

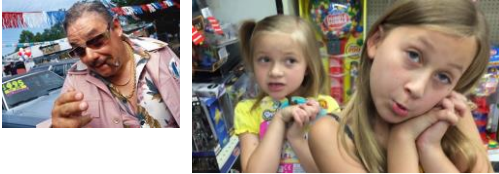
Negotiating with Family

(or, How to we keep the family together?)

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How often do we negotiate?



NEGOTIATION - VYHNALEK

Part of our every day life - Business



Tractor Leasing



Pasture Rental Rate



Livestock Purchases



Custom Work



Life is a series of Negotiations!

- About 85% of good negotiation is good Communications!
- Are we listening? Master that skill first!!
- Seek first to understand before you can be understood!
- **Be sure family will stay together when you are done with process**
 - Don't make that assumption – get commitment

NEGOTIATION - VYHNALEK **N** EXTENSION

What is Negotiation?

A back and forth process designed to reach an agreement when your and the other party have both shared and opposed issues.

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Please Negotiate this!

- Work in pairs
- One wants to sell a widget
 - One wants to buy a widget

Seller wants to sell for \$10
Buyer wants to buy for \$5

You have 2 minutes, negotiate the deal

On a piece of paper record the deal, amount; or record no deal

Two Types of Outcomes

Good	Bad
Wise Agreement	Less Than Wise Agreement
Efficient	Inefficient
Improves Relationship of Parties	Hurts Relationship of Parties

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Why Negotiations Fail

- Assumptions**: We view negotiations as primarily zero sum in nature 
- Analysis**: We lack a systematic framework for preparing for, conducting, and analyzing our negotiations 
- Awareness**: We are unaware of the impact of our behavior on others 
- The 3 E's**: We are trapped by the three "E's": Ego, Emotion, & Escalation 
- Norms**: We are limited by institutional and cultural norms 

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Two levels of negotiation

- The substance or issue to be resolved
- Procedures and techniques of the negotiation





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Two sides of the same coin

- Attempt #1
- Attempt #2

"Control the frame of the negotiation. The frame
That takes hold will shape how negotiators make
Decisions, evaluate options, and decide what is acceptable"
Deepak Malhotra - Negotiating the Impossible

Keys to Negotiation Success

3 keys!


Prepare, Prepare, Prepare

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Preparation

Know your BATNA – **Best Alternative to No Agreement**

Know your ZOPA – **Zone of possible agreement**

NEGOTIATION - VYHNALEK 

Preparation

Prepare your assumptions, frame your thoughts

1. Outline current arrangements
 - be sure both parties agree on those
 - pay attention to areas where you share interest
2. Ask for concerns about current arrangements
 - Listen carefully – record this
 - Ask clarifying questions
3. ONLY – when this is all taken care of – you can start to discuss changes to the arrangements

Don't get de-railed

Emotions (drama!) used in negotiation will likely derail the negotiation

- They divert attention from the matter at hand
- They can damage a relationship
- They can be use to exploit

More on Emotions

Dealing with Emotions!

Appreciation

All people want, is to be appreciated (are they being listened to?)

Affiliation

All parties being treated as an adversary – or as colleges (family)?

Autonomy

Are you free to make the decisions, or are you being blocked?

Status

Are you being treated as inferior, or given full recognition?

Role

Are you fulfilled with the role that you have?

Keys to Every Negotiation

• **Relationship Building**

- **Express Appreciation**
 - Listen. Find merit. Show it.
- **Build Affiliation**
 - Look for ways to connect
 - Face the problem together
- **Respect Autonomy**
 - Always Consult Before Deciding
- **Acknowledge Status**
 - Respect their experience and expertise
- **Help make their Role fulfilling**
 - Ask for their advice



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Keys to Every Negotiation – Difficult People

• **Reframe**

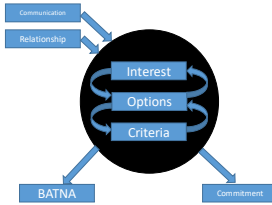
- Move their position to interests
- Move their position to options
- Move their position to criteria

• **Name the Game**

- Inquire for purpose
- Negotiate the rules

• **Change the Players**

- Ask for new people or for additional people to be brought in



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Goals for Negotiation in family issues

- Avoid zero-sum negotiation
- **Create more value!**

Examples:

- Ecuador/Peru dispute
- Selling and buying widgets

Negotiation Exercise Finding Value



- Everyone find a partner
- No talking from this point forward
- Two things to know
 - You get a point if the back of your partner's hand touches the table.
 - You want to get as many points for yourself as possible.
 - You don't care how many points your partner gets
- You will have 30 seconds
- Everyone close your eyes and I will give you a starting mark

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Create Value through Finding Interests

Areas in which one can create value:

- Resources and Capabilities
- Relative Valuations
- Forecasts
- Risk Preferences
- Time Preferences

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How do you create more value?

Go back to John and Mary Doe

What could that family do to create more value?

(time to discuss ideas in small groups)

Summary

- When negotiating – PREPARE
- Includes knowing BATNA and ZOPA
- Know where interests between parties are similar
 - build from that
- Check the list of emotions when you have difficulty



For Help

- Consider local mediation or counseling services
 - include your local clergy if available and helpful
- Consider rural response hotline – 800-464-0258



References and things to read:

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- Harvard Program on Negotiations: *Negotiation Workshop: Strategies, Tools, and Skills for Success*
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