



Principles of Business

Term 3 course n°4

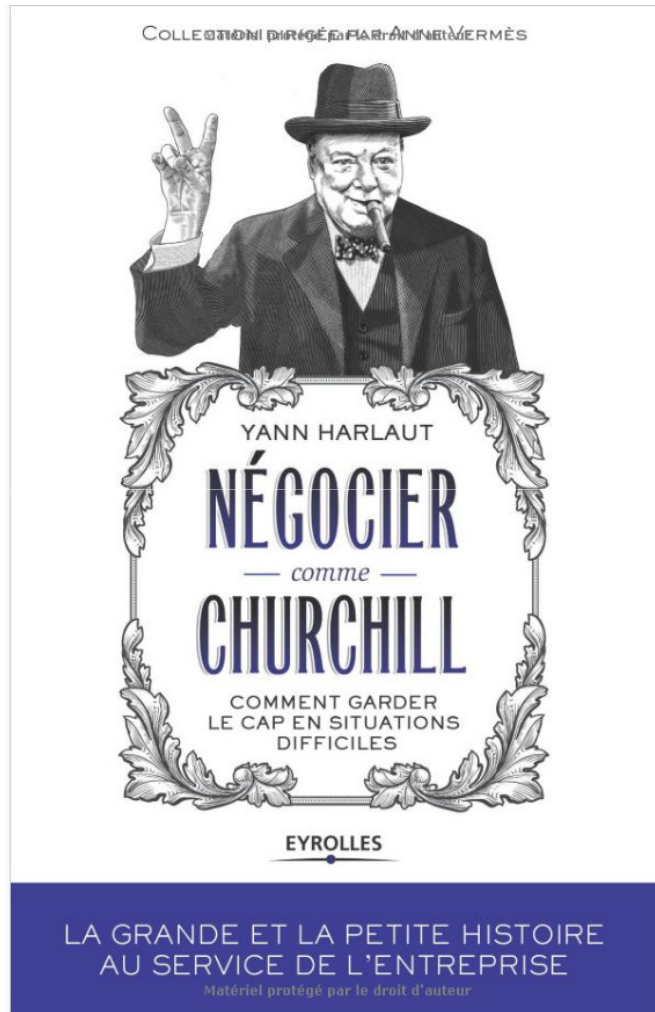
Student work : leadership & negotiation ; Business and stakeholders: Principles of win-win ; Negotiation skills

BA 1st Year – 07/04/2020

Negotiation exercise

Please write a short text about a significant negotiation successfully carried by one of you favorite leaders.

Negotiation exercise

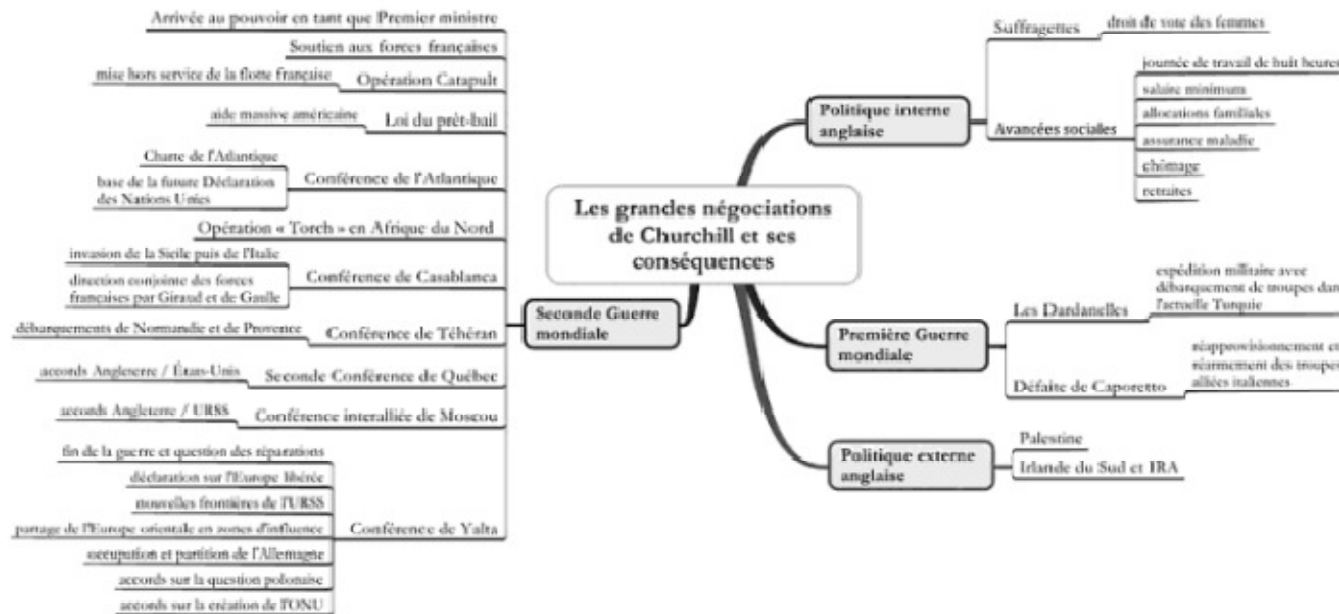


You would be surprised to know than a book named « Negotiate like Churchill : how to stay focus in difficult situations » exist !

Author : Yann Harlaut, 2014

LES GRANDES NÉGOCIATIONS DE CHURCHILL

Matériel protégé par le droit d'auteur



© Groupe Eyrolles

Churchill was involved in many negotiation situations with allies during the WW2, but also famous for refusing any negotiations with Hitler.

Negotiation exercise : do it like Churchill

Major teaching from the great man are :

- 1) **Know everything you can on the subject before the negotiation.** Churchill gathered lots of statistics and notes (like Didier Deschamps).

=> Questioned and documente to support your point of view and gain credibility.

- 2) **Getting into the logic of the other** Churchill seeks to know who he is dealing with and to identify the psychological levers on which to work not to manipulate but to influence.

Example : Faced with the very cerebral American president who wants a quick landing, which he does not want, he opts for a rational and detailed presentation with facts and figures on the armies, photos of the Atlantic Wall, timetables, etc. Faced with the Russian dictator, a follower of simplicity and conciseness, he uses metaphors. He will thus make an explanatory sketch of the strategy of bypassing Germany (which he advocates) giving the map of Europe the silhouette of a crocodile.

=> adapt your pitch to everyone; strengthen relationships by enjoying shared moments of relaxation; use active listening and empathy.

Negotiation exercise : do it like Churchill

Major teaching from the great man are :

3) Confront decision makers to true reality

Clairvoyant but pragmatic, Churchill likes to take his partners with him to the theater of operations. In the muted surroundings of palaces or meeting rooms, the technical elements of a discussion remain virtual.

In 1943, to win the support of the American general staff on the relevance of a landing in Sicily - one of the peripheral interventions aimed at weakening Hitler -, he organized the conference in Casablanca rather than the White House and takes him around the troops in a jeep.

If he had been able to fly over the Atlantic coasts with Generals Marshall and Eisenhower, he would have done so so that the United States no longer underestimated the German forces mobilized in their multiple bunkers.

=> make life-size demonstrations; go with his opponents to the heart of the action (factory, store, agency etc.).

Negotiation exercise : do it like Churchill

Major teaching from the great man are :

4) Know how to give ground and evolve

In 1915, the landing in the Dardanelles Strait was a fiasco because it was delayed for several months following multiple negotiations between the protagonists. The young Churchill, first Lord of the Admiralty had not changed his plans while the balance of forces on the ground had changed. Learning the lesson, the "Old Lion" reorients its policy and makes compromises.

He therefore consented to the Normandy landing which he disputed in exchange for several operations in the Mediterranean. He leaves to Stalin the leadership of the Yalta conference, at home in Crimea, in order to put him in confidence to co-build a global solution.

=> Avoid obstinating on your initial requests ; renegotiate when elements of context have varied; place your opponents in a comfortable situation.

Negotiation exercise : do it like Churchill

Major teaching from the great man are :

5) Make doubt an opportunity

Churchill doubts himself, so he works a lot before deciding on a course of action, but once reassured, he knows how to exploit the hesitations of his interlocutors. By accepting them, he opens up a listening space and takes advantage of it to explain his geostrategic vision nourished by concrete data. In addition, he does not hesitate to demand around the table the presence of real decision-makers.

As he wrote in 1944 to a Roosevelt too fond of collegiality: "It will become impossible to act if everyone must consult everyone on all subjects before a decision is made ...".

=> welcoming your own indecision as a normal step ; let the opposing opinions express themselves to better dismantle them.

Principles of win-win

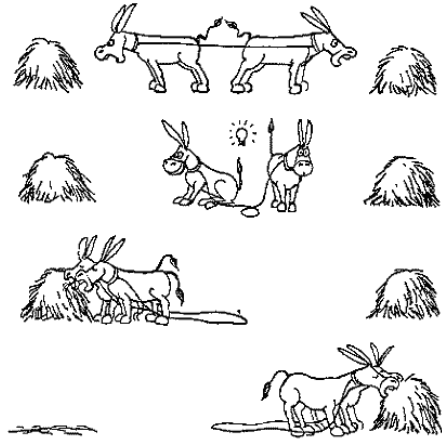


Business life in general as to be win win. The expression The **double thank-you of capitalism** describe the fact in a free market exchange, both buyer and seller believe they have become wealthier than before. A win-win scenario.

“Adam Smith's key insight was that both parties to an exchange can benefit and that, so long as cooperation is strictly voluntary, no exchange can take place unless both parties do benefit. No external force, no coercion, no violation of freedom is necessary to produce cooperation among individuals all of whom can benefit.”

Milton Friedman, *Free to Choose : A Personal Statement* (1980)

Principles of win-win



In game theory, a **win-win game** is an interaction from which all participants can profit in some way. In conflict resolution, a **win-win strategy** is a collaborative strategy and conflict resolution process that aims to accommodate all participants.

Another interesting expression is the **non zero sum game**, a situation in which the interacting parties' aggregate gains and losses can be less than or more than zero. Just like in Ricardo comparative advantage theory.

Win win is a basis as far as you want your business to be sustainable. Only if nearly everybody is happy will create long term value.

Negotiation skills

I found it hard to synthesis something interesting about negotiation skill. Many sources exist, many book of personal development because obviously it is something useful in business life.

Most will focus on those key skills :

Communication : Essential communication skills include identifying nonverbal cues and expressing yourself in a way that is engaging. It is important to understand the natural flow of conversation and always ask for feedback. Active listening skills are also crucial for understanding the other party. By establishing clear communication, you can avoid misunderstandings that could prevent you from reaching a compromise.

Persuasion : The ability to influence others is an important skill for negotiation. It can help you define why your proposed solution is beneficial to all parties and encourage others to support your point-of-view.

Planning : In order to reach an agreement that benefits both parties, it is crucial you consider how the consequences will impact everyone in the long-term. Planning skills are necessary not only for the negotiation process but also for deciding how the terms will be carried out.

Strategizing : The best negotiators enter a discussion with at least one backup plan, but often more. Consider all possible outcomes, and be prepared for each of these scenarios.

Ideal negotiator would be half Churchill (for communication and persuasion) and half Didier Deschamps (for planning and strategizing). Alexis Nass - 2020

Homework

Again it is required to read the course and start to prepare for written assessment.

Download and use the Ricardo model Excel file to answer the question : why international trade is a win win situation ? How can you prove it ?