

Win/Win Negotiating or Everybody's Negotiating Something

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“Negotiation is not natural to most physicians. We were trained to gather the data and come up with the right answer. In negotiation there is no right answer.”

Michael Hostetter M.D.

I. The Focus

Perhaps you have thought of negotiations in terms of “hard-nosed,” aggressive, and confrontational. Such characteristics may work well when negotiating the purchase of a car or house. In many negotiations, however, you are dealing with people with whom you wish to maintain long-term relationships, people with whom you will wish to do other business deals. If so, you need to resolve conflicts or reach resolution in a manner that you and the other party can both support for the long term. In these situations you need a negotiator who presses not for win/lose but rather for win/win solutions. People who sit side by side and mutually seek a joint solution to a problem are focused on win/win.

The need for negotiation occurs frequently in a physician's practice. While some negotiation is in place on the clinical side, much of the challenge arises in the business world of medicine. The issues are complex and the number of people involved is significant. In the past week it is likely that someone has asked your opinion because they were in the midst of a dilemma and needed some options for moving forward. While general advice is offered, there is no perfect solution; the negotiation process is at work. Physician negotiations may include:

- Dealing with a difficult partner in your practice
- Integration/consolidation discussions with another physician practice
- Talking with a hospital about a joint venture, affiliation or practice development opportunities
- Managing everyday operational and staffing issues within the practice
- Renewing a contract with a payer.

The context may differ in each of these situations, but what you need to bring to these discussions is the same.

II. The Plan

As an active participant, what does win/win-negotiating mean for you the physician negotiator? First of all, it means you plan.

There may be a few people who are genetically wired to negotiate. If you are not, you need to be a bit more methodical. You need to articulate: “What are our interests?” “What are our options?” “What will we do if we cannot satisfactorily come to a joint

solution?” More importantly, however, you need to be able to answer these questions for the people with whom you are negotiating. Formulate the answers to these same questions from their perspective. Do you understand their needs, their vulnerabilities and their options? Thinking through this process helps you plan options that may meet the needs of both parties.

In order to accomplish this dual planning, some people develop planning sheets in two columns: on one side is their party’s list of desired outcomes, major concerns, and possible options. In the second column complete this same list for the other party. Flesh out this sheet as much as you can before you begin talking. If you are representing a number of physicians gather their input. Think through the following in detail:

- Desired outcomes: What does each party want from the negotiation? Why are you talking? What is the dream you each have that brings you to the table?
- Concerns: What would make the deal hard to sell to your constituency? Are there needs for security (versus risk), control, dollars, or even face that need to be met through the deal? Many physicians are risk adverse and will take a smaller upside return if the downside risk is smaller. Similar concerns can make or break a deal. These concerns may be apparent or you may need to discern these from your conversations.
- Options: What are the best options for the deal that you can imagine? What issues could you put on the table that do not mean much to you, but might be very meaningful or useful to the other party? Providing first rate billing services, malpractice insurance, or managing physician call, might be a few items that could enhance a negotiated deal.
- Bottom line: No plan is complete without a well thought out walk away position. If you cannot come to agreement, what will you do? When you know this position very clearly, you can more easily evaluate positions that may be offered. Of course, you will know what you believe to be the other party’s best walk away position, so you can offer strategies to improve on these. And, at the appropriate time in negotiations, you may decide to use your walk away position to press for resolution.

Having your outcomes, concerns, options and walk away position well articulated will give you power. You need to know what outcomes and options are ideal and which ones you can live with. Keep this information updated as you proceed with the negotiations. This knowledge provides the building blocks for a deal that both parties can support.

III. The Process

A process needs to be established that clearly defines the rules of the road and assures the environment is geared to a win/win outcome. Keep a few key factors in mind when you are actually in the process of negotiation. Insulate your hot buttons. Not everyone has a personality you will enjoy. Not everyone will be tactful.

Some people may seem to be intentionally trying to antagonize you. Your job is to stay focused on the deal and not on emotions that will not help the deal. Take a break. Keep your head clear. Stay focused.

Go forward. Draw out the other side. Actively seek to understand their position. Confirm from them what outcomes they desire, what are their concerns about the deal, what options do they see as being feasible.

Seek their solution to the issues that you are facing. You can ask “What would you do if you were me, taking this deal back to my partners?” “How would you sell it?” Confirm any tentative solutions that you reach: “Will this meet your need to (fill in the blank)?”

Create the future together

Use ideas and solutions from both sides. Attribute ideas and solutions to the other party so the groundwork is laid that the emerging solution is truly the product of both parties.

If the push to reach resolution is losing steam, ask, “What will you do if we walk away from this?” You may wish to volunteer what you will do if you walk away from the negotiations. Knowing your walk away position helps you evaluate whether you can come up with a better joint solution, or if walking away is in fact what needs to be done. Sharing this option can also bring both parties back to the table with renewed energy for finding an option that is better for both parties than their respective walk away positions.

Reinforce where your discussions have taken you, so that it is evident that you have truly designed the deal together. This is a powerful tool in having a solution that is not only mutually supported, but about which both parties feel good.

The Good Negotiator

Who can be the quarterback to such a process? Obviously not every one makes a good negotiator. When looking at the above planning and process requirements, the characteristics for a good negotiator may not be what you would assume. Good negotiators:

- Listen well and hear what people are really saying (perhaps behind their words)
- Think well on their feet
- Can formulate creative solutions and draw on options not previously on the table
- Want to not only do a business deal for today, but build a lasting partnership
- Know when to be generous and when to confront
- Behave respectfully
- Stay on task with the issue at hand
- Have their own emotions well in control e.g. no hot buttons that will ignite and potentially disrupt the process.

There may be an assumption that the physician will lead the process. After all, physicians generally lead definitive processes with decisions driven by fact. If you choose not to be at the center of the negotiation process, this must be clearly stated. Recognize that someone else will negotiate on your behalf and you will be included when they request input.

Conclusion

The healthcare field today is filled with opportunities that need to be negotiated. As consolidation, alliances and joint ventures increase, this need to negotiate will only

grow. Every aspect of healthcare benefits from the active involvement of physicians. The skill of negotiation must be developed and nurtured with the physician who is a great negotiator mentoring others.

Negotiating may be new to many physicians. There is no single right answer in negotiations, which is the opposite of how most physicians are trained. Still, there is an overlap in skills between negotiations and physician training. In win/win negotiation setting, physicians will find that their skills at listening and problem solving from divergent data will help them to reach solutions that are embraced by both parties in the negotiation process. Consequently, physicians with these skills can serve as very effective negotiators.



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