
- Impatience/ Poor timing
- Allowing emotions to escalate
- Negotiating with the un-empowered
- Poor close

Timing Factors

- Minimize spontaneous (unprepared) negotiations
- Watch for “bad” times to avoid (or finish by)
- Seek an adequate time slot
- Take the time to establish rapport/icebreak
- Establish common goals and understandings
- Know when to be silent (hit the “pause button”)
- Know when to close
- Know the effect of a delayed vs expedient decision
- Be prepared to adjourn if antagonism can't be defused or more research is required
- Allow sufficient time for advanced review of key material by involved stakeholders

Location Factors

Seek a site conducive to negotiating:

- Free from interruptions/distractions/noise
- Comfortable (seating, temperature, lighting, etc)
- Appropriately equipped (flip chart? Table space?)
- Non-threatening (equitable seats, etc)
- Culturally appropriate
- Calming (soft tones, possibly carpeted)
- Light refreshments (“breaking bread” together can be a clincher)

Other Tips

Knowing the Stakes

- Anticipate as many potential consequences as you can for each option (including “Worst Case”) & evaluate.
- Dig for hidden stakeholder issues (“I already told my staff we are outsourcing this project” or “The Department Head wants it done this way”)

Self Control

- Where possible, conduct yourself with impartiality
- Try to maintain emotional distance
- Do you know how to defuse tension? (practice at Toastmasters, etc).
- Know your Hot Buttons....