

# WIN WIN NEGOTIATIONS

Leaders are the ones who negotiate

How focusing on win win negotiations creates leadership

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# GREAT LEADERS ARE GREAT NEGOTIATORS

- “Let us never negotiate out of fear
- But let’s never fear to negotiate.”
- John F. Kennedy

# GET THE BEST OUT OF AN AGREEMENT

- CREATE VALUE IN THE BUSINESS RELATIONSHIP
- WORK TOGETHER TO FIND NEW SOURCES OF VALUE
- BE CREATIVE WITH SOLUTIONS
- 'EXTEND THE PIE'

# THE CAMEL

- A man leaves his herd of 17 camels to his three sons as an inheritance
- To the first son he leaves half the camels
- To the middle son he leaves one third of the camels
- To the youngest son he leaves one ninth of the camels
- The three sons get into an intense negotiation over who should get how many camels because 17 doesn't divide by two, or by three or by nine
- Tempers become strained and in desperation they consult an old wise woman

## THE 18<sup>TH</sup> CAMEL

- The old woman said “you can have my camel”
- Now they had 18 camels
- So the first son takes half of them – which is 9
- The second son takes his third share - which is 6
- The third son takes his ninth share – which is 2
- A total of ... 17 camels!
- And they return the 18<sup>th</sup> camel to the old lady

# WHY NEGOTIATIONS FAIL

- Sometimes an apparent solution escapes us
- Step back
- Be more vigilant and analytical
- Open your mind to finding the 18<sup>th</sup> camel

# WHY NEGOTIATIONS FAIL



Leaving the negotiation table  
with no deal



Walking away from a good  
deal



Implementation of the  
negotiated agreement falls  
apart



WHY  
NEGOTIATIONS  
FAIL

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WALKING AWAY FROM A GOOD DEAL

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Faced with deadlock but your BATNA is worse than the deal offered

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Usually associated with strong emotions which lead to using threats or feeling overconfident

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Example: Donald Trump

# WHY NEGOTIATIONS FAIL



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## WHY NEGOTIATIONS FAIL

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When using threats or bluff to get your way in negotiations –

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Make sure you are comfortable with your BATNA -

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If the other side ‘calls your bluff’ or doesn’t meet your demands

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Analyze your BATNA – compare it with deal - make the most rational choice – even if painful!

# WHY NEGOTIATIONS FAIL



MAKING A DEAL WE LATER REGRET



The other side of the coin -



Accepting a deal that is worse than your  
BATNA



Example – buying a second hand car  
from a dealer without doing a market  
research

# WHY NEGOTIATIONS FAIL



Too much enthusiasm and goodwill causes us to 'cut corners' in due diligence



We are then misled into making false decisions



That is why preparation is so important in negotiations



“Failing to prepare is preparing to fail!”

## WHY NEGOTIATIONS FAIL

WE NEGOTIATE A DEAL THAT IS NOT STRONG ENOUGH TO LAST

An agreement that falls apart at the implementation stage is the result of failed negotiations

Parties failed to use the process as an opportunity to confront and resolve conflict

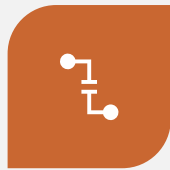
Failed to give the agreement a solid foundation

Remember! Build trust during negotiations –  
Resolve conflict - Plan implementation thoroughly

# GUIDELINES TO GET THE DEAL DONE



BUSINESS DEAL



1. SEPARATE THE  
PEOPLE FROM THE  
PROBLEM



2. FOCUS ON  
INTERESTS NOT  
POSITIONS



3.  
ACKNOWLEDGE  
AND APPRECIATE



4. NO ACTION –  
REACTION



5. TALKING  
POSITIVE

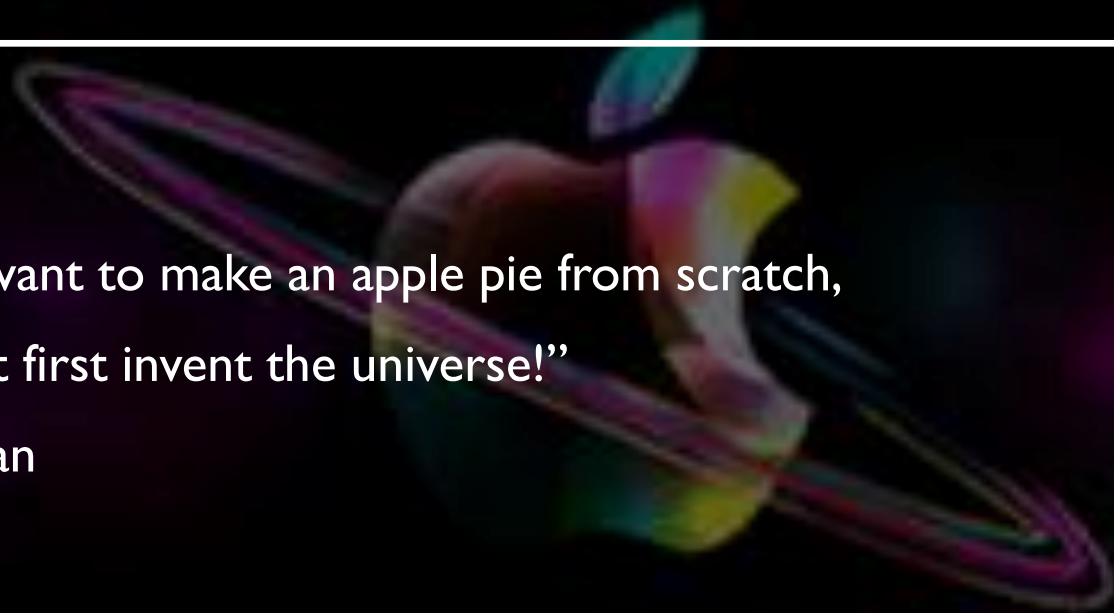


6. MANAGE  
EMOTIONS

# GUIDELINES TO GET THE DEAL DONE

“ If you want to make an apple pie from scratch,  
you must first invent the universe!”

Carl Sagan





# GUIDELINES TO GET THE DEAL DONE



If you want to be a good negotiator, start ... with you!



Answer the question: "who am I?"



Not "I" as the negotiator but truly "who am I"



We tend to wear the 'negotiator's hat' thinking we can hide beneath it



But we are just hiding from ourselves and not fooling anyone



We are not looking into the philosophical or cosmic aspect of this



Be reminded not to forget 'who you are' at the negotiating table – and 'who you want to be'

GUIDELINES TO  
GET THE DEAL  
DONE

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“who am I?”

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A human – with feelings, weaknesses, strengths, abilities, powers, questions, opinions, insecurities, needs, desires, visions ...

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With a unique background for each and every one of us

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Don't forget! – your counterparts to the negotiations are the same!

# GUIDELINES TO GET THE DEAL DONE

- SEPARATE THE PROBLEM FROM THE PERSON
- Understanding that both you and your counterparts share the same qualities and faults as humans –
- helps you separate any problem from the person across the table and handle situations of conflict when strong emotions arise

# GUIDELINES TO GET THE DEAL DONE



SEPARATE THE PROBLEM  
FROM THE PERSON



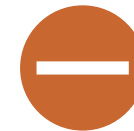
What should you do?



Avoid blaming and criticizing



Deal with misunderstandings  
and conflict directly



Don't make concessions  
under pressure



Instead: explore the other  
side's views and perceptions  
– do they think negotiations  
are going well?

# GUIDELINES TO GET THE DEAL DONE



FOCUS ON INTERESTS NOT POSITIONS



Tendency to start negotiations by stating our positions



When the positions are rigid – we may end up with a deadlock



Draw out the interests from your counterparts by asking questions



Learn: what interests motivate the other side?



Understand the interests behind positions



Be creative with solutions and tradeoffs

# GUIDELINES TO GET THE DEAL DONE

## MANAGE EMOTIONS

Allow the expression and discussion of any strong emotions that may be related to the negotiation

Parties must be freed of unexpressed emotions to really work on solutions



# GUIDELINES TO GET THE DEAL DONE

- ACKNOWLEDGMENT AND APPRECIATION

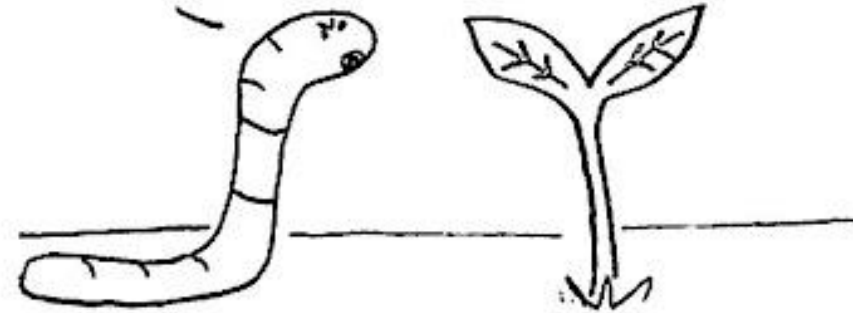
Acknowledge and show appreciation for your counterpart's efforts and movements forward

Active listening – the 'nail' <https://youtu.be/-4EDhdAHrOg>

Build trust, help the process, avoid deadlock!

Find merit in their perspectives

Do you even appreciate what I do for you??



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## GUIDELINES TO GET THE DEAL DONE

- BE POSITIVE
- Communicating in a positive way is much more effective than criticizing
- Use a positive tone when phrasing your words
- 'Raise your words not your voice'

Rumi



KEEP  
CALM  
AND  
STAY  
POSITIVE

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# GUIDELINES TO GET THE DEAL DONE

- NO ACTION – REACTION
- The most common negotiation trap!



# GUIDELINES TO GET THE DEAL DONE

## NEGOTIATION JUJITSU

Avoid escalation by refusing to react!

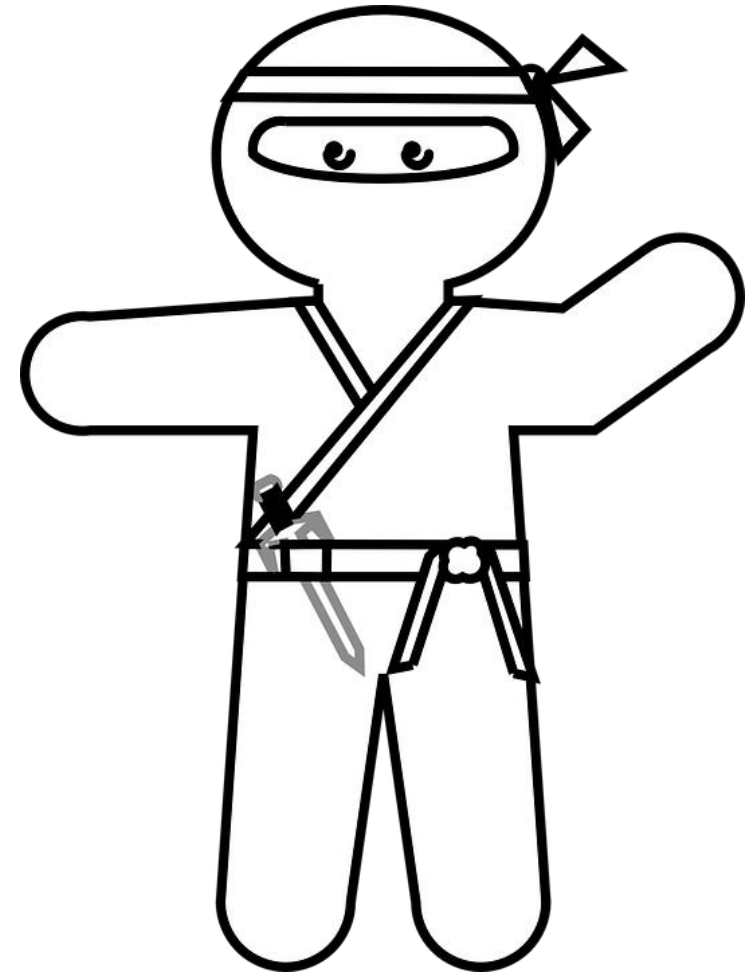
Avoid escalation

Explore interests

Invent options

Seek mutual gain

Search for independent standards



# NEGOTIATION STRATEGIES



MESO Negotiations –  
Multiple Equivalent  
Simultaneous Offers



Contingent  
Agreements



Matching Offer



Avoid quick fixes



Be prepared for  
changes & disputes



## NEGOTIATION STRATEGIES

### MESO NEGOTIATIONS

Make Multiple Equivalent Simultaneous Offers

a very effective negotiation strategy!

- Identify several proposals that you value equally
- Make tradeoffs across different issues

Example – salary negotiations

Option 1: 80K a/s 2w/h 30% travel

Option 2: 75k a/s 3w/h 25% travel

Option 3: 65k a/s 4w/h 5% travel

# NEGOTIATION STRATEGIES



## MESO NEGOTIATIONS



### Multiple Benefits:



You appear to be more flexible



Collect information on the other side's preferences



Increased chances of reaching a mutually beneficial negotiated agreement



Creates value in negotiations



But – it requires thorough preparation before!

# NEGOTIATION STRATEGIES



MATCHING RIGHT



A Classic win win move!



You agree to match any offer the other side receive.



Example: Landlord wishing to maintain the right to sell and Tenant wishing a long term rent.



A matching right for tenant to any offer for sale the landlord receives – allows both sides to win! Landlord has flexibility to sell and Tenant can avoid the disruption to move

# NEGOTIATION STRATEGIES

## CONTINGENT AGREEMENT

Parties have different beliefs about what will happen in the future of the agreement – this can result in deadlock

Contingent Agreement – reduces risk about future uncertainty

“If” x happens then another “y” promise in the agreement will be triggered

Parties agree they disagree and move forward with the agreement



# NEGOTIATION STRATEGIES



NO QUICK FIXES



“Short term thinking can lead to long term problems”



In negotiations we sometimes seize a ‘quick solution’ or ‘easy outcome’



Example – faced with a cash flow problem you may accept a solution that will give you cash immediately but may cause bigger problems in the long run



How to avoid this?



Have a team when negotiating – make sure it includes impartial members that will challenge your decisions when need be.



# NEGOTIATION STRATEGIES

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## BE PREPARED FOR DISPUTES

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Over the life of an agreement – conditions may change

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Make provision so that you will be able to revisit the agreement under certain conditions and renegotiate

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Example: Starbucks & Kafts Coffee Conflict

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Market trends can be very fluid – leave space for re-negotiation in an agreement so that parties can re-visit existing deal terms in light of new market conditions

# NEGOTIATION STRATEGIES



Successful negotiations lead to successful agreements



A successful agreement is one that can be implemented in a satisfactory way without arguments mid way



What to do?



Avoid long term period contracts –



make allowance for short term periods and breaks for renegotiation if needed – especially if the agreement is influenced by market conditions



## NEGOTIATION STRATEGIES

### PREPARE FOR DISPUTES

Disputes may inevitably arise – even with the best negotiated and drafted contracts

Agree on a good dispute resolution clause

- Allowing renegotiation and resolution in amicable terms
- Make provision for ADR – Alternative Dispute Resolution
- Mediation / Arbitration
- Leave litigation as a last resort

# NEGOTIATION TECHNIQUES

Creating value in negotiations can be an abstract concept without discussing some basic techniques that allow this:

1. Break the problem into smaller parts
2. Consider novel deal terms
3. Do mind games



# NEGOTIATION TECHNIQUES

## BREAK THE PROBLEM INTO SMALLER PARTS

In negotiations we are often faced with several issues that need to be addressed

- Break each issue into smaller components
- Address similar issues together
- Unpack the problem so you can uncover potential tradeoffs

This reduces the impression of having to deal with big problems

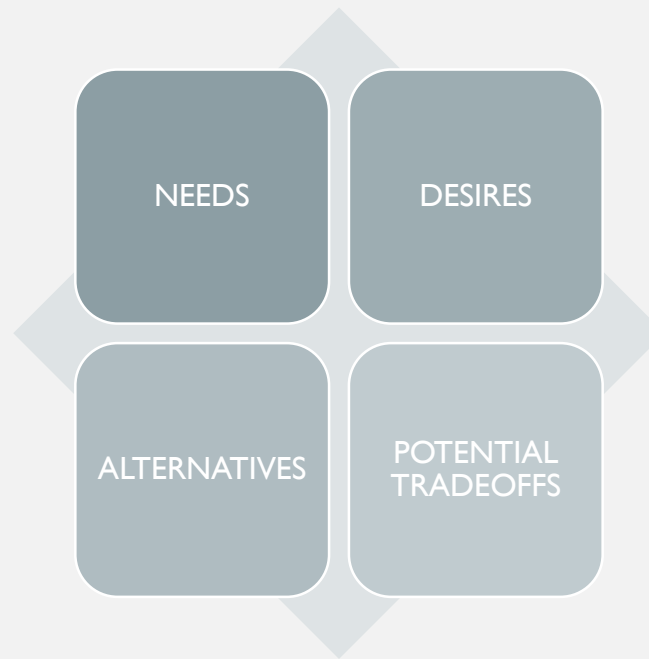
Example: negotiating a demand for increase in salary – break this into multiple issues such as job security, holiday time, parking allowance, overtime pay, travelling

# NEGOTIATION TECHNIQUES

- Easiest way to break a problem into its components
- Ask questions!
- And listen carefully to the answers!
- Use the answers to identify and discuss interests and respective preferences
- We must be willing to disclose key information
- Learn to draw information from the other side but reciprocate by being open too

# NEGOTIATION TECHNIQUES

What information do we share?



# NEGOTIATION TECHNIQUES



## CONSIDER NOVEL DEAL TERMS



Unconventional ways may prove creative and get you to the finish line



Find innovative ways to collaborate



Example: Formula 1 racing team wishing to launch a new website



Fees for the new website were outside their budget



They offered part consideration in formula 1 tickets

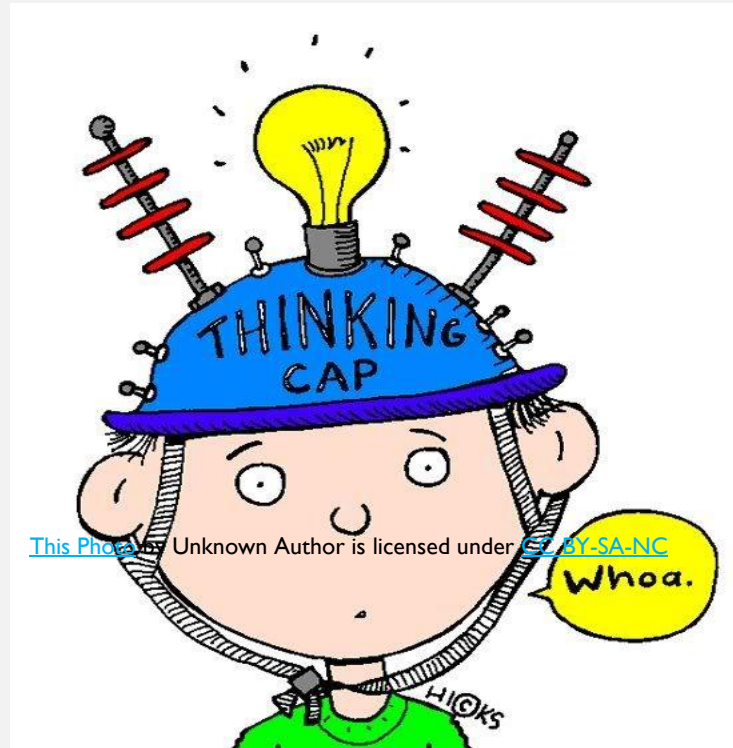


The design firm accepted and used the tickets to treat employees and clients



# NEGOTIATION TECHNIQUES

## DO MIND GAMES



# NEGOTIATION TECHNIQUES



Select a brainstorming session for seeking solutions



Avoid any evaluation or criticism of the ideas during this time



Just release your creativity in sharing ideas



Compare good and bad solutions to a problem



Mixed results for effectiveness in generating really useful outcomes



It does break the ice and gets people out of their analytical minds

## NEGOTIATION TECHNIQUES

BE CREATIVE!

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graph TD; A[BE CREATIVE!] --> B["If they ask you to review your offer – don't always take that to mean cutting your price. If they are bluffing and have no alternative, you will be bidding against yourself!"]; B --> C["Solution: provide them with different offers and alternatives e.g quality adjustments for lower price"];
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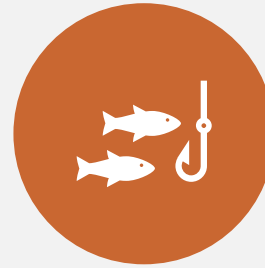
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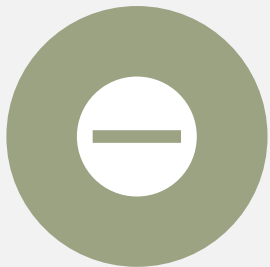
# NEGOTIATION TECHNIQUES



BE CREATIVE – NOT REACTIVE!



If you are suspecting the buyer is fishing your offer to take to a competitor



You can make a 'Shut down move'



Make them a good offer provided the deal closes on the spot!

# NEGOTIATION TECHNIQUES

NOT JUST CREATION...

PREPARATION IS ALSO GOOD!

If you are faced with a “make or break question” – such as “what is your best price?” or “is this your final price?”

Your preparation and the information gathered will be a decisive factor in making your final decision.

Is cost important for them? Are their alternatives strong or weak? Is quality and reliability important for them? – you may decide to stick to your offer after all!



# NEGOTIATION IS LEADERSHIP

If you are to take two things home today – let it be these:

In negotiations:

don't aim to win the biggest share of the pie.

Build Trust and Create value for both sides

By securing a win win deal you secure a long lasting business relationship that can bear fruits in many ways.

If people have trust in your abilities and fairness as a Negotiator then they also have faith in you as a Leader.

# NEGOTIATION & LEADERSHIP

THANK YOU!

