Strategic Negotiation

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Introduction

Strategic Negotiation is about the middle- to long-term strategic context in which the tactical skill sets of negotiation are applied. Strategy is about what you want to happen; tactics are about making it happen. Hence, there are few overlaps between this book and the typical book on negotiation skills. Competence in negotiation is properly a complement to competence in strategy, but they do not substitute for each other.

Strategic Negotiation corresponds to Figure 1.1 in Chapter 1, which provides an overview of the Strategic Negotiation Process Model. The foundations of the Process Model rely on knowledge-based information and primarily they cover the kinds of content with which every strategic negotiator has to be familiar. A set of tools is introduced that are used in strategic negotiation processes, particularly in the analysis and diagnosis of the negotiation problem in its strategic context. The strategic process is essentially a practical exercise that applies the strategic process model to business problems, mainly through the implementation of the steps necessary for the achievement of the organization's business plan, identified, analysed and negotiated using the Negotiation Agenda method.

For each chapter there is a set of concepts, chosen for their relevance to the strategic context, and these are applied to cases drawn from a range of business activities to illustrate the strategic approach. Strategic Negotiation assumes familiarity with business practice at a level expected in mature people experienced in business and organizations. Most of you will already have worked on business problems of sufficient complexity to be able to bring your experience to bear on the types of problems I address.

This is a practical and applied, not a theoretical, book. It is for practising managers operating, or wishing to operate, at a senior level where negotiations by their nature are high value, complex, multi-level and often multi-party. Obviously, it would be unrealistic to be encyclopaedic and cover every possible
circumstance where the methods associated with strategic negotiation would be useful, so I have included enough elements of a generic model, plus an assumption of your experience, to make it adaptable to the circumstances likely to be of particular interest to you.

*Strategic Negotiation* is about learning from mistakes without having to make them first. The method grew out of my negotiation consultancy for businesses and public sector organizations. Many managers contributed to the concepts in the book and many individuals and teams of negotiators have applied its elements in their business practice. When the learning curve is steep and the issues are of great importance, it is sometimes necessary to rapidly adapt to changing circumstances. From these experiences the robustness of the Process Model has been confirmed where it matters, in the world of real organizations run by real people.

The book moves on from purely tactical concerns of negotiation to the strategic contexts, where optimum, even excellent, bargaining skills are insufficient to secure success. The scale and context of complex negotiations require strategic awareness because the interests of the parties are more complex, the options more numerous and the outcomes more critical than at the tactical level. Strategic interests drive proposals and bargains and, beyond a low level of complexity, there are many more significant off-table events, which require coordination with the events happening across the table, than in simple two-person bargaining.

*Strategic Negotiation* is about higher-level judgement and discusses the interests, issues and positions, and the attendant options, as if we were in the same room. Necessarily, I will interpolate what I think you would ask if we were in live contact. My style is informal, primarily to avoid accusations of pedantry, but also to entertain as well as instruct. The book succeeds to the extent that it creates useful learning opportunities and assists you to achieve fitness in the subject.

Throughout you will find items labelled ‘Activities’ prompting you to evaluate from your own experiences. You may explore different lines of approach, using the suggestions as to how you might tackle the Activities, which constitute excellent practice in preparing for your live strategic negotiations, and you should attempt these to any degree with which you are comfortable.

That you may disagree with my selections and comments is a perfectly valid behaviour. Strategic negotiation is not an exact science like physics or
mathematics. Remember, learning is about your learning and we learn best by correcting our mistakes and clarifying our confusions. That is how we learned to walk, talk and play games (what a bore it would be if every time you played golf you went round getting 18 holes-in-one – though some of my golfing friends may not agree!).

Of course, some mistakes could be fatal – you crash the plane in a flying lesson – but learning from a book is a safe environment, where mistakes are acceptable and where nothing fatal happens to you or anybody else due to your slip-ups and confusion. The real difficulty comes if you keep making the same mistakes dealing with the same problem! A US client firm I spent time at had a poster on a wall stating: ‘Stupidity is when you keep doing the same thing and expect a different result!’

My task, as author, is to help you learn from your (and my) mistakes and to show you how to correct them before you make serious mistakes in the real world.