Negotiation Skills for Internal Auditors

Negotiating Effective Agreements

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Hosted by IIA Edmonton Chapter of The Institute of Internal Auditors (IIA)
Let’s Explore!

What is negotiation?
Why negotiate?
When not to negotiate?
Plan for effective negotiation.
Negotiate win-win agreements.
Strengthen relationships.
Your Experience With Negotiation

How often do you negotiate?

(a) Never
(b) Rarely
(c) Occasionally
(d) Often
Your Experience With Negotiation

What is your current level of expertise in negotiation?

(a) Novice
(b) Proficient
(c) Competent
(d) Expert
What is Negotiation?

“The process of discussing something with someone in order to reach an agreement with them, or the discussions themselves.”

-- Cambridge Dictionary

What does “negotiation” mean to you?

Share your brief description in a comment.
Why Negotiate?

- Solve Problems
- Achieve Results
- Build Relationships
When Not to Negotiate?

• If the problem(s) cannot be solved
• If desired or acceptable result(s) are not feasible
• If negotiating would damage valuable relationship(s)
One Person’s Trash is Another Person’s Treasures
Elements of Effective Negotiation

OBJECTIVES
• Your Interests
• Their Interests
• The Agreement
• The Relationship(s)

PHASES
• Preparation
• Exchanging Information
• Bargaining
• Closing
Phase 1 – Preparation

• The context
• Your interests
• Their interests
• Key stakeholders & negotiating authority
• Zone of possible agreement (ZOPA)
• Best alternative to a negotiated agreement (BATNA)
Phase 2 – Exchanging Information

• Share information
• Receive information
• Ask questions
• Answer questions
• Confirm all relevant information have been shared
Phase 3 – Bargaining

• Discuss/bargain key parameters/variables
• Listen for concerns and address them if possible
• Check for incremental agreement and spotlight them
• Enlarge the pie if possible
• Remain flexible
Phase 4 – Closing

• Confirm agreement
• Clarify next steps
• Document/formalize the agreement
• Strengthen the relationship
• Debrief with the appropriate people
Which negotiation phase are you most competent in?

(a) Phase 1: Preparation
(b) Phase 2: Exchanging Information
(c) Phase 3: Bargaining
(d) Phase 4: Closing
Which negotiation phase do you want to improve the most?

(a) Phase 1: Preparation
(b) Phase 2: Exchanging Information
(c) Phase 3: Bargaining
(d) Phase 4: Closing
Negotiate Win-Win Agreements

• Ask open-ended questions
• Maximize understanding
• Enlarge the pie if possible
• Careful with hot buttons
• Nurture the relationship
Recommended Book

“Getting to Yes: Negotiating Agreement Without Giving In”

-- Roger Fisher and William Ury
& for the revised editions, Bruce Patton
of the Harvard Negotiation Project
Key Skills for Successful Negotiation

• Creative Thinking
• Effective Communication
• Relationship Building
Your Negotiation Journey

Going forward, how often would you want to negotiate?
(a) Never
(b) Rarely
(c) Occasionally
(d) Often
Your Negotiation Journey

What level of negotiation expertise would you aim for?

(a) Novice
(b) Proficient
(c) Competent
(d) Expert
Negotiating = Problem Solving
We can all improve our negotiation skills !!!
Questions & Answers