

MAPS NEGOTIATION SEMINAR

Negotiation /Communication

- **Negotiation:** Communication to influence another person's decision. A discussion using reasoned arguments to resolve a dispute or consummate a transaction.
- **Communication:** An interchange of thoughts and ideas to gain or translate information.
- Communication is only as good as is received.
- Are we sending the message we intend?

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Thompson Negotiation Myths

- Great negotiators are born.
- Experience is a great teacher.
- Good negotiators routinely take risks.
- Good negotiators rely on their intuitions.

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Making First Offers

- **Fears:**
 - Uncertainty: What are they looking for? Will they be disgusted and walk away?
 - Misleading Information: Target numbers obscured by misleading info to gain advantage.
- **Waiting:**
 - Gain info about the opponent's bargaining position.
 - Get clues about deal range.
 - Does not take into account powerful effect of relevant first offers or the way people perceive the potential outcome.

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Research

- More often than not, negotiators who make the first offer come out ahead.
- Why Anchors?
 - How we view an offer's value is influenced by relevant numbers that enter the negotiation environment.
 - Such numbers pull judgments towards themselves called ANCHORS.
 - In positions of uncertainty and ambiguity, first offers have strong anchoring effects.



When to Make First Offer?

- Confidence, sense of control or want it.
- If lack power, less inclined.
- Wait when lack info.
- **Amount:**
 - More aggressive, better outcomes. But, aggressive v. absurd.
 - Negotiator satisfaction related to number and size of concessions.
 - Target price v. BATNA
- **First Offer Protection:**
 - Make your first offer in same way.
 - Always demand concessions.
 - Scott's nightmare.



Party Bias – Emotion Based

- **Overconfidence**
 - Characterized by asymmetric data.
 - Mock trial study: Note surprise by litigators-dismay at opponent's strength!
 - Study: Parties fail to consider important guidance – even when encouraged to do so – “Not a problem”.
 - Study: Parties reject positive offers even if it meets needs when emotions overlay.



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Framing...Positioning for Acceptance

- We see the world from the bell tower of our own village.
- Naïve realism
 - False consensus
 - Biased perceptions
 - De-biasing...The “imagine” study
 - Unequal evaluation of evidence



Re-Active Devaluation

- Source before substance
- Offered or non-offered
- After being offered vs. before offered

AFFECTS CHOICE



The Decision Trap

- Stage setting
- Anchoring
- Affects focal point

“The more you buy...”



**Two of the most powerful
and effective of all human
fears are the fear of failure
and the fear of success.**



THE CONSTRUAL PROCESS

“There are no impartial facts. Data do not have a logic of their own that results in the same perception and cognitions for all people. Data are perceived and interpreted in terms of the individual perceiver’s own needs, own connotations, own personality, own previously formed cognitive patterns.”

KRECH & CRUTCHFIELD (1948)



Assertions from Ross & Ward- Stanford

- Differences in subjective interpretation or construal matter - they have a profound impact in the conduct of every day social affairs.
- Social perceivers characteristically make insufficient allowance for such impact in the inferences and predictions they make about others.



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P I N S

- Positions
- Interests
- Needs



Settlements are usually below the waterline.

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“Confidence Theory”

People make the best decisions available based on resources.

But, people typically make bad decisions!

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Communicating

- Use parties' own analysis
- Their views of dispute
- “Third alternative”
- Hypotheticals
- Emotional Issues

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Communicating

- Listening, giving, value, re-stating, summarizing, & testing
- Narrow Focus:
 - Outcome/Alternatives
 - Emotions/Analysis
- Issue Fractionalization
- Linking
- Positioning/Re-framing
- Identify Resources




Perception

“Each of us sees the world from the bell tower of our own village”.



How we control our lives with our perceptions... shapes how we make decisions...




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Decisions

How do they perceive the problem?

<p style="text-align: center;"><u>Optimal</u></p> <ul style="list-style-type: none"> •Define problem •Define perspective •Define resources •Define options •Define risks •Define Choice-----The Decision 	<p style="text-align: center;"><u>Typical</u></p> <ul style="list-style-type: none"> •Emotional Attachment •Problem magnification •Personal intentions •Positional bias •Expectation magnification •Limited alternatives
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Issue Funnel

▽

LIABILITY CAUSATION

▽

WAGES

▽

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Driving IssuesInfo flows from issues

Process Funnel

☞ Information Exchange

☞ Options

☞ Reality Testing

☞ Choices

Commitment Position

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