

Two Strategies

Collaborative (integrative) Competitive (distributive)

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Terms and Tricks
Be sure to use forward with a strategy or avoid don't forget about these 2 important elements.

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- 1 Target
- 2 Reservation point
- 3 Opening offer
- 4 BATNA
- 5 Source of power

Outcome-Driven Supply Chains



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"The art and science of securing an argument between two or more interdependent parties who wish to maximize their outcomes..."



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Collaborative (integrative) Competitive (distributive)



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Terms and Tricks
As you move forward with a strategy in mind don't forget about these 5 negotiation elements.

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Two Strategies

**Collaborative
(integrative)**



**Competitive
(distributive)**



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Collaborative

- Creating value
- Taking risks for a win-win
- Focused on long term goals
- Based on trust, openness and precised strength

Competitive

- Claiming value
- Benefits only one party causing a win-lose situation
- Focused on short term goals
- Based on mistrust, suspicion, and precised weakness

Collaborative

- Creating value
- Taking risks for a win-win
- Focused on long term goals
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**It's important to
work together as
a team to come
up with a
solution just like
these clever
penguins...**

Competitive

- Claiming value
- Benefits only one party causing a win-lose situation
- Focused on short term goals
- Based on mistrust, suspicion, and precised weakness

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It's important to gauge how much competition is needed during particular situations...

*So what
strategy is
best...*



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In the real world it's usually a combination of both collaborative and competitive, so its important to be comfortable with both!

Terms and Tricks

As you move forward with a strategy in mind don't forget about these 5 negotiation elements...

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1 Target

This is what you hope to accomplish or get out of the negotiation.

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When you're your target, it's not in your best interest to reveal it to your opponent. Always stay true to your target and don't let them know.

2 Reserve Point

This is your walkaway point or you're willing to give away in negotiation. Always stay true or you will be at a loss.

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Don't give up your reservation point as a condition or trade with the other party.

3 Opening Offer

This is the first offer you make to your opposing party. Be optimistic with this offer as the negotiation will likely whittle it down closer to your target.

Make your offer with confidence like the truth, negotiation, but don't forget to be realistic.

1 Target

This is what you hope to accomplish or get out of the negotiation.

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Always aim for your target while keeping in mind all the obstacles in your way. With steady negotiating skills you'll be reaching your target just like Jordan here...

2

Reservation Point

This is your walkaway point or the most you're willing to give away in a negotiation. Always stay true to this point or you will be at a loss.

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Don't give up your reservation point so quickly or lead with it like this poor kid...