

Seminar on Effective Negotiation Skills

By Rioma Kam

On March 21, 2008, CAC members took advantage of a rare opportunity to hone their negotiation skills in an interactive seminar organized by CAC at the New York Life conference center in Manhattan. The professional development seminar was titled *For All the Marbles: Effective Negotiation Skills*, designed and led by Michael Braunstein†.

The mock negotiation centered on a make-believe sales event where a marble seller, 2 buyers, and an observer were drawn together. The attendees had assigned roles and were motivated by predefined objectives. They knew only their own objectives and particular situations but not fully of others.



With their “personal profiles” in hand, the attendees headed into separate breakout rooms to start the negotiation game. There were 3 concurrent negotiations. Each team was given 30 minutes and must follow some basic rules. In a typical U.S. business negotiation, people valued their reputation and relationship. As such, the attendees were asked to abide by business ethics and steer clear of gross misrepresentation.



The role players brought different styles to the table and employed different strategies. For example, players in one group formed an alliance to strengthen their bargaining position. Yet some explored incentives and collected more information before making a move. Sellers from 2 teams even isolated the buyers to limit sharing of information and to prevent them from joining together or making side agreements.

As the clock was ticking down, role players became more willing to make concessions. No talks broke down and they negotiated to the last minute. Although walking away was always an option, all groups reached an agreement at the end.

During debriefing, the speaker went over the results, trying to identify the reasons behind the difference in performance among the groups. The attendees visited concepts like anchoring, isolation, framing, and “BATNA” (Best Alternative To a Negotiated Agreement). Learning these concepts seemed natural now as everyone had already “lived” through them.



Attendees also learned that being aware of the positions and open to the needs of others were essential. Successful negotiators were able to develop trust, discover what were important for others, and remain flexible in exploring the tradeoffs between values and concessions in the process of negotiating. Negotiators must also be mindful of the flow of the negotiation since outcome was path dependent. The speaker also cautioned against losing discipline and objectivity in the “eleventh hour” when everyone was trying to close a deal. Costly mistakes tend to occur at this stage.

Negotiation is a discovery and communication process that requires much practice. Thanks to Michael, the attendees were off to a good start.

†Michael M. Braunstein, ASA and MAAA, is a committee member of the SOA Professional Development Committee and has been training others in his company and for the SOA for years. Michael is a seasoned and enthusiastic presenter who gave his time and energy to help bring this unique professional skill development opportunity to CAC members.