

# Negotiation Skills: Where Do You Stand?

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DPI Group Economic Development Consultants

# Presentation Overview

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- I. Basic Negotiation Principles
- II. Eight Steps for Successful Negotiation
- III. Case Studies
- IV. Resources/Recommended Reading



# Basic Negotiation Principles

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- Do your homework
- Accept that everything is negotiable
- Be professional
- Keep your cool

("Nothing gives one person so much advantage over another as to remain always cool and unruffled under all circumstances." – Thomas Jefferson)

- Exercise empathy
- Negotiate to your strengths
- Consider a problem-solving approach
- Be willing to walk away



# Eight Steps for Successful Negotiation

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## 1. Evaluate your negotiating skills

- ✓ Honestly assess your skills and the results you've achieved
- ✓ "Sharpen the saw" if necessary with books, seminars, etc.



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## 2. Determine your bottom-line goal

- ✓ Identify the one thing you must come away with
- ✓ Will increase clarity of the process, allowing you to focus



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## 3. Learn as much as possible about the other party

- ✓ Company publications, trade journals, newspapers, databases or the internet are good strategic intelligence sources
- ✓ Understand the other party's motivations, needs, and typical negotiation stance
- ✓ Research any potential competitors and their capacity



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## 4. Establish a relationship before negotiation begins

- ✓ Have a pre-meeting to get acquainted, or
- ✓ Meet for lunch or dinner, or
- ✓ Simply chat over the phone
- ✓ Key is to convey to the other party that you recognize the importance of the outcome to both your interests
- ✓ Sets the stage for amicable discussions



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## 5. Create and stick to a mutually agreed-upon agenda

- ✓ Helps keep the discussions on track
- ✓ Make sure all participants have a copy
- ✓ Identify and eliminate any non-negotiable items



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## 6. Don't let the discussion become personal

- ✓ Jointly establish rules of engagement prior to beginning negotiation
- ✓ If the other party violates the rules, simply listen; retaliation escalates the situation
- ✓ Educate when perceptions are inaccurate
- ✓ Ask questions rather than making statements



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## 7. In the event of a stalemate...

- ✓ Identify and agree upon the sticking points
- ✓ Be willing to give on small items or value-add to protect your bottom line
- ✓ Often a stalemate results from small issues, not the large matters
- ✓ Fear or uncertainty are often factors



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## 8. When a deadlock seems inevitable, buy time

- ✓ Take a break for coffee or to consult with a colleague
- ✓ Use the time to think through the discussion that led to the deadlock and how the issue might be approached differently
- ✓ When all else fails, consider bringing in an impartial third party



# Case Studies

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**IL-MO Products:** Lower incentives and higher costs than competition, but workforce issues and CEO lifestyle were trump cards



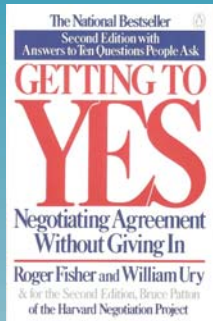
**Computer Sciences Corporation:** Primary issue was to identify and secure interim space due to a tenant-landlord dispute

“The Economic Development Corporation and community leadership made the right deal to get us here and made it quickly.”

-- *Richard W. Brahler*  
*President, ITR Inc.*



# Resources/Recommended Reading



## *Getting to Yes*

*Negotiating Agreement Without Giving In*

Roger Fisher & William Ury

(Provides practical ways to discover what other people want and to devise better alternatives that create a "win" for everyone)

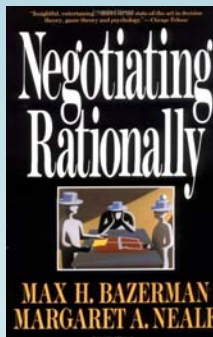


## *3D Negotiation*

*Powerful Tools to Change the Game in Your Most Important Deals*

David A. Lax & James K. Sebenius

(Explains three "dimensions" to negotiations: tactics at the table, designing value-creating deals, and setup/preparation steps)



## *Negotiating Rationally*

Max Bazerman and Margaret Neale

(Outlines negotiating strategy and seven methods for personal negotiating skills)



# Contact Information

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