



ALASKAN PURCHASER

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February 2014

When Are Negotiations Win-Win and When Are They Not?

By: Michael McGinnis, DBA, C.P.M., A.P.P.

A negotiator's ability to sell the other party on the merits of a win-win strategy may be in everyone's best interest.

Win-win negotiation strategies work well in many situations. However, these strategies are vulnerable when the other party is using a win-lose strategy. It is important that negotiators understand the criteria for win-win negotiations, recognize win-lose strategies and know how to effectively respond when win-lose strategies are used by the other party.

Conditions Necessary for Win-Win Negotiations

A major opportunity in win-win negotiations is moving the negotiation process toward collaboration. This helps create options that enable both parties to achieve (or exceed) their goals. All parties must be willing to look below the surface of their positions, understand each party's need and be receptive to creative ideas that benefit everyone. Eight steps necessary for win-win negotiations are summarized as follows:

1. Understand your and the other party's needs and objectives.
2. Emphasize the commonalities and minimize the differences between (or among) the parties.

3. Search for alternatives that meet the goals and objectives of all parties.
4. Have faith in one's problem-solving ability.
5. Believe in the validity of one's position and the other's perspective.
6. Generate motivation and commitment by both parties to work together.
7. Promote mutual trust by both parties of each other.
8. Achieve clear and accurate communication by both parties.

Negotiators should recognize that when the above conditions are not met, then win-win negotiations are not occurring and win-lose negotiation strategies should be used. A win-win strategy will be vulnerable when the other party is using a win-lose strategy because of the openness of win-win bargaining can easily be manipulated by win-lose negotiations.

Characteristics of Win-Lose Negotiations

To better understand win-win negotiations, the following are some of the characteristics of win-lose negotiations.

1. Both parties try and learn about the other's strategy and reveal little about their own strategy.
2. Both parties emphasize positions rather than interests.

THURSDAY 20 FEBRUARY 2014

**NAPM-ALASKA
PRO D MEETING**

See Page 4 For More Information

TIME: 5:30 p.m. Networking / 6:00 p.m.

Cost \$28.00* Includes Dinner.

VISA and MasterCard Accepted

No-Shows Billed

**Location: Coast International Inn,
3450 Aviation Avenue. Anchorage Alaska**

RESERVATIONS REQUIRED

Contact- Pam Chenier

email: Pamela.chenier@alyeska-pipeline.com

**no later than
5 P.M. on Monday 17, February 2014**

When Are Negotiations Win-Win and When Are They Not?

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3. Emphasis will be on maximizing the outcome of the single agreement.
4. Strategies will emphasize influencing the other's resistance point, managing the other party's perception of outcomes and delays, and not reaching an agreement.
5. Tactics will focus on offers, initial concessions, patterns of concessions, establishing commitment and closing the deal.
6. Negotiators will mislead the other party regarding their negotiation strategy, claiming that they're engaged in win-win negotiations when they're not.

Regardless of what the other party says, if its behavior suggests that it's engaging in win-lose negotiations, it is.

Other Factors That Hinder Win-Win Negotiations

The following four issues hinder win-win negotiations. If any of them are present, the likelihood of integrative negotiations fades.

1. An unsatisfactory past relationship between (or among) the parties.
2. A belief that the issue (or issues) can only be resolved at the other party's expense.
3. The "mixed-motive" of most negotiators (where both parties want to achieve their goals and maintain an ongoing relationship with the other party) makes it difficult for pure integrative negotiations to occur. Most negotiations occur along a continuum between pure win-win and pure win-lose.
4. Because win-win strategies are vulnerable to win-lose tactics, many negotiators will hesitate to lower their barriers first.

Responding to Win-Lose Strategies

When faced with a win-lose negotiating strategy, the win-win negotiator can:

- Ignore it. This will sometimes help the other party understand that you are not interested in win-lose bargaining.
- Discuss whether a win-lose strategy is in both parties' interest. Here you may be able to sell the

Other party on the merits of moving towards a win-win strategy.

- Confront the other party. Politely, but firmly, explain to the other party that you understand their tactics but are not interested in participating in win-lose negotiations.
- Respond with a win-lose strategy. While this may amplify the conflict, it may be the appropriate response when the other party is not willing to participate in win-win negotiations.

A commonly used win-lose technique is the "nibble" where a negotiator asks for a small concession when negotiations are about to be concluded. When faced with the nibble, a negotiator often feels that the other party is chiseling. The amount is too small to terminate the agreement but large enough to create the impression that the "nibbler" is not negotiating in good faith. Three possible tactics that can be used in response to the nibbler are:

1. Ask the nibbler what he or she wants—and then continue until all issues are in the open.
2. Prepare nibbles that you can use in response or,
3. A combination of both tactics. A tactic that can pre-empt the nibble is to ask the other party if there are any other issues that should be discussed prior to finalizing the agreement.

Developing Negotiation Strategies That Emphasize Win-Win

Effective negotiators recognize that very few negotiations are conducted in a purely win-win or win-lose context. Moving forward win-win negotiations mean that negotiators must be willing to use a blend of strategies. Overall planning should consider the relative emphasis on win-win and win-lose strategies throughout the negotiations. For example, some issues may lead themselves to win-win strategies, while other issues require a win-lose approach. In other situations, preliminary negotiations may be primarily win-win, discussion of specific issues may approach pure win-lose, and concluding negotiations to solidify the agreement may take a more win-win nature.

Finally, a negotiator's ability to sell the other party on the merits of a win-win strategy may be in everyone's best interest.

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PRESIDENT TONY LAZENBY

It's February and time again for your NAPM-Alaska Board Members to participate in the annual KASH for Kids fundraiser for the Children's Miracle Network this year. This great event raises funds to help ensure that Alaska's kids will receive the best care possible right here in Alaska. One hundred percent of these donations to Children's Miracle Network will go to care for Alaska's kids and support the services provided at The Children's Hospital at Providence.

Charitable contributions cover many services that families will never see on a bill, from certified teachers making sure kids don't fall behind in school, to "chemo duck" dolls that help in explaining treatments and operations to kids, and to parent navigation services that help parents understand where to get financial help, transportation help, childcare services, support groups, etc.

On Feb. 20 and 21, KASH Country 107.5 will broadcast KASH for Kids 2014 live from Providence Alaska Medical Center from 6am to 6pm each day. KASH will feature amazing stories about Alaska's children and families treated at The Children's Hospital at Providence.

During the event, on-airhosts Jimmy and Roxi will highlight the children and families treated at The Children's Hospital at Providence, as well as the doctors, nurses, teachers and child life staff who provide outstanding care each and every day.

I'd like to encourage all of our members to tune in during our time slot on Friday, Feb 21 from 4:00 pm to 6:00 pm and consider making a pledge to support this cause. Tune in on the radio, online or on your smart phone with iHeartRadio and hear amazing stories about local kids and families.

Then take a moment to call in a donation to 877-868-8857 or online.

Tony

**DIRECTOR OF EDUCATION
BEN MILAM, CPPM, C.P.M.**

Purchasing folks are responsible for spending millions of dollars making us prime targets for unscrupulous individuals trying to get their hands on that money. Granted there are some cases where the purchasing agent initiated the illegal action, but many times it is a situation where they were lured into accepting a small gift that later manifested into a threat if they did not continue. It is for this reason that NAPM Alaska conducts an annual ethics refresher to emphasize the risks and ways to avoid involvement. Dr. Bill Spindle, Vice Chancellor at the University of Alaska has been a member of our affiliate for many years. Prior to joining UAA, Colonel Bill Spindle spent over 25 years in the US Air Force, traveling around the world to manage various procurement and logistics units. In his vast and extended career he witnessed many cases of corruption. Dr. Spindle discussed many of those cases and the consequences with emphasis on the warning signs that should help our members avoid similar situations. Thanks Dr. Spindle for a great presentation!

**NOTE DATE CHANGE: PRO-D MEETING
AND DINNER, FEBRUARY 20, 2014.**

“Reflections on Upcoming Trends in Transportation Law”. We changed our meeting date in order to take advantage of this opportunity to hear from a special speaker, Mr. Henry (Hank) Seaton, J.D. is a prominent attorney from the Washington DC area specializing in Transportation and Contract Law.

Transportation is a critical component of our Procurement and Supply Chain profession so we are honored that Mr. Seaton has agreed to speak to our group. Mr. Seaton will be in Anchorage to speak to UAA Professionals and students. We owe a special thanks to Professor Darren Prokop for helping to arrange this special opportunity.

We are meeting at the Coast International Inn (near the airport) for this meeting and all remaining meetings through May of this year.



SEMINAR, MARCH 6 & 7 IN ANCHORAGE.

“Innovative Trends in Technology Contracting”

Concepts like transfer of intellectual property rights, license types, intangible code, source and object code, contingency operating plans, and others must be understood and written to maximize your organization’s leverage against powerful and influential technology providers and consultants. This workshop teaches participants techniques, content, and strategies to utilize while creating and negotiating software licenses, Software as a Service (SaaS), ASP hosting, development arrangements, hardware purchases, hardware and software maintenance, technology service arrangements, and even consulting support. Participants will receive a 100 page color training manual. See insert for registration and information on the instructor.

TIME IS PASSING FAST! MARK YOUR CALENDAR!! 71st Annual Pacific Northwest Purchasing Conference, October 6-8, 2014, Anchorage Alaska.

NAPM-Alaska has been selected to host this important conference again in 2014. Hopefully you had as much fun as we did at the conference in 2009. That one will be a hard act to follow, but your Affiliate Officers are striving to improve on that great performance. Our theme for this conference is **“Prospecting for Golden Nuggets of Knowledge”**. We will build on that theme to bring you fantastic speakers and fantastic entertainment.

Our Conference Planning Committee is now in full swing looking for vendors for the tradeshow and high quality speakers to conduct educational sessions. We have an extraordinary vendor community in Alaska and many of them are looking for increased business opportunities. We can benefit by helping them become stronger.

Please look at your vendor list and provide us with contact information. If you know of a great speaker, please send their contact info as well. Please send any information to the Conference Co-Chairs Ben Milam, whiskers@mtaonline.net or 729-2972 OR to Marlys Hagen, marlys.hagen@alaska.gov or 269-8666.

VOLUNTEERS NEEDED: We have several positions open for volunteers to help with the upcoming conference. This is a great opportunity for members and non-members and it can be a lot of fun. Call for additional information.

SCHOLARSHIPS: We are still hopeful that we can get our scholarship winners William Ehelebe and Dawn McQuay to join us for dinner. Hopefully you will be able to meet these students. Maybe in February??

Ben

**PAST PRESIDENT
MARLYS HAGEN, C.P.M., CPPB, CPPO**

Happy Valentines Day, everyone!! I hope to see everyone at our February Pro-D Meeting. It is one a different date than normal, so please so details elsewhere in the newsletter.

Regular Elections

I can't believe it's time to start the process for the upcoming regular election already. In April, we will be holding elections for President, Vice President, Past President, Secretary, and two Directors at Large (each two-year positions). If anyone is interested in one of these positions, please contact me. We have a lot of fun working together as a Board, and serving as a volunteer on a Board of Directors is an enhancement to your resume. So please consider helping to run your organization.

Northwest Purchasing Education Council

There have been no NPEC meetings since the last newsletter. Planning is well under way for the 2014 Pacific Northwest Purchasing Conference to be held in Anchorage October 6-8 of this year. Get it on your calendars and in your budgets. Anyone who is interested in helping out with the conference, please contact me.

In my article in last month's newsletter I mistakenly reported that ISM-Western Washington had voted to rejoin NPEC. That was incorrect. Their board of directors is considering it but as of the date I'm writing this article, they have not officially voted to do so.

I apologize for the misinformation, and sincerely hope to hear soon that ISM-Western Washington has indeed approved this action.

Have a good month!!

Marlys

**DIRECTOR OF MEMBERSHIP
WARD W. WELLS, C.P.M.**

Final Notice for Membership Renewal !!!!!

All Membership Renewals MUST be submitted ASAP for this next year. The deadline for submittal to ISM is upon us and we still have several who have not paid their membership renewal. If you are in this category please contact Pam Chenier at the Email address listed below.

The NAPM Alaska website makes renewal even easier. Timely receipt of your renewal is very important to help maintain our programs and roster. Payments made by credit card can be made online through our website:

http://www.napmalaska.org/NAPM_Alaska/payment.html

Please select "Current Member Renewal". The annual renewal amount is \$160. If you have any questions, please contact our Treasurer, Pam Chenier, via email at napmprod@gmail.com or Pamela.chenier@alyeska-pipeline.com.

All credit card payments will be made through NAPM-Alaska's PayPal account. Please keep a copy of your PayPal receipt as confirmation of payment for your records. Your assistance with this is most appreciated.

I can't think of a better investment in each of our carriers than to be a part of ISM & NAPM Alaska.

Hope to see you all at the February Pro-D meeting .

Ward

February 2014



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WHAT'S HAPPENING!

**THURSDAY,
20 FEBRUARY 2014**

**PRO-D MEETING
TOPIC: "REFLECTIONS ON
UPCOMING TRENDS IN
TRANSPORTATION LAW"**

**COAST INTERNATIONAL INN
ANCHORAGE, ALASKA**

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The Alaskan Purchaser is published monthly (September to May) by NAPM-Alaska, Inc., an educational organization committed to providing purchasing and material management practitioners the opportunity to enhance their professional skills and knowledge. If you have an item you would like to contribute to the newsletter, please contact:

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