

# Negotiation Strategies

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# Individual PowerPoint Presentation

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- 1. Each student will prepare for an online individual PowerPoint presentation. The presentation date is July 19, 2021.
- 2. Student needs to prepare **12 slides of PowerPoint presentation.**
- 3. Slide number1: Showing your photo, your name, Id number
- 4. Slide number2: Your brief resume: education, work experience, special ability, awards and achievement.



# Individual PowerPoint Presentation

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- 5. Slide number 3: First mistake of negotiation process. (You can choose any mistake from your own observation, experience, textbook, and lecture notes.)
- 6. Slide number 4: What is your suggestion to improve the first mistake of negotiation process?
- 7. Slide number 5. Second mistake of negotiation process.
- 8. Slide number 6: What is your suggestion to improve the second mistake of negotiation process?

# Individual PowerPoint Presentation

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- 9. Slide number 7: Third mistake of negotiation process.
- 10. Slide number 8: What is your suggestion to improve the third mistake of negotiation process?
- 11. Slide number 9. Fourth mistake of negotiation process.
- 12. Slide number 10: What is your suggestion to improve the fourth mistake of negotiation process?

# Individual PowerPoint Presentation

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- 13. Slide number 11: Fifth mistake of negotiation process.
- 14. Slide number 12: What is your suggestion to improve the fifth mistake of negotiation process?



# Example of Slide 3

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- First mistake of negotiation process.
- In my opinion, to have weak BATNAs is a big mistake in the negotiation process.
- Why?
- Because it shows that you don't have a good option available. The other side will know it that your are in weak position to negotiate

# Example of Slide 4

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- What is my suggestion to improve the first mistake (Weak BATNAs) of negotiation process?
- If I have a weak BATNAs, I try not to reveal any sign of weak BATNAs and avoid appearing desperate to close the deal too quickly. Try to have an offer from the rival firm to improve my position in negotiation process. Find more options to improve my BATNAs.

# A necessary but not sufficient condition

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- A necessary condition is required for something to happen.
- A sufficient condition is guarantee the truth of another condition.
- Example: John's being a male is a necessary condition to be father but not sufficient for being good father.



# A necessary but not sufficient condition

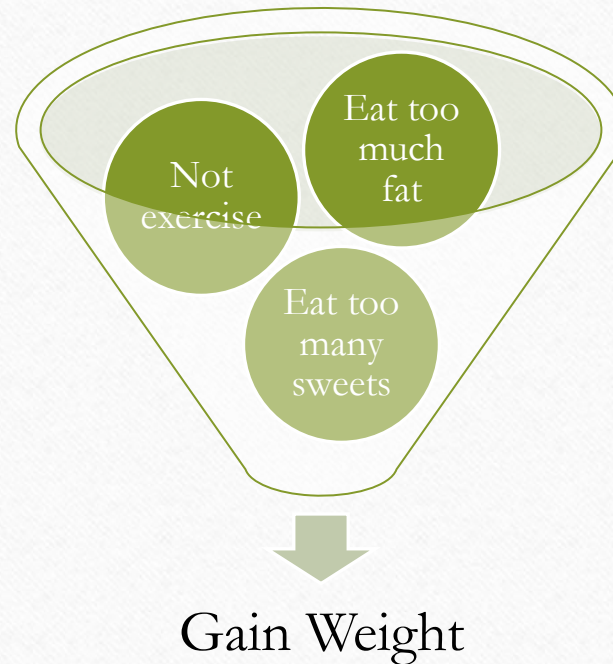
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- Being in good health is a necessary condition but not sufficient condition for being a good negotiator.
- Having a strong BATNA is necessary condition and sufficient condition for being a good negotiator.



Caveat: there might be many sufficient conditions but not necessary

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# Important Business Strategies

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- 1. Growth strategy
- 2. Stability strategy
- 3. Retrenchment strategy



# 1. Growth strategy

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- 1.1 Vertical growth
- Backward vertical – to increase the size of the company by including retailers
- Example: AIS Phone company expands by establishing more retails in every province of Thailand.
- Forward vertical – to increase the size of the company by including suppliers
- Example: Pepsi Thailand buys sugar manufacturing in Malaysia.

# 1. Growth strategy

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- 1.2 Horizontal growth
- To increase the size of the company by expanding to new territories or new market such as China, Europe, ASEAN market.
- Bangkok Bank expands by establishing new branches in all major cities of China.

## 2. Stability strategy

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- No – change strategy
- Mostly for small business such as local restaurants, local insurance
- Why? Because it covers only small market of small town.



## 3. Retrenchment strategy (reduce)

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- 3.1 Turnaround strategy is to change to new leadership or new management team
- 3.2 Sell-out strategy is to sell the company since it is hard to compete in the no-growth market
- 3.3 Bankruptcy and liquidation strategy is to sell the company into pieces by the order of the court.

# Performance Loss

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Performance Loss is **the gap** of what the expected results and real results which implies poorly management and execution of strategic management process. There are many causes of performance loss.



# Causes of Performance Loss

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- 1. In adequate resources or unavailable resources
- 2. Poorly communication strategies
- 3. Actions required to execute not clearly defined



# Causes of Performance Loss

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- 4. Unclear accountabilities for execution
- 5. Organizations and culture blocking executions
- 6. Inadequate performance monitoring

# Causes of Performance Loss

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- 7. Inadequate consequences – not enough rewards, not strong enough punishment, and rewards for failures
- 8. Poor senior leadership
- 9. Poor strategy



# To prevent performance loss

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It is vital to have seven rules of successful strategy execution.



# Seven rules for successful strategy execution

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- 1. Keep the strategy simple
- Make sure everyone understand what the company will do or won't do.

# Seven rules for successful strategy execution

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- 2. Challenging assumptions
- Make sure that the assumption of long term plan is realistic.

# Seven rules for successful strategy execution

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- Speak the same language
- Make sure information is shared and understood by everyone.



# Seven rules for successful strategy execution

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- 4. Discuss resources deployment
- Make sure it is feasible to deploy resources as soon as possible.

# Seven rules for successful strategy execution

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- 5. Identify priority
- Make sure that everyone understand what is the most important agenda and do it first.

# Seven rules for successful strategy execution

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- 6. Continuously monitor performance
- Make sure to track real-time results all the times.



# Seven rules for successful strategy execution

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- 7. Develop execution ability
- Make sure that to choose proper manager to execute the strategic plan.

# How to have effective strategic management?

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There are six ways to reach effective strategic management.



# Six ways to reach effective strategic management.

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- 1. Clarify and update strategy
- 2. Communicate strategy throughout the company
- 3. Align unit and individual goals with strategy



# Six ways to reach effective strategic management.

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- 4. Link strategic objectives to long term targets and annual budget
- 5. Identify and align strategic initiatives
- 6. Conduct periodic performance reviews to learn about and improve strategy

What is RAPID model  
for decision making  
roles?

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# RAPID

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- Recommend
- People in this role are responsible making a proposal, gather inputs, providing the right data and analysis to make a sensible decision in a timely fashion.



# RAPID

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- Agree or Disagree
- Individual in this role have veto power- yes or no over the recommendation, or to modify the proposal.

# RAPID

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- **I**nput
- These people are consulted on the decision and often have a strong interests in providing their advise seriously.

# RAPID

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- Decide
- People who are the formal decision makers and are accountable for their decision.



# RAPID

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- Perform
- People who will be responsible for executing the plan or the projects or responsible for implementing the decision.

# KISS principle in writing

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- K = Keep
- I = it
- S = Short
- S = Simple

# SSRU principle in negotiation process

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- S =
- S =
- R =
- U =



# Assignment # 10 (10 Points)

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- 1. From idea of RAPID model and KISS principle, use the Acronym of SSRU to design your own best model for negotiation process and explain why each letter is important.
- 2. List six ways to reach effective strategic management. Now, design your own six ways to reach effective strategic management.
- 3. What is the meaning of performance loss? What are nine cause of performance loss? In your opinion, which are three most important causes? Suggest three important ideas to improve performance loss.
- 4. By using your own example, explain (1) a necessary condition but not sufficient condition and (2) a necessary and sufficient condition.