

Negotiation Skills: Concepts, Purpose, and Examples



- Structured, collaborative problem-solving to reach a mutually acceptable agreement



- Daily capability for managers, sales, account teams, and project leads



- Core concepts: interests, value creation, BATNA, ZOPA, and preparation



- Applied learning through real business examples and a 30-day practice plan



Why Negotiation Is a Strategic Business Capability



- Negotiation is a repeatable capability, not a one-time transaction



- Protects margin, controls costs, and builds long-term partnerships



- Directly drives revenue growth and successful project delivery



- Weak negotiation causes lost deal value, delays, and friction



Core Concepts: Positions, Interests, and Value Creation

- Positions are stated demands; interests are the underlying needs and motivations
- Distributive negotiation divides fixed value; integrative negotiation creates value through collaboration
- Use trade-offs and issue packaging to expand the pie before dividing it
- Example: One sibling wants a restaurant, another wants home; real interests are time and cost

POSITIONS

Stated demands
(what we say we want)

INTERESTS

Underlying needs
and motivations
(what we really want)



Dividing
a fixed pie



Expand the pie
with trade-offs and
issue packaging



Bigger pie,
greater value
for everyone

BATNA, ZOPA, and Reservation Points



- **BATNA:** best alternative if no deal is reached



- Strong BATNA increases negotiating power and protects against bad deals



- **ZOPA:** overlap between both sides' acceptable ranges



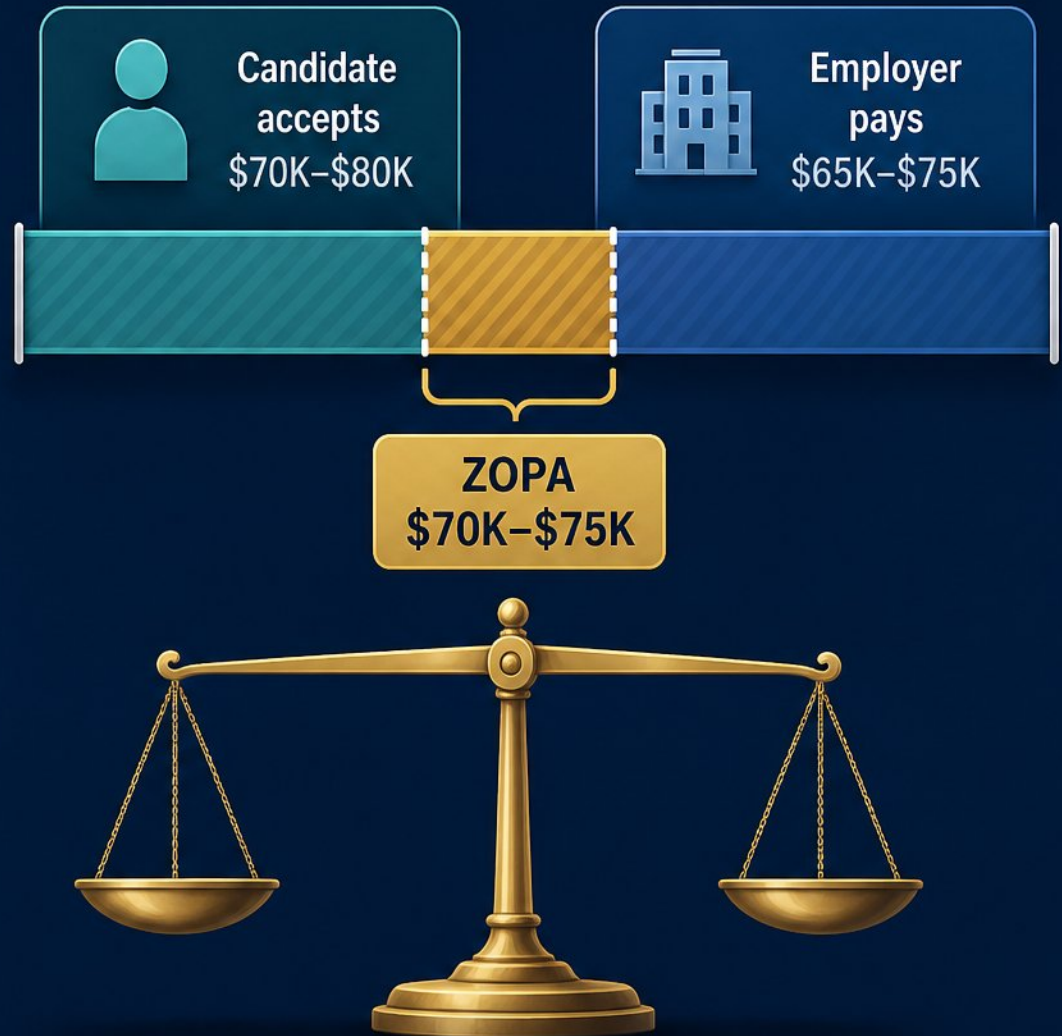
- Example: Candidate accepts \$70K–\$80K; employer pays \$65K–\$75K



- **ZOPA** is \$70K–\$75K



- **Reservation point:** lowest acceptable offer, guides walk-away threshold



Preparation:

The Highest-Leverage Negotiation Skill



- Build a structured prep checklist: objectives, tradeables, limits, decision rights, information needs



- Research the counterparty, map stakeholders, and anticipate their interests and constraints



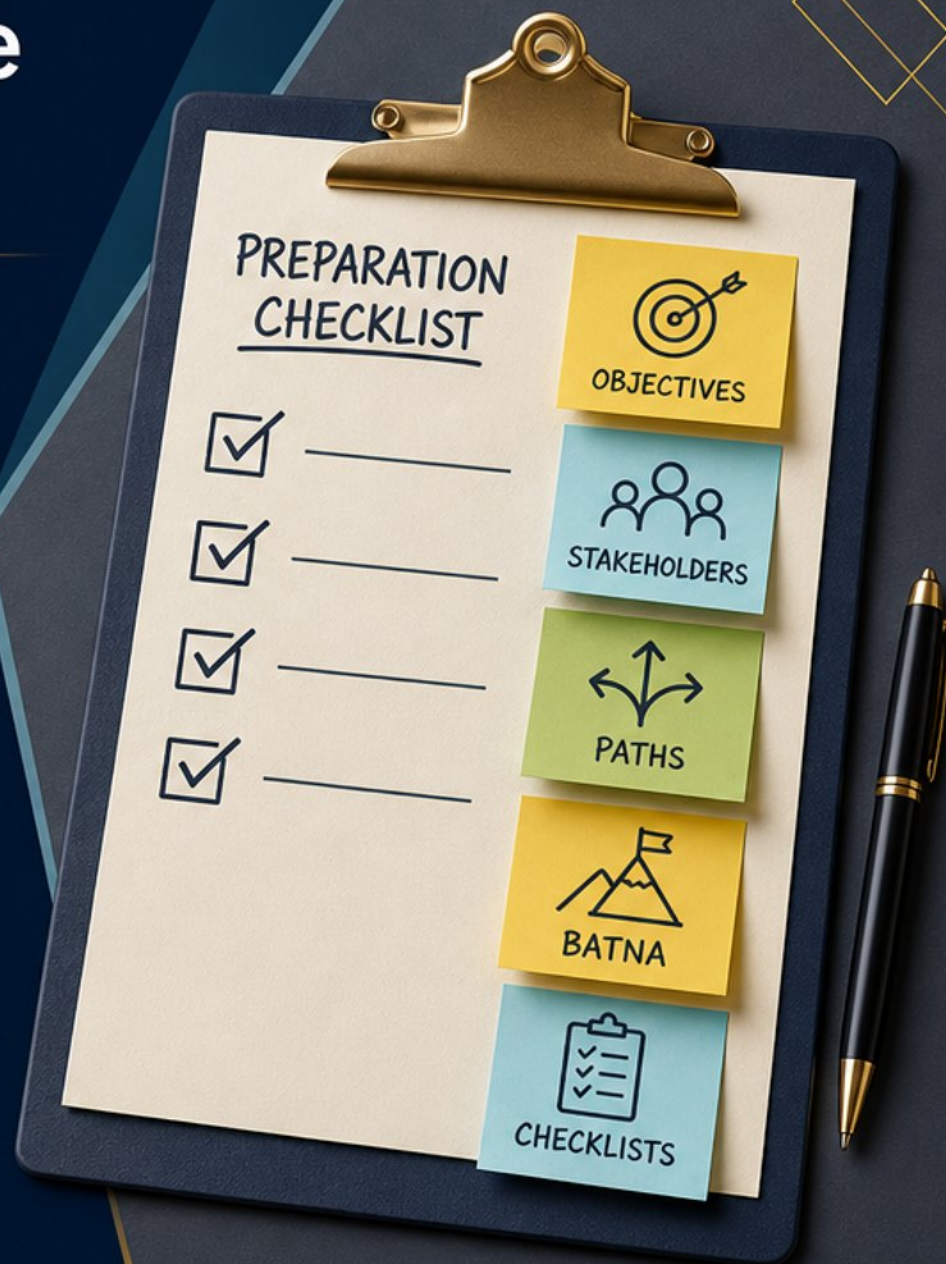
- Plan for multiple negotiation paths with likely objections and contingencies



- Define your BATNA, reservation point, and aspirational target in advance



- Use checklists to convert prep into repeatable execution



Tactics That Work:

Anchoring, Asking, and Concession Management



ANCHORING

- Make the first offer when you know the ZOPA well
- Use aggressive but credible anchors to frame the range



ASKING

- Ask diagnostic questions to uncover interests and trade-offs
- Defuse weak anchors; counter with data, not emotion



CONCESSION MANAGEMENT

- Trade concessions; never give value away for free



Communication Skills for Effective Negotiation



- Use active listening: paraphrase, inquire, and acknowledge to build trust



- Ask open-ended questions to uncover underlying interests and needs



- Reframe objections into joint problem-solving and benefit-oriented proposals



- Manage pushback and silence without escalating conflict



- Convert tension into collaborative dialogue and creative solutions



Common Pitfalls and Cognitive Biases



- **Anchoring bias:** first numbers overly influence final outcomes



- **Overconfidence bias:** overestimating your position and chances



- **Reactive devaluation:** devaluing proposals simply because they are theirs



- **Escalation of commitment:** sunk costs prolong poor agreements



- **Mitigation:** prepare, use objective criteria, defuse anchors, and counter-offer



Example 1:

Negotiating a Complex B2B Sales Deal

- ▶ Multi-issue deal: pricing, scope, terms, and renewal protections
- ▶ Protect margin by shifting from pure price to value-based packaging
- ▶ Use preparation, anchoring, and BATNA framing to build leverage
- ▶ Negotiate issues as a package, not line items in isolation
- ▶ Conduct post-deal review to capture deal governance lessons



Example 2: Vendor Selection and Procurement Cost Reduction



- Analyze vendor selection, service levels, payment terms, and total cost of ownership



- Aggregate spend and create viable alternatives to shift leverage



- Use objective benchmarks to anchor pricing conversations



- A clear walk-away point prevents accepting unfavorable terms



- Strong procurement negotiation can unlock significant, measurable savings



Example 3: Internal Stakeholders and Cross-Team Resource Negotiation



Reframe resource conflicts as shared-interest problem-solving



Diagnose stakeholder interests before proposing project timelines



Use trade-offs to balance scope, schedule, and team capacity



Treat internal alignment as a BATNA and ZOPA conversation



Secure commitment through documented, mutually agreed action plans



Putting It Together: A Four-Step Negotiation Framework



Adapts from high-stakes deals to everyday workplace requests

Self-Assessment: Where Is Your Negotiation Style Today?



- Score preparation, questioning, listening, assertiveness, and emotional regulation



- Identify default behaviors: avoidance, aggression, accommodation, compromise, or collaboration



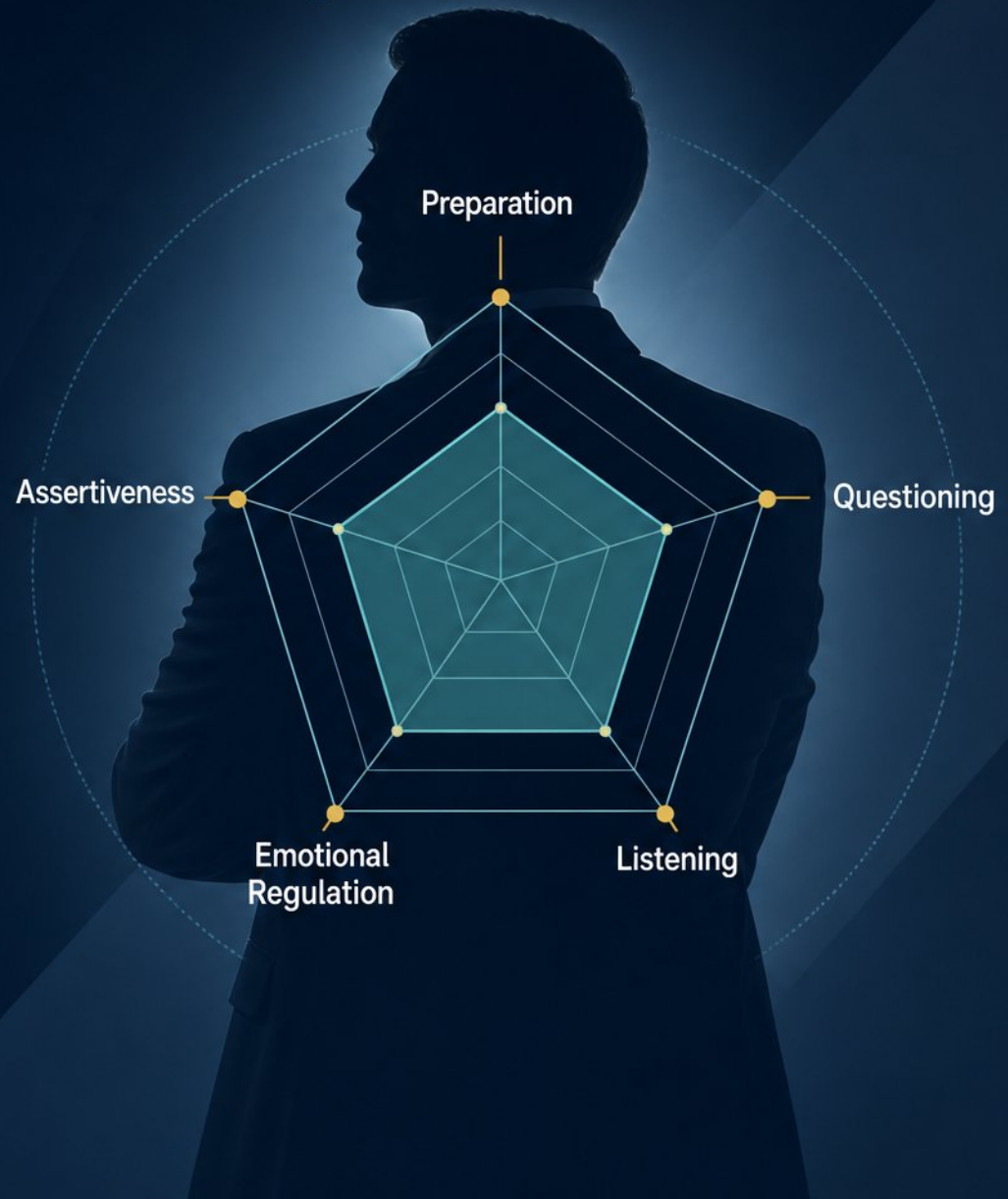
- Assess your style and recognize when stress shifts your approach



- Apply role-specific prompts to reveal strengths and costly blind spots



- Measure your starting point before beginning the 30-day practice plan



Your **30-Day** Negotiation Practice Plan



- Complete one low-stakes ask, one structured deal, and one internal alignment conversation



- Weekly: use preparation templates and practice scripts before each negotiation



- Daily: observe real negotiations, record one insight, and write reflection notes



- Document outcomes, track preparation completion, and schedule post-negotiation reviews



- Measure success by documented deals and consistent review habits over 30 days



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