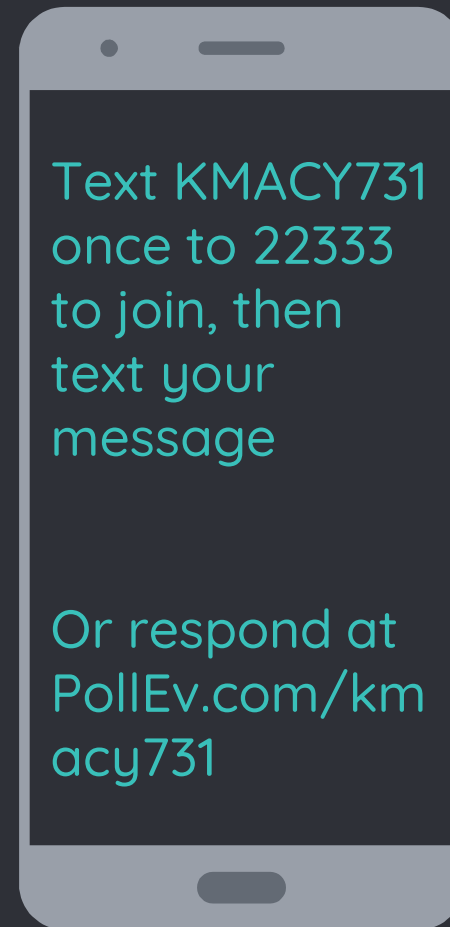


○ **How do you feel about negotiations?**

Respond as many times as you like.



- # Negotiations 101

How to conduct principled negotiations for library resources





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YOUR EXPERIENCES

Poll Everywhere

2

PRINCIPLED NEGOTIATIONS

Striving for Mutual Gain

● TYPES OF NEGOTIATORS – Two Traditional Roles

SOFT

- Focuses on position
- “Friends”
- Values agreement
- More likely to make concessions to avoid conflict
- Yields to pressure
- Too much trust

HARD

- Focuses on position
- Adversaries
- Needs to “win”
- Demands concessions to maintain relationship
- Applies pressure
- Distrustful

- A Third Way – The Principled Negotiator

PRINCIPLED

- Focuses on interests
- Relationships based on trust, empathy, and respect.
- Sustainability
- Not about the money, it's about the utility!
- Allows negotiators to adjust tactics



PRINCIPLED NEGOTIATORS

“Problem-solvers seeking a win/win situation...Hard on the issues, but soft on the approach to people”

Crawford, A. R. (2008). Licensing and Negotiations for Electronic Content. *Resource Sharing & Information Networks*, 19(1/2), 15-38. <https://doi.org/10.1080/07377790802498523>

- **FOUR ELEMENTS OF PRINCIPLED NEGOTIATION**

People	Separate the people from the problem
Interests	Focus on interests, not positions
Options	Invent multiple options looking for mutual gains before deciding what to do
Criteria	Insist that the result be based on some objective standard

3

STRUCTURE OF NEGOTIATIONS

MOST OF THE WORK GOES INTO PHASE 1!

● STRUCTURE OF NEGOTIATIONS

○ Pre-Game

- Initiating and maintaining relationships
- Preparation for the negotiations
- In principled negotiations, this is where the most time is spent!

Game

- The negotiation
- Plan what strategies you can use during the negotiation in pre-game!

Post-Game

- Following up and maintaining relationships
- TRUST!

Thompson, L. (2013). *The truth about negotiations*. New Jersey: Pearson Education.

4

PRE-GAME

The bulk of the effort!

- PRE-GAME PROCESS



Build & maintain relationships – Trust!

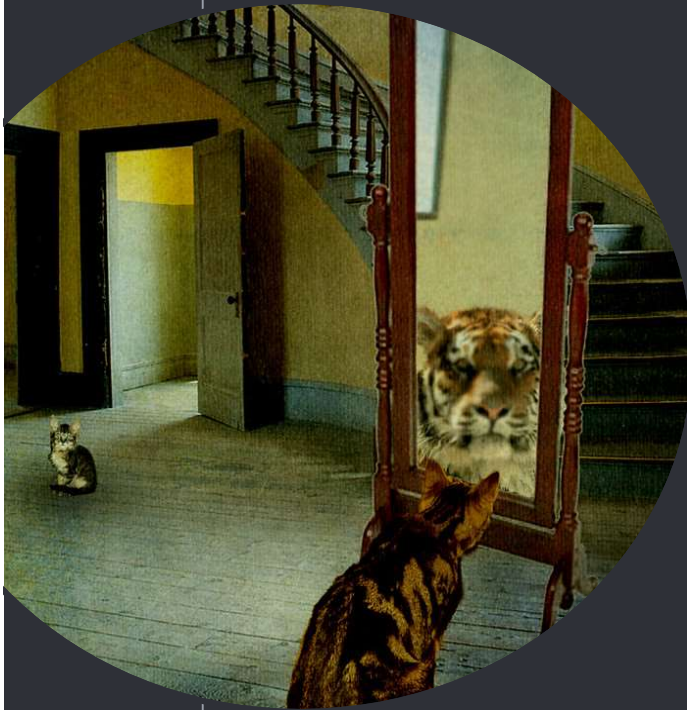


Collect & analyze data



Plan your negotiation strategies

- PREPARATION THAT DOES NOT WORK!



Psyching up!

It makes the negotiation more personal and makes the focus positional.

Image by [rubyblossom](#)

Thompson, L. (2013). *The truth about negotiations*. New Jersey: Pearson Education.



PREPARATION THAT DOES WORK
Planning that considers both
parties' interests

Image by [Nicola Barnett](#)

5

Own Your Terms

Negotiation Planning Vocabulary



BATNA

Best Alternative to Negotiated
Agreement



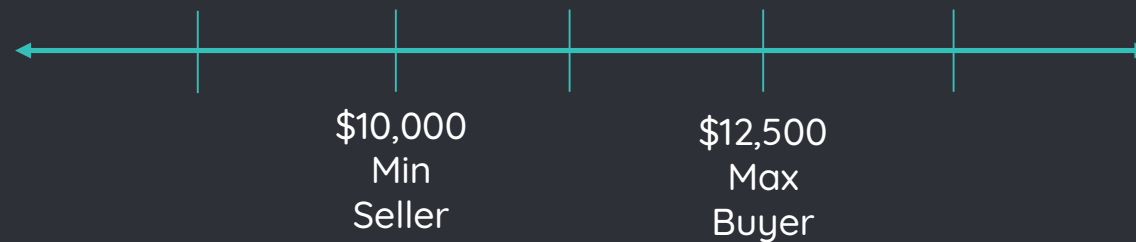
Reservation Price

The bottom line, the point in the negotiation where you can go either way. Informed by the BATNA.



ZOPA

Zone of Possible Agreement



Spangler, B. (2003). Zone of Possible Agreement (ZOPA). In *Beyond Intractability*. Retrieved from <http://www.beyondintractability.org/essay/zopa>

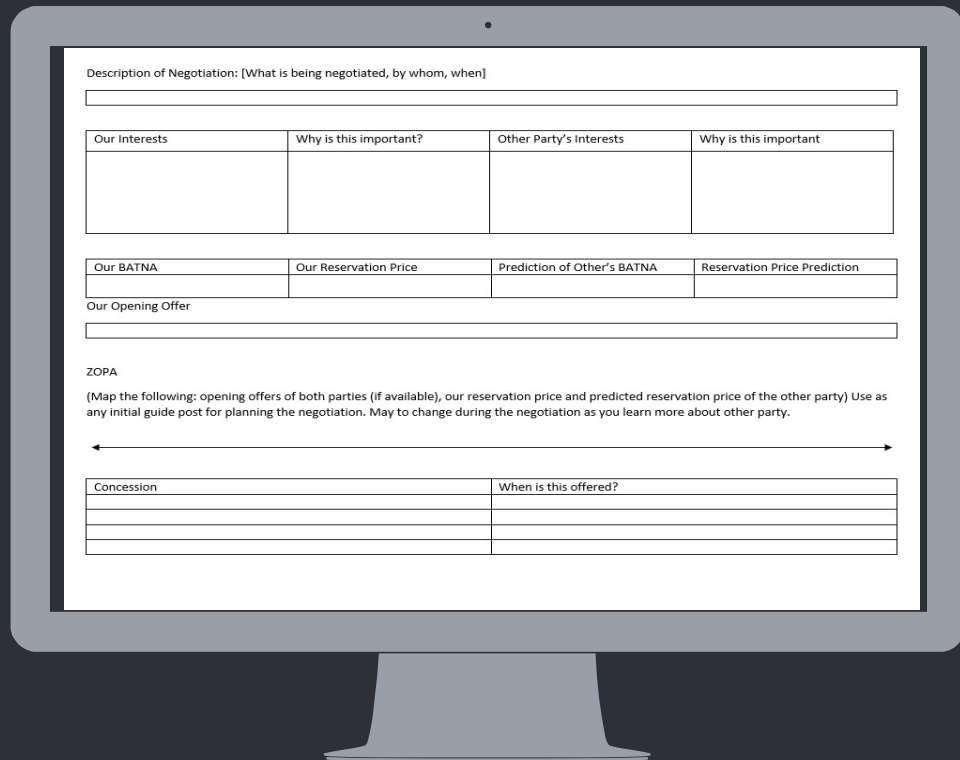


CONCESSIONS

What you are willing to give up

Negotiation Worksheet

Helpful guide for preparing for any type of negotiation



Description of Negotiation: [What is being negotiated, by whom, when]

Our Interests	Why is this important?	Other Party's Interests	Why is this important

Our BATNA	Our Reservation Price	Prediction of Other's BATNA	Reservation Price Prediction

Our Opening Offer

ZOPA

(Map the following: opening offers of both parties (if available), our reservation price and predicted reservation price of the other party) Use as any initial guide post for planning the negotiation. May to change during the negotiation as you learn more about other party.

Concession	When is this offered?

- PLANNING YOUR NEGOTIATION

- Internal review – Determining your interests

- Price sensitivity to the resource
- Licensing requirements
 - Library policy
 - University policy
- Other considerations
 - Accessibility



PRICE SENSITIVITY

The extent to which buyers are sensitive to price increases.



● PRICE SENSITIVITY FACTOR METRICS

Price Sensitivity Factor	Metric
Proportion of total cost	Portion of spend
The level of differentiation between products	Content coverage (i.e. overlaps, uniqueness)
The importance of product/service to the buyer for offering a quality service or product to their own customers	Cost per use Cost per citation Stakeholder use in research or teaching (curriculum) Uniqueness within the collection Consortia agreements
The level of competition among end users (customers)	Competitive products Substitutes

Macy, K.V. (2018). Information creates relative bargaining power in vendor negotiations. *The Bottom Line*, 31(2), 137-149. <https://doi.org/10.1108/BL-12-2017-0033>

● LICENSING REQUIREMENTS - EXAMPLES



AUTHORIZED USE / RESTRICTIONS

How the database may be used. Often specifies not for commercial purposes.



AUTHORIZED USERS

This includes specifying whether walk-ins have access to the resource.



PRICING AND TERM

May also include information on renewal and pricing at renewal. May include clauses to fix price increases.



NDAs/ CONFIDENTIALITY

Non-disclosure agreements on pricing. Vendors often want these, while libraries do not.



TERMINATION

Clause specifies how vendor may terminate the contract if customer is in violation. It is in the customer's best interest to be well defined.



Other Terms

Product updates, Performance, Payment, Force Majeure, Applicable Law, Dispute Resolution, Indemnification, Entire Understanding, Amendment, Enforceability, Severability

Crawford, A. R. (2008). Licensing and Negotiations for Electronic Content. *Resource Sharing & Information Networks*, 19(1/2), 15-38. <https://doi.org/10.1080/07377790802498523>

- PLANNING YOUR NEGOTIATION

- External review- Determine their interests

- Financials
- News & rumors
- Competitive offerings (content and pricing)
- Openly available pricing data
- Price other acquisition models for content (e.g. on demand)

● SUGGESTED DATABASES FOR RESEARCHING VENDORS

- Bloomberg
- Hoovers
- Mergent Online
- Factiva
- Orbis
- Privco
- S&P Global Capital IQ or S&P Global Netadvantage
- Article databases: ProQuest Central, Business Source Complete

- Awesome Free Resources Offered by SPARC!

- Big Deal Knowledge Base

- Big Deal Tracker
- Contracts Library
- Cancellation Tracking

- Landscape Analysis

- 2020 Update

- Coming Soon: Journal Negotiation Tools

● KNOW YOUR POWER POSITION IN THE DEAL

- Who is the *target customer* of the resource?
 - Academic Resource vs Professional Practice
- Can you benefit from *consortia agreements*?
 - Agreements should increase your relative bargaining power
- What are your *alternatives*?
 - BATNA
 - Competitive Landscape
- What *goals* does this purchase help you achieve?
- What *values* does it support?

- UNACCEPTABLE BEHAVIORS FROM VENDORS

- Delaying negotiation conversations until close to the deadline to force agreement
- Going around you to teaching/research faculty to exert pressure
- Temper tantrums
- Threats
- Verbal abuse

- PLAN ON HOW YOU WILL ADDRESS THESE BEHAVIORS

- Clearly communicate your expectations

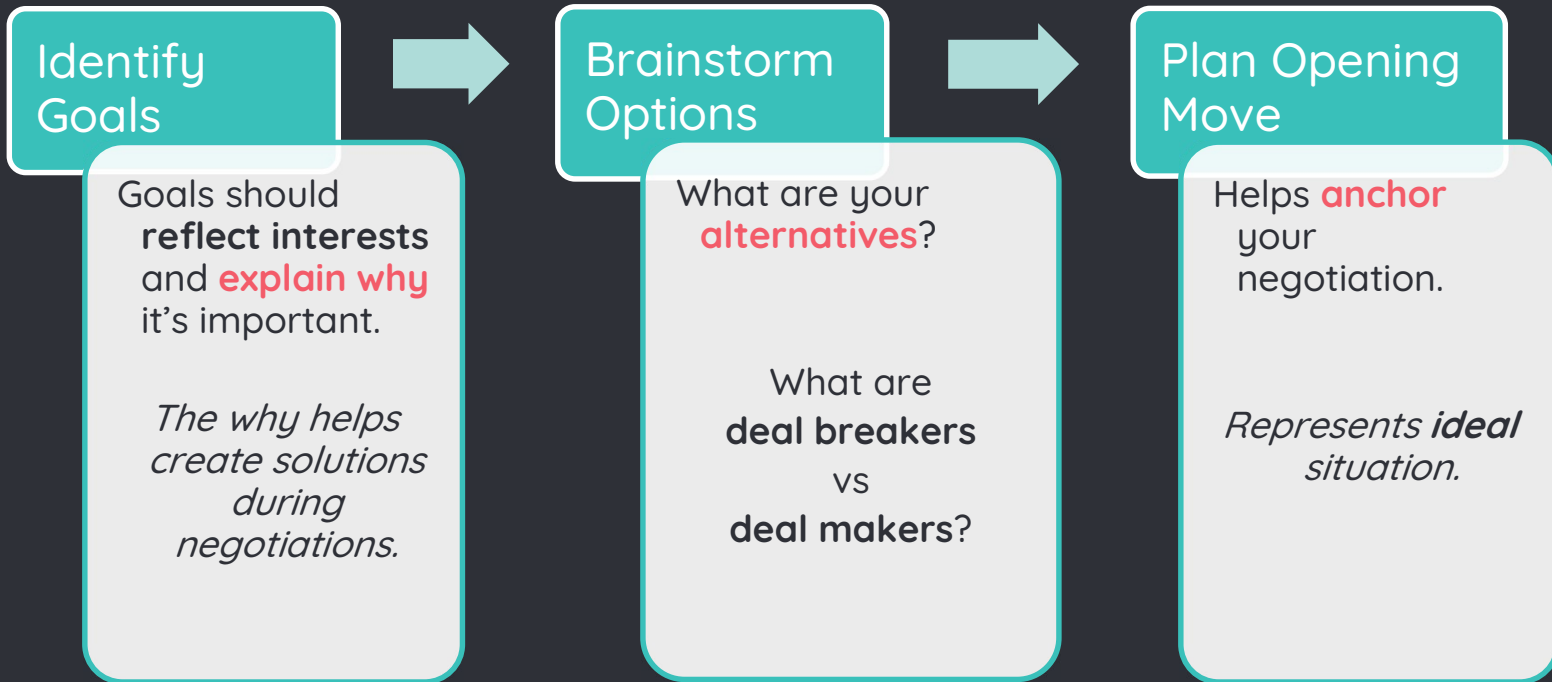
- Timetable for the negotiation
- Expected response times
- Inappropriate behaviors

- PLAN ON HOW YOU WILL ADDRESS THESE BEHAVIORS

- Temper tantrums (including threats and verbal abuse) are rarely genuine. “They are carefully orchestrated displays designed to evoke a response in the counterparty”.
- How to address:
 - Take a break
 - Normalize emotions – “This is important to us both and it’s normal to feel emotional about it. We both are.”
 - Stop talking and start writing. Creates point of focus.
 - If vendor has resorted to verbal abuse and threats redirect them to the expectations you had communicated about respect and trust.

Thompson, L. (2013). *The truth about negotiations*. New Jersey: Pearson Education.

- Pre-Game When You Have Little Time



Thompson, L. (2013). *The truth about negotiations*. New Jersey: Pearson Education.

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THE GAME

Strategies to use during negotiations

● FIRST OFFERS – ANCHORS YOUR POSITION

○ Your ideal offer that outlines

- Price / Price Increases
- Term
- License Terms
- Other (Support, Accessibility, Training)

Often vendors make first offer, trying to anchor changes in their favor. Libraries should determine value and derive a counteroffer when this happens. Or, when appropriate, be proactive by submitting a first offer based on determined value to the vendor.

Example: VIVA, Virginia's Academic Library Consortium

- FRAMING

- Plan carefully how you frame
 - Offers and counter offers
 - Concessions

Decisions can be framed as a win or a loss.

Remember humans are *risk averse*.

- NEGOTIATE ISSUES SIMULTANEOUSLY, NOT SEQUENTIALLY

- The value of a deal is not just monetary
 - If you need to negotiate terms beyond pricing it's best to do it simultaneously
 - Start with your ideal offer – where you win it all, knowing you will likely need to make concessions.
 - Plan concessions carefully and don't reveal too early.

Thompson, L. (2013). *The truth about negotiations*. New Jersey: Pearson Education.

● MAKE MULTIPLE OFFERS OF EQUIVALENT VALUE SIMULTANEOUSLY

○ Example

- Willing to sign a 3-year contract
- Determine value of contract with fixed price increase, fixed price per year, and pay all three years up front.
- Determine what license concession you wish from the vendor depending on pricing agreement.

Thompson, L. (2013). *The truth about negotiations*. New Jersey: Pearson Education.

- TRUST DURING THE GAME!

- FOUR KINDS OF REPUTATION

- Liar-Manipulator
- Tough but Honest
- Nice and Reasonable
- Cream Puff

Relationships are important!

7

POST-GAME

Maintaining trust

- LARGE GROUP CASE STUDY

- 20 minutes (take a break) and read the case.
- Work through the negotiation prep worksheet and develop a plan (30 minutes)

8

WATCHING THE GAME

Fish bowl activity

- SMALL GROUP DISCUSSION

- Were the negotiators able to find agreement? Why or why not?
- What did each side do well?
- What would you approach differently?

9

Reflection + More Best Practices

● BEST PRACTICES WHEN NEGOTIATING BY PHONE

○ CHALLENGE

- Miss kinetic and visual cues which gets in the way of rapport.
- Conversation can feel out of sync.

BENEFIT

- You can have all your notes and options spread out and available for reference during the conversation.

- Engage in a bit of small talk at the beginning.
- Consider using Zoom to gain visual cues (absolutely not required!)
- Don't multitask, focus on the conversation.
- To help resolve the issue with turn taking by signaling when you are finished speaking.
- End the conversation in a personal, friendly way. People remembers beginnings and endings.

● BEST PRACTICES WHEN NEGOTIATING BY EMAIL

CHALLENGE

- No emotional cues
- Sometimes one or both sides get mean (dehumanization)
- Delayed responses
- Parties trying to negotiate multiple issues sequentially

BENEFIT

- You have time to discuss and think through responses.
- Potential for first mover advantage

- Must be prepared to respond with facts and data!
- Consider making the first offer to set the anchor
- Focus on the value of the entire deal, don't try come to agreement on one issue at a time.
- Don't forget you are negotiating with a human.
- Work to find linguistic convergence in how you communicate with vendors. Work to mirror vendor's language.
- Start the conversation early and set expectations for response time throughout the conversation.

- WRAP UP

- Resources
- Further avenues of support
- Evaluations & Negotiation Practice
- Q&A

- CREDITS

- Special thanks to all the people who made and released these awesome resources for free:
 - Presentation template by [SlidesCarnival](#)