Negotiation

**Basics**

1. Most people tend to think of negotiations from an adversary perspective (gains to be made at the expense of the other party).
2. Cooperative approach to negotiation is more appropriate in a relationship building environment.
3. Want to produce a "win-win" outcome based on both parties' interests. This is called Principled Bargaining.
   
   A. Separate the people from the problem
   B. Focus on interests, not positions
   C. Invent options for mutual gain
   D. Insist on objective criteria

**Process**

a. Treat the other party respectfully and let them know that you value the relationship, even though you may disagree with their position.

b. Find out what the other party's real interests are, and let them know that you understand these issues.

c. Communicate- make sure the other party knows what your interests are.

d. Brainstorm a number of potential solutions, and then together choose the best solution.

**Exercise**

Negotiating a territory change. **Positional approach** using the tough approach (digging in the heels) or soft approach (concessions by one party) results in "win-lose".

**Principled approach** - Sales manager's real interest lie in developing the territory's potential. The sales reps' interest may be in maintaining his existing accounts.

Second exercise - Students break into small groups and are asked to think of a complaint that they have experienced and make suggestions for dealing with the complaint using the principled approach.
Negotiating a Territory Change

You have been a sales representative for a company for 20 years and have consistently been in the top 20% of the company in terms of sales production. Your territory is in Any City. You were the first sales representative to open up this territory and have been responsible for the territory's development. In the last five years, Any City's population has grown by 50%. The company feels that you can no longer adequately cover the territory, based on its new potential, and would like to add an additional sales representative to Any City. You are very strongly opposed to adding a second sales representative since Any City has been your territory for 20 years. You are afraid that the company will take away some of your existing accounts to give to the new representative. You are meeting with the Regional Manager.

1. Negotiate a solution using a tough approach.
2. Negotiate a solution using a soft approach.
3. Negotiate a win-win solution.