



M.Sc. in SHIPPING MANAGEMENT

MASTERING NEGOTIATIONS®

Bilingual Certified Seminar

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We all constantly have conflicts, differences, conflicts.... They are part of our daily routine and in most cases, we do not understand them. It is part of our lives, our partnerships, it is part of our social behavior. We negotiate all our lives:

- ✓ with customers and suppliers
- ✓ with colleagues
- ✓ with relatives, friends, neighbors
- ✓ for purchases and sales of products or assets.
- We constantly negotiate for everything that needs the consent or agreement of the other side.
- We are not born with the knowledge and skill of negotiation. Unfortunately, many people think they are good negotiators because they negotiate all the time in their jobs and others believe they were born with negotiation skills. Experience or intelligence alone are not enough.

Although all the negotiations are the same, all of them have a structure, all of them have ... rules:

- I. **THE (two) PRINCIPLES**
- II. **PREPARATION (five elements)**
- III. **ENGAGEMENT (three elements)**



THE TWO PRINCIPLES

1st Negotiation has a cost.

The achievement of the goals also depends on the other side, and in order to "give" to you, it must also take. Before starting a negotiation, study what you can give (of what the other side is likely to ask) to get what you ask for. It is a give-and-take process.

Consolidating the understanding that the other side is also entitled to and desires the best result for it and that to "give us" "we must get" must be the alphabet of the effective Negotiator. negotiation is an EXCHANGE... You Never, Give Without Getting ..something of what you want.

2nd Everything is negotiable.

Perhaps her greatest rule! There is nothing that is not negotiable.

Never accept statements:

"This is non-negotiable", "I don't discuss this"

Of course, you will use them if it suits you.

PREPARATION (5 elements)

Most people when they think of negotiation focus on the second stage, the "table".

But BEFORE you meet the other side there is PREPARATION which is perhaps 80% of the "work" and may contribute 80% to your success. Preparation is the most important stage.

Experts, research, literature, and our experience advocate:

PREPARATION – PREPARATION – PREPARATION

the 5 Points of Preparation

- I. Us & the Other Side
- II. Investigation of Interests
- III. Exploring B.A.T.N.A
- IV. Decisions about
 - ✓ Objectives
 - ✓ Limits
 - ✓ Initial positions
- IV. Strategy Selection

1st WE & the OTHER SIDE

Get to know very well:

- Your side: Ask yourself WHAT you REALLY want, WHY you want it?
- The other side: Learn information during preparation but also during the discussion. It is a continuous effort. Know everything about the other side.
- LEARN, ASK, OBSERVE the other side.
- Don't negotiate with strangers.

2nd POSITIONS & INTERESTS

- POSITIONS are the propositions that are placed on the table.
INTERESTS are the reasons / causes that create the Positions.
- POSITIONS are statements and rarely provide information about deeper motivations
INTERESTS are the underlying reasons or motivations. They explain WHY the position exists.
- POSITIONS are WHAT people say they want.
INTERESTS are WHY they want it.
- POSITIONS are claims.
INTERESTS are worries / fears / insecurities.
- POSITIONS are what you say you will or won't do.
INTERESTS are the reasons you say what you will or won't do.

Many negotiate the Positions. But when you discover/know Interests, you will make more advantageous exchanges, better negotiations. List their interests in order of importance.

There are POSITIONS & INTERESTS for BOTH sides. Many times, even we while we know WHAT we want we don't know WHY we want it. Remember that the better you know WHAT you want and WHY you want it, the more likely you are to get it.

Ask her own Interests and listen carefully to WHAT she tells you and watch HOW she says it. All negotiating positions are supported by vested interests. Interests are the driving forces and/or reasons underlying the negotiating Positions. Only by knowing and identifying our interests and those of the other side can we truly be effective in assessing and understanding the extent of the dispute to be negotiated. This applies to any type of negotiation.

Stay tough on your Interests and insist they are treated objectively.

Instead, don't stay fixed in your positions, be flexible in them.

NEGOTIATE POSITIONS, NOT NEGOTIATE INTERESTS

More simply: Positions are negotiable. Interests are not.

- DISCOVER YOUR INTERESTS BY ASKING YOURSELF DURING PREPARATION
 - ✓ What do I really care about?
 - ✓ Why am I interested? Why do I want them?
 - ✓ Why is there this difference with the other side?
 - ✓ Why do I want it to be solved in the way I propose?
- DISCOVER THE INTERESTS OF THE OTHER SIDE: ASSUME-EXPLORE-ASK
 - ✓ What would you like from this negotiation?
 - ✓ How did you come up with this?
 - ✓ Please help me understand the criteria for this proposal.
 - ✓ Will you explain the reasons for your position?
 - ✓ Why would you be happy with this solution?
 - ✓ Why NOT?

3rd B.A.T.N.A

- Best
- Alternative
- To a
- Negotiated
- Agreement



- They are the alternatives in case the other side does not agree. It is also known/called Plan B.
- Research ALL the possible alternatives (B.A.T.N.A) that you may have as well as the corresponding ones that the other side has. It is the top (if any) power source.
- Never start a negotiation without studying your own and the other side's B.A.T.N.As.
- You can't negotiate if you don't have a B.A.T.N.A.

4th POSITIONS

Decide: **TARGETS – LIMITS – OPENINGS**

- **Targets** are what the negotiator realistically wants.
Your targets should be ambitious. Don't bargain with yourself when deciding on your goals:
But at the same time make them realistic and achievable. Create "Packs-Combinations" of objectives according to their importance. The targets should be related to your Interests.
- **Limits** are the ultimate points of retreat.
There are the points that makes a deal just bearable. There are no other concessions.
Many negotiators don't know or can't set and stick to their boundaries.
Never, ever does the limit 'change' during the negotiation.
- **Initial positions** are the first description of what the negotiator wants.
You will never take your original positions; you will never accept the other side's initials.

5th STRATEGY

Is the general direction, the approach, the behavior that exists for each side in a negotiation.

- Key elements of success:
 - ✓ Choose your Strategy.
 - ✓ Study the Strategy of the other side.
- Your choice of Strategy is influenced by the importance of TWO FACTORS:
 - I. The Result
 - II. The Relationship

Ask yourselves:

- I. How important is the result to us? How much do we want the result?
- II. How much is your relationship with the other side? How much the negotiation affect your relationship with the other side?

- **There are FIVE Strategies**

1. Integrative
2. Distributive
3. Compromise
4. Accommodate
5. Avoid

- **ENGAGEMENT** (on the table) (3 elements)

1st Individual preparation: It is three-dimensional.

- a) **Biological/Physical:** Be rested and in good physical condition for readiness, concentration, and active hearing.
- b) **Psychological:** good mood, good psychology, and positive energy. Think about the meeting with optimism. Starting with vitality and confidence. Think Positive and Visualize Success.
- c) **Intellectual:** Know the subject and the elements of the negotiation.

2nd Negotiation is multichannel communication.

Without communication, there is no negotiation. The Negotiator must be good at communication.

Ask questions....and listen to her answers. Learn to listen.

Don't ask another question until he answers the previous one.

- **In every negotiation listen 70% and talk 30%**
- **Effective Negotiation is a matter of Information.**

The questions GIVE information. Statements GIVE AWAY information.

- **Negotiation is MULTICHANNEL communication.**

Without communication, there is no negotiation.

- ✓ WHAT you communicate
- ✓ What you are NOT communicate
- ✓ HOW you communicate it
- ✓ WHERE you communicate it
- ✓ WHEN do you communicate it
- ✓ WHY are you communicating it
- ✓ WHO do you communicate it to

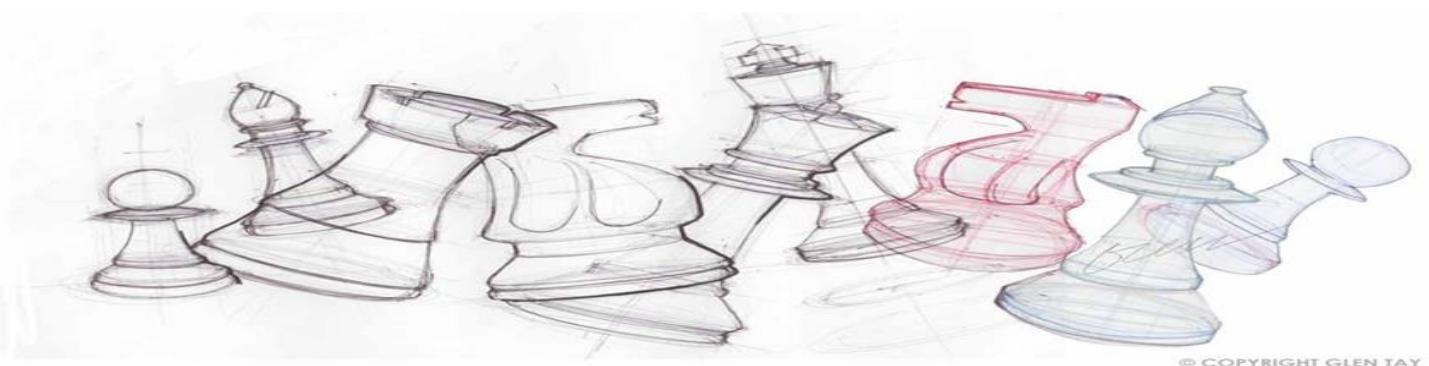
3rd TACTICS

They are verbal and non-verbal actions, by either side to create a more favorable situation for the applying side.

Many are common to all strategies while others are used only in some.

Not all of them are ethical

If the other side is using "dirty" tactics, don't focus on that behavior. Consider possible reasons for this behavior.



BEFORE YOU AGREE, ask yourself:

1. Am I ready to agree, or should I stop?
2. Does the Agreement Promote My Interests?
3. Is the deal within my negotiation Range?
4. Is there any benefit to the other side as well?
5. Can (with all the information I have) they will implement the agreement?
6. Should I ask for a break to rethink the agreement?
7. Does the agreement leave room for renegotiation?

SUMMING UP

1. We prepare ourselves
2. We study the other side
3. We consider Interests (ours and the other party's)
4. We investigate the BATNA (ours and the other side's)
5. We decide our Targets, Limits, Starting Positions
6. We choose our Strategy
7. We Design the Process*

*Duration, Timing

*Calculate/decide time needed, number of meetings

*Interpersonal, Telephonic, and electronic communication

*Information Management

*Difficult / Critical Points: set and/or avoid

*Tactics to be used



- **Start with an ideal and end up with a deal.**
Karl Albrecht
- **Negotiating means getting the best of your opponent.**
Marvin Gaye
- **You must be fully prepared to make a great deal.**
Unknown
- **Always get to know the other party. Never negotiate with a stranger.**
Somers White
- **During a negotiation, it would be wise not to take anything personally. If you leave personalities out of it, you will be able to see opportunities more objectively.**
Brian Koslow
- **In business, you don't get what you deserve, you get what you negotiate.**
Chester L. Karrass
- **The freedom of the city is not negotiable. We cannot negotiate with those who say, "What's mine is mine and what's yours is negotiable."**
John Fitzgerald Kennedy
- **When a man says that he approves something in principal, it means he hasn't the slightest intention of putting it in practice.**
Otto Von Bismarck
- **You're in a much better position to talk with people when they approach you than when you approach them.**
Peace Pilgrim
- **If you are planning on doing business with someone again, do not be too tough in the negotiations. If you are going to skin a cat, do not keep it as a house cat.**
Marvin S. Levin
- **The lesson of all history warns us that we should negotiate only when our military superiority is so convincing that we can achieve our objective at the conference table and deny the aggressor theirs.**
Richard M. Nixon