

Structural Impediments

In some cases, the road to agreement is blocked by structural impediments. Here are a few typical examples:

- ①
- ③
- Not all the right parties are at the table. For example, a work schedule for developing a new product is being negotiated. The people from research and development and marketing are there, but no one invited the manufacturing people whose input is critical.

Remedy: Get the right people on board.

- ③
- Other parties to the negotiation don't belong there—worse, they are getting in the way.

③

Remedy: Get the group to confront the individual or individuals who are blocking progress and ask them to step aside. If a person resists, appeal to a higher authority.

- ③
- ②
- One or more of the parties who legitimately belongs at the table is deliberately blocking progress toward an agreement.

Remedy: If you have the organizational clout to prevail, tell this person or persons to back off. If you lack that clout, form a coalition of people at the table to deliver the same message.

- ③
- ③
- No one feels under any time pressure, and so negotiations drag on and on.

③

Remedy: Avoid this by adding what Michael Watkins has called an action-forcing event, such as a deadline or progress meeting. For example, "We are giving your company an exclusive opportunity to bid on this work. However, if we cannot reach a mutually satisfactory agreement by March 15, then we will have to seek other bids." If a time component was not part of ongoing negotiations, consider adding one. "Since we are in agreement that things are moving too slowly, I suggest that we adopt a timeline that provides for completion of our negotiations by March 15."

- ③
- ④
- Agreement on this deal is predicated on agreement in another separate negotiation, which is going nowhere.

③

Remedy: If it makes sense or is feasible, decouple the different deals. If that is not possible, consider adding a time constraint to the other deal.

Handwritten notes in Arabic:

دوره (C4, 3A)
الاجتماع
2017 (الاجتماع)
30/10/17

Another fundamental concept of negotiation is "Value creation through trades". Discuss fully that concept and give practical examples?

Value creation through trades

25 Marks

5

Think for a moment about your own negotiations—with customers, suppliers, and fellow employees. Are you pulling and tugging with each other in a win-lose framework? Now think of ways that you might be able to satisfy the other side with something that would cost you very little.

4

- For a supplier, that greater value might take the form of an extended delivery period. For the customer, having deliveries spread out during the month might be of no great consequence, but for a supplier with strained production facilities, it may be very important.

4

- For a customer, greater value at low cost might take the form of three months of free repair services if needed. For a vendor who has great confidence that its products will need no repairs during that period, free service is nothing of consequence. In providing it to the customer the vendor incurs little cost, even though the customer values the repair service highly.

4

- For another department in your company, greater value might be found in your offer of two high-powered workstations that your people rarely if ever use. That department may be able to offer something in exchange that you value more than it does.

4

- For an employee, the opportunity to work from a home office two days each week may produce great satisfaction while costing the employer nothing.

Few of the things that others value highly will have little value to you, and vice versa. But they are sometimes there, and a little thinking and probing can identify them. That's value creation. Just be sure that if you give something of value, then you ask for something in trade.

(26) Mark

learned from previous negotiations, and developing negotiating performance measures and linking them to rewards.

2

Because organizational competence is the sum of the competences of an organization's individual members, the chapter concluded with the characteristics of effective negotiators. These define the goals that management should aim for in developing organization-wide capabilities. An effective negotiator

- 1 • Aligns negotiating goals with organizational goals
- 2 • Prepares thoroughly and uses each negotiating phase to prepare further
- 3 • Uses negotiating sessions to learn more about the issues at stake and the other side's BATNA and reservation price
- 4 • Has the mental dexterity to identify the interests of both sides, and the creativity to think of value-creating options that produce win-win situations
- 5 • Can separate personal issues from negotiating issues
- 6 • Can recognize potential barriers to agreement
- Knows how to form coalitions
- Develops a reputation for reliability and trustworthiness

w/ knowledge
ex 6 5
4x6

8 for each (D function & Mark 2 + Example 4)

Political and Legal Pluralism. When organizations make business deals that cross a national border, they come into contact with the legal and political system of another country. There may be implications for the taxes that an organization pays, the labor codes or standards that it must meet, and the different codes of contract law and standards of enforcement (e.g., case law versus common law versus no functioning

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EX } 8

The Ticking Clock

In a buyer-seller negotiation, such as the Jake and Carla example, time can be an important tool. From the buyer's perspective, the seller should never be allowed to feel that he can indefinitely sit on the buyer's most recent bid while he awaits a better offer. The seller will simply use the offer to improve his BATNA. The remedy is to attach an expiration date to the offer to buy. Negotiators sometimes

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EX } 8

Anchoring

Anchoring is an attempt to establish a reference point around which negotiations will make adjustments. In some cases, you can gain an advantage by putting the first offer on the table. That first offer can become a strong psychological anchor: It becomes the reference point of subsequent pulling and pushing by the participants. As de-

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EX } 8