Chapter Objectives

- Define negotiation and describe how it can be used to turn conflict into positive channel outcomes.
- Describe several negotiation strategies, and when and how they should be used to resolve channel conflict.
- Discuss how problem-solving strategies can be used in channel settings.
- Understand how persuasive mechanisms operate in channel relationships.
- Understand when legalistic strategies should be used to resolve channel conflicts.

Dealing with Channel Conflict

- Evaluate your – and your channel partner’s – conflict resolution styles. Understanding each other offers you a great start.
- Give positive responses and feedback as often as possible to avoid a negative tone.
- Review the value of the channel relationship. Ask yourself whether winning the battle will move you closer to an optimal relationship or further away from one.
- Check your ego at the door. Understand, always, the difference between high self-esteem and high ego. Which one do you think better serves your purpose?
- Keep the consequences of your decisions in mind.
**Negotiation: The Art of Give and Take**

- Evaluating Desired Relationship Outcome
- Choosing a Negotiation Strategy
- Creating versus Claiming Value

**Procedural Steps for a Typical Negotiation Process**

- Identify and define the problem.
- Get the facts.
- Generate possible solutions.
- Evaluate possible solutions.
- Select solution(s).
- Implement solution(s).
- Evaluate the results.

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**Choosing a Negotiation Strategy**

- Predatory
  - No interest in the common good/playing hardball.
  - Fixed economic pie - gains come from other channel members.
  - Winner depends on who:
    - Concedes slowest
    - Exaggerates the concession value while understating the other’s allowance value.
    - Argues most forcefully.

- Symbiotic
  - Open submission
  - Win-win strategy
  - Each channel member must:
    - Separate the people from the problem.
    - Focus on needs rather than position.
    - Develop options for mutual gain.
    - Use only objective criteria.

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**5 Tactical Behaviors that Increase the Probability of Achieving a Mutually Acceptable Resolution**

- Do your homework.
- Deal from the top of the deck.
- Quitters never win/winners never quit.
- Attitude is everything.
- Build bridges not walls.
Potential Benefits of Conflicts within Channel Settings

- Bring problems into open where they can be effectively dealt with.
- Lead to development of new perspectives on old problems or situations.
- Lead to new ideas and approaches to problems, if creativity and right negotiating strategies are brought to the table.
- Allow channel members to ventilate feelings that need to be aired.
- Lead to harmony and more productive, growing relationships.
- Lead to a greater awareness of and appreciation for the needs of other channel members.
- Cause channel members to better understand themselves, their motivations, goals and behaviors.

Exhibit 8.3

Problem-Solving Strategies

- Strategy depends on type of relationship with channel member.
- Logrolling:
  - Offer compromise on less significant issues.
- Compromise:
  - When power doesn't work.
  - Find the middle ground.
- Aggressive:
  - Use threats, persuasive arguments or punishment.

Persuasive Mechanisms

- Persuasion:
  - Done with channel members.
  - Gain personal acceptance.
  - Be consistent with relational exchanges.
  - Search for counterpart’s motivations.
  - Self-persuasion is best.
  - Dispense rewards.
Legalistic Strategies

- Don’t go there if you can avoid it.
- Usually when contract provisions need to be enforced.
- Examples:
  - Lawsuits
  - Arbitration
  - Settlements