MPV_COMA
Communication and Managerial Skills Training
Seminar 11, 12

Trainer: Daria Kucharova

Agenda

- Test information
- Exercise 1. BATNA, RP, ZOPA
- Exercise 2. Price negotiation
- Exercise 3. Multiple-interest negotiation

Test information

- Assessment criteria:
  - quantity and quality of theoretical knowledge, understanding the theory
  - ability to apply gained knowledge
  - extent of the development of relevant skills

Test information

- Lectures
- Seminars
- Two study materials:
  - Communication Process. Effective Verbal Communication
  - Basic Communication Skills

Test information

- Grading:
    - 0-59% not passed
    - 60-68% E
    - 69-76% D
    - 77-84% C
    - 85-92% B
    - 93-100% A

Test terms (max 3 terms)

- First term: 27.4
- Second term: 11.5
- Third term: TBA

Exercise 1

- BATNA – Best Alternative To Negotiated Agreement
- RP – Reservation Price
- ZOPA – Zone of Possible Agreement

- You are preparing to negotiate the sale of your bike with a buyer, Thomas. He responded to an ad that you posted one week ago on web. You don't have other buyers.

- You have to earn at least 4000 from the sale to finance the purchase of a car that you have ordered. You want to keep your bike for a month until you have the new car.

- The reasonable value of your bike is 5000 (you checked similar sales on internet).

- If you can't find a buyer willing to pay at least 4500, you will sell the bike to a friend, Nick, for 4000. You know that he will let you keep the bike as long as you need it.

Key questions for analysis

- What is your overall goal in the negotiation?

- What issues are most important to you in reaching this goal? Why?

- What is your **B**est **A**lternative **t**o a **N**egotiated **A**greement (**BATNA**)?

- What is your **Reservation Price** (the lowest price that you will accept in this negotiation)?

- What is your **most likely** price?

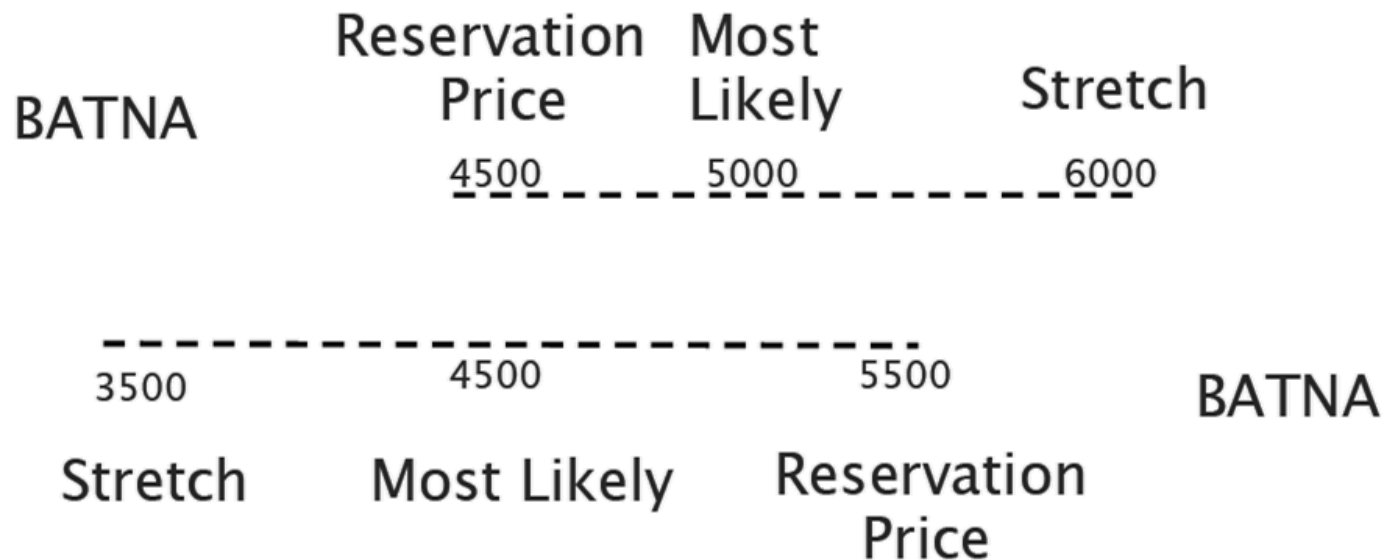- What could be your offer (stretch price/anchor)?

Key questions for analysis

- What is your overall goal in the negotiation? **Sell your bike**
- What issues are most important to you in reaching this goal? Why? **Price – because you need money to buy a new car, and transfer date – because you need the new car for 1 month**
- What is your **BATNA**? **Sell the bike to your friend**
- What is your **Reservation Price** ? **4500**
- What is your **most likely** price? **5000**
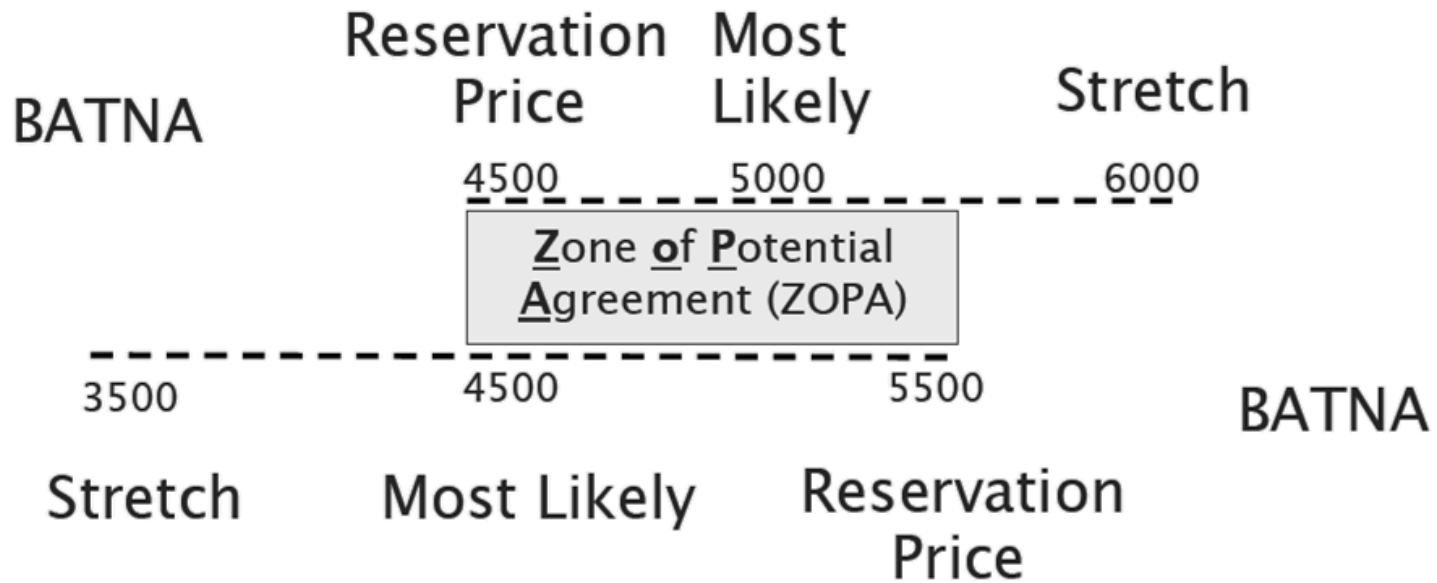- What is your **stretch goal**? **6000(?)**

Key questions for analysis

BATNA | Reservation Price | Most Likely | Stretch
4500 | 5000 | 6000

Where is ZOPA?

BATNA

Reservation Price   Most Likely   Stretch

4500 _ _ _ _ 5000 _ _ _ _ _ _ _ 6000

_ _ _ _ _ _ _ _ _ _ _ _ _ _ _ _ _

3500   4500   5500   BATNA

Stretch   Most Likely   Reservation Price

ZOPA

Negotiation

- Anchor effect
  - Anchor when you have a strong position
  - If you are in a weak position or lack information

- How much?
  - Result vs. relationship
  - Credible

Exercise 2. Price negotiation

- Adapted from book Negotiation Genius by Deepack Malhotra and Max H. Bazerman

Negotiation

- Win-Lose vs. Win-Win

- Position-based vs. Interest-based

- Value distribution vs. Value creation

Negotiation

1. Positioning (win-lose)
2. Discover interests (win-win)
3. Generate options (both)
4. Finalize agreement (both)

Exercise 3. Multiple-interest negotiation

- An Education service scenario

Discussion

- **Self-Assessment**
  - What did you do well?
  - How can you improve?
- **Feedback for the Other Side**
  - What did the other side do well?
  - How can the other side improve?

Thank you for attention!