Influencing DRF Stakeholders Through Negotiation

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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
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!**
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.
Question

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

1. Comfortable

1. Uncomfortable
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
3 Principles to Influence

1. Interest-based Negotiation
2. Empathy
3. Preparation (I FORESAW IT)
Principle 1: Interest-based Negotiation
Interest-based Negotiation

Hard on the problem, but soft on the other party

Focus on interests, not positions, then reconcile them with creative options
I want an orange

There was just one orange available in the canteen

I also want an orange

The Orange Story
How will you find a solution to this conflict over one orange between two people?
They decided to cut the orange in half

The Orange Story
Interest-based Negotiation

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
Principle 2: Develop Empathy
We have **Players 1** and **Players 2**

Let’s pretend I give $10,000 to players 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
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.
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

1. Think **beyond yourself** and your own concerns
2. Put aside your viewpoint, and try to see things from the other person's point of view
3. Be curious, ask questions
4. Find out why, ask “why” questions
5. Listen actively, engage
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?”
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
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.”
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:
   • ______
   • ______
   • ______
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
<table>
<thead>
<tr>
<th>Words</th>
<th>Questions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interests</td>
<td>What are your interests? What are the your stakeholder’s interests? What common interest do you share?</td>
</tr>
<tr>
<td>Facts</td>
<td>What research can you do before the negotiation? What data can support your position? What financial numbers can you bring to the table?</td>
</tr>
<tr>
<td>Options</td>
<td>What creative options can you come up with?</td>
</tr>
<tr>
<td>Relationship</td>
<td>How can you build rapport and connections? How can you prepare yourself to respond to negative reactions? How can you handle the relationship?</td>
</tr>
<tr>
<td>Empathy</td>
<td>How does the situation look from the other party’s point of view?</td>
</tr>
</tbody>
</table>

The Power of Preparation
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<th>Words</th>
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<tbody>
<tr>
<td>Setting and scheduling</td>
<td>How can you optimize the setting and schedule for the negotiation?</td>
</tr>
<tr>
<td>Alternatives to agreement</td>
<td>What will you do if the deal doesn’t go through? What will the other party do if the deal doesn’t go through?</td>
</tr>
<tr>
<td>Who</td>
<td>Who outside this negotiation has influence?</td>
</tr>
<tr>
<td>Independent Criteria</td>
<td>What objective standards or benchmarks can you identify?</td>
</tr>
<tr>
<td>Tradeoffs</td>
<td>What tradeoffs are you willing to make? What are the competitive aspects of the negotiation?</td>
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</tbody>
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Summary - 3 Principles to Influence

1. Interest-based Negotiation
2. Empathy
3. Preparation (I FORESAW IT)
Thank you and stay in touch!