

# Sony Music Latin-Iberia



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## Lessons from the Harvard Program on Negotiation

By Manny Vallarino



# Agenda

**Lesson 1: Have a negotiation framework. (~10 mins.)**

**Lesson 2: Listen, paraphrase, inquire, acknowledge. (~10 mins.)**

**Lesson 3: Interests over positions. (~10 mins.)**

**Lesson 4: Prioritize subjective value. (~10 mins.)**

**Lesson 5: Focus on individual culture. (~10 mins.)**

**Lesson 6: Reality is not bilateral. (~10 mins.)**

**Discussion (~15 mins.)**



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Lesson 1: Have a negotiation framework.



# Lesson 1: Have a negotiation framework.

## Terminology

*RV* (Reservation Value) | What's the limit?

*AV* (Aspirational Value) | What's the desire?

*BATNA* (Best Alternative to Negotiated Agreement) | Alternatives?

*ZOPA* (Zone of Potential Agreement) | How is a deal possible?

You can choose or create your preferred terminology!



# Lesson 1: Have a negotiation framework.

## Terminology Example – Buying a guitar

*RV* (Reservation Value) | Mine=\$1,000 | Theirs=\$700

*AV* (Aspirational Value) | Mine=\$500 | Theirs=\$1,400

*BATNA* (Best Alt. to Negotiated Agreement) | Mine=buy elsewhere;  
give up playing guitar | Theirs=sell elsewhere; keep the guitar

*ZOPA* (Zone of Potential Agreement) | Sale for \$700 - \$1,000



# Lesson 1: Have a negotiation framework.

## Strategy

Before a negotiation, write out your general strategy.

During the negotiation, refer to your strategy *and* stay open.

After the negotiation, analyze how your strategy performed.

Commit to this process for each negotiation!



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Lesson 2: Listen, paraphrase, inquire, acknowledge.



# Lesson 2: L, P, I, A.

The three most common responses to triggers are all unproductive:

1. Surrender.
2. Playing their game.
3. Quitting the game.

To allow for better responses, seek to **listen, paraphrase, inquire,** and **acknowledge.**



## Lesson 2: L, P, I, A.

L, P, I, A will allow you to respond more effectively, perhaps using one of the following three moves:

1. Reframing Moves
2. Name the Game Moves.
3. Change the Players.

When faced with a trigger (and even when not), remember to **listen, paraphrase, inquire, and acknowledge.**



# Lesson 2: L, P, I, A.

**Professor Sheila Heen on negotiating with your internal voice**





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Lesson 3: Interests over positions.



# Lesson 3: Interests over positions.

**Positions are explicit.** It's what someone “stands for.”

**Interests tend to be implicit.** It's what someone truly wants.

Avoid getting bogged down in positions. Instead, strategically share your interests, and try to learn the other side's interests.



# Lesson 3: Interests over positions.

**Example – A recording artist wants to own her masters, and the record label ... also wants to own her masters. Is a negotiation possible?**

**Hint: Interests over positions!**





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Lesson 4: Prioritize subjective value.



## Lesson 4: Prioritize subjective value.

Subjective value (how a negotiation makes you and the other side feel) can have more value than objective value (the tangible result of a negotiation).

Desire to do business again does not depend on objective value at all ... it depends on subjective value!

Positive subjective value correlates with long-term relationship success *and* long-term higher objective value.



# Lesson 4: Prioritize subjective value.

## Example – Independent song production work-for-hire agreement

### Mixing Engineer

Objective value=no agreement

Subjective value=negative

Future collaboration is unlikely.

### Mastering Engineer

Objective value=no agreement

Subjective value=positive

Future collaboration is possible.

Prioritize subjective value!

# Lesson 4: Prioritize subjective value.

## Example – Ray Charles leaves Atlantic



In 1977, Ahmet Ertegun signed Ray Charles again. Subjective value!



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Lesson 5: Focus on individual culture.



# Lesson 5: Focus on individual culture.

Culture in negotiation (and in life) can be understood via two extremes.

One is **Human Universality**, meaning what we all have in common.

The other is **Cultural Relativity**, meaning our cultural differences.

We should focus on the point that sits between these extremes:

**Human Complexity**, or as I like to call it, **Individual Culture**.



# Lesson 5: Focus on individual culture.

To learn someone's individual culture ... listen, paraphrase, inquire, and acknowledge. L, P, I, A!

Be very careful with cultural projection. **Examples – U.S.A., Russia, and Crimea – France, Iran, and wine.**

Also, be very careful with cultural stereotypes. **Example – “Americans always negotiate aggressively and Latin Americans are always more passive.”** Things gets awkward when both sides act on stereotypes.



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Lesson 6: Reality is not bilateral.



# Lesson 6: Reality is not bilateral.

One is never negotiating with only one other person or one other side.

Consider the following possible negotiations:

The negotiation with yourself.

The negotiation with your own side.

The other side's negotiation with their side.

The negotiation with any other active or potential stakeholders.

Reality is not bilateral!



# Lesson 6: Reality is not bilateral.

## Tools

Create a network map.

Prepare.

Build strategic alliances.

Seek to understand the situational dynamics.

# Lesson 6: Reality is not bilateral.

**Example – The cast of *Friends* form a strategic alliance**



# Lesson 6: Reality is not bilateral.

**Example – The hypothetical consumer used as a device**





# Review

**Lesson 1: Have a negotiation framework. (~10 mins.)**

**Lesson 2: Listen, paraphrase, inquire, acknowledge. (~10 mins.)**

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Discussion

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