

BEST PRACTICES OF MASTER NEGOTIATORS AND BUILDING A NEGOTIATION ECOSYSTEM



Dr. Michael Benoliel

DAY

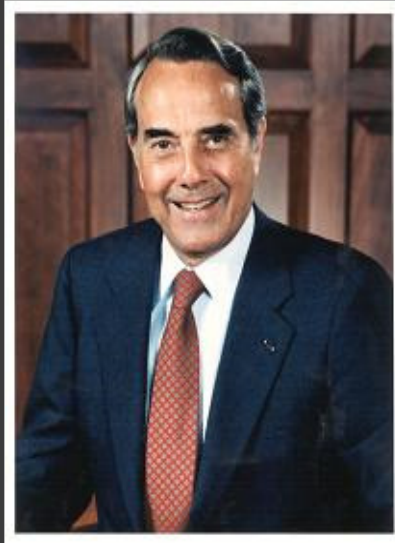
What are some of the characteristics of world-class master negotiators?

How to build organizational negotiation capability?

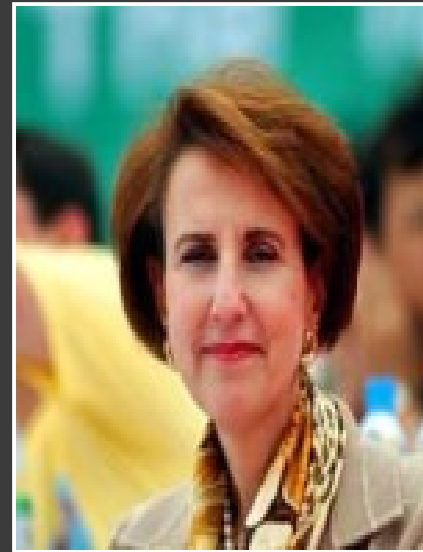
NEGOTIATORS IN POLITICS DIPLOMACY



James Baker
Former
Secretary of
State



Bob Dole
Former Senator

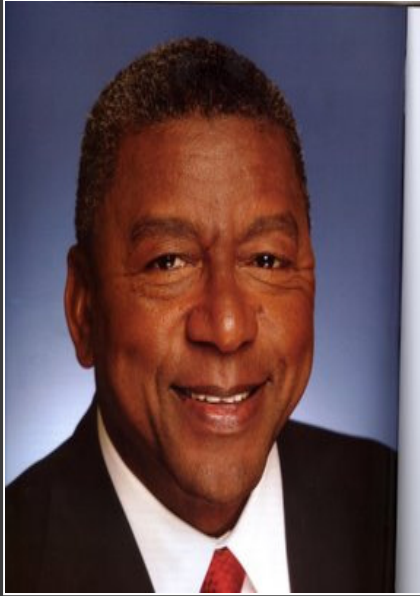


Charlene
Barshefsky
Former U.S.
Trade
Representative



Bill Bradley
Former Senator

NEGOTIATORS IN BUSINESS AND SPORT



Bob Johnson,
Founder and
Chairman, BET



Leigh Steinberg
America's
Super Sports
Agent



Ken Novack
Vice Chairman
Time Warner



Scott Smith
President
Chicago Tribune



Eric Benhamou,
Chairman 3Com
and Cypress
Semiconductor

Insights from Interviews with the World's Best Negotiators

**DONE
DEAL**

James A. Baker III • Richard Trumka
Sa'eb Erakat • Senator Robert Dole
Ambassador Zvi Ziv
J. Matthews • Robert L. Lloyd
Cutler • Michael R. Feldman • Jerry K.
Pearlman • Michael J. Morone
Bahr • Michael Feinberg • Christie
Hefner • Jeff Bezos • Marvin J. Fleisher
Jeff Morin • Michael O. McDonald
Donald Rumsfeld • Charles Burt
Shimon Peres • Robert L. Johnson
Dennis Ross • Leigh Steinberg
Ambassador Charlene Barshefsky
Senator Bill Bradley • Kenneth J. Novack

MICHAEL BENOLIEL, PH.D.
WITH LINDA CASHDAN



Tommy Koh
Ambassador
At-Large



Ho Kwon Ping
CEO, Banyan Tree



Naranyana Murthy
Founder of Infosys
(India).

ASIAN MASTER NEGOTIATORS



Dr. Chang Yung-Fa,
Founder, Evergreen
Group (Taiwan).

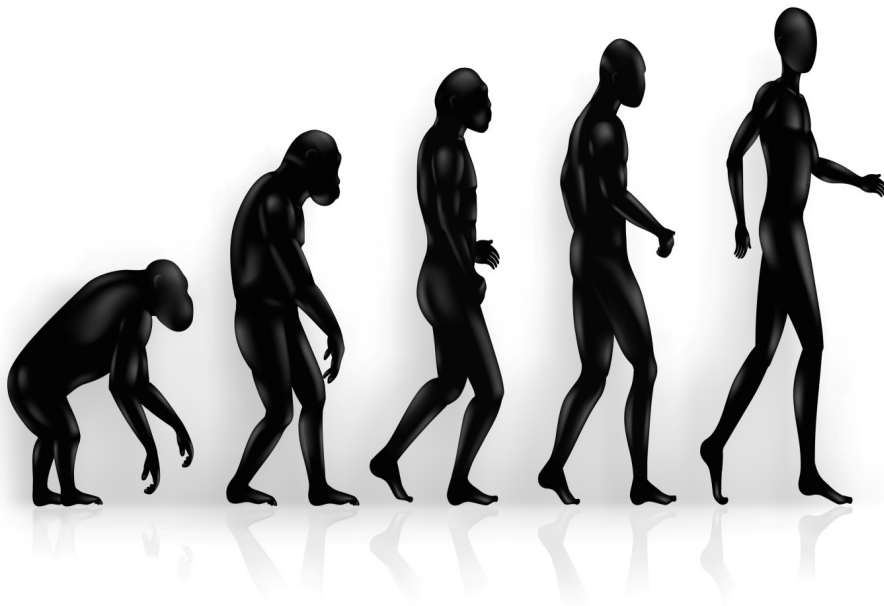


Dr. Marie Pangestu,
Former Minister of
Trade. Indonesia.



Chartsiri Sophonpanich
(Thailand), CEO Bank of
Bangkok.

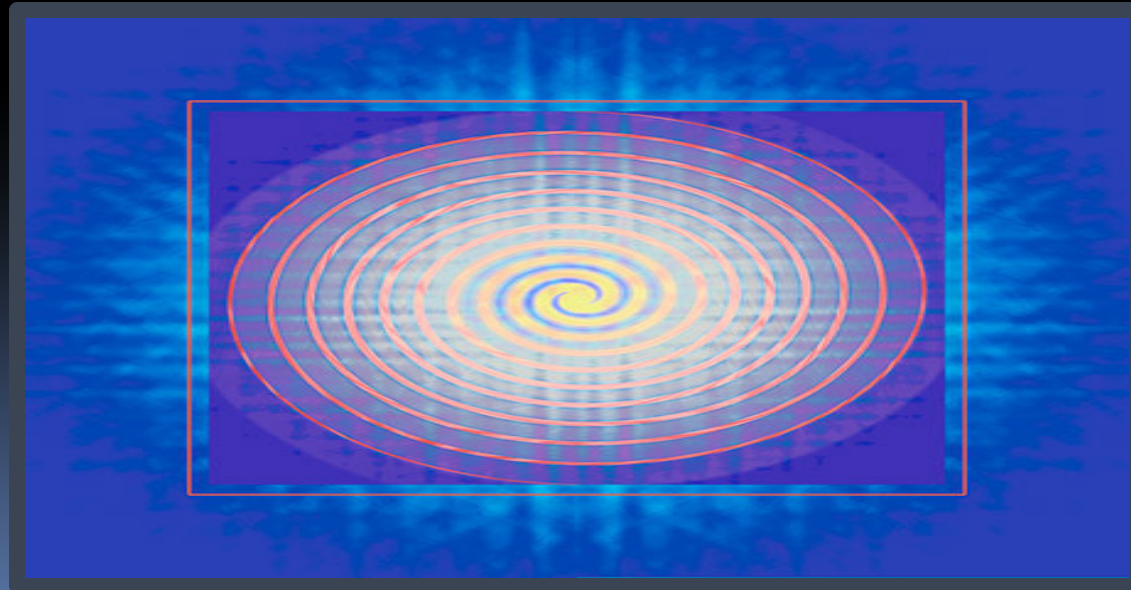
EVOLUTION AND NEGOTIATION



HARMONIZING INTERESTS

“The great secret of negotiation is to bring out prominently the common advantage to both parties....[and] harmonize the interests of the parties concerned.”

Francois De Callieres, French Diplomat
On the Manner of Negotiating with Princess, 1716.



GOLDEN BRIDGE



SELF-CENTERED

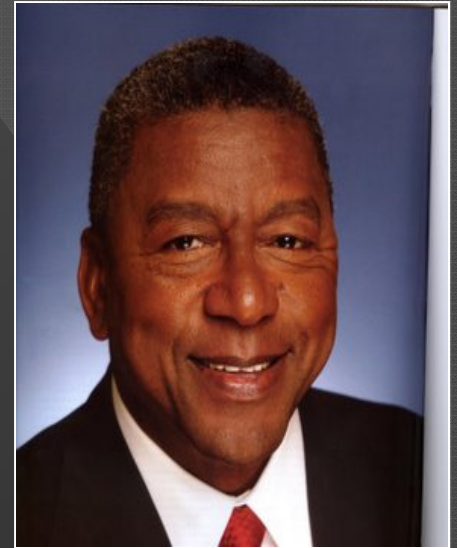
“Many negotiators are self-centered. They are preoccupied with what they need and want. They pay much less attention to what the other side’s needs and wants.”

James Baker
Former U.S. Secretary of States



PERSPECTIVE TAKING AND COMPATABILITY

“I knew Malone and what he believed in. Malone believed in entrepreneurial initiatives and in individuals helping themselves. So everything that I talked about [in my pitch to invest in BET] was designed to hit these points. I had to convince him that I share his value system in a way that he would come into the deal.”



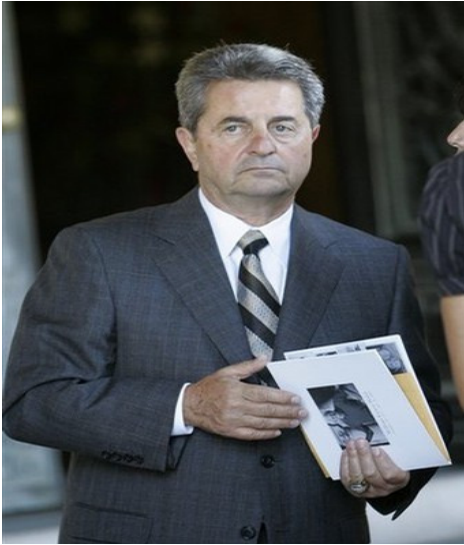
Robert Johnson
Founder, BET



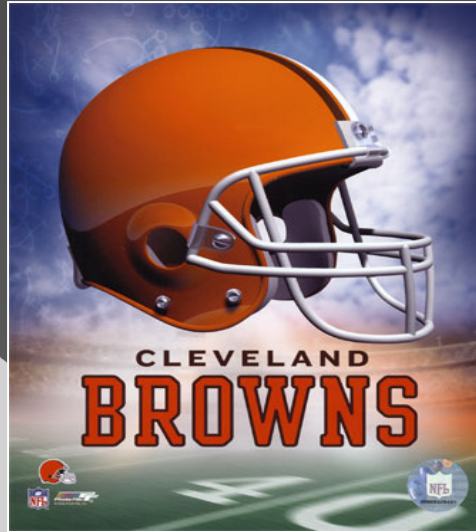
John Malone
King of Cable



Resilience and Creativity



Carmen A. Policy
CEO of Cleveland
Brown



Leigh Steinberg
Supper Agent

“Carmen has a critical quality – resilience. He has the ability to come back from the most frustrating negotiation situation where it seems that there is no way to resolve it and propose a fresh new approach.”

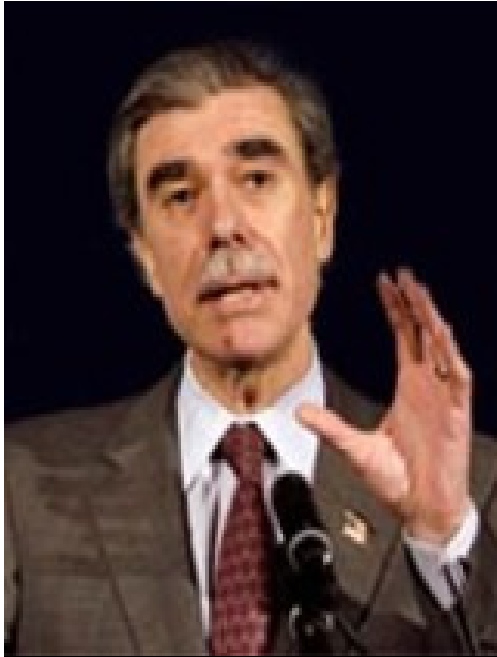
Leigh Steinberg
Supper Agent

CREATIVITY!

The negotiators have to be creative and flexible, especially when the parties are deadlocked. They have to come up with creative ideas to undo the impasse. This kind of negotiation leaves you with most satisfaction.



Eric Benhamou,
Chairman 3Com
and Cypress
Semiconductor



Carlos Gutierrez
Former CEO of
Kellogg



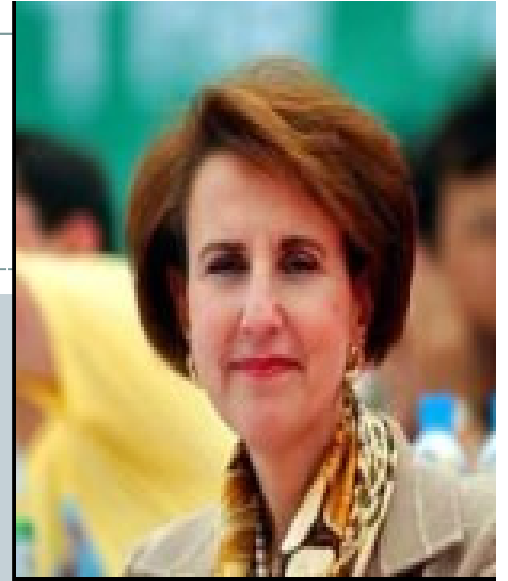
No-Deal: Walk Away

“Even though this was a deal (to acquire Keebler), that I desperately wanted, I had conditioned myself mentally that I might not have it and that I might lose it. That helped me stand firm on my price.”

Take it or Leave It!



“I sat there very quietly and did not say a word. I did not worry. I did not look upset. I did not look scared, and I did not look interested. I just had a blank expression on my face. And then, after two minutes, he actually calmed down and we just went on as though it never happened. But had I jumped right in and said ‘How dare you’? Or ‘your views are preposterous!’ this would have spiraled out of control.”



Charlene Barshefsky
Former U.S. Trade
Representative

UNIQUE



**Ambassador-at-
Large, Tommy
Koh**

Every negotiation is special and different. No two negotiations are identical – different agendas, different challenges and complexities, different cast of negotiators, different interests, and different momentum.

Ambassador Tommy Koh

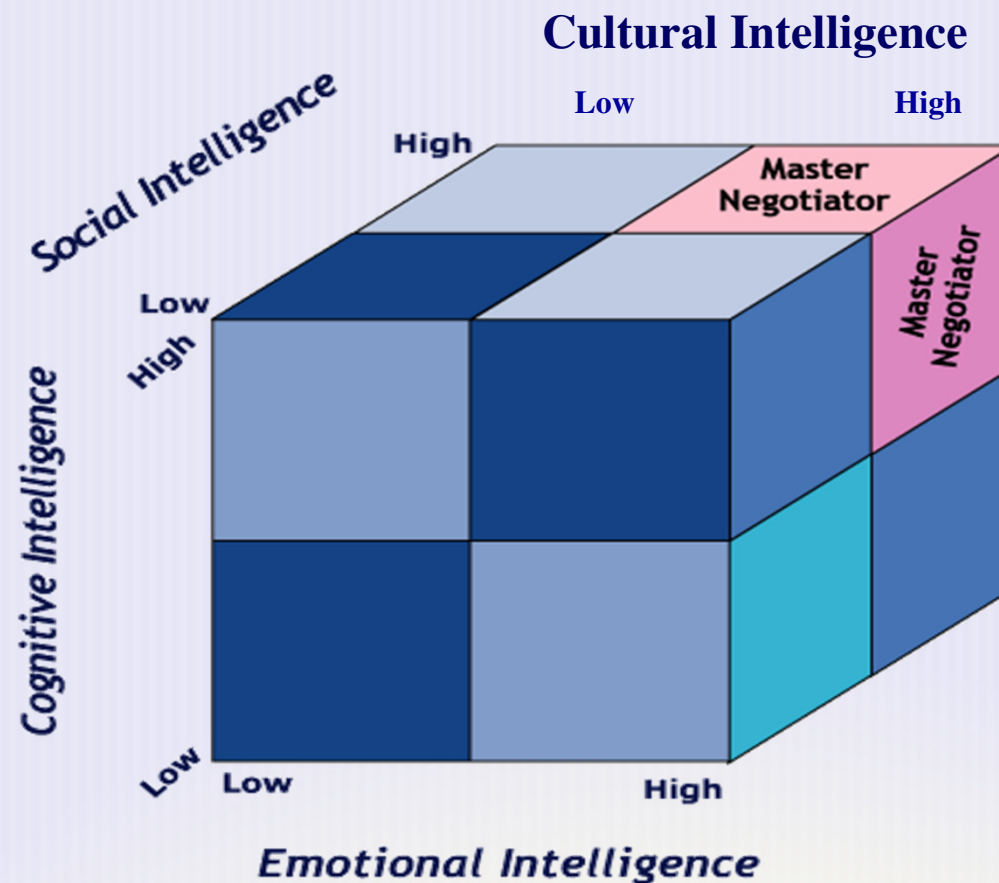
FOG OF NEGOTIATION: MINDEFULNESS



“If you ask me for the key to any success I have enjoyed....it is my ability to set everything aside and climb fully and completely into the moment and to open every cell in my being to the person I am listening to. It is the capacity to be completely present, fully in the moment, undistracted by the meteors of thoughts and needs that constantly flash through our minds and bodies.” (Leigh Steinberg, Sports Agent).



Negotiator's Multiple Intelligences



Negotiation: Underestimated and Undervalued

Unlike innovation, marketing, supply chain management, and research and development, negotiation is not recognized as a critical success factor. It remains sporadic, unstructured, improvised, and rarely recorded.



NEWELL AND RUBBERMAID



Newell acquired Rubbermaid for \$5.8 billion.
Later, Daniel Ferguson, the former CEO of
Newell, admitted that Newell paid too much for
Rubbermaid.

Harding & Rovit, 2004

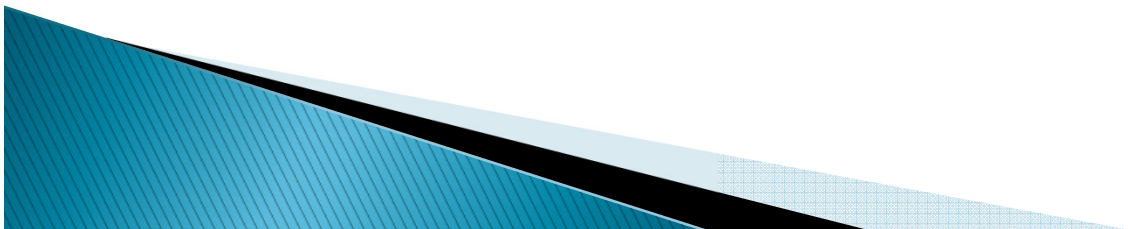


Termination Fee: \$4 Billion!!!



The \$39 billion acquisition agreement between AT&T and T-Mobile, included the break-up fee clause of \$4 billion (10.25%) (if AT&T will pull out of the deal).

Failing to secure an approval from the Federal Communications Commission (FCC) and the Department of Justice (DOJ), AT&T ended its bid to acquire T-Mobile and paid the termination fee.

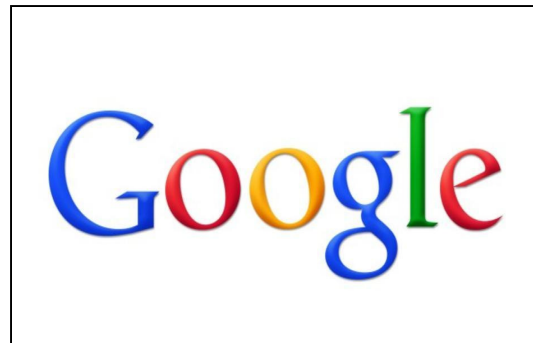


49ers' Tarell Brown failed to show up to after-season fitness camp

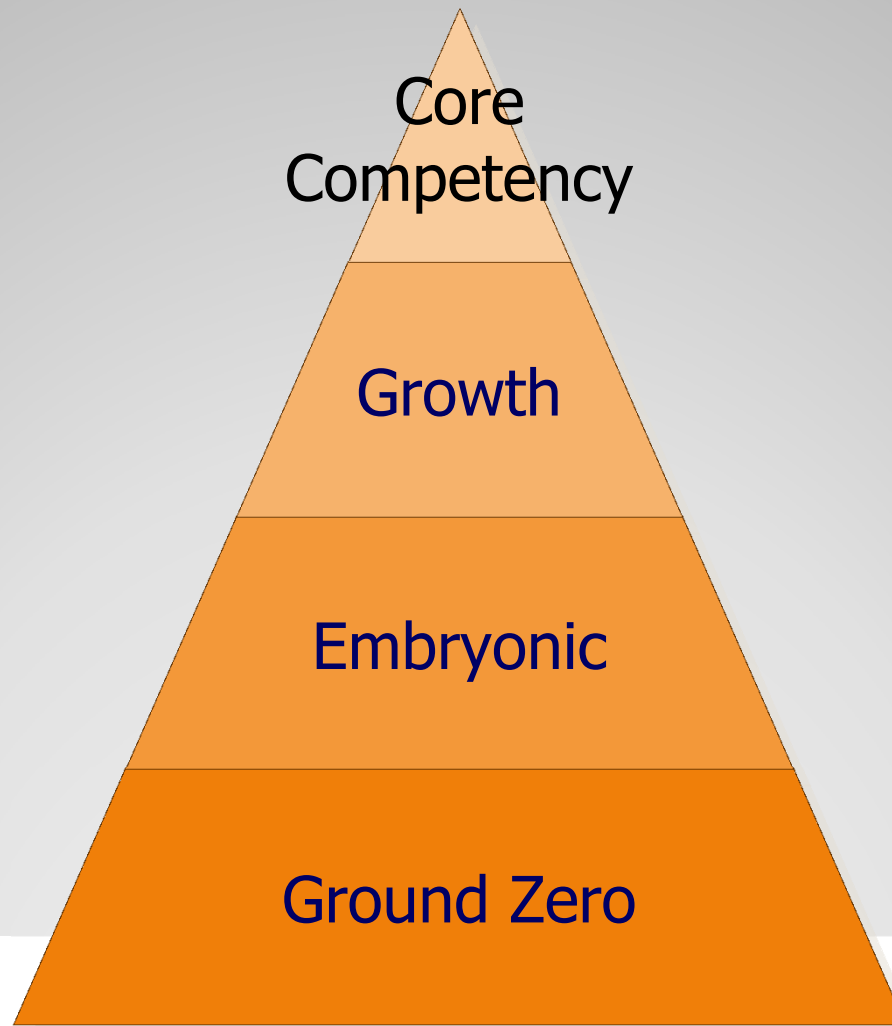
Tarell Brown's basic salary was \$2.925 million. The after-season fitness penalty clause in the contract was \$2 million (68.3%). Why did Brian Overstreet, Brown's agent, agree to 68.3%?



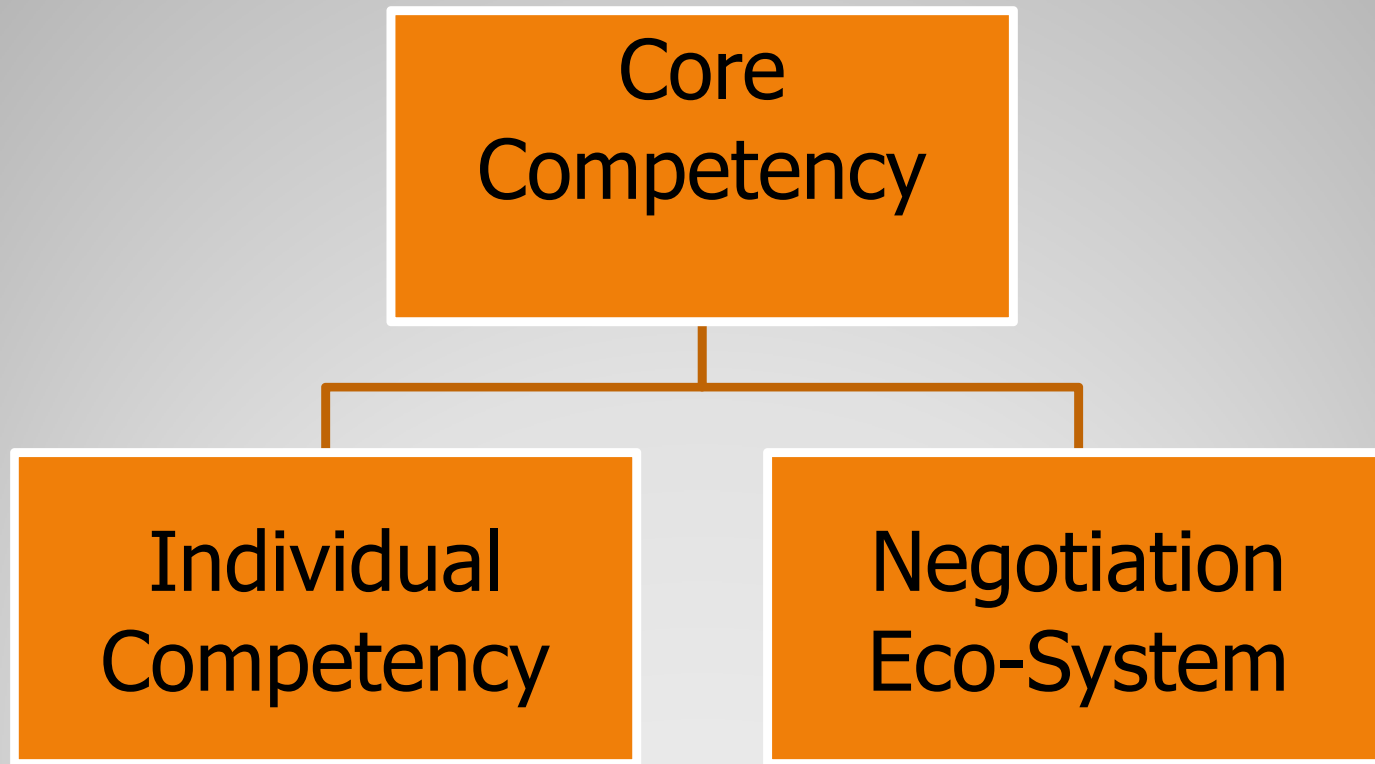
THE 1% ADDED VALUE



Evolution of Negotiation Competency



Individual and Organizational Competency



The Negotiation Ecosystem

Management
Support:
Investment in
skills building
and ecosystem

Culture:
Doing Right
Deals!

Reward System:
Present and
Future Value

Measuring
Performance:
Process and
Outcomes

Designing
Efficient
Process

Supportive
Policies and
Procedures



Negotiation
Portal

Negotiation
Information
System

Negotiation
Research
Unit

Specialized
Core Team