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Negotiation Training For Non-Purchasing Staff

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Abstract

With the economic climate as unstable as it is, and will likely remain, everyone who is responsible for Institute funds must manage them with greater care and be able to negotiate for the best interest of the Institute. This project consisted of the creation of a half-day training course (and all related materials) in Negotiation Skills to be offered to non-Purchasing staff, as well as faculty, who are responsible for procuring goods and services on the Institute's behalf. The results will be faculty and staff members who are better prepared to handles themselves in any negotiation situation, whether it involves procurement or not.

Project Background

This project came about during a conversation with Tina Karol, the Director of Purchasing at RIT. As we spoke, she mentioned that she had always wanted to offer a course to non-purchasing staff members that would teach them about negotiation skills and help them to develop those skills so that they would be better prepared for conversations with suppliers. A natural benefit of this is that the people who go through this training will be better prepared for conversations with anyone, since negotiations occur every day and in every sort of situation.

It is one thing to tell a department that they must be fiscally responsible as stewards of Institute resources. It is quite another to educate them on how to fulfill this responsibility, an area that the Institute needs to strengthen. There have been a number of situations where departments have committed Institute funds when they shouldn't have and, having been armed with good information, wouldn't have. In one instance, a vendor contacted a department directly and the salesman did his job less than honestly. He led the department to believe that if they signed a three year contract with him their equipment the first year would be free. The department thought that sounded really good, so they signed the contract. They never delved further in to the fine print, nor did they ask Purchasing to review the contract. They just signed it. The equipment the first year was free, in that they didn't receive any invoices that first year. However, the equipment costs were measurably higher the second year of the contract, well above the combined cost of the two years of equipment purchases. And, the third year would have been even higher, had it not come to the attention of the Purchasing Department. Instead, RIT's contract attorney was able to negotiate a buy-out of the final year of the contract. This "one year free", in the end, cost RIT more than if this department had purchased the equipment rather than getting it 'free' the first year. Further, the equipment was of a lesser quality. It is situations like this that need to be illuminated so that they don't happen again.

It is one of my goals to have staff trained in negotiation processes so they can recognize barriers to successful negotiations and avoid or resolve them. "There are many unnecessary roadblocks to successful negotiation (David, Polsky nd)", a fact that I'm well aware of. One lesson I will incorporate into this training is the importance of appropriate communications, since a "sure way to derail negotiations is to begin by insulting the other side. Gratuitously insensitive remarks serve only to inflame emotions. Criticisms may be entirely valid and should be aired, but the manner in which they are raised as well as the person raising them is important" (David, Polsky, nd). Another barrier that is becoming more prevalent and problematic is cultural differences. For instance, "when a contract is signed in Europe it signifies the start of a deal, while in China it represents the start of negotiations. All people who deal in China need to get into the network and have personal relationships with suppliers to be a success" (Kanter, 2008). These are just two examples of the information that needs to be shared with stewards of RIT resources.

Certainly, there are many courses that address communication skills and conflict management or conflict resolution. However, successful negotiation involves more than managing a conflict or communicating well in order to resolve a conflict. Negotiation "involves a delicate balance of having our needs met while building and nurturing relationships. The better we negotiate, the greater our chances of fulfilling our needs and strengthening relationships through showing an interest in the needs of others" (Downs 2008, p ix). Unfortunately, "the wrong phrase during a key conversation can harm your relationships as well as your reputation" (Cole Jones 2009, p 64) and this can completely throw off the negotiation, making it impossible to maintain the balance of meeting our needs and nurturing relationships.

Not all conversations with suppliers are about the purchase of a good or a service. Sometimes it is just a matter of getting pricing or finding out if a particular good or service is even available. Sometimes a purchase has been made but there is a problem or a question or a change needs to be made. One must be able to negotiate for the best interest of the organization they speak for (their family, their employer, someone they are assisting) whether they are requesting information, procuring a good or a service or advocating for themselves or others to resolve a conflict.

"Psychologically, sellers can act proud and sure of the product or service. They have lots of information on its features and benefits as well as about its value over a competitive product. Buyers, on the other hand, are anxious about making a bad decision, doubt their own judgment, and often lack useful information. In order to offset the powerful position of the seller, the buyer needs to be better equipped with good, hard facts, and with some negotiation techniques" (Dichtenberg, 2004). It is in this training course that Purchasing can equip our colleagues with negotiation techniques and with useful information that will put them in a good negotiation position. In an article published in The Business Owner in March/April 2008, an anonymous author related information s/he learned in a course "titled'Negotiations for Competitve Advantage', taught by Professor Stuart Diamond" that "argued that while many people and organizations focus on financial aspects of transactions, the spoils go inordinately to those equally skilled in the art and science of negotiation" (anonymous, 2008, p 12).

While it is never unwise to save money wherever possible, our current economic climate makes it especially important to save money every where we can. RIT is not immune from economic down turns-the affect is both on the university's resources and the ability of prospective students to attend our school. The need for anyone who makes a purchase to be able to negotiate the best price and/or terms is growing with every passing day. As Neal Conan said, in his interview with Donald Dell "Everyone, that's everyone, has to negotiate from time to time; a salary, a sale, a business deal. Whether you're trying to get a little more for your old jalopy or pay a little bit less for an office tower, the art of the deal is one of the life lessons worth honing over and over again" (*Talk of The Nation* 2009).

As stated by Dr. Watters' at the May 7, 2009 Staff Council meeting, "the endowment went down from $672 million to $500 million in five months" (Watters, 2009). This resulted in a request of all departments to "reduce their budgets by 1.5%" (Watters, 2009). To reinforce the need for better decision-making and negotiation when making purchases, Dr. Destler pointed out that the economy is not yet healthy and "For that reason, continued prudence in our daily operations will be the name of the game for some time to come" (Destler 2009).

At RIT, many of the purchasing decisions are made, at least initially, by the end user. Often, the front line contact for a supplier is a non-Purchasing staff member. Even when simply calling a supplier for pricing, the caller needs to be prepared to speak to the sales person. An innocent sounding question such as "How much do you have to spend?" when answered incorrectly can lead to higher pricing (T. Karol, personal communication, June 3, 2009). Every purchase, no matter how small, has negotiation potential. With the economic climate as it is and with so many people outside of Purchasing having dealings with vendors, it is in RITs best interest to prepare the front-line staff for these interactions. "When it becomes clear to both sides in a negotiation that they are savvy, many of the gimmicks, ploys, and dirty tricks are discouraged. This is helpful all around, because it reinforces the serious business purpose that is to be served through well-informed bargaining" (Goodman, 2009). Unfortunately, not every vendor acts in an ethical manner all the time, so training our staff to recognize gimmicks and ploys will help to minimize RIT's risks of over-spending needlessly or of getting into unfavorable contracts.

As well as the economic climate changing, the business climate has changed the way that we do business. Historically, bid-price purchasing conducted by the purchasing professionals was how things got bought. Rather than a centralized purchasing model, organizations now use a relationship model, one where "They establish stable partnerships with customers and suppliers, sharing information networks and working on a just-in-time basis" (Scopec, Kiely, 1994, p6).

Over the fiscal year ending June 30, 2009, a total of $123,666,339 was spent between purchase orders and procurement card transactions (RIT Purchasing, 2009). If our employees were trained to negotiate the best terms for their purchases and were able to save 1% of the total spend, RIT could well have saved $1,236,663. This is a substantial amount that cannot be overlooked.

In the February 2009 edition of Purchasing BUYLINES, the RIT Purchasing newsletter, the Savings Idea of the Month highlighted an employee who was able to save $2000 on a software contract renewal (BUYLINES 2009, retrieved October 4, 2009). It is in the Institute's best interest to prepare more of our employees to be able to negotiate in this manner so as to keep RIT on a solid fiscal path. Unfortunately, for every savings such as this one, there is a case where an unprepared staff member got into a situation that cost the Institute money, as I outlined earlier in the "first year free" anecdote. Such situations can be avoided with training that will change the culture from reactionary purchasing to knowledgeable, skilled purchasing.

People who are comfortable with a skill or a topic can better react to the unexpected. "Dealing with the unexpected, responding 'in the moment,' and adapting effectively to sudden changes – these are the skills of an improvisational artist, and they are effective skills for negotiators to learn" (Balachandra et al, 2005). "Learning to recognize the environment – to the point that they can then change strategies – has obvious benefits" (Balachandra et al, 2005). Beyond the obvious benefit of a more successful negotiation, there is the benefit of employee satisfaction, which drives business results in a positive direction. "People are creative decision makers. Having an active role in solving problems is a hallmark of job satisfaction. People who are encouraged to be creative and active participants feel they can make a difference and have an impact on the organization – and that leads to greater job satisfaction and higher self-esteem" (Walter, 2002, pg 10).

As I began researching this topic, I started with a search of procurement best practices in the area of training non-purchasing employees to negotiate in their own best interest. For all of the best practices in procurement that I found-standardized language, effective use of technology, pre-qualifying suppliers, creating appropriate supplier pools, use of systems contracts, etc-not once in any of my searching did I find any mention of training people to advocate for themselves and their organization when researching and securing purchases. Supporting this theory of lack of research is Hal Movius of The Consensus Building Institute. "Despite the growth of the field and the investment in negotiation training by (some) organizations, and despite mounting evidence that training…typically has a significant and positive effect, little systematic research has been carried out concerning the effectiveness of negotiation training" (Movius 2008, pg 510).

In researching government entities (such as the Federal Transit Administration and www.Oregon.gov), private concerns (such as www.epiqtech.com and The Institute for Supply Management), even other universities (MIT and UPenn), I discovered that not one has any mention of training people to be effective negotiators. While many of these organizations have centralized purchasing where only Buyers buy, many of them have decentralized procurement where everyone buys something at some time or another. It is to these organizations that a training seminar such as this one would be especially valuable. But, even to the organizations with centralized purchasing, people outside of purchasing still negotiate on a daily basis, so a course of this nature would be useful to them, as well.

Training is an important part of employee engagement, a measure of satisfaction and retention potential among staff. "Through training, you help new and current employees acquire the knowledge and skills they need to perform their jobs. And employees who enhance their skills through training are more likely to engage fully in their work, because they derive satisfaction from mastering new tasks. Training also enhances employee's value to your company" (Vance 2006 p13). To have RIT positioned to be the benchmark in negotiation skills training would be a feather in the Institute's cap and this type of professional development offering, one that would help staff both professionally and personally, would increase the Institute's reputation as being the employer of choice in the Rochester academic community.

Project Description

My first step was to determine exactly what Tina Karol, my project consultant, felt were the important points to be covered. As the Director of Purchasing, as well as a successful negotiator, she was able to help me to create an outline that provided the most value to the prospective students.

I did not feel it was necessary to set a meeting schedule for Tina and I. As her Senior Staff Assistant in Purchasing, we already have a meeting each month, so we just incorporated project conversations into our monthly agenda. At these meetings, I informed her of the progress I had made, asked any questions that I had, showed her work product and received her feedback. And, since my office is right next to hers, I didn't have far to go with immediate questions, so I never had to set up an extra meeting or wait for an email or phone call to be responded to.

Our early conversations were aimed at completing a needs identification. During these conversations, I was able to define objectives, key points and to determine how much time should be allotted to each topic.

I created my project time line (Appendix A) and began work on the outline, the first step of the training course.

Once the outline was drafted and approved by Ms. Karol, I created each of the individual modules. Each module defined the objectives of the lesson and the key points to be covered in the lesson. Each component of the module is an important part of the training, for both the trainer and the trainee. They give the trainer a solid roadmap to enhance trainee learning and they let the trainee know what they can expect to get out of the training experience.

After I completed the module objectives and key points, I moved on to creating the slides for the actual training program. The course will be a half day (four hour) course taught by Ms. Karol on campus. From the American Society of Training and Development, I purchased the book "Negotiation Skills Training" by Lisa J Downs. We felt that her slides were well researched and addressed what Tina wanted to cover in the class. I also felt that these slides were grounded, to some extent, in the "structuralist style of training, a style that delivers well-organized information in small increments to learners and is sequence oriented" (Sass, nd). I was able to adapt her slides to Tina's liking. Even after turning the slides over to Tina for her review and editing, I continued to review the slides, searching for errors and for opportunities to improve them.

After review, she was cautiously optimistic that the slides were what she needed for a well-rounded training session. She was happy with the content and the notes, but is concerned that when she delivers the training and starts adding in examples that will bring home the lesson for the students that she will go over the time she has allotted to her. Because I'm less invested in the content, Tina asked me to revise the content to shorten it. With the information I had from previous meetings and conversations with her, I felt I had a good idea of what could be changed and what could not be altered.

We had agreed on thirty minutes per module, so my first decision was to decide which module to eliminate. By removing "Ethics In Negotiation", I was able to save thirty minutes. I then took what I considered to be the most important slide from the deleted module and added that to the "Building Trust and Relationships" module. Even with devoting a full ten minutes to the subject, the net time savings is twenty minutes. That should be a good start in giving her time to include more anecdotal information in each module.

There are bound to be other revisions necessary outside of the need to shorten the program, but Tina has opted to wait until after delivering the course for the first time to make any other substantial changes. She wants to see how it flows, how the timing is and what the students offer as part of course feedback. At that time, we will sit down and make the necessary decisions regarding how to change and improve the training, as well as preparing a plan for ongoing maintenance of the training program and associated materials.

I also adapted two assessments for Tina's use. One is a pretest that can be given to registrants in advance of the training to assist Tina in tailoring each session to the needs of the attendees. The second is a self-assessment instrument that the attendees can take with them to continue the learning experience beyond the time spent in the class room.

For the final training materials, the handout of the slides themselves, Tina is waiting for information from CPD on whether she should provide hard copies or whether the slides will be put on the CPD website. There is a growing call for less paper being used around campus and one of the proposed strategies is to limit the amount of handouts given at training sessions.

Project Results

Drawing on my coursework in training design, leadership and human resource development, I have been able to deliver to Tina an effective training course in negotiation to offer to the staff and faculty who are responsible for purchasing goods and services on behalf of the Institute. This course will go hand in hand with the ABCs of Purchasing course that Tina already teaches. By teaching them the basics of negotiations, these Institute consumers will be able to recognize opportunities to save money, as well as being able to recognize the less than scrupulous techniques that some sales people have been known to use. This course is a half-day session, intended to be offered in a classroom setting.

The main benefit of this training will be cost reduction and avoidance due to the abilities of the end-users and front-line purchasers to advocate for their department and, ultimately, for the Institute.

The immediate results of this project were the deliverables that I created:

- Course outline (Appendix B)
- Modules for each component (Appendix C, sample module)
- The powerpoint presentation for the course (Appendix D, sample slide)
- A pretest for registrants (Appendix E)
- A Self-Assessment instrument for attendees to take with them (Appendix F)

Course Outline

For the initial outline, I provided Tina with a list of potential topics to be covered. She narrowed this down to eight topics that she thought were important to cover: Introductions; Core Principles of Negotiation; Steps to Negotiating; Building Trust and Relationships; Negotiation Tactics; Barriers to Negotiation; Ethics in Negotiation; and Negotiation Success Factors. For each topic, I included the module (topic) name, the objective and the key points to be covered. Once Tina was satisfied, I finalized the course outline (Appendix B).

Topic Modules

Next, I completed the topic modules (Appendix C). Each module reiterated the objective and key point, noted the slide numbers associated with that module and left room for notes as Tina and I passed the work back and forth until they were all complete. We had determined that each module would be thirty minutes in duration, except the Introduction and Wrap Up modules. To those, we allotted fifteen minutes each.

Power Point Presentation

The next deliverable was the actual course presentation (Appendix D). Using ASTD's Negotiation Skills Training book, I created the slides for each of the training module and, to some extent, I also scripted them. I included notes expanding on the bullets from the slides, but I left the rest to Tina. She will be able to add anecdotes and real examples from her years in Purchasing.

Tina reviewed the presentation and was very happy with it, but she was worried about time. She asked that I make revisions-she didn't feel she could, as she really wanted all eight modules included. After going through the presentation and thinking back on our conversations about what she wanted to accomplish with this course, I opted to remove the Ethics in Negotiation module, saving thirty minutes. To the end of the Building Trust and Relationships module, I added a slide that addresses ethics and integrity. If Tina spends a full ten minutes on this slide, she still will realize a savings of twenty minutes.

Registrant Pre-Test

A pre-test (Appendix E) to give to course registrant's in advance of the course was the next component of the project. This will allow for Tina to tailor examples and anecdotes to what the registrant's needs are. It will also let her know if any module is not pertinent or if something else needs to be added to the program. I adapted the pretest offered in ASTD's skills training to fit our needs.

Self-Assessment Instrument

The final deliverable was a self-assessment instrument for the trainees to take home, complete at their leisure and use for further reflection and learning, if they choose. Also adapted from ASTD, this instrument is a series of questions and included the scoring criteria. We felt that it would be helpful for the students to be able to expand on what they learned in the class by engaging in this self assessment and further learning, if they so choose.

A secondary benefit will be that employees are more comfortable with negotiation, a skill that they can take to all of the roles they adopt in their life, not just their professional and RIT purchaser roles. Employees that are skilled in all components of their job tend to be happier and more engaged, which increases their effectiveness and retention.

The Purchasing Department will be able to quantify the results of this training in many ways. Often, we take phone calls from people that have been taken in by unethical practices. We also know how often we are asked to step in to a negotiation by employees not comfortable or competent in negotiation. A decrease in these types of calls will give the Purchasing staff more time to devote to our own cost avoidance and reductions, as well as our negotiation opportunities.

A secondary result that I envision from this is RIT being able to use this as a point of business pride if they benchmark this and hold it up as a best practice for other organizations to use. I hope to see this course becoming the referenced best practice in negotiation training. Not only will it enhance job skills and competencies, and therefore productivity and efficiency, it will also enhance employee engagement as employees see that professional development opportunities that will benefit the employee as well as the organization are being offered to them.

Conclusion and Recommendation

This project addresses the need for front-line staff and faculty to be trained in the skills of negotiation in order to better utilize Institute funds. It is not enough to tell people that they need to be responsible stewards of Institute resources and that they need to "reduce their budgets by 1.5%" (Watters, 2009). They must also be given the tools to fulfill their responsibility and one of those tools is negotiation skills. To reiterate Neal Conan, "Everyone, that's everyone, has to negotiate from time to time; a salary, a sale, a business deal. Whether you're trying to get a little more for your old jalopy or pay a little bit less for an office tower, the art of the deal is one of the life lessons worth honing over and over again" (*Talk of The Nation*, 2009).

Not only has the economic climate changed, the business climate has as well. In the past, centralization was the predominant purchasing model. Over the last few years, however, the model has shifted to a relationship model, one where "They establish stable partnerships with customers and suppliers, sharing information networks and working on a just-in-time basis" (Skopec, Kiely, 1994, p6). The "Building Trust and Relationships" module of this course will give trainees tips and skills that will enable them to establish such partnerships.

An employee who is comfortable with their abilities is better prepared to react to the unexpected. "Dealing with the unexpected, responding 'in the moment,' and adapting effectively to sudden changes – these are the skills of an improvisational artist, and they are effective skills for negotiators to learn" (Balachandra et al, 2005).

Giving employees the skills to establish partnerships, along with core negotiation skills and tactics will enable them to better utilize Institute resources as they negotiate competently and confidently for the best interests of the Institute.

Using principles learned in my training design and human resource development coursework, especially Performance-Based Training, On-the-Job training and Employee Engagement, I put together a project plan and a timeline for completing all of the components of this project.

Before starting to consider topics for the project plan, I sat with Tina and conducted a needs identification to determine what she needed to have accomplished, who she envisioned her audience to be and how long she anticipated having to accomplish her goals. We determined potential topics and objectives, which eventually found their way to an outline. We discussed audience and determined that, for the most part, the trainees would have little experience and/or comfort with negotiation principles. I also considered and incorporated some principles of adult learning as I starting preparing materials, especially the principles that adults learn better when the information is essential and/or relevant to their lives and can use the new information to problem-solve (Sass, nd). Once I had all of this information, I was able to create the outline, add objectives and key points and submit a draft for Tina for her approval. From there, the creation of the rest of the components flowed naturally.

Originally containing eight modules, the outline was created with objectives and key points from a format I learned in my On-the-Job Training course, as were the modules that I created next. I also kept in mind the information learned about adult learning from that course and from Performance Based Training and incorporated that into realistic and task-oriented materials. Once they were all completed, I turned them over to Tina for review and critique and we did wind up cutting the number of modules by one to seven in order to free up time for Tina to be able to offer anecdotal examples, which will make the training session more engaging for the students, increasing the likelihood that they will remember the material learned.

Next, I adapted the power point slides for the training course. Using Lisa Downs' slides as a guide, I created the presentation and included notes expanding on the information attached to the bullets on each slide. Keeping the task-oriented style preference of adult learners in mind, I attempted to include information that is relevant and geared toward the learners being able to use the information for problem-solving. I also kept the information well organized and in logical sequence.

I also adapted a pre-test to be sent to the registrants in advance of the training session. This will allow Tina to determine the best information to deliver so that each trainee leaves the training session with information pertinent to their needs. If she knows what the trainees needs and objectives are, she will be able to tailor her anecdotal information to those needs, making the training time more relevant and engaging.

Last, I adapted a self-assessment instrument tool for the trainees to take away with them. This will give them an opportunity for review and reflection upon completion of the training course. And, if they are interested in further learning, can help to guide them to determining what areas they wish to work on.

All of the components of this project are focused on the potential trainees and creation of a training experience that will be of the most benefit to them, both personally and professionally. While this course is directed at teaching a skill that will benefit the Institute directly, a secondary benefit to the Institute would be a more engaged work force. As Vance points out, in order to enhance commitment, the employer must "demonstrate reciprocity by providing employees with opportunities for personal development. Increasing knowledge, skills, experience and expertise builds increased self-efficacy, self-esteem and commitment" (2006, p 11). He goes on to say that “employees who enhance their skills through training are more likely to engage fully in their work because they derive satisfaction form mastering new tasks (2006, pg 13). So, RIT will benefit from having skilled negotiators at their front-lines and from having satisfied and engaged employees who will be more productive and more valuable to the Institute. This is a win-win situation for everyone.

Another beneficiary of this training program is the Purchasing Department. We spend a considerable amount of time intervening on behalf of departments who have not negotiated well (as in the example from earlier!) or who have run up against sales people who were a bit less than scrupulous in their sales pitches (think toner scams). We will also be able to quantify the results by the quality of the purchases that we see made by faculty and staff.

There are, of course, things that I would do differently. First of all, I should have done a complete needs analysis. I believe that the needs identification that I did was sufficient for this project but it doesn’t give me any experience in needs analysis for the future.

If I had it all to do again, I’d do it sooner so that Tina would have a chance to offer the course at least once, giving me the opportunity to include delivery, feedback and revision into the project. I will do that after she delivers the course for the first time, but I would have liked to have included that as part of the project report.

And, I would have better allotted time to the different modules so that Tina could have had all the topics that she wanted while still having time for anecdotal references and examples. The information that she required of me is there, but I’m afraid that when she actually delivers the training, she will find herself needing to hurry through the later modules.

In conclusion, I offer these recommendations:

- Early roll out
- Evaluation plan
- Maintenance plan
- Consider offering more often
- Establish as a best practice

This course will not be integrated into the Accounting series of trainings until next academic year. I propose that Tina assemble a small group of colleagues and deliver the course to them. This would give us an opportunity to see how the delivery flows and make any adjustments based on both Tina's preference and on feedback gathered from the participants.

Next, I propose a detailed evaluation plan. By implementing such a plan, Tina can insure continued improvement of this training course. To be considered in the evaluation plan would be whether there was sufficient time to cover all of the key points; whether the delivery was effective; whether the goals of the training were met and; whether or not the student's needs were met.

In conjunction with the evaluation plan, there must be a maintenance plan in order to keep the training fresh and relevant. Maintenance should be based on feedback gathered, as well as on changing needs and shifting priorities. Updating the materials shouldn't be difficult, given that each module stands alone.

Depending on interest in the course, I would suggest offering it more often, at least during the first year. As far as we know, it will be offered two times a year, on approximately the same schedule as the ABCs of Purchasing class. They are components of the Accounting Policies, Procedures and Protocols series offered by the Controller's Division and the Center for Professional Development. If there is sufficient interest, I would hope that consideration would be given to possibly offering it quarterly so that more people can take advantage of the skills training and take these skills back to their work place.

Finally, I would like to see this established as a best practice in procurement policy. Once this can be shown as producing superior results, it would be a feather in RITs cap to have this known in procurement as the best practice for educating staff to negotiate in the best interests of their organization. Superior results would include monetary savings, higher efficiency and productivity, increased integrity of purchases and contracts and greater employee engagement and retention.

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Appendix A

Project Timeline

√ Proposed modules to Tina for approval	December 4, 2009
Modules accepted	
Proposed modules-appendix A in Proposal	
Appendix a in project paper	
√ Draft outline to Tina for approval	December 28, 2009
Actual date, January 6, 2010	
√ Draft returned to me	
Actual date January 6, 2010	
√ Final copy of course outline to Tina	January 4, 2010
Actual date January 6, 2010	
Appendix B in project paper	
√ Module outlines complete	February 12, 2010
Actual date January 30, 2010	
One module as sample for appendix C	
√ Training materials complete	March 12, 2010
Pre-Test – Appendix E	
Self Assessment – Appendix F	
√ Course Powerpoint Presentation complete	March 26, 2010
Appendix D	
√ Project review by Tina	week of March 29, 2010
Slides returned to me April 15	
√ Edits/Modifications	week of April 5, 2010
Returned to Tina April 19	
√ Project ready for roll out	April 12, 2010
Ready to go April 22	
√ Project paper complete	April 30, 2010
Completed April 25, 2010	
√ Project presentation ppt complete	April 30, 2010
Project presentation	May 11, 2010
Project paper revisions, if needed	To be determined

Appendix B

Negotiation Training for the Non-Purchasing Professional

Course Outline

I. Participant Introductions

Objective: To prepare participants to help each other to learn

II. Core Principles of Negotiation

Objective: Understand the principles of negotiation and ways others influence
us **Key Points:**

- Walk into every negotiation with a specific and realistic goal
- There are four core principles at play in negotiation: BATNA (Best Alternative To a Negotiated Agreement), ZOPA (Zone of Possible Agreement), analyzing needs versus wants, and use of empathy
- During negotiation, it is important to pay attention to someone's *explicit* needs (ones that are stated) and *implicit* needs (those implied by emotions)
- Use empathy to (understand a counterpart's perspective, interests, and goals) to lead to better trust and joint problem solving

III. Steps to Negotiating

Objective: Use a process to negotiate more effectively and practice preparing
for a negotiation conversation

Key Points:

- Negotiation is a five step process that includes everything from analysis and preparation to presentation of formal proposals
- A variety of communication styles can surface during negotiation, and the negotiator must make a conscious effort to adapt to these styles as much as possible
- To prepare ourselves to have a successful negotiation outcome, we must know in advance the leverage we can use if necessary

- A clear commitment, preferably in writing, helps to hold each party in a negotiation responsible for the terms outlined in an agreement

IV. Building Trust and Relationships

Objective: Explore asking questions and analyzing others' points of view to build good relationships during negotiation

Key Points:

- The more both sides in a negotiation trust each other, the better the outcome and strength of the negotiated agreement
- Exhibit trustworthy behaviors: listen well, follow through on commitments, and show genuine interest in the other's needs
- It's a good idea to brainstorm a list of questions to ask in a negotiation to indicate that you want to build a good relationship and commit to a mutually beneficial agreement
- In any negotiation, consider each side's point of view to build trust and rapport
- Integrity and ethics are a component of building trust in relationships

V. Negotiation Tactics

Objective: Identify and demonstrate understanding of common negotiation tactics and how to recognize them

Key Points:

- Many types of tactics are used in negotiations; consider the issues and people involved before you decide which to use
- Some of the most common tactics used in negotiations include Framing, Balancing the Scales, and Pleading Ignorance
- Gauge the level of trust in the negotiation relationship and assess the desired outcome before you use any tactics
- To improve your negotiation skills, be ready to use some tactics, when appropriate, to move negotiations forward

VI. Barriers to Negotiation

Objective: Demonstrate understanding of various obstacles to negotiation situations and how to deal with them

Key Points:

- A number of barriers can interfere with a successful negotiation outcome, including adversarial tactics and the personality of those involved.
- These barriers can involve issues with communication, culture, or indicate a lack of trust in the relationship
- Some of the most common adversarial tactics that can be used in negotiations include Fait Accompli, Good Guy/Bad Guy, Bluffing, and Take It or Leave It
- To overcome barriers, it is good to have a clear process and to set expectations upfront with both parties, as well as anticipate each side's questions

VII. Negotiation Success Factors

Objectives: Apply effective measures and criteria to a negotiation success plan

Key Points:

- Know in advance specific measures of success for a negotiation to help achieve the desired outcome and evaluate future negotiations
- Look at items such as the BATNA, relationship, interests, and commitment; they can be key indicators of success during negotiation
- Effective negotiators take the necessary time to prepare and focus on how to build relationships; they must learn about common interests and not allow personalities to get in the way
- It's always a good idea to walk into a negotiation with a specific and realistic goal

Appendix C

<u>Module II: Core Principles of Negotiation</u>

Objective: Understand the principles of negotiation and ways others influence us

Key Points:

Walk into every negotiation with a specific and realistic goal

There are four core principles at play in negotiation: BATNA (Best Alternative To a Negotiated Agreement); ZOPA (Zone Of Possible Agreement); analyzing needs versus wants; use of empathy

During negotiation, it is important to pay attention to someone's explicit needs (those that are stated) and implicit needs (those implied by emotions)

Use empathy to understand a counterpart's perspective, interests and goals to lead to better trust and joint problem-solving

Slides: 3-9

Notes:

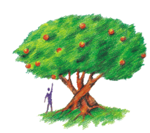
Appendix D

Course Slide

To Negotiate Is To…

- Use interpersonal communication
- Explore common interests, needs & differences
- Reach mutual agreement to achieve a specific goal

Adapted from Negotiation Skills Training by Lisa J Downs



What is negotiation? It is the use of interpersonal communication effectively to achieve desired outcomes. A part of negotiation is to explore common interests, needs and differences in order to reach mutual agreement. The key point to remember in any negotiation is that your goal must be realistic as well as specific. (add anecdotes)

Appendix E

Learning Needs Assessment Sheet

Please answer the following questions in advance of the training session and return to Tina Karol (trkpur@rit.edu) or at Purchasing, Bldg 99:

1. How do you define negotiation?

2. How would you assess your own negotiation skills?

3. How would you benefit from negotiation skills training?

4. What specific behaviors have you observed that affect negotiation and should be addressed in the Negotiation Skill course?

5. What results would you like to see after Negotiation Skills training?

6. What questions or concerns do you have?

Appendix F

Self Assessment Instrument

Assessment 11–2

Negotiation Self-Assessment

Instructions: The purpose of this activity is to help you determine what you need to be a good negotiator and create an action plan for self-improvement in your negotiation skills. Place a ✓ in one of the boxes to the right of each item, depending on how you see yourself today. No one will see your ratings unless you share them, so please be honest with yourself.

	NEGOTIATION BEHAVIOR	**ALWAYS**	**FREQUENTLY**	**SOMETIMES**	**RARELY**	**NEVER**
	During negotiation, I...					
1.	Focus on issues, not on personalities.	☐	☐	☐	☐	☐
2.	Concentrate on relationship-building.	☐	☐	☐	☐	☐
3.	Anticipate the interests of my counterpart.	☐	☐	☐	☐	☐
4.	Avoid direct eye contact when I speak.	☐	☐	☐	☐	☐
5.	Work to expose underlying motivations.	☐	☐	☐	☐	☐
6.	Seek a win-win solution as much as possible.	☐	☐	☐	☐	☐
7.	Offer solutions focused on my needs.	☐	☐	☐	☐	☐
8.	Maintain my professionalism at all times.	☐	☐	☐	☐	☐
9.	Take the necessary time to plan and prepare.	☐	☐	☐	☐	☐
10.	Listen without judgment or criticism.	☐	☐	☐	☐	☐
11.	Interrupt my counterpart to get my point across.	☐	☐	☐	☐	☐
12.	Interject issues unrelated to the topic.	☐	☐	☐	☐	☐
13.	Use nonverbal communication that is inconsistent with my words.	☐	☐	☐	☐	☐
14.	Know my bottom line and when to walk out.	☐	☐	☐	☐	☐

15.	Ask many questions to get needed information.	☐	☐	☐	☐	☐
16.	Focus on finding common ground.	☐	☐	☐	☐	☐

Assessment 11–2, continued

Negotiation Self-Assessment

	NEGOTIATION BEHAVIOR	ALWAYS	FREQUENTLY	SOMETIMES	RARELY	NEVER
17.	Consider my counterpart's point of view.	☐	☐	☐	☐	☐
18.	Adapt my tactics to my counterpart's style.	☐	☐	☐	☐	☐
19.	React emotionally when I disagree.	☐	☐	☐	☐	☐
20.	Use brainstorming or other techniques to investigate my counterpart's interests.	☐	☐	☐	☐	☐
21.	Know which tactics will counteract those used by the other side.	☐	☐	☐	☐	☐
22.	Think clearly in high-pressure situations.	☐	☐	☐	☐	☐
23.	Gain a clear written commitment from my counterpart with actions and dates.	☐	☐	☐	☐	☐
24.	Enjoy winning arguments and getting concessions.	☐	☐	☐	☐	☐
25.	Create a nonthreatening environment.	☐	☐	☐	☐	☐

Analysis: If you responded "always," "frequently," or "sometimes" for items 4, 7, 11, 12, 13, 19, or 24, these may be areas in which you need to improve your negotiation skills, especially your interpersonal communication skills and willingness to seek a mutually beneficial agreement. You may also wish to address any of the remaining statements if you responded with "sometimes," "rarely," or "never," particularly for items 1, 6, 8, 15, 17, 20, and 25, which directly relate to effectively understanding a counterpart's needs and building trust and respect during a negotiation conversation.

Study this information and the following pages to see why those 25 behaviors are important to be a good negotiator. Then outline an action plan for self-improvement on the last page. Make sure it is a realistic plan to which you can fully commit yourself.

Why These Behaviors Are Important

The 25 behaviors represent areas you may need to address to become a more effective negotiator. They are of particular importance if you would like to improve your

continued on next page

negotiation skills; some of the behaviors, both negative and positive, may warrant additional attention.

- **Focus on issues, not on personalities.** If you focus more on the people involved in a negotiation, or have preconceived ideas about how someone's personality will affect the outcome, you may completely miss the underlying issues involved in a negotiation.
- **Concentrate on relationship-building.** A solid relationship with your counterpart that is built on trust is important to good negotiation. This will lead to mutually beneficial agreements and increase the chance that you will be able to work together for a common goal in the future.
- **Anticipate the interests of my counterpart.** It is helpful to know your counterpart's possible interests before you negotiate a deal. Armed with this information, you will be able to enter a conversation ready to discuss your common interests and will reach an agreement more quickly and easily.
- **Work to expose underlying motivations.** When you uncover the other side's needs, wants, motivations, and interests during negotiation, it helps build a strong relationship, as well as signals that you want to work toward a win-win solution.
- **Seek a win-win solution as much as possible.** Although a solution that is truly a win for both sides may not always be possible, this is usually the goal of many negotiations. This approach can lead to conversations that are less adversarial and more productive.
- **Take the necessary time to plan and prepare.** Good preparation before any negotiation conversation is essential to focus on key issues and the underlying interests of both parties to reach agreement. Without necessary background information, it can be difficult to address everyone's needs.
- **Listen without judgment or criticism.** To be an effective negotiator, it is important to consider your counterpart's views without judgment or criticism. Otherwise, the focus may shift to personalities and away from issues, which could harm your relationship and interfere with your negotiation.
- **Interrupt my counterpart to get my point across.** Sometimes we are so concerned with our own comments, opinions, or responses that we interrupt others. Make a conscious effort not to interrupt when someone else speaks; it will greatly enhance your ability to listen, as well as help your counterpart communicate his or her thoughts more effectively.
- **Interject issues unrelated to the topic.** Don't mention or think about other issues unrelated to the topic at hand during negotiation conversations. This behavior can inhibit your ability to listen and prevent you from being taken seriously, which can make you misunderstand or miss vital information. It can also send a signal that you are not sensitive to your counterpart's interests.

Negotiation Self-Assessment

- **Use nonverbal communication that is inconsistent with my words.** Facial expressions, tone of voice, gestures, and posture that contradict your statements may make it more difficult for others to read your emotions effectively and respond accordingly. This could alienate your counterpart and possibly breed distrust.
- **Know my bottom line and when to walk out.** In some negotiations you may be unable to reach a deal, which could be the best solution in certain situations. It is therefore most effective to know the conditions that would cause you to walk away and whether there are any nonnegotiable items for your organization.
- **Adapt my tactics to my counterpart's style.** This is important to help ensure that you consider the other side's approach to a negotiation; such efforts help build relationships but do not compromise your interests and needs.
- **React emotionally when I disagree.** A counterpart may find this behavior offensive and may be unwilling to share information or explore common interests with a negotiator in the future. This would affect the relationship between both parties and interfere with understanding the other side's message or view.
- **Gain a clear written commitment from my counterpart with actions and dates.** A clear, solid action plan with specific deadlines and deliverables ensures that a mutually beneficial agreement will move forward with an agreed-upon outcome. It also helps both sides accept responsibility for results.
- **Create a nonthreatening environment.** A relaxing environment encourages others to share information; it also helps negotiators focus on their counterparts and be more open to what is said by the other party. This establishes a positive relationship and leads to greater problem-solving and investigating interests.

Assessment 11–2, continued

Negotiation Self-Assessment

Plan for Self-Improvement

1. Which two or three negotiation behaviors need the most improvement?

____

____

2. What steps can you take to improve these behaviors?

____

____

3. What are the first two or three steps you will take?

____

____

4. How will you measure your results to determine whether you have improved your negotiation skills?

____

____

5. How will you personally benefit from improved negotiation skills?

6. What support do you need from others that will help you improve?

7. Who needs to know about your efforts to improve your negotiation skills?

8. How will you share this information with him or her?

Assessment 11–2, continued

Negotiation Self-Assessment

9. Which behaviors are particularly important for your work life? Which are important for your home life?

10. By what date would you like to see noticeable improvement in your negotiation skills?

Adapted from Negotiation Skills Training by Lisa J Downs