

Negotiations



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Win – Win Negotiations

- The objective of win-win negotiations is that both sides will be satisfied with the result.
- The “give and get” principle

Cost vs. Price

- How are prices determined?
- What are the elements of cost?
- How should price increases be handled?

Team Negotiations vs. Individual Negotiations

- Contract development
- Size of contract and number of issues
- Time constraints
- Technical skills and expertise needed
- Chances for success
- Negotiating authority
- Role of lead negotiator

Aspiration Levels

- **SATISFACTION**
- **People who expect more get more**

Negotiations: Strategies and Tactics

- **Strategies** are the overall plan of action for negotiations
- **Tactics** are the step by step method used to implement the strategies

Negotiation Tactics

- The First Move
- The Flinch
- Lower Expectations
- The Power of Legitimacy
- Lack of Authority
- Budget Maximum
- “You can do better than that”
- Nibbling
- “Take it or Leave it”

CONTINUED

Negotiation Tactics (continued)

- Split the Difference
- Escalating after deal is made
- Good guy – bad guy
- Stalling
- The deadline
- Statistics
- Give and Get
- Emotional tactics

Zone of Possible Agreement

- **Defined as:**
 - The minimum amount the seller will accept
 - AND
 - The maximum amount the buyer will pay
- **“Resistance Point” for Each Party**

Negotiation Exercises

- **Orange You Glad?**
- **Apples**
- **Security Guard Services**
- **B-Higher v. Cell-er**
- **Van Buren v. Grover**
- **BeeWare**
- **School Computers**