

THE EXTRA POINT

BY JERRY ROBERTS



1731 Why Both Sides Need to Win in Negotiations

Effective negotiation skills are crucial for any leader. Win-win negotiations, where both parties feel satisfied with the results, are essential for long-term collaboration and success. These negotiations not only build trust but also enhance future interactions, encouraging a cooperative atmosphere that benefits all involved. However, not everybody sees it that way. Some people just see the first “win” and ignore the second one. As long as they get what they want, they don’t care — if at all — for how the other person comes out of the deal. I’m Jerry Roberts, and today we’re going to talk about this. That’s next on The Extra Point.

The term “win-win negotiation” gained power in the 1980s, and within a few years it was all anybody talked about when the topic of negotiation came out. Every deal had to be a win-win, even if both parties had totally different concepts of what that meant.

Is a win-win a 50-50 arrangement? If someone ends up with a bigger share of the proceeds, does that make it a bad deal?

In a *Directions* magazine interview conducted a few years before he passed away, former senator Al Ysrael described how he and fellow business legend Eddie Calvo would decide the share size for every business deal they did together.

Ysrael said it was quite simple. One sliced the pie any way they wanted, and the other had the first choice for which piece they wanted. The two worked together for many years, so it was a system that obviously worked for them.

In professional sports, hundreds of contracts worth multiple millions of dollars are negotiated every year. Once these transactions take place, the media swoops in to declare who won and who lost, before any games have taken place.

In such a high pressure situation, some teams are able to find other teams to partner with on a regular basis. This happens when care is

worked into the deal that both teams come out of it okay. In baseball, a real trading partnership exists between the Los Angeles Dodgers and the Boston Red Sox. The two teams have put together numerous high profile trades in the past 10 years.

What if it doesn’t happen like this? Let’s say one negotiator tries to take undue advantage of the other through manipulation, pressure, or deceit. That can lead to an agreement that is imbalanced, and very likely will lead to feelings of resentment.

People don’t like to be exploited, and they don’t forget it. Exploitation destroys trust, making future negotiations difficult or impossible.

Allowing parties to achieve their objectives while maintaining respect for each other’s needs reduces the likelihood of resentment and conflict in the aftermath of a negotiation.

When both parties feel they have gained something valuable, they are more likely to engage in future negotiations openly and constructively.

When looking to develop a quality negotiation partner, here are some things to consider.

1. It’s important to fully understand your own needs, as well as those of the other party. This means the two sides have to open up to each other.

Why is this beneficial? Because the two parties have this clear picture of the other’s needs, maybe they’ll come across something of interest and value during the year — well after the official negotiation.

2. Identify common goals. When we know what the result is after, it can create opportunities. We start off working on a small job together, and because we have this knowledge, maybe that turns into something bigger.

(Con’t.)

3. Successful partners can become a trusted resource for each other. This collaborative approach encourages creativity and can lead to innovative outcomes that may not have been initially considered.

A negotiation is an opportunity to show the other party your mindset, your way of looking at business, and an open door to a quality and lasting relationship.

Everybody wants to win. No problem there. If everybody walks away, believing they did, and believing the other one did too...now you've got something to build on.

That's the Extra Point. Be responsible and make something good happen today. For 93.3FM, the Ray Gibson Show, and First Hawaiian Bank, I'm Jerry Roberts.

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