

How do you feel about negotiations?

Respond as many times as you like.

A stylized illustration of a smartphone with a dark screen. The screen displays text in a light blue font. The text is arranged in two paragraphs. The first paragraph says 'Text KMACY731 once to 22333 to join, then text your message'. The second paragraph says 'Or respond at PollEv.com/ kmacy731'. The phone has a small circle at the top left and a horizontal bar at the top center. At the bottom, there is a horizontal bar.

Text KMACY731
once to 22333
to join, then
text your
message

Or respond at
[PollEv.com/ km
acy731](https://PollEv.com/kmacy731)

- **NEGOTIATE LIKE AN MBA**
How to conduct principled negotiations for library resources



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YOUR EXPERIENCES

Think – Pa ir – Sha re

Poll Everywhere



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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”

● FOUR ELEMENTS OF PRINCIPLED NEGOTIATION (FISHER, 2011)

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

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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!

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PRE-GAME

The bulk of the effort!

● PRE-GAME PROCESS



Build & maintain relationships – Trust!



Collect & analyze data



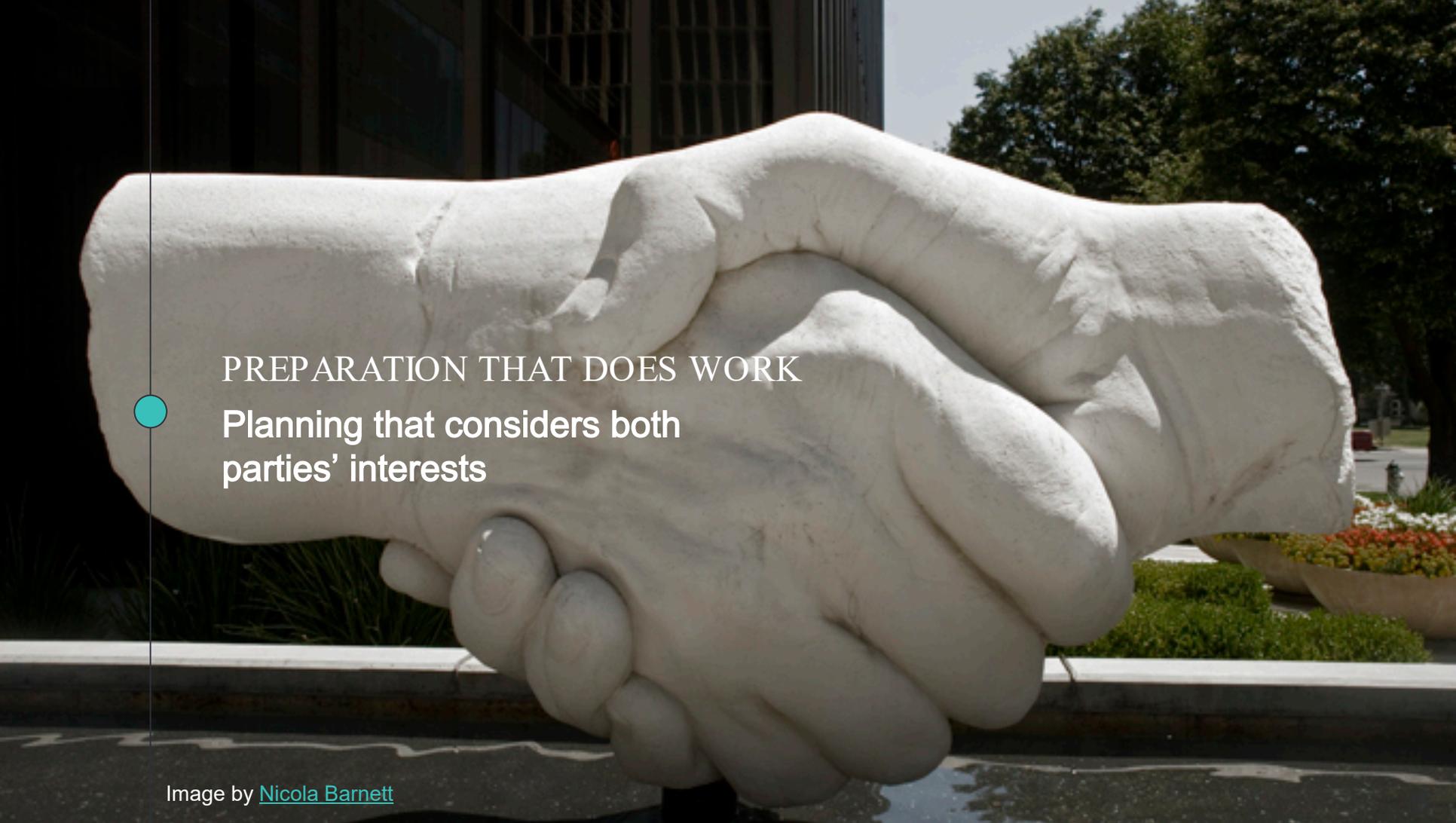
Plan your negotiation strategies

- PREPARATION THAT DOES NOT WORK!



Psyching up!

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



PREPARATION THAT DOES WORK

● Planning that considers both parties' interests



Own Your Terms

Negotiation Planning Vocabulary



BATNA

Best Alternative to Negotiated
Agreement



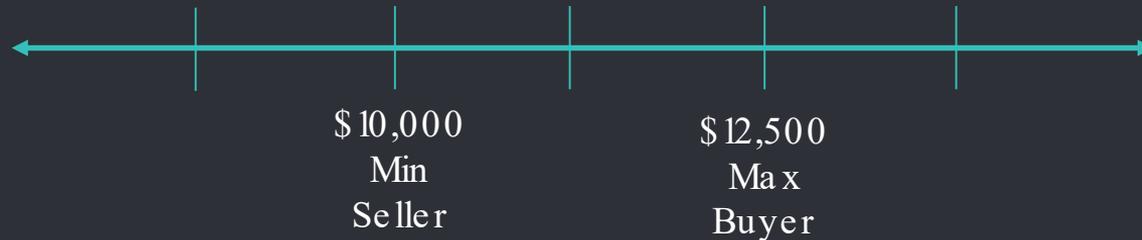
Reservation Price

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



ZOPA

Zone of Possible Agreement





CONCESSIONS

What you are willing to give up

- 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

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

- PLANNING YOUR NEGOTIATION

- External review— Determine their interests

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

● 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?

● Pre-Game When You Have Little Time



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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.

● 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.

- TRUST DURING THE GAME!

- FOUR KINDS OF REPUTATION

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

Relationships are important!



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POST-GAME

Maintaining trust

● 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

- LARGE GROUP CASE STUDY

- Review Case Study (15 minutes)
- Small Group Discussion (20 minutes)
- Large Group Consensus (15 minutes)



BREAK

15 MINUTES



WATCHING THE GAME

Fish bowl activity & debrief



● SMALL GROUP CASE STUDY

- Small Groups (2-3 people)
 - Groups that prep library: A,B,C,D
 - Groups that prep vendor: E,F,G,H
- 30 minutes prep time
- 20 minutes negotiations
 - A/ E
 - B/ F
 - C/ G
 - D/ H
 - Assign a **chief negotiator** but feel free to integrate more than one person during the negotiation. If negotiating feels uncomfortable, I encourage you to take this role.
 - Those not actively negotiating, **take notes**.



Break

10 minute break then meet with your small group pairings

- SMALL GROUP DISCUSSION

- Were you able to find agreement? Why or why not?
- **Notetakers:** What did each side do well?
- **Chief Negotiators:** What seemed easier than expected? Difficult? Uncomfortable?
- What would you approach differently?

- LARGE GROUP DISCUSSION

- Case 2
- Best Practices in Libraries
- Resources
- Q&A
- Evaluations

- CREDITS

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