

Authentic Negotiation

Resource:

<https://hbr.org/2021/11/rethinking-negotiation>

NEGOTIATION TRADITIONAL APPROACH

How to build a long-lasting win-win relation with trust through empathy-building?

Images (right)

<https://slideplayer.com/slide/10999228/>

<https://informaconnect.com/creating-a-win-win-strategy-during-a-negotiation/>



AUTHENTIC WAY! NEGOTIATION

How to build a long-lasting win-win relation with trust through empathy-building?
What is the win-win relationship?

Fair Interests?

Anju and Bharat were celebrating the holiday season.

Bharat thought

to invest

considered

would not

Anju had

\$5,000 C

offering

nothing

The two

together

better ra

out how

Bharat

Anju



AUTHENTIC WAY! NEGOTIATION

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Image (right)

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Fair Interests?

Anju and Bharat were celebrating the holidays together. After dinner, Bharat turned to Anju for some financial advice. He couldn't decide how to invest his money. The stock market was volatile. So he was considering putting \$20,000 into a one-year CD at 2% interest, which would net him \$400.

Anju had the same problem. She had been planning to buy a one-year \$5,000 CD. Because she had a smaller amount to invest, the bank was offering her only a 1% rate. While \$50 in interest was better than nothing, it wasn't that much better.

The two quickly agreed that it made sense to pool their funds and invest together. With a bit of online searching, Anju found they could get a better rate—3%—if they purchased a \$25,000 CD. Now they had to figure out how they would divide up the \$750 interest.

AUTHENTIC WAY! NEGOTIATION

How to build a long-lasting win-win relation with trust through empathy-building?

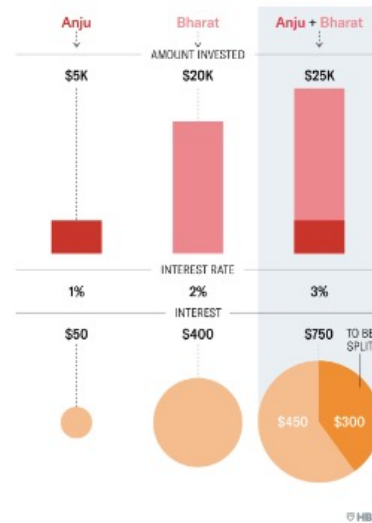
Images (right)

<https://hbr.org/2021/11/rethinking-negotiation>

Fair Interests?

How Big Is the Pie?

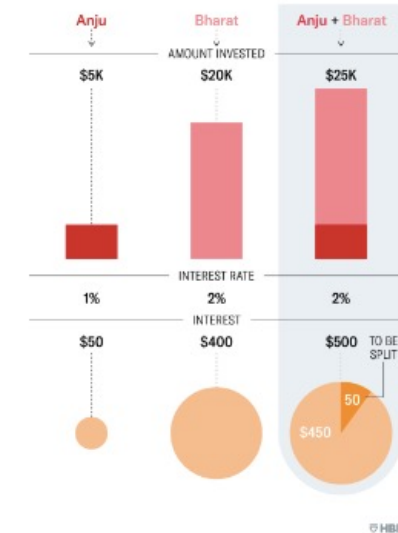
This chart compares the interest payoffs Anju and Bharat could earn as they decide whether to invest together to buy a CD. Teaming up will create a negotiation pie of \$300, which is the total interest on their combined investment (\$750) less the sum of what they could have each earned investing separately (\$450). This \$300 materializes only if they agree to coinvest—so they have an equal claim on it and should split it.



See more HBR charts in Data & Visuals >

How Big Is the New Pie?

Let's say that Anju and Bharat can combine their funds to buy a \$25,000 CD at 2%. In this scenario the interest rate is the same one Bharat would get if he invested alone. Buying the CD together would still create additional value because Anju's funds would earn a higher rate. The total interest would increase from \$450 to \$500; the additional \$50 is the negotiation pie that Anju and Bharat should split equally.

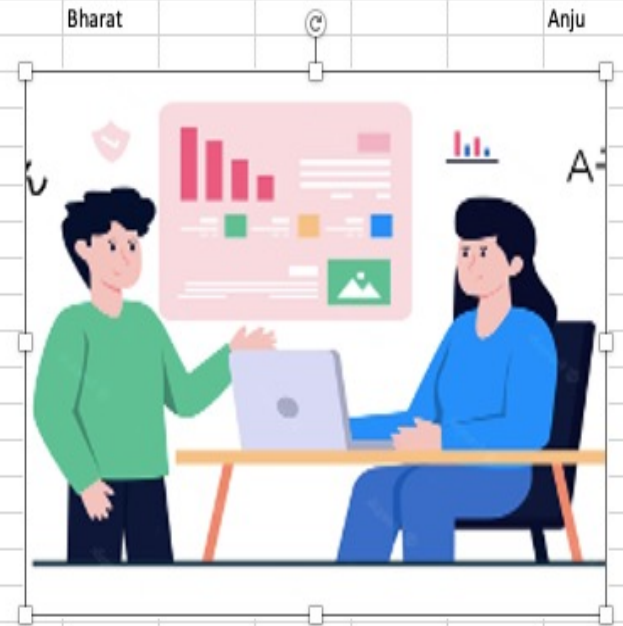


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AUTHENTIC NEGOTIATION

A solution to reach the optimal win-win relation is not so easy...

	Bharat	Anju	
Initial Investment	200,000	5,000	
individually	CD 2% (+400)	CD 1% (+50)	
together (250,000)	CD 3% 750		
Mathematically collaboration	3% (+600)	3% (+150)	750
Look at the situation from different angles!			
increase ratio	1.5 times more	3 times more	750
increased amount	200 more	100 more	
initial asset ratio	4 :	1	
contribution: Anju found the better deal plan	0 :	1	
if split in half	375	375	
	25 less than CD 2% (400)	325 more than CD 1%	
Under whose name?	Bharat ?	Anju ?	
Who pay for the dinner?	Bharat's turn this time.		
What is the Win-Win split of the CD 3%?			
Given a solution, do they want to try again?			



COMMUNICATION VIA NEGOTIATION

Workshops with various stakeholders in the society.

We are in the process of implementing online versions of negotiation practicums from the F2F phase.



Thank you for your
attention!

We would like to hear what you think.
Please drop us a digital line to collaborate.
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