



PROJECT MANAGEMENT
CENTER FOR EXCELLENCE

A.J. CLARK SCHOOL OF ENGINEERING
Civil & Environmental Engineering Department



NEGOTIATING ANYTHING TO SUCCESS!!!

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"#57 of the Top 360 USA Entrepreneurs 2018"

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NEGOTIATE LIKE A PRO!!!



Negotiation is an art and a skill that every project manager needs to be successful at, to ensure their efforts on behalf of their projects turn into success



NEGOTIATE LIKE A PRO!!!

Negotiation:



Negotiation

“The art of letting
the other side
have it
your way”

Discussion for the purpose of settling differences



NEGOTIATE LIKE A PRO!!!

NEGOTIATION STRATEGIES

- 'INTEGRATIVE' NEGOTIATION
Value Creation and Distribution
 - *Considering the most valuable needs of the other party*
 - *Trading to ensure you get your greatest needs*
 - *With trades that cost you little, but satisfy the other*
- 'DISTRIBUTIVE' NEGOTIATION
Fighting for what's 'on the table'
 - *Getting as much as possible for oneself*
 - *Not caring what the other party needs or gets*
- ***Which strategy and when to use?***





NEGOTIATE LIKE A PRO!!!!...

Distributive Versus Integrative Bargaining Cont'd

Bargaining Characteristi	Distributive Bargaining	Integrative Bargaining
Goal	Get as much of the pie	Expand the pie so that both parties are satisfied
Motivation	Win-Lose	Win-Win
Focus	Positions "I can't go beyond this point on this issue."	Interests " Can you explain why this issue is so important to you?"
interests	Opposed	Congruent

Distributed Negotiation = WIN – LOSE

Integrated Negotiation = WIN -- WIN

[illegible]

- When you put only one offer on the table at a time, you will learn very little if the other party turns it down
- By contrast, think about what happens when you simultaneously present multiple offers, each of which is equally valuable to you



Integrated Negotiation = WIN – WIN STRATEGIES



Strategy #1: Make multiple offers simultaneously

- If the other side refuses all of your offers, ask them which one they like best
- Their preference for a specific offer should give you a strong clue about where you might find value-creating, win-win trades and generate mutual gain



Integrated Negotiation = WIN – WIN STRATEGIES

Strategy #1: Make multiple offers simultaneously.

- In addition to identifying potential win-win moves, when you make multiple offers simultaneously, you signal your accommodating and flexible nature, as well as your desire to understand the other party's preferences and needs
- So, the next time you are about to make an offer, consider making three that you value equally instead



Integrated Negotiation = WIN – WIN STRATEGIES



Strategy #2: Try a contingent agreement

- In negotiation, parties often reach impasse because they have different beliefs about the likelihood of future events
- You might be convinced that your firm will deliver a project on time and under budget, for example, but the client may view your proposal as unrealistic
- In such situations, a contingent agreement—negotiated “if, then” promises aimed at reducing risk about future uncertainty—offers a way for parties to agree to disagree while still moving forward



Integrated Negotiation = WIN – WIN STRATEGIES

Strategy #2: Try a contingent agreement

- Contingent commitments often create incentives for compliance or penalties for noncompliance
- You might propose paying specified penalties for turning your project in late or agree to significantly lower your rates if you go over budget, for example





Integrated Negotiation = WIN – WIN STRATEGIES

Strategy #2: Try a contingent agreement

- To add a contingent agreement to your contract, begin by having both sides write out their own scenarios of how they expect the future to unfold
- Then negotiate expectations and requirements that seem appropriate to each scenario



Integrated Negotiation = WIN – WIN STRATEGIES



Strategy #2: Try a contingent agreement

- Finally, include both the scenarios and the negotiated repercussions and rewards in your contract
- A contingent agreement can greatly increase your odds of being satisfied with whatever remedies are in place—and help generate a win-win deal



Integrated Negotiation = WIN – WIN STRATEGIES



Strategy #3: Negotiate damages upfront

- Because not all future events can be anticipated with contingent agreements, another way to foster a win-win agreement is to include liquidated damages clauses in your contract that stipulate how much will be paid if the contract is breached
- Consider that if one party sues the other side for breach of contract down the line, the plaintiff will be awarded monetary damages rather than the specific goods or services that were lost



Integrated Negotiation = WIN – WIN STRATEGIES



Strategy #3: Negotiate damages upfront

- Therefore, negotiating upfront exactly how much will be paid for each late or missed delivery, for example, may streamline any alternative dispute-resolution measures or lawsuits that arise
- In addition, negotiating damages puts a new issue on the table—and thus expands the potential for value creation
- In this manner, adding new issues to the mix increases the opportunity for win-win negotiations



Integrated Negotiation = WIN – WIN STRATEGIES



Strategy #4: Search for post-settlement settlements

- Imagine that you've just reached an agreement
- You are fairly happy with the deal, but suspect you could have eked more value out of it
- According to conventional wisdom, you should quit talking about the agreement with your counterpart and move on, lest you spoil the deal



Integrated Negotiation = WIN – WIN STRATEGIES

Strategy #4: Search for post-settlement settlements

- By contrast, asking the other party whether he would be willing to take another look at the agreement to see if it can be made better
- Explain to your counterpart that you would each be free to reject a revised deal if it doesn't improve both of your outcomes
- This type of post-settlement settlement can lead to new sources of value to divide between you



Integrated Negotiation = WIN – WIN STRATEGIES

Strategy #4: Search for post-settlement settlements

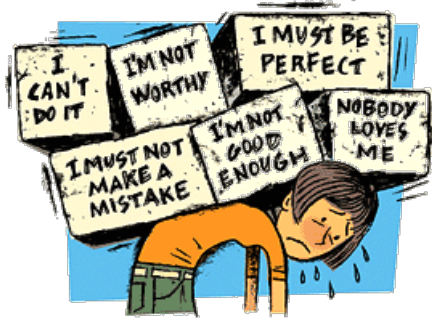
- It can also help generate a win-win contract if you didn't have one before
- Your success in hammering out your initial agreement may have established the trust needed to explore the possibility of an even stronger deal



Negotiation Mistakes to Avoid

LACKING CONFIDENCE

- Some people think it takes a bold or brazen personality to negotiate a deal, and others think experience is required



- Negotiations takes tenacity and preparation



Negotiation Mistakes to Avoid



LACKING CONFIDENCE

- Before you start the process, make sure you've identified mutually desirable terms, anticipated possible objections, and determined what motivators or 'hot buttons' will resonate with your opponent
- Projecting confidence also means having a heart, which is often endearing and gives the opposition a less defensive stance



Negotiation Mistakes to Avoid

ASSUMING THAT SOMETHING IS NON-NEGOTIABLE.

- When you think like a negotiator, everything is negotiable
- When you decide that the terms for anything can be changed in your favor, a world of opportunity presents
- Rules can be modified if you simply propose an ethical, viable, and mutually beneficial alternative solution
- Powerful negotiators are rule breakers





Negotiation Mistakes to Avoid

NOT ASKING

- It sounds simple, but the key to successful negotiations is asking for what you want
- Fear of rejection or the fear of looking greedy can get in the way
- But know that rejection will happen





Negotiation Mistakes to Avoid

NOT ASKING

- Rejection is never personal, it's merely a reflection that you did not present a viable argument substantiating why you should get what you want
- Your offer was rejected, not you

DEALING
WITH
REJECTION



Negotiation Mistakes to Avoid

NOT ASKING

- When you get a no, it means the other person needs more information
- Take heart in knowing that people say no an average of three times before they say yes, the only way to master the art of rejection is to get rejected and keep asking

Here's More
Information!





Negotiation Mistakes to Avoid

TALKING TOO MUCH

- Talking too much is a sure-fire way to kill a deal
- Never underestimate the power of silence
- There's an old adage: 'He or she who speaks next loses'
- When discussing a deal, if you simply stop talking and get comfortable with the awkwardness of silence, your ability to win your argument, sell the product, or get a concession in the negotiation increases significantly





Here's to Your Negotiating SUCCESS!!!



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