



Negotiation tips for not-for-profits

Preparing for Negotiation

- Know your aspiration point, resistance point and best alternative to a negotiated agreement (BATNA)
 - Aspiration point is your goal - be specific and optimistic but also realistic
 - Resistance point - this is your absolute minimum, but don't be afraid to walk away if you reach your resistance point
- Plan your concessions in advance
 - Give what is relatively cheap to you, but valuable to the other party
 - Remember the overall package and combined impact of what you give away
 - Consider what concessions they may give away, and what is of value to you

Purpose of Negotiation

- Explain your point of view clearly and effectively - be clear about your objectives, positions and parameters
 - What is in / out of scope? What is of most value to you? What can you offer to the other side?
- Explore and understand the other side's point of view
 - What's their style of negotiation? Do you have previous experience negotiating with them?
 - What's their best alternative? What are their objectives and what is of most value to them?
 - Their position may not be the same as their interests!

The Negotiation

- Tell (don't share everything!)
 - Use an opening statement to explain your position and interests
 - Set out concessions you're willing to make, and options worth exploring
 - Explain your definite deal breakers
- Ask questions to build trust and identify interests
 - Their interests, key objectives and concessions they can make
 - Importance of agreement to them, and instructions they've received prior to the negotiation

Summary - Five Top Tips

1. Be prepared - research in advance to understand the factors impacting the negotiation
2. Know your aspiration point, resistance point, and best alternative to a negotiated agreement
3. Honour the relationship and act with integrity
4. Listen, build understanding and find common ground
5. End the negotiation positively, using a win-win mindset to leave both parties satisfied

BATNA Explained

This is the position you fall back on if the negotiations break down. It helps determine the minimum you want to get from a negotiation - you could even have multiple BATNAs! E.g. if you want to buy a new car, but the final price is too high and you stop negotiating, what do you do? BATNAs: go to another dealer, buy a cheaper brand of car, a second hand car or use another mode of transport

Positions vs. Interests

A parent sees their two children fighting over an orange in the kitchen. Both of their *stated positions* are that they want the whole orange for themselves. However, for one, their *interest* is to use the rind to make an orange cake, but the other's *interest* is to make orange juice by squeezing it. They can use the one orange to satisfy both their *interests*, even though their *positions* suggest otherwise.

Behaviours of effective negotiators

1. Ask more questions and listen carefully to their answers
2. Avoid irritators and limit your counter-proposals
3. Be clear with your reasons and don't overcomplicate your arguments

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