

# **NEGOTIATION SKILLS**

## **FOR**

# **INSURANCE PROFESSIONALS**

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April 21, 2021





# Objectives

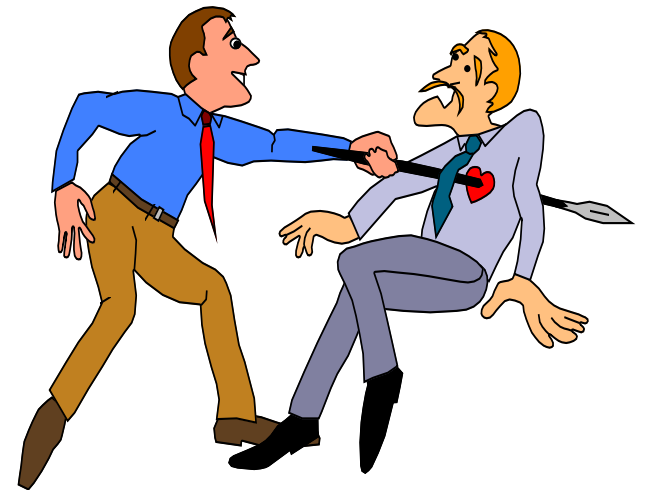
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- **Use a Structured Approach to Managing Your Negotiation**
- **Apply Specific Criteria to Evaluate Your Success**
- **Maximize & Measure Your Results**



# Think about your job...

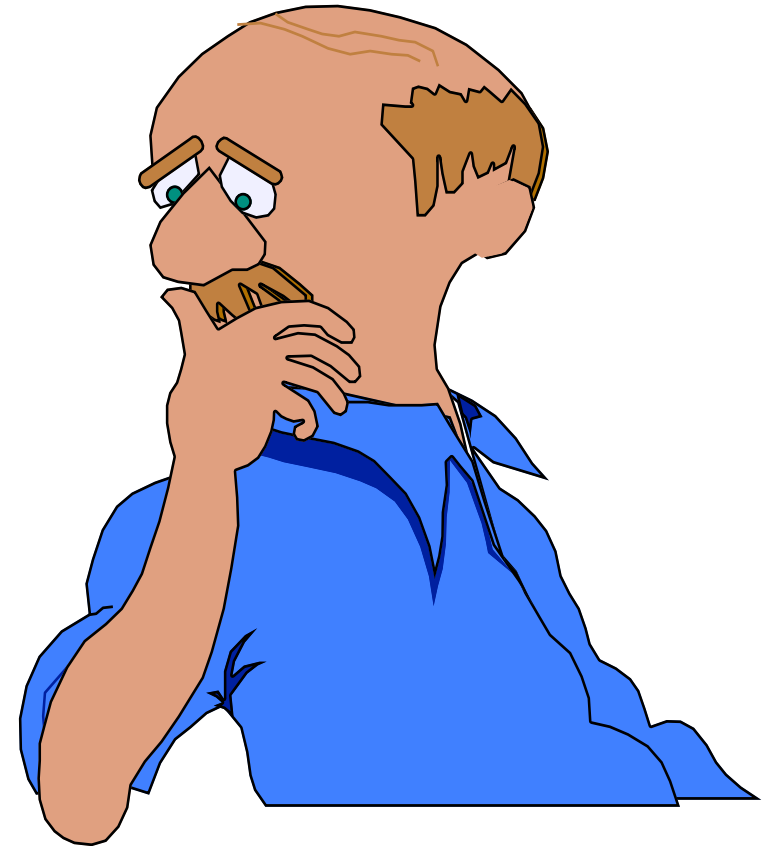
- What kind of negotiating do you do?
- What *frustrations* have you experienced?



**Strategy**

**...before**

**Tactics**



# Strategy vs. Tactics

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## Strategy v. Tactics

- Long-term
  - Focus on final results
  - Planning
  - Your priorities
  - Win the war
- Short-term
  - Focus on control
  - Reacting
  - Tradeoffs
  - Win the battle





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**“Bargaining”**

is not the same as

**“Negotiating”**

# Bargaining vs. Negotiating

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- Single Issue
- Positions
- Manipulation
- Fixed Pie
- Short-term

- Multiple Issues
- Interests
- Problem Solving
- Expand The Pie
- Short-term & Long-term



# How To Build Win/Win Agreements

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## Principles

- **Interests** ==> **Shared, Discovered, satisfied**
- **Options** ==> **Invented, explored**
- **Alternatives** ==> **Understood, available**
- **Relationships** ==> **Maintained or improved**





# Interests

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- Interests = needs, wants, priorities;  
\* Positions = numbers, things
- Negotiate on interests, *not* positions
- Know what is important to *you*; try to uncover what *their* interests (really) are
- Understand the relative value of each party's interests.



# Options

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- Possible terms which might satisfy the interests of others
- Try to invent options that might make a deal (more) attractive
- They're not a commitment... yet
- Sometimes there aren't any.



# Alternatives - BATNA

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- Judge every demand/offer against your BATNA
- Know what alternatives to the agreement you have as a fallback
- Consider the other side's BATNA
- Remember your priorities as you negotiate
- Know when to “walk away”
- Never stop trying to improve your BATNA



# Relationships

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- **Balance the relationship with your interests & priorities**
- **Separate the people from the problem**
- **Get on the “same side of the table”**
- **Keep the door open for future business and/or negotiations**
- **Be careful of the “boomerang effect.”**



# Measures of a Successful Negotiation

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- **It satisfies all parties**
- **It's worth the time and effort**
- **It maintains or improves the relationship**



# Planning Your Negotiation

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- 1 Goal/Strategy: (What do you want to achieve?)**
- 2A. Interests: (What's important to you?)**
- 2B. Interests: (What do you think is important to them?)**
- 3. Options: (What options - i.e., solutions -- have you identified that may address the other person's interests? What flexibility do you have?) Time to get creative!**
- 4. BATNA (What's your best alternative if you can't make the deal?)**
- 5. Relationship: (How important is the relationship? What importance/value does maintaining or improving the relationship carry (short term/long term)? Why?)**



# Thank You!

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