

Negotiations for Start-ups

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When Entrepreneurs Negotiate

Negotiating and negotiations are a constant feature of everyday life.

We do it all the time with family, friends and a range of people and organisations

Formal Bargaining

Collective bargaining is a formal and highly developed form of negotiating.

It is very similar to diplomacy.

Doing it successfully requires analytical skills, forethought, preparation, presentational skills, realism and detachment.

The purpose of negotiations is to secure an outcome as close as possible to your objectives.

The aim of the people you are negotiating with is to secure an outcome as close as possible to their objectives

Forethought means determining and evaluating the objectives carefully and objectively.

Key tests include the credibility of the objectives and the strength of the supporting evidence.

Preparation means being well briefed and knowledgeable about what you are seeking to achieve and how that can be justified.

Presentation is about how you can present your case in an accessible and persuasive way to the employer or government.

Try to show how your objectives will benefit employer/government as well as your own members.

Present your claims in a pleasant, logical, friendly and firm way.

Realism means being aware from the start that it is very unusual to achieve 100 per cent of your objectives.

A **Negotiated Agreement** is normally a compromise between opposing objectives which both parties are prepared to accept.

Detachment means not believing all your own propaganda.

Skills and Techniques

Try to imagine yourself as the other side to the negotiations and consider how they might view or react to your proposals and arguments.

There is no one perfect style of negotiating.

Different people do it equally successfully in different styles and manners .

To be successful your individual style has to be the one you are most comfortable with and which matches your individual personality

Successful negotiators range from colourful charismatic performers to quiet, calm and methodical people.

The Collective Bargaining Process

Collective bargaining negotiations are a ritual process, a stately minuet, a symphony or a novel.

There are different stages the sequence of which is essential to the whole process.

The opening presentation of the claim should set the scene and seek to define the parameters for the subsequent stages of the negotiations.

It is a strategic exercise setting out the case and the supporting evidence.

It should not be too long or too detailed as that can obscure and weaken the case.

Dealing with detail comes later.

Initial Response

The next stage is the employer/government response – again it should be strategic and address the union's arguments.

It may make counter proposals, make an offer for an agreement, and/or give a broad indication of what they might offer.

You need to listen carefully and closely to that response.

Take a written note of the key parts of the response.

Evaluate and analyse the language, the precise words used and their body language

Assess the extent to which any of their counter arguments do or do not weaken your case.

Countering to Response

Do not feel obliged to respond immediately other than in a preliminary way ,or to seek clarification-but not necessarily too much at that stage.

Have a break/adjournment of the plenary joint negotiations to consider their response in more detail and depth with your colleagues.

The employer/government first response is unlikely to be their final response.

Usually they will be prepared to offer more particularly if they believe an agreement between the two sides is possible.

Consider how you can respond and show how your arguments and supporting evidence have not been properly addressed or, hopefully, seriously weakened.

Look for weaknesses and inconsistencies in their response which you can objectively demonstrate and exploit.

Look for any clues or indications of how or where they might move closer to your objectives.

On return to plenary negotiating meeting answer their response – normally in a logical, firm and not insulting way.

Try to show a willingness to consider more favourably an improved offer – if possible with some indications of what might be acceptable in general terms.

Do not make explicit threats unless you are confident they can be delivered and that they would be effective.

Consider using more general expressions of potential adverse consequences of the initial offer if not improved upon.

Present the response in the resumed plenary in a calculated and persuasive way emphasising the strong parts of your case.

Try to avoid immediate subsequent exchanges becoming too confrontational. Encourage them to have an adjournment to consider your response carefully and in depth.

At such an adjournment review your position, identify possible employers responses and how you might respond but avoid getting into an interminable hypothetical maze of speculation.

Final Stages

Third plenary session likely to be key session.

Final or near final response from employer/government very likely if negotiating seriously and constructively.

Do not summarily reject it unless it really is a deliberately poor and provocative offer.

Withdraw to consider it with your side. If it is a deliberately poor and provocative offer respond quickly by asking them to go away and reconsider their position and come back to a future meeting with an improved offer.

If it is a sensible offer consider what modest further improvements might be possible and decide which are the priority issues.

Consider without prejudice/informal/behind the chair meetings between a small number of key representatives from both sides - generally the smaller the better but start with a minimum of two

Consider possible improvements through staging a settlement- some now- more later - end loading a pay award – continued negotiations on unresolved issues while reaching agreement on those that can be agreed by both sides.

Employer/government may be prepared informally to improve the offer through a without prejudice offer if your side can confirm that they would accept such an offer if made formally. These offers are in effect confidential - they have not been made unless they are accepted. Respect that negotiating protocol or forget about that facility for future negotiations.

Sealing The Deal

If there is an agreement acceptable to both sides go through it in detail jointly before resuming plenary session in order to be sure that both sides have the same understanding

Resume in plenary. If an informal agreement has been reached the employer/government representatives make the offer formally and the trade union side accept it

Try to have a written agreement at this stage to prevent future arguments about what has been agreed

Conclude on good terms. Remember collective bargaining and employer/employee negotiations are a long term business – circumstances will vary and at different times in the future will favour one side or the other

Face to Face Meeting

Housekeeping

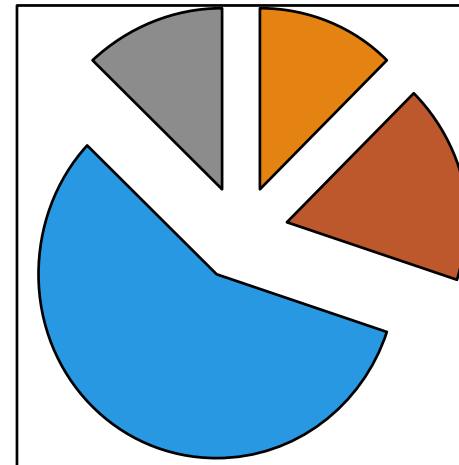
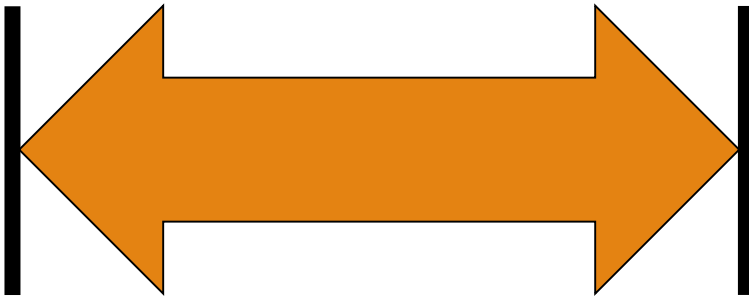
Be on time = early!!

Dress appropriately: over, under or equal?

Everyone is there for a reason!

Powerful Negotiating Strategies

ANCHORING AND PIE-SHARING

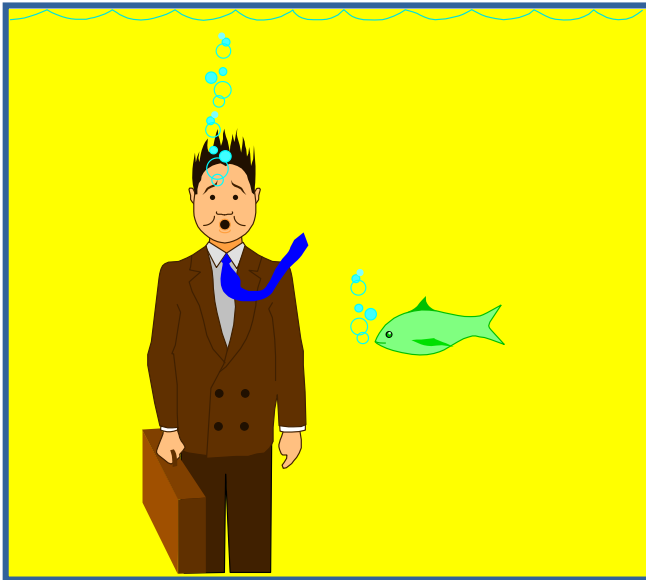


Powerful Negotiating Strategies



THE SILENT TREATMENT

Powerful Negotiating Strategies



**LOW-
BALLING/ANCHORING**

Powerful Negotiating Strategies

POWER OF PRINT



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TIME: LAST MINUTE



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GOOD GUY/BAD GUY



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MY MANAGEMENT





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LEAVING MONEY ON THE TABLE

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FAIT ACCOMPLI



Powerful Negotiating Strategies



APPEAR
UNREASONABLE

Powerful Negotiating Strategies



CLARIFICATION OF POSITION

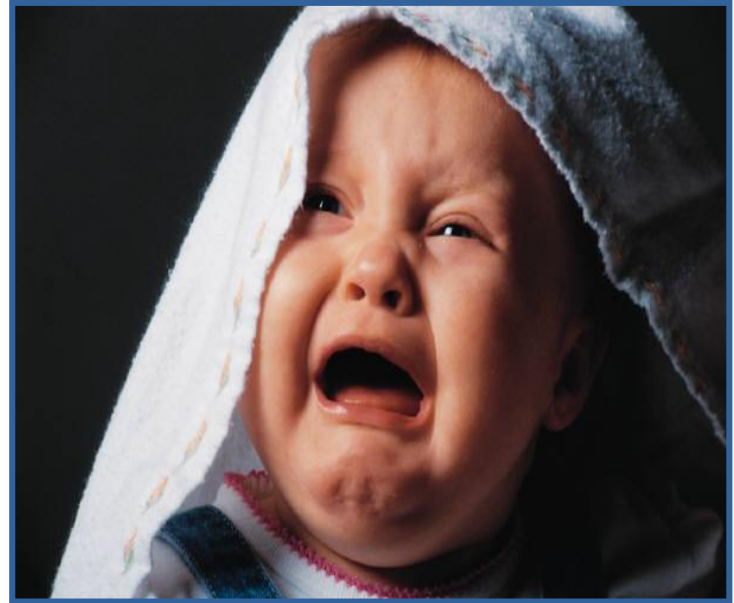
Powerful Negotiating Strategies



**LISTING THE PROS AND
CONS**

Powerful Negotiating Strategies

THE POWER OF GUILT



Powerful Negotiating Strategies

STRAW TIGER ISSUES



References and sources

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