

Negotiation Essentials



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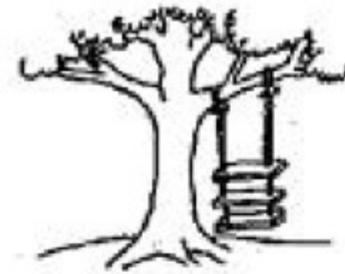
Agenda

Negotiation Essentials

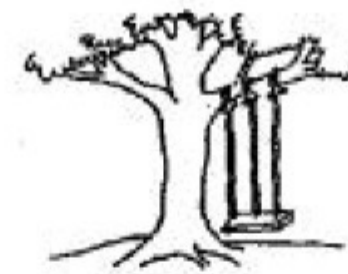
- Why do negotiations fail?
 - Exercise
- How to do it
 - Exercise
- De-Escalating Conflict
- How to get better at it



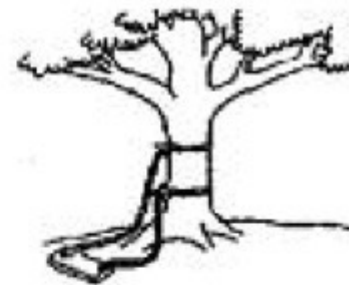
Communication Gone Wrong



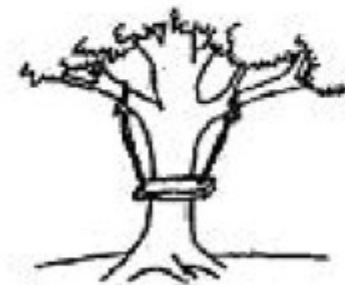
**As proposed
by the project
sponsor.**



**As specified
in the project
request.**



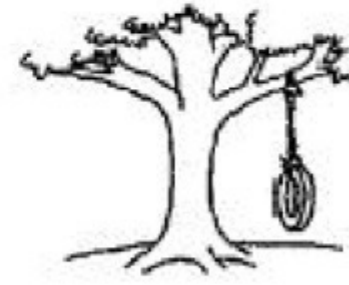
**As designed
by the senior
architect.**



**As produced
by the
engineers.**



**As installed at
the user's
site.**



**What the
customer
really wanted.**

Starts here

When women engage in assertive negotiation, they face backlash because people may not think it's appropriate for women to behave aggressively.

Stems from unconscious bias that leads people to have certain expectations about how it's appropriate for men and women to behave.

This doesn't help

General Construction Statistics



Men 9,389,000

Women 939,000

SOURCE: Bureau of Labor Statistics — Current Population Survey at <http://stats.bls.gov>. This is an annual average based on monthly surveys of 60,000 households, equaling 150,000 people. Numbers are rounded off to the nearest thousandth, Dec. 31, 2016.

Gets even worse



EMOTIONAL INVOLVEMENT

EGO

LOYALTY

STATUS

GREED

Why do negotiations fail?

Unconscious Bias
Workforce Statistics
Emotional Involvement

What about the facts of what we are negotiating?

Exercise

DON'T USE YOUR PHONE!

Where should we go?

- Find a partner nearby
- Introduce yourself
- Partner A – Italy
- Partner B – Uzbekistan

Convince your partner your next vacation should be to Italy/Uzbekistan!



Exercise Debrief

Where are we going?

What made this exercise easy?

What made it difficult?

Did anyone compromise?

What were your emotional or physical reactions?

Barriers to Problem Solving

- Failure to recognize the problem – not sure what the problem is
- Conceiving the problem too narrowly, not sure what is happening
- Making a hasty choice, not sure what you want
- Failure to consider the feasibility of the solution

Why do negotiations fail?

- Lack of adequate preparation
- Lack of trust – did not build rapport
- Motivation of the other party is lacking
- Conflicting personalities
- Fear of leaving something on the table
- Lack of leverage to move the transaction along

Why do negotiations fail?

- Real issues were not communicated or understood
- Decision makers not at the table
- Tactics were transparent
- Lack of documentation
- Lack of ground rules
- Not knowing your line in the sand

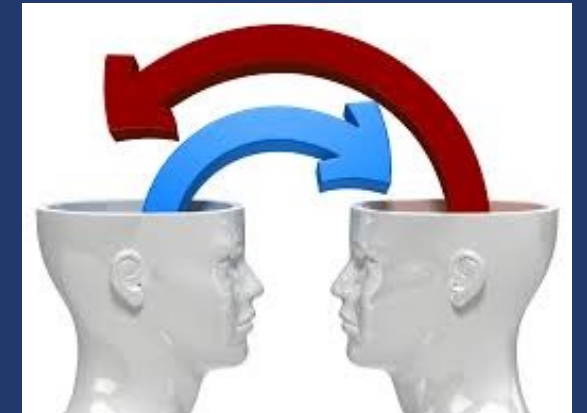
We are always negotiating

CONTRACT	PRECON	INTERNAL	FIELD IMPACTS	CHANGE ORDERS
Inc/Exclusions	Design-Assist	Promotion	Schedule	Labor Rates
Retention	Design-Build	Pay Raise	Other trades	Mark up
Damages for Delay	Bid without input	Benefits	Weather Delays	Tools & Equip
Schedule/Time	Scope and Price clarifications with Client	Work from home	Change Orders/Rework	Non-productive time
Overhead vs Direct Cost		Performance Reviews	Material Delays	Detailing

How to do it

FOUR KEY STEPS

1. Preparation
2. Information Exchange
3. Proposing and Concessions
4. Commitment



Negotiation is
HUMAN INTERACTION

BONUS Shaabini Tips!

1 Preparation



1 Preparation

- Know the issue inside out, every finite detail
- Study all the documents thoroughly
- Walk the job
- Meet with team members
- Notify the other party of issue
- Prepare for first meeting
- Be ready to frame the first 3 minutes of the conversation

2 Information Exchange

Most people do not listen with the intent to understand.

They listen with the intent to reply.



2 Information Exchange

- Agenda ahead of time
- Know what you'll say in the opening statement
- Send relevant meeting documents ahead of time
- Bring hard copies
- Bring your backup documentation

3 Proposing and Concessions

- What are you asking for....KISS
- Observe and listen
- Be assertive
- Save the hardest issues for last
- Concede slowly
- Don't get trapped by emotions
- BREATH
- What is your walkaway?

4 Commitment

- Be positive about the desired outcome. If you don't believe in it, why would anyone else?
- Concentrate on what you are agreeing to.
- Document meeting and agreement T&Cs.
- Are you confident they will keep their word?
- Are you confident you can keep yours?

My personal tips

- Okay to stop or take a break
- Cultivate a relationship outside of negotiations
- Get their attention early showing your authority
- Are you the decision maker?
- **CONFIDENCE!!!**
 - Handshake
 - Dress for confidence
 - Hype music
 - No crying!



**Thasunda
Brown
Duckett**
CEO
Teachers
Insurance
and Annuity
Association
of America

Exercise

What do you see?

Write down the first thing you see
in each of the following images.







Duck's head or rabbit's head?



Exercise

What did you see?

Discuss with your team what you saw for each image.

Your group must then unanimously decide on only ONE answer for each image.

Exercise Debrief

Did everyone at your table see the same thing?

How did you convince others with a different answer to agree with you?

Did you have any emotional or physical reactions?

For those that changed their answer to achieve unanimous decision – WHY?

De-Escalating Conflict

Conflict is...

- Unavoidable
- Disruptive and destructive
- A gap between expectations and reality
- A lack of education or understanding by one or more parties

De-Escalating Conflict

Be prepared to answer:

- Who?
- What?
- How?

Be informed and prove your position

- Why or why not?

De-Escalating Conflict

1. Listen
2. Offer
3. Wait
4. Look
5. Incline/Nod
6. Express
7. Solve

1 Listen

Listen thoroughly and effectively until you understand the problem from THEIR point of view and, what is important to THEM.

Only then do you have the information you need to respond.



2 Offer

Offer reflective comments such as, “I can see that you are angry (or frustrated).” Repeat back what they are saying.

This displays that you are only listening and hearing them.

3 Wait

DO NOT fill the awkward silent void.

Allow them time to reset and continue their thoughts without your interruption or input.



4 Look

Eye contact is important, but context is key. NO blank stares, NO piercing glares. NO rolling eyes.

Keep expression neutral, smile only if appropriate.

Facial expressions are key.



5 Incline/Nod

Inclining the head presents a non-threatening posture.

Nodding displays interest in what they are saying.

6 Express

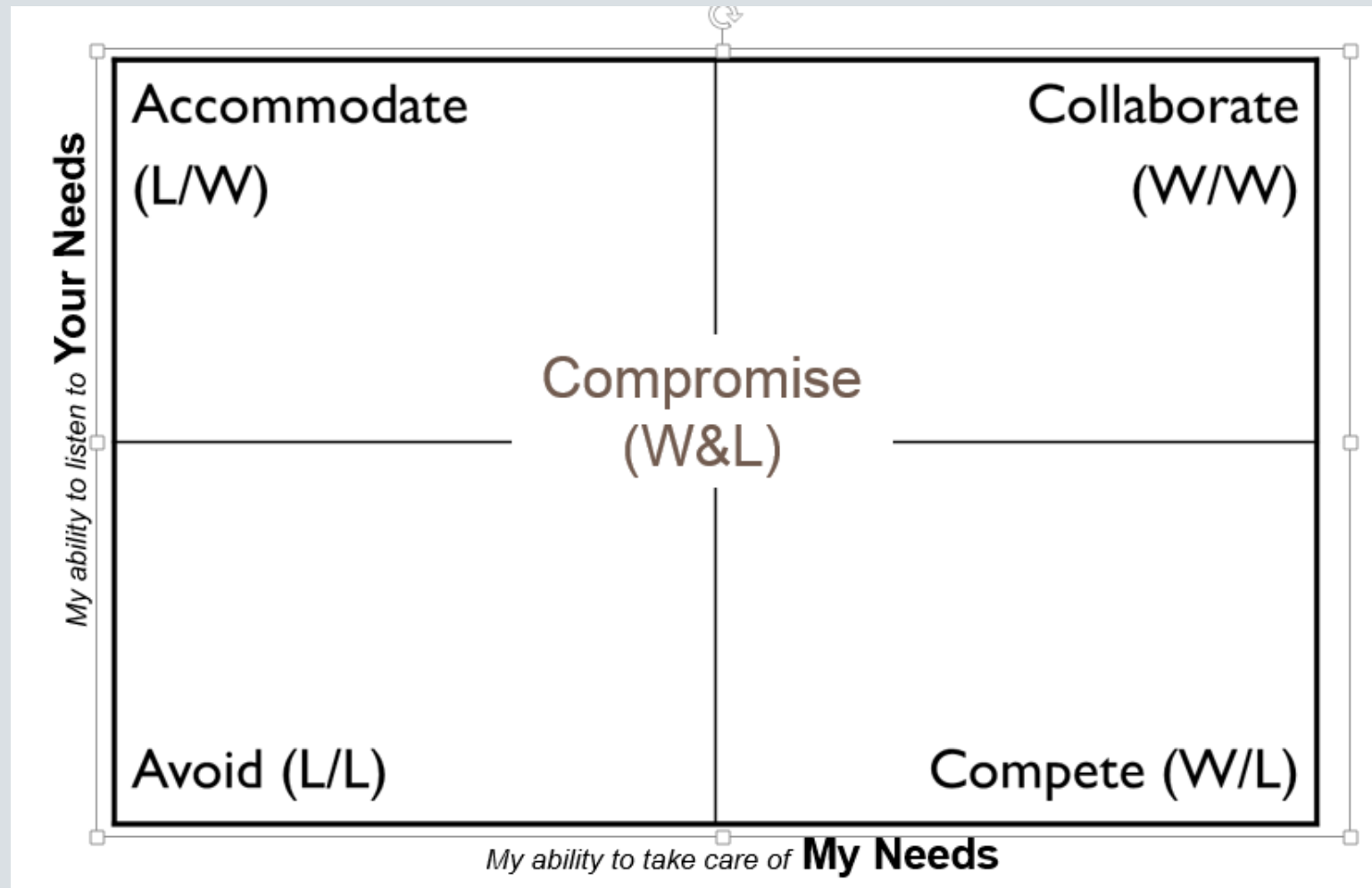
Express a desire to understand and be empathetic.
I can appreciate why you felt that way.

7 Solve

Only after the de-escalation techniques have been completed can you begin the solution building process.



Compromise vs Collaboration



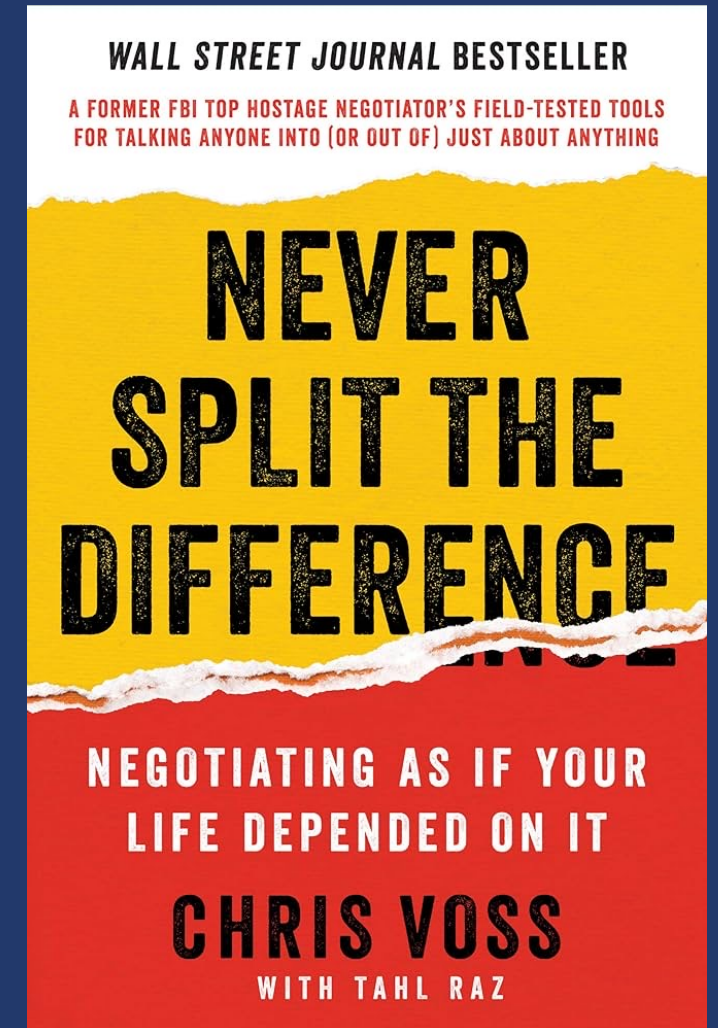
How to get better at it

Is it even possible?

- Practice! Practice! Practice!
- Never Split the Difference
- Know your bottom!
- Box Breath

“In business as in life, you don’t get what you deserve you get what you negotiate”

- Chester L. Karrass -



MCAA's WOMEN IN THE MECHANICAL INDUSTRY

FIND YOUR *voice*



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