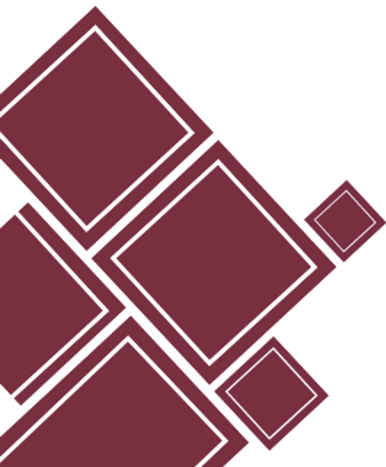
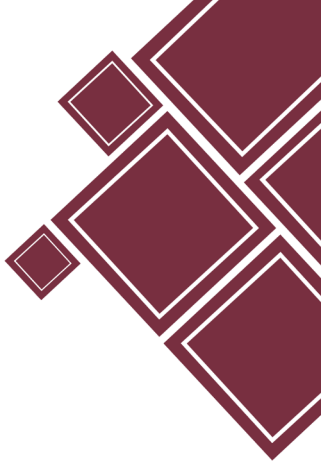


Influencing DRF Stakeholders Through Negotiation

Francesco Mancini
Lee Kuan Yew School of Public Policy





Assess our own level of comfort with disagreements and conflict

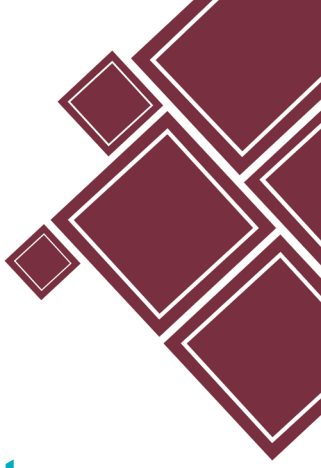
Provide three key negotiation principles for influencing DRF stakeholders

Understand interest-based negotiation

Develop empathy

Appreciate the power of preparation

Learning Goals



The ultimate goal is to be **more effective** in implementing your DRF strategy

Conflicts and disagreements will arise among the many stakeholders and conflicting priorities and interests

Better be prepared!

Learning Goals



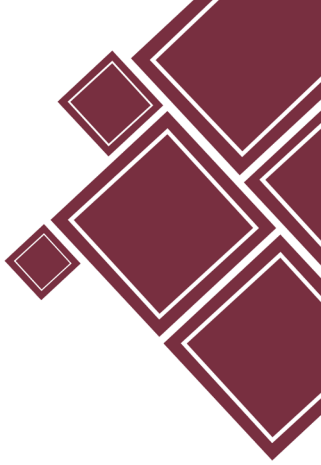
**Influencing
through
Negotiation**

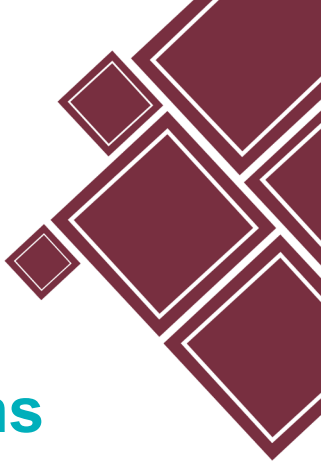
**We negotiate when we buy a car, renovate our apartment,
work the term of a new job, plan a wedding, ...**

**We also negotiate on a daily basis with our partners,
children, relatives, colleagues, friends**



**Governments and corporate
constantly negotiate for economic
and political outcomes**



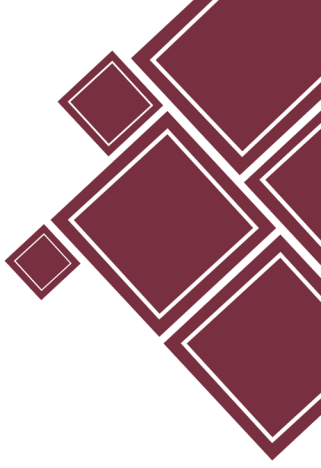


Building consensus is a natural process in any social interactions

In some cases, consensus might already exist

But in most cases, we have to work on it

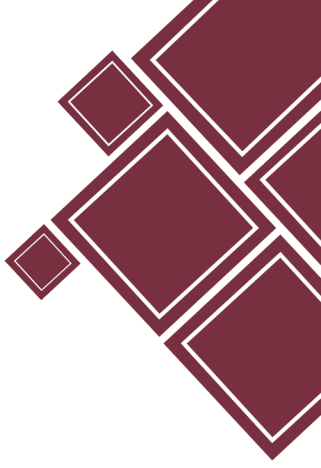
**That is why having strong negotiation skills is essential in our
(professional) life**



Consensus means overwhelming agreement, not 100% agreement

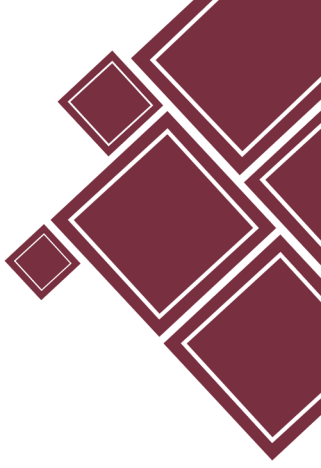
Consensus last longer if it is the product of a **good-faith effort** to meet the interests of as many stakeholders as possible

The key indicator of whether or not a consensus has been reached is that everyone agrees they can **live with the final outcome**



**Some of us
may feel uneasy and stressed about negotiating**

**Some of us may believe that
negotiators are born, not made**



Are you **comfortable** or **uncomfortable** when you find yourself in a conflict or disagreement?

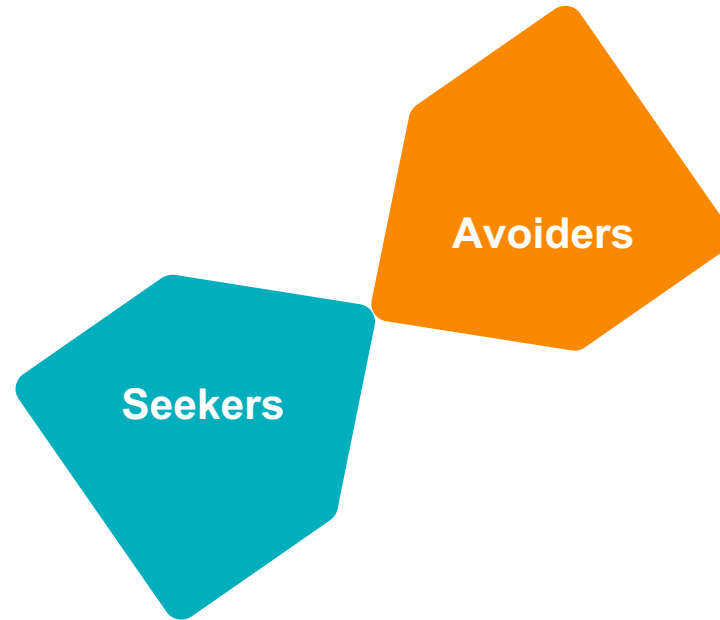
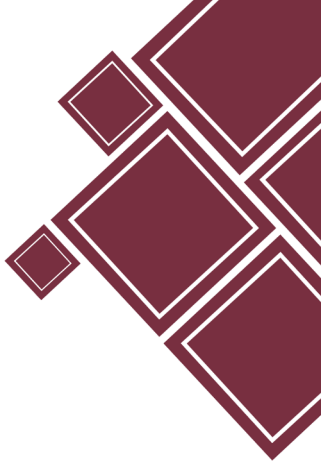
1. Comfortable

1. Uncomfortable

Question

Shy away from disagreement
Value harmony and positive relationships
Often trying to placate people or change the topic
Don't want to hurt other's feeling
Don't want to disrupt relationships

Avoiders



Seekers

Eager to engage in disagreements
Care most about directness and honesty
Strongly advocate for their own perspective
Don't mind "ruffling feathers"

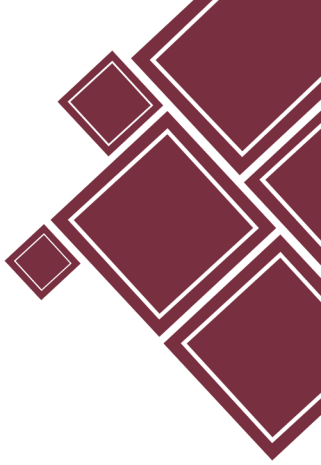
We know that some are “**natural negotiators**”

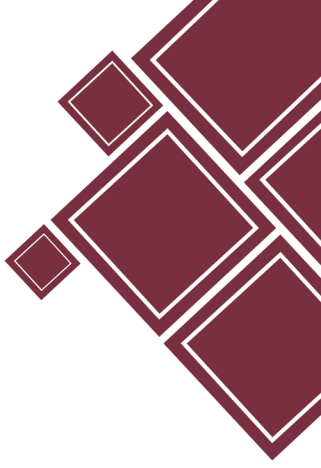
But...

The vast majority of us can **be made negotiators**

Negotiation skills can be **learned**, and you can master both the art and science of negotiation through practice

Through a combination of **tools and techniques**, we can all dramatically improve our ability to negotiate in any situation






**1. Interest-based
Negotiation**

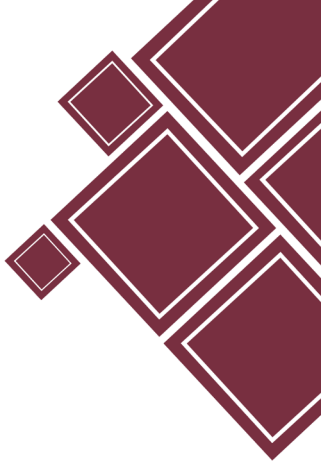
2. Empathy

**3. Preparation (I
FORESAW IT)**

3 Principles to Influence



Principle 1: Interest-based Negotiation



Hard on the problem, but soft on the other party

Focus on interests, not positions, then reconcile them with creative options

Interest-based Negotiation


I want an orange



Person 1



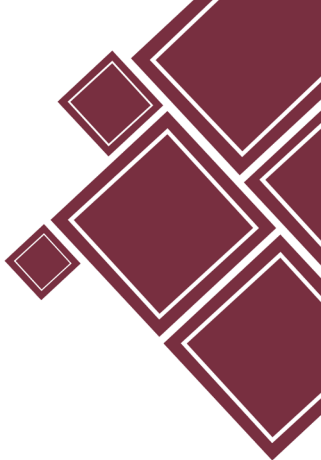
I also want an orange



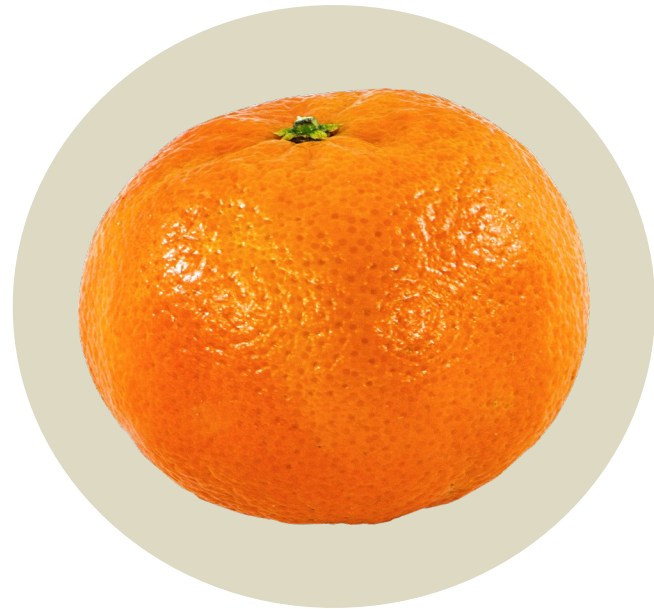
Person 2

There was just one orange available in the canteen

The Orange Story

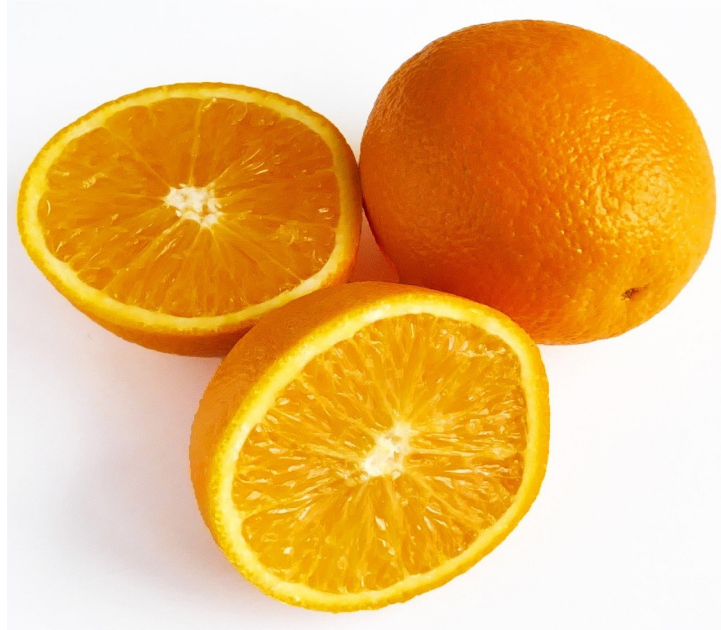


How will you find a solution to this conflict over one orange between two people?





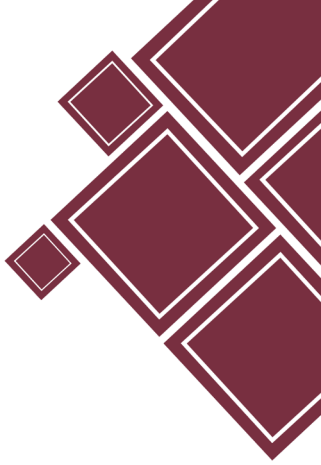
Person 1

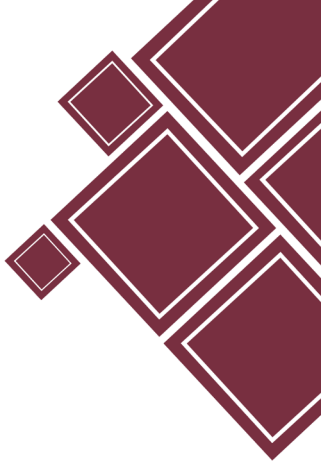


Person 2

They decided to cut the orange in half

The Orange Story





Position: Your demand, the thing you say you want

Interests: The reason why you want the thing you say

In negotiation, we look for **complementary interests**

Interest-based Negotiation



**Principle 2:
Develop Empathy**

We have **Player 1** and **Player 2**

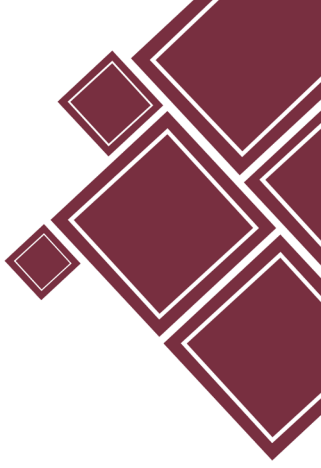
Let's pretend I give \$10,000 to player 1

Each **Player 1** has to propose a division of the money to a player 2

If **Player 2** does not accept that amount, both 1 and 2 get nothing



The Ultimatum Game



Classical rational choice theory would say that player 1 should offer \$1 and keep \$9,999

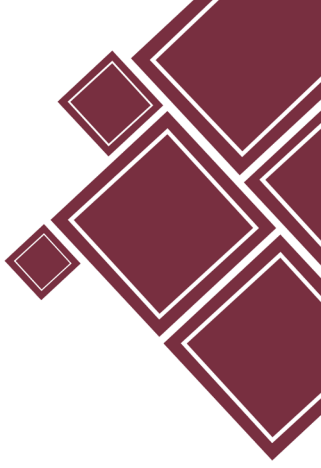
If player 2 is rational, then he or she should accept because \$1 is better than nothing

But in reality most of us would refuse that offer, because it is perceived as unfair

There is something that matters more than money!

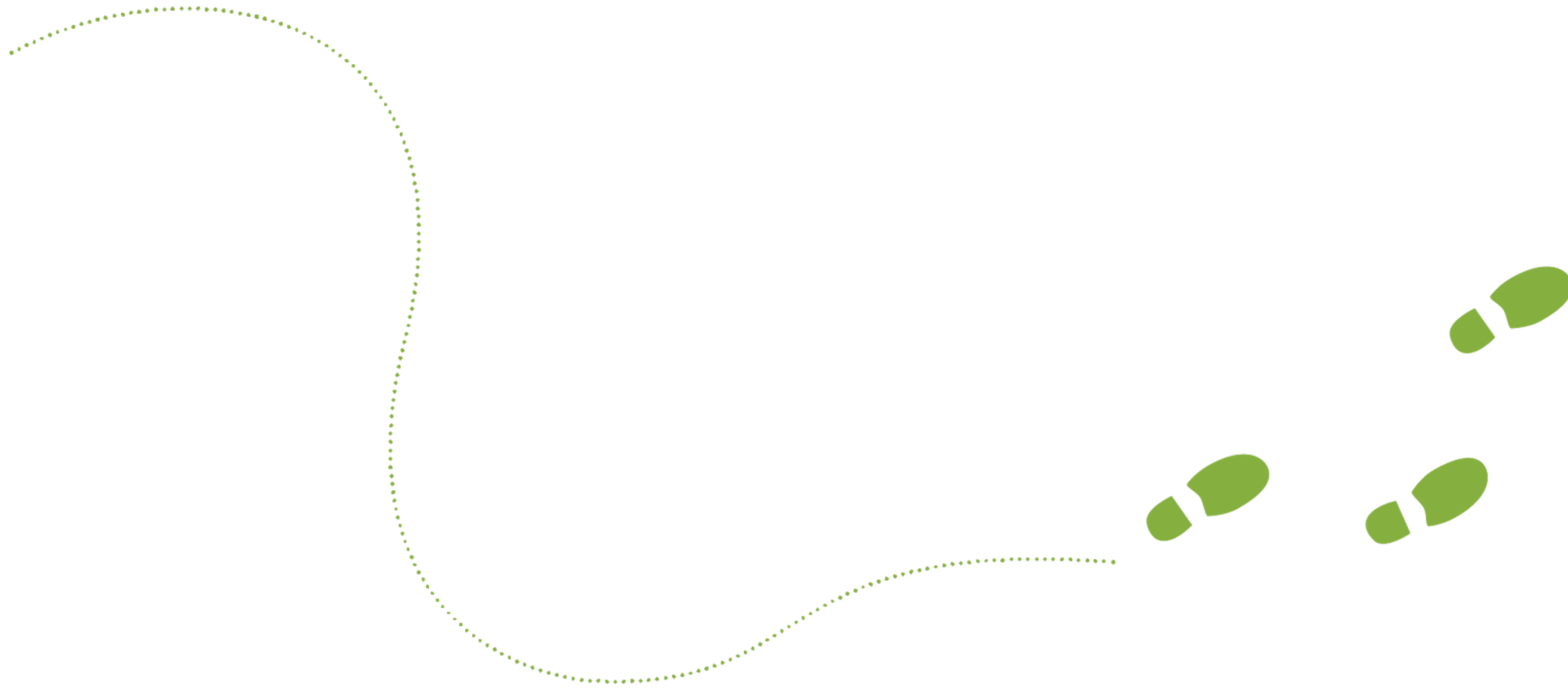
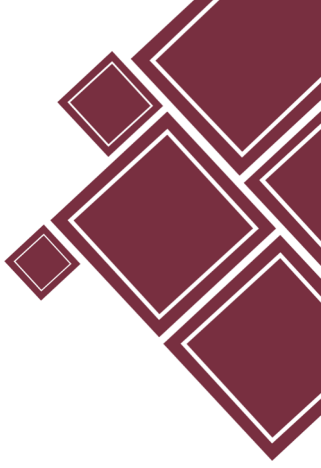


The Ultimatum Game

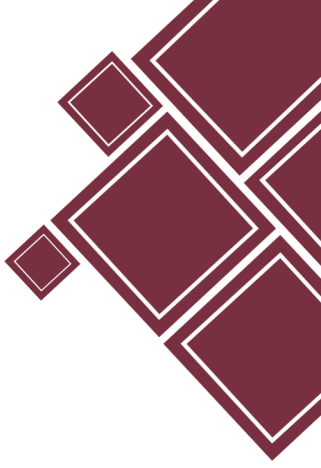


Take a mental walk in your counterpart's shoes

Develop empathy. Discover insights.



Empathy



Empathizing

means seeing deeply from the other person's perspective

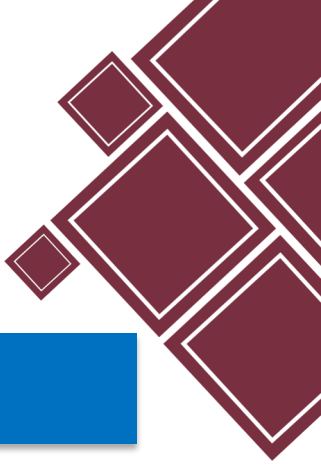
It is not “pretending” you are interested or pretend friendliness, like a “slick sales person”

Remember:

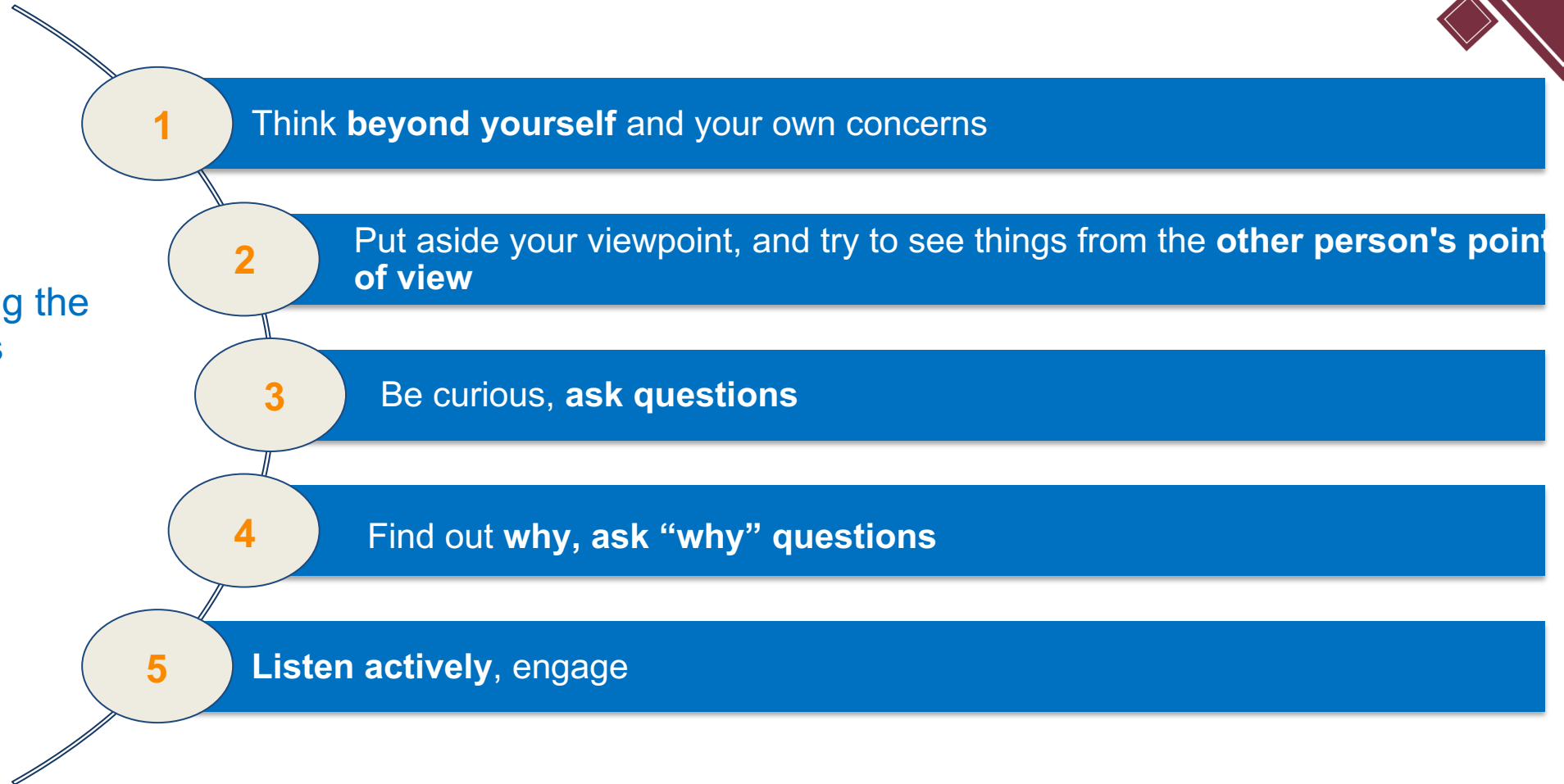
Empathizing (understand)

does not mean sympathizing (agreement)

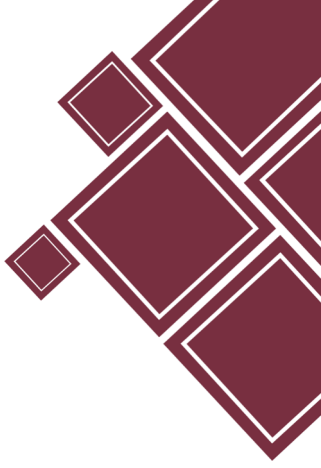
Empathy



Goal Understanding the other person's perspective

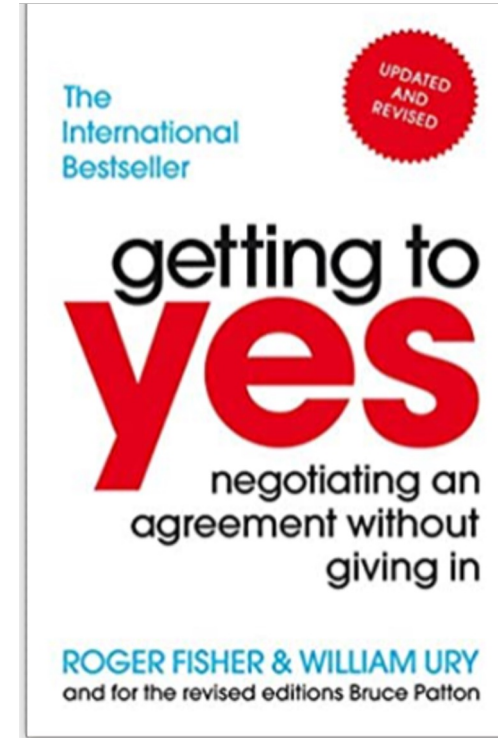


Empathy

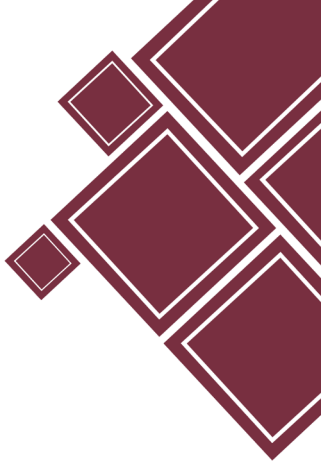


Let me now give you a tool that can help you to see things from the other's perspective and use those insights to develop a persuasive response

This tool is called “**Currently Perceived Choice**” chart and it was developed by Harvard Business School's negotiation experts Roger Fisher, William Ury, and Bruce Patton



Empathy

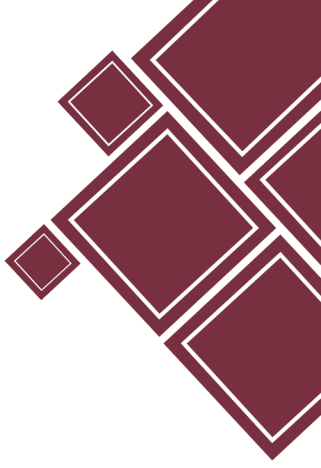


Question 1

What is the choice that my stakeholder must make?

- If you are helping a country to set up a natural disaster fund, one stakeholder could be the Minister of Finance and the question s/he faces is: “Should I agree to establish an annual legally-binding fund for disaster management?”

Currently Perceived Choice Chart

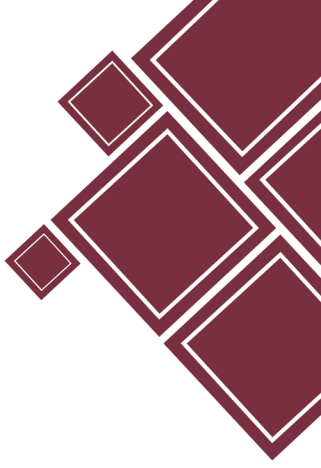


Question 2

Why would the stakeholder feel it is bad to say yes?

- For the Minister of Finance a possible answer could be: “I am not sure I have a steady flow of money to support the fund” or “I don’t want to create a transparent funding system that would make me lose political leverage locally.”

Currently Perceived Choice Chart



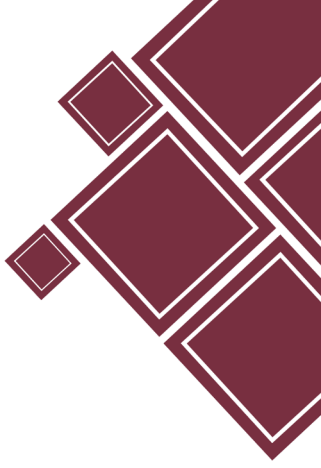
Question 3

Why would “saying no” seem like a good idea to my stakeholder?

- For the Minister of Finance a possible answer could: “I prefer to keep discretionality in disaster funding to avoid inflated request of the scale of damage from provinces,” or “I could use resources for other urgent or politically-relevant needs such as building new public housing.”

Currently Perceived Choice Chart

The **Currently Perceived Choice chart** helps you to identify the hopes and concerns correlated to the key interests of your stakeholder



What are the interests that are driving the current behavior?

Currently perceived choices of: _____

1. Choice my counterpart must make

Question faced by your stakeholder is: “Shall I agree to _____?”

2. If I say yes:

- _____
- _____
- _____

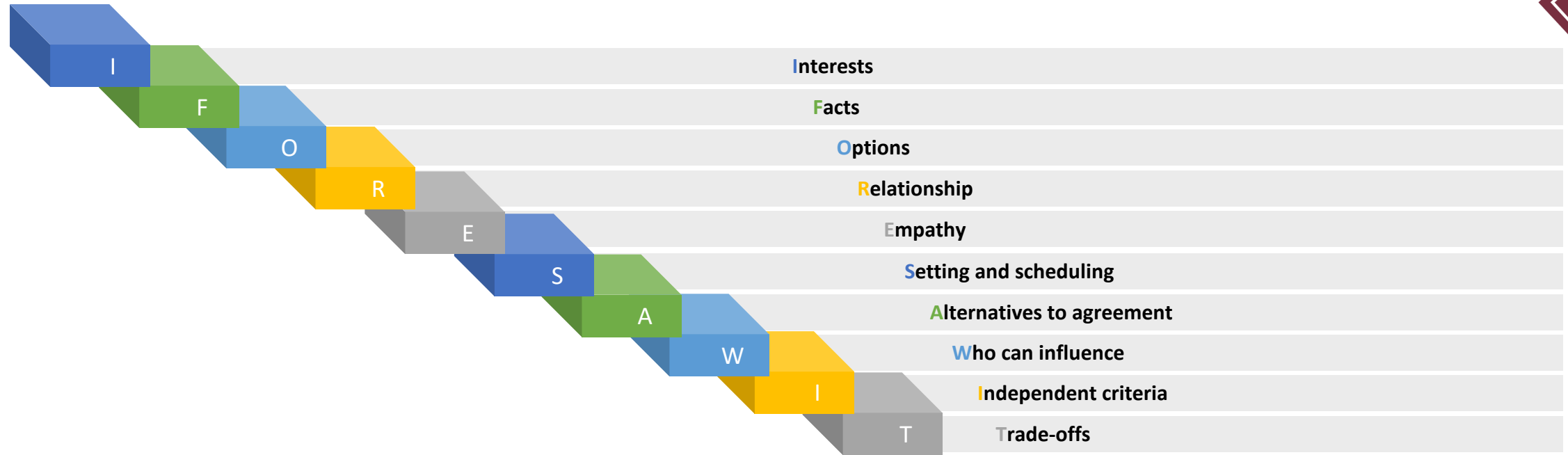
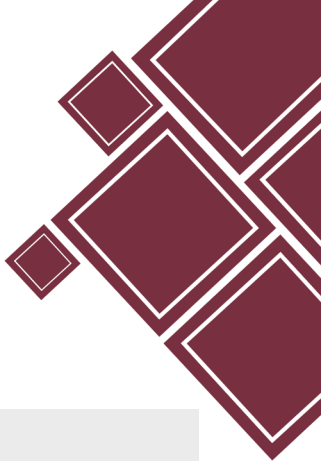
3. If I say no:

- _____
- _____
- _____

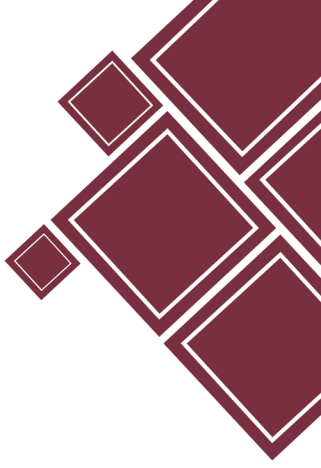
Currently Perceived Choice Chart



**Principle 3:
Preparation Is Power**



The Power of Preparation




I FORESAW IT, developed by Professor Seth Freeman of Columbia University, is a **10-letter mnemonic device** that sums up what skilled negotiators do to systematically prepare for important talks

Each letter stands for a word, and each word stands for a question - a question you want to ask and answer before you enter any talks

The power behind this tool is **not** that it **solves your negotiation problems**

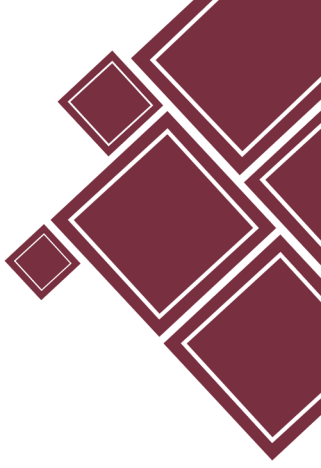
Instead, it poses questions that allow you to be **more powerful in your negotiation**

The Power of Preparation



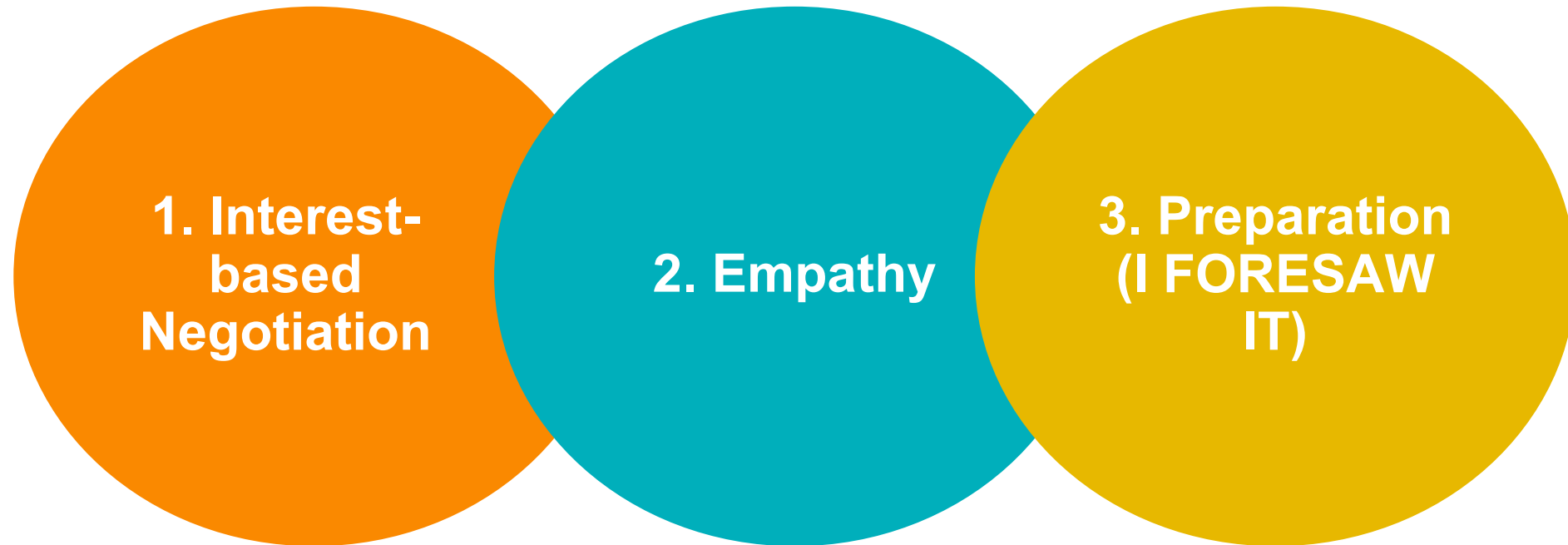
Words	Questions
Interests	What are your interests? What are the your stakeholder's interests? What common interest do you share?
Facts	What research can you do before the negotiation? What data can support your position? What financial numbers can you bring to the table?
Options	What creative options can you come up with?
Relationship	How can you build rapport and connections? How can you prepare yourself to respond to negative reactions? How can you handle the relationship?
Empathy	How does the situation look from the other party's point of view?

The Power of Preparation

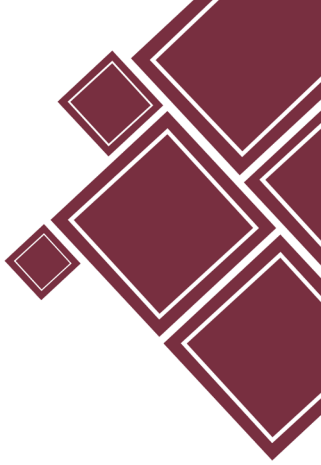


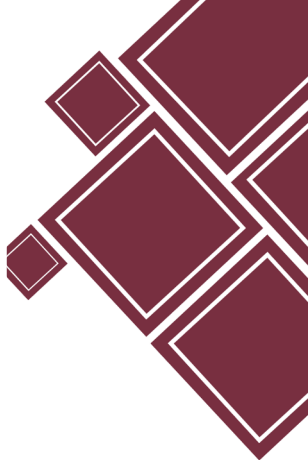
Words	Questions
Setting and scheduling	How can you optimize the setting and schedule for the negotiation?
Alternatives to agreement (Best Alternative To Negotiated Agreement)	What will you do if the deal doesn't go through? What will the other party do if the deal doesn't go through?
Who	Who outside this negotiation has influence?
Independent Criteria	What objective standards or benchmarks can you identify?
Tradeoffs	What tradeoffs are you willing to make? What are the competitive aspects of the negotiation?

The Power of Preparation



Summary - 3 Principles to Influence





Francesco Mancini

Vice Dean (Executive Education) and
Associate Professor in Practice at Lee...



Thank you and stay in touch!