



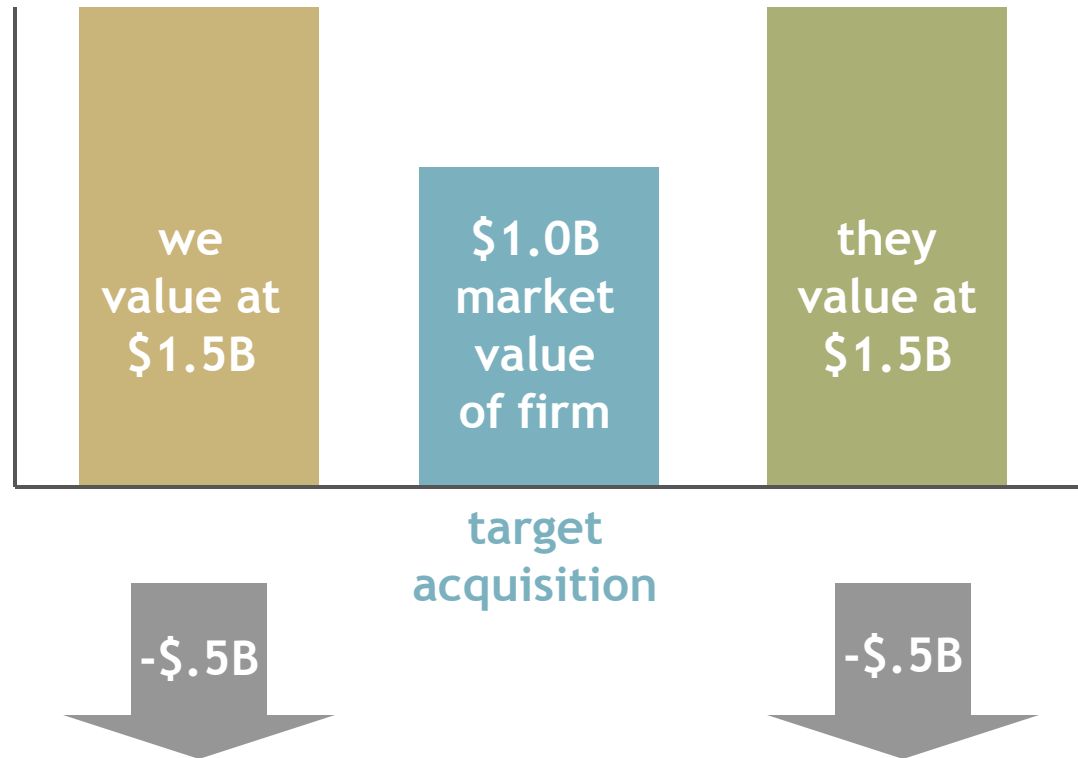
strategic negotiation overview

blueprinting your joint value



NORTHERN CALIFORNIA CHAPTER

MEETING PROFESSIONALS INTERNATIONAL



1. should we pursue?
2. your strategy?

process

common mistakes

- failure to consider all aspects of both sides alternatives
- defining the negotiation too narrowly
- tactical vs. strategic thinking

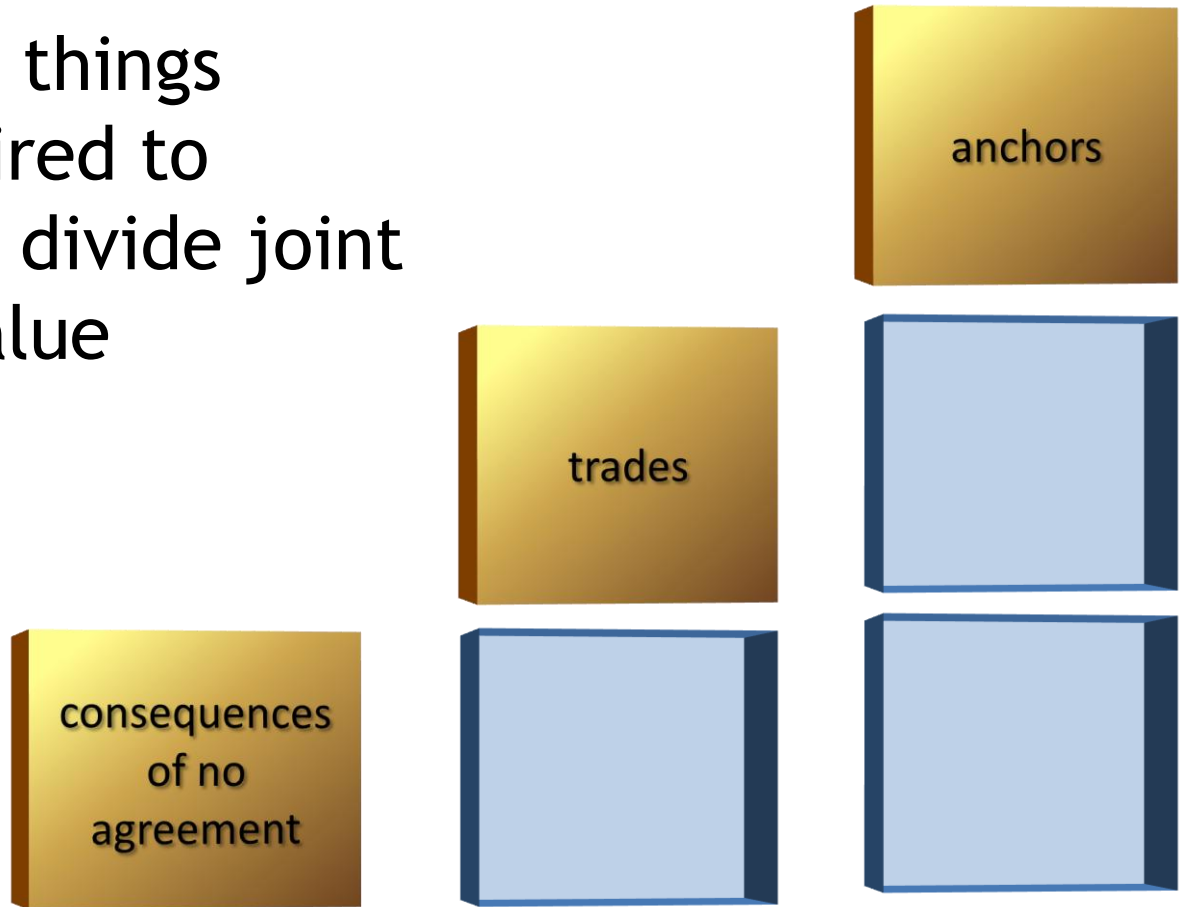
***“We teach really simple things to really smart people
and these people get these things wrong on a regular
basis.”***

Max Bazerman, Ph.d
Harvard Business School

create joint value and then
divide it given concerns for the
ongoing relationship

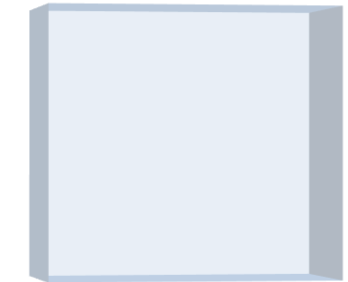
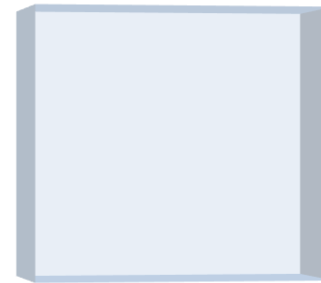
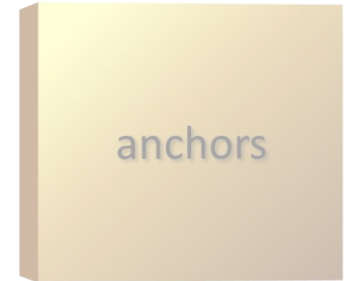
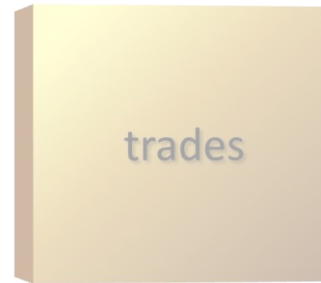
redefining negotiation

three things
required to
create and divide joint
value



redefining negotiation #1

three things
required to
create and divide joint
value



negotiation blueprint: step one





CNA:

■ **sell elsewhere**

analysis/impact of that CNA:

- culture
- long term plans
- integration strategy
- financial health



CNA:

■ **buy another**

analysis/impact of that CNA:

- time
- lost opportunities
- funding a competitor
- 2nd to market



- current demand
- current pricing
- future relationships
- fund a competitor
- bonus
- goals
- performance appraisal
- transient contract
- lose the revenue
- owner impact
- impact on other hotels

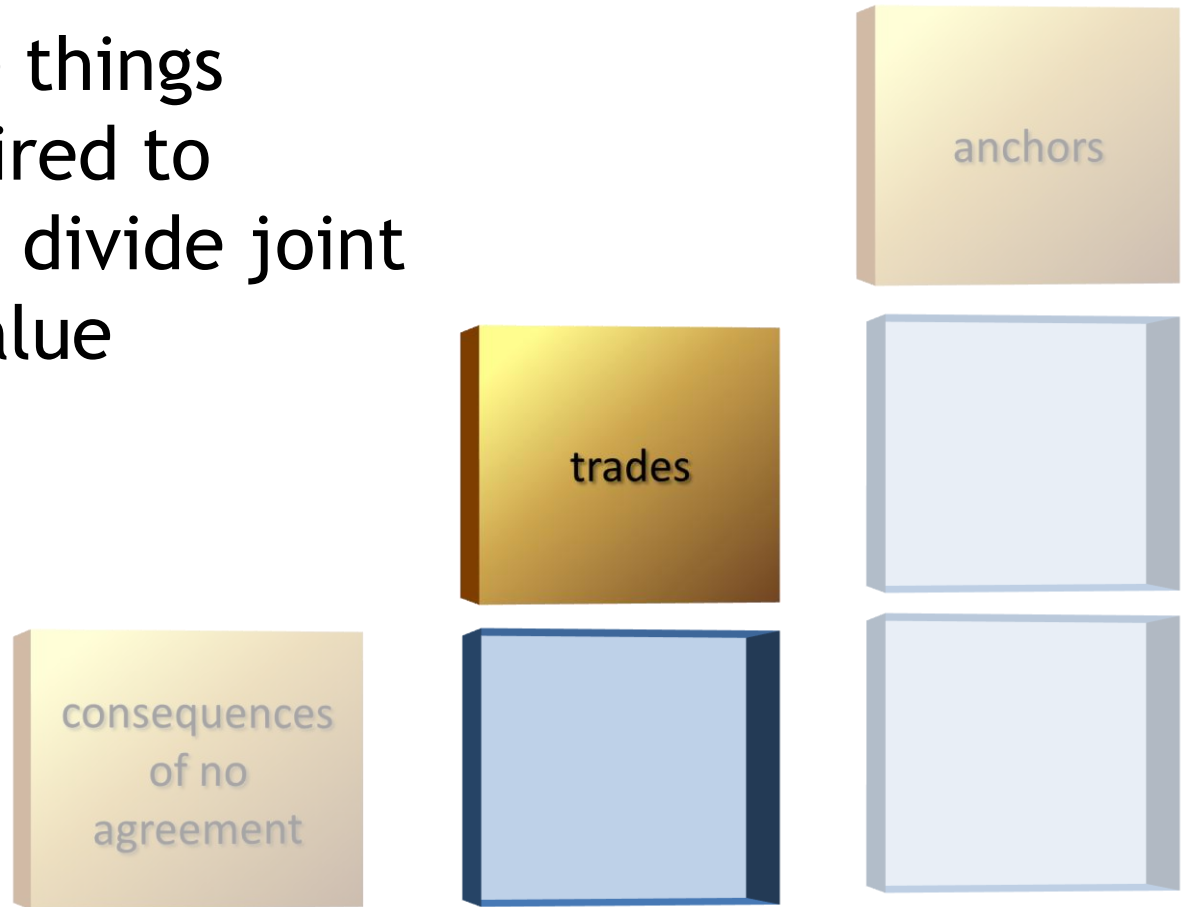


- air access
- air pricing
- distance from AP
- outside activities
- location to activiites
- quality of convention service
- quality of meeting space
- quality of guest rooms
- Perception of area/hotel
- union related issues

first step in creating joint
value is to understand and
exceed both sides alternatives

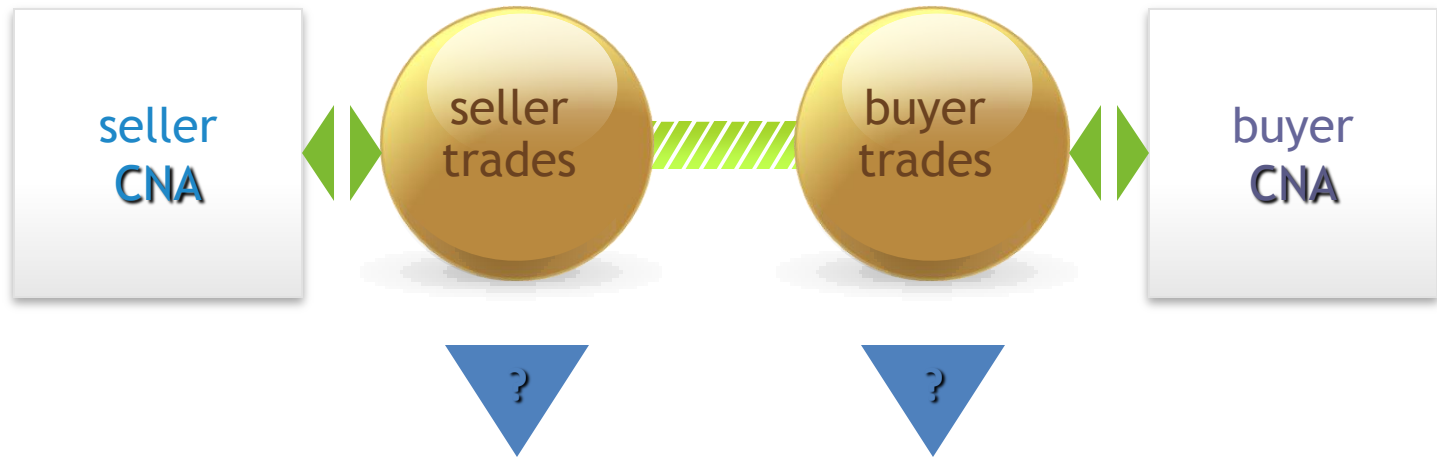
redefining negotiation #2

three things
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negotiation blueprint: step two



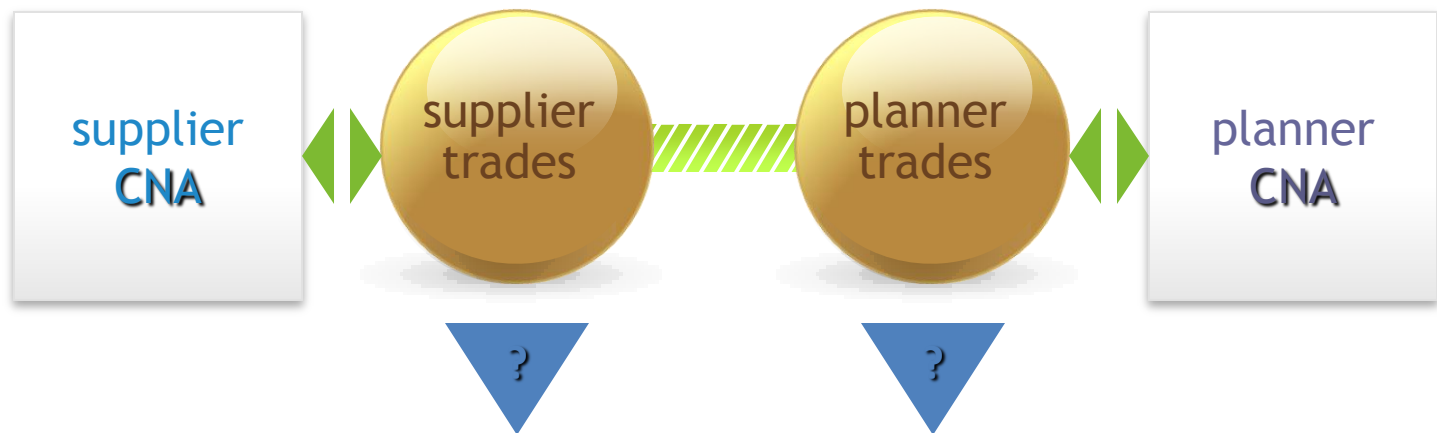


trade: priority and range

- price (\$)
- timing of payments (months)
- cash vs equity (%)
- executive gte's (positions/time)
- pensions (y/n)

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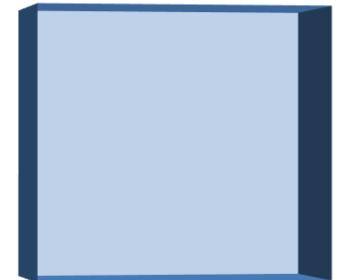
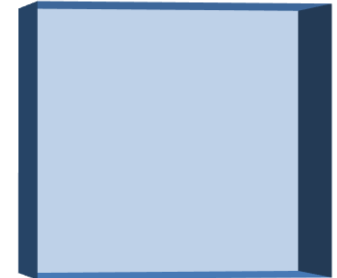
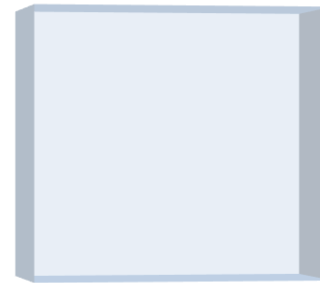
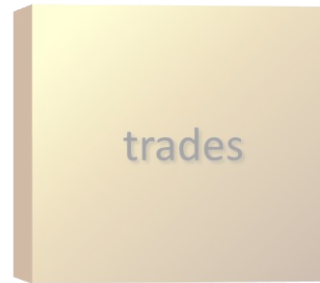


- Rate (\$/room)
- Rental (\$-sliding scale)
- f&b pricing (\$ per person)
- attrition (% and fees)
- cxl (days and fees and application)
- guest rooms (ocean-parking lot view)
- comp policy (1/50)
- Upgrades (suite-concierge)
- payment terms (up front – 45 days)
- references (1-3)
- arr/dep pattern (mon-wed / fri-sun)
- month (high-shoulder-peak)
- executive airport pick up (1-3)
- fruit baskets/flowers (1-3)

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redefining negotiation #3

three things
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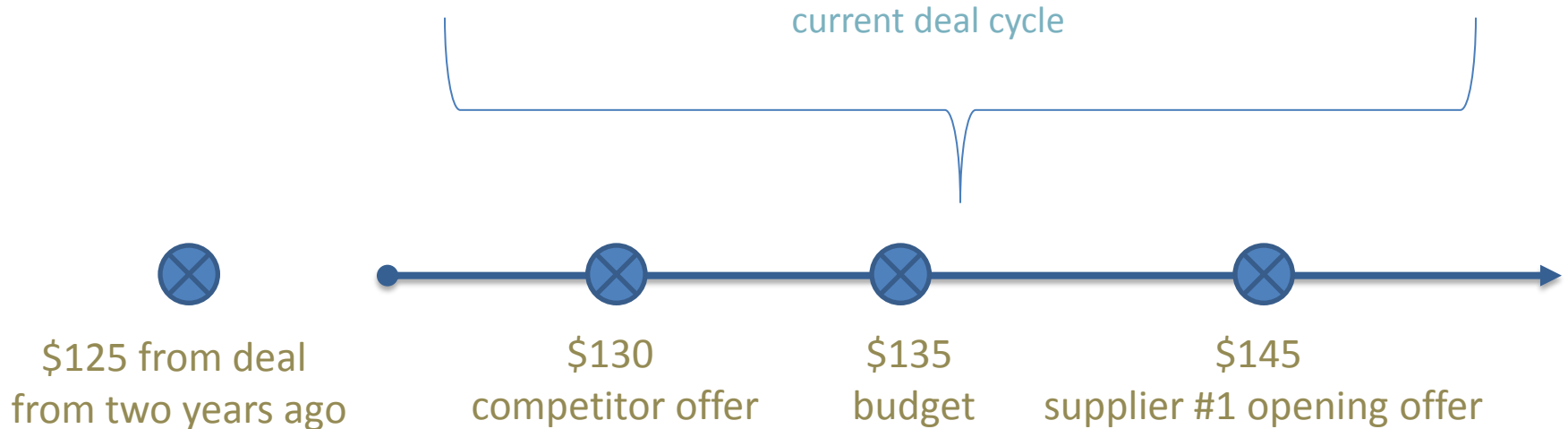
negotiation blueprint: step 3



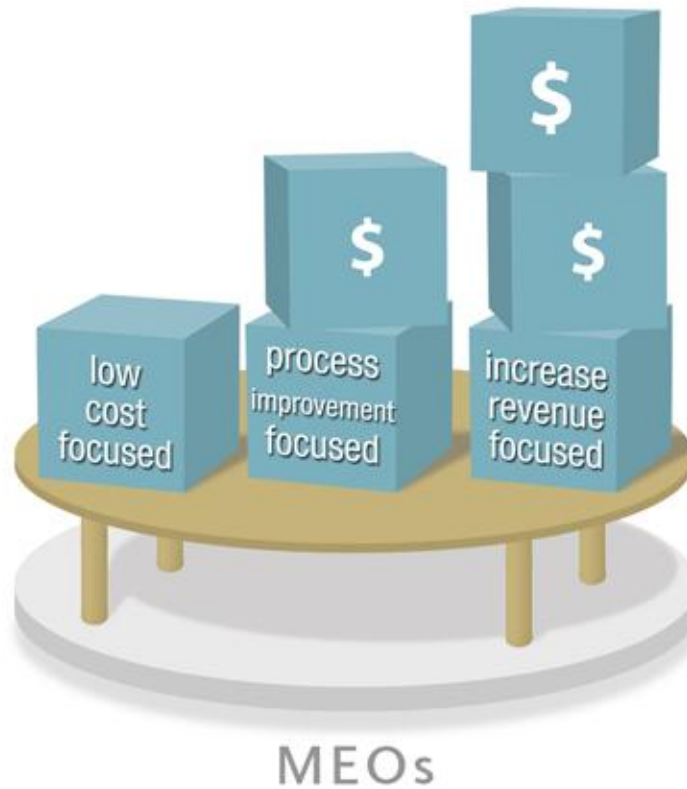
what was the opening offer and the final outcome?



anchors over time: price only



multiple equal offers



MEO example

Rate: \$125	Rate: \$135	Rate: \$145
View: Garden	View: random	View: ocean
Pay up front for rooms	14 days	45 days
Room Rental: \$1000	Room Rental: \$500	Room Rental: Zero
WED-FRI AUGUST	WED-FRI SEPTEMBER	FRI-SUN OCTOBER
Preferred business travel hotel list		

creating and dividing joint value



97% of verbal tactics globally followed a very, very predictable pattern.

verbal tactics

planner

- *“your competitor offers better rates”*
- *“that cancel clause is too restrictive”*
- *“you should throw that in for free”*
- *“I need all ocean view rooms”*
- *“I need one per 40 comps”*
- *“everyone else agrees to that”*

supplier

- *“I can command higher rates now”*
- *“we have to get meeting room rental”*
- *“One per 50 comps is the best we can do”*
- *“we need 50% payment up front”*
- *“that space is at a premium”*
- *“other customers sign attrition clauses”*

tactics

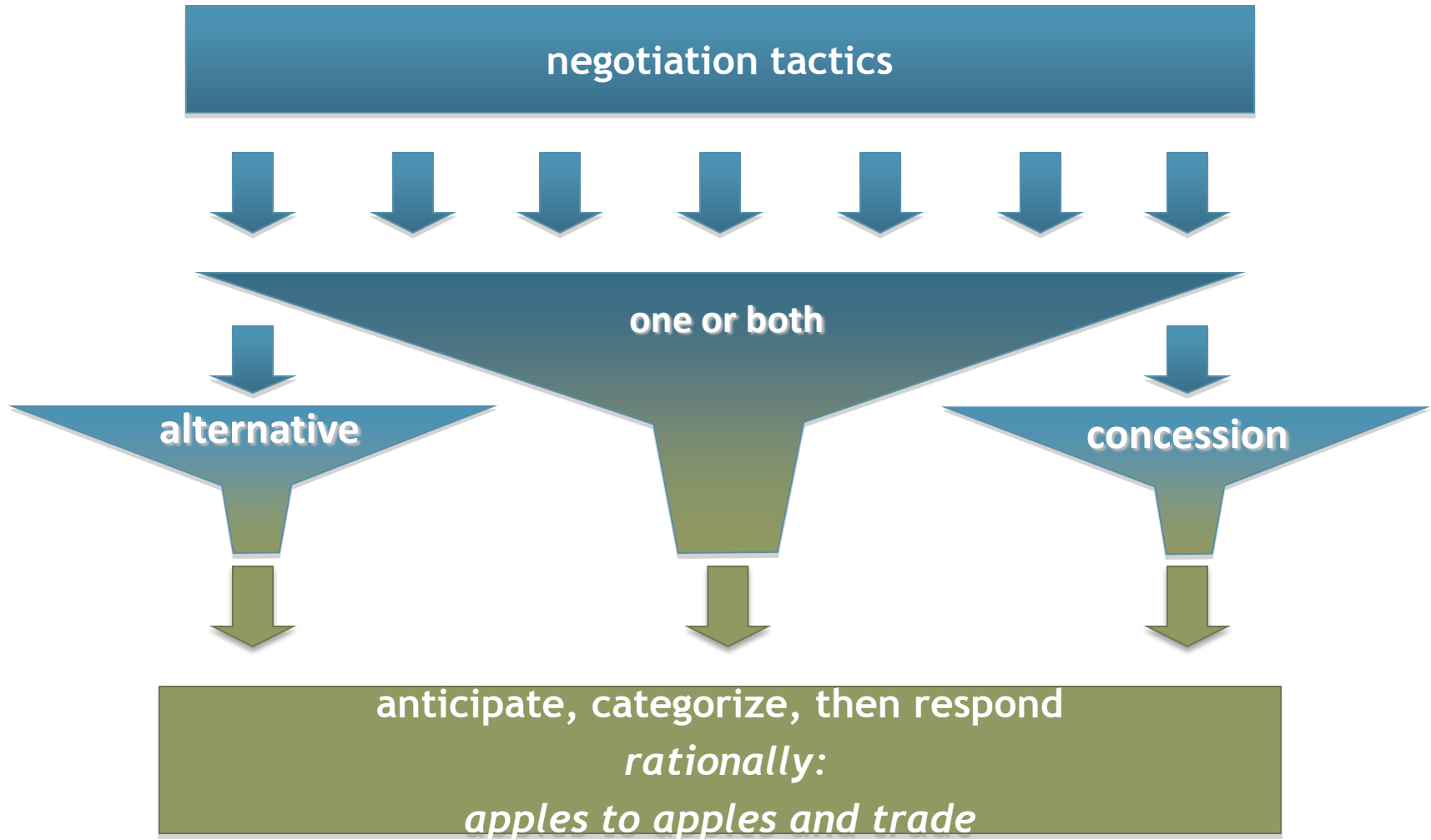
CNA/trade

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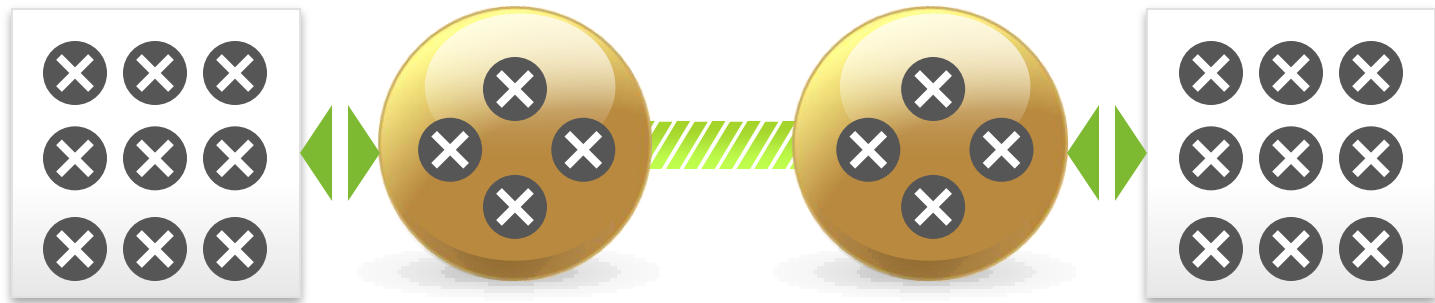
trade

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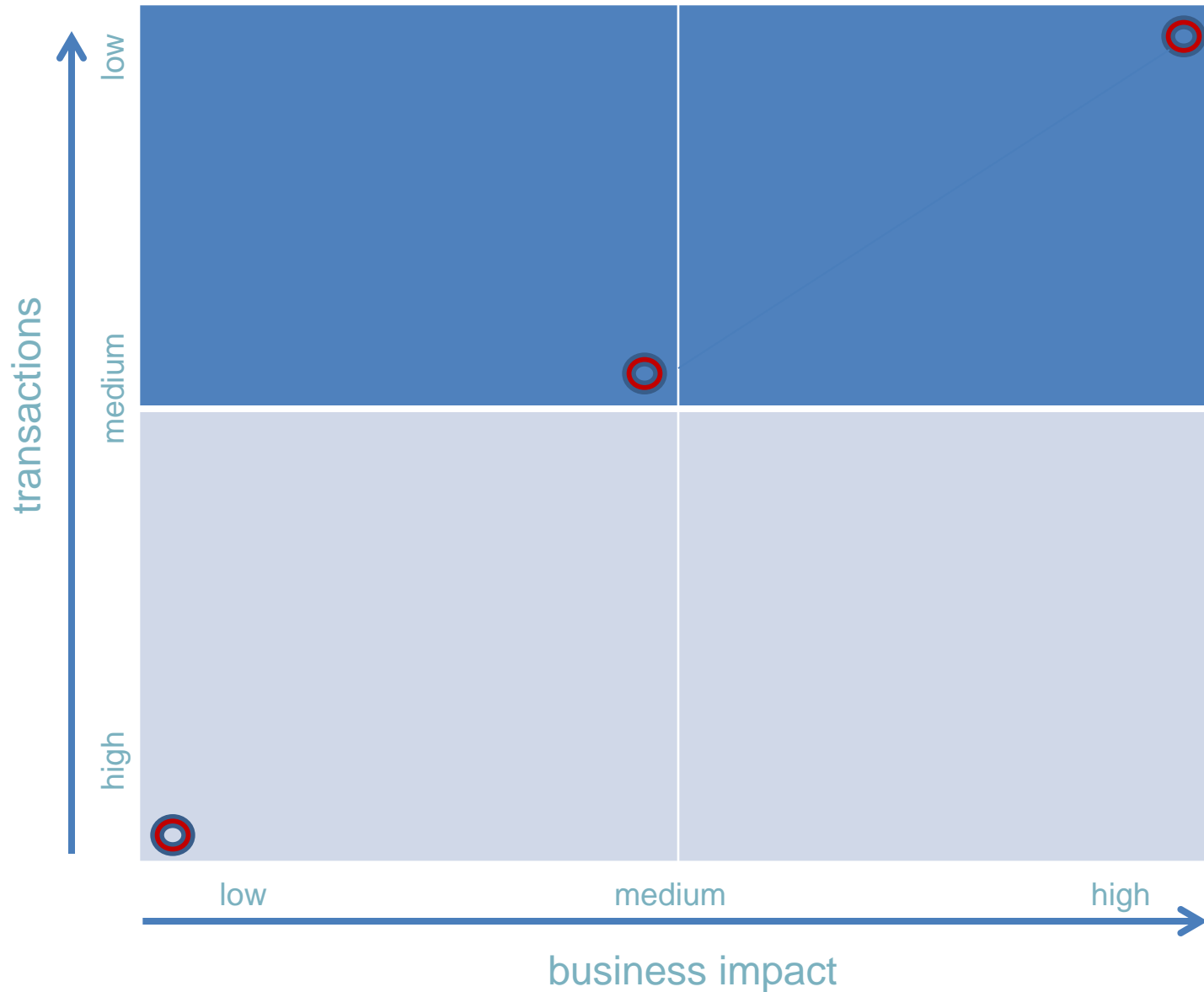
negotiating rationally

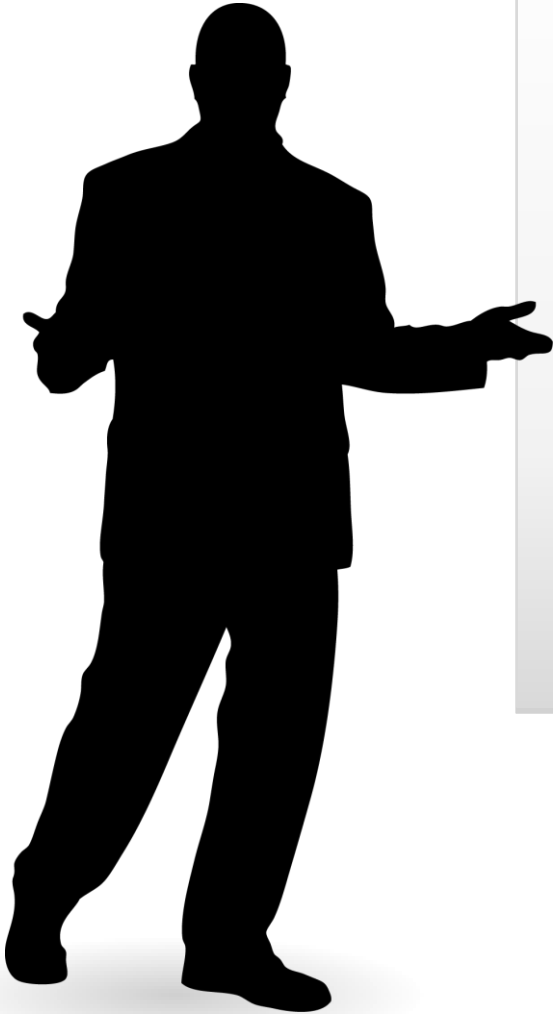


these parts are interdependent not independent



blueprint scalability





Think

1.to have a conscious mind, to some extent of reasoning, remembering experiences, making rational decisions

2.to employ one's mind rationally and objectively in evaluating or dealing with a given situation

Think carefully before you begin