Post-lecture handouts
[subset of slides at event]

Panda Principles:

Lessons about Negotiation from Toronto Zoo's Experience with China

Stephen E. Weiss
Schulich School of Business

TZ Goals

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The Negotiation Challenge

"The other side (China) has so much bargaining power"

China's strength

- one source of pandas in the world (only two agencies)
- limited supply: endangered species, < 2000 in the wild
- symbolic value to China: "national treasure"
- restrictive loan practices (few recipients)
- standard (fixed) agreement terms (e.g., US$10+ mn fee)

- huge demand worldwide: many alternatives for China

TZ's weakness

- TZ's limited financial resources
- no substitute for giant pandas
- high cost of panda care (enclosure, food, etc.)
- national and international regulations
- opposition from animal rights and other NGOs

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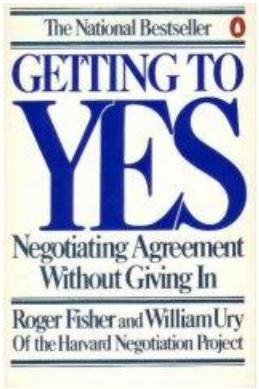
Common Advice: Use Good BATNA



Best Alternative To a Negotiated Agreement
alternative way to satisfy a set of interests

Qualities:

- outside the current negotiation arena/counterpart
  [it is not the bottom line for the issue at hand]
- only one
- comprehensive
- concrete, probable, reliable
- not always good [but best of what's available]

BATNA content vs. BATNA value

What else can one do?

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Issues in Panda Negotiations

Topic	Potential Issues
Relationship as a whole	What is the general purpose of this relationship? What interests do the parties share? What principles should guide this relationship?
Panda attributes	How many? What are the selection criteria? Who will select the pandas?
Visit duration and sequence	Length of stay at each zoo? If each zoo does not receive its own panda(s), which zoo will host pandas 1st, 2nd and 3rd?
Animal care	Who will set the standards for panda accommodations, nutrition, and medical care at the host zoos? How will these standards be monitored and enforced?
Offspring	If a cub is born in a Canadian zoo, what are the zoo's rights and responsibilities? Who owns the cub? What if a proffered "breeding pair" does not breed?
Research and publications	Can the CDNP pursue panda research that goes beyond the original research plan submitted to CAZG? Who owns the output (copyright) of CDNP zoos' research?
Financial contributions	What is the annual fee for the pandas? Are other funds to be provided by the CDNP in addition to the fee? Will CAZG provide an annual report to the CDNP on use of these funds?
Transportation	Who is responsible for domestic (within China, within Canada) vs. international transportation of the pandas? Who pays for which expenses?
Insurance	What is the amount of coverage for major events (e.g., death of a panda)? Who is the beneficiary? Who pays the premiums?
Contract duration	How long will the overall contract last?
Disputes and termination	How will unforeseen issues be handled? Under what conditions may pandas be returned or exchanged? Can this agreement be terminated prior to its expiration date?

CWCA
CAZG

Standard agt. terms (1992)

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Interests of the Parties (Behind Issues)

TZ

- improve financial health, long term viability
- increase the zoo's popularity, status in the city
- pursue its mission to educate the public about wildlife
- enhance its international reputation
- engage in scientific research, extend expertise

Plus interests of:
- Federal Government
- Individuals

Chinese NGO (CAZG)

- scientific expertise – animal care, breeding in captivity, reintroduction to the wild
- funds for Chinese zoos and conservation programs
- preservation of the species ("national treasure")
- better relations with non-Chinese zoos - access to animals
- political capital, goodwill vis-à-vis PRC government

Plus interests of:
- Ministries (Construction, Forestry, Foreign Affairs)
- National Government, Communist Party

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TZ Initiatives over 30 Years (to 2008)

1970s	Toronto Zoo (TZ) makes initial requests for giant pandas via PMO
1973-79	various initiatives by PM Trudeau, Granby Zoo, etc. to obtain pandas
1985	pandas visit TZ for 3 months
1988	pandas visit Calgary Zoo (CZ) for 7 months
1991	City of Toronto and TZ reps visit Chongqing and inquire about pandas
1994	TZ and Chongqing Zoo sign "sister zoo" MoU on exchanges of animals, including pandas
1995-99	[periodic, federal and city government and zoo communications between Canada and China]
2000	City of Toronto and TZ reps visit Chongqing
…	
2003	City of Toronto and TZ visit China, Chongqing; TZ and Chongqing Zoo sign letter of intent to exchange animals, including pandas
2004	TZ prepares feasibility study for giant panda loan; panda plans put on hold
2006	*TZ Board revisits panda plan, gauges federal government interest*
2007-8	CZ explores pandas, earthquakes in Chengdu/Woolong, Beijing Olympics

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CDNP-CAZG Negotiations: Key Actions

2009-2011

2009	Jul	Toronto, Calgary and Granby zoos considering forming *consortium (CDNP)*
	Nov	TZ sends reps to China to reaffirm 2003 commitment; talks with CAZG
	Dec	*PM Harper visits China*, expresses desire for pandas to President Hu
		TZ creates Giant Panda Acquisition Task Force
2010	Mar	*consortium develops "panda magic" proposal* for DFAIT and PMO
	Jun	President Hu attends G8 in Canada, discusses pandas with Harper
	Jul	after governments complete their work, *Consortium reworks proposal* and sends it to CAZG
	----	*negotiations by letter and email* (e.g., over enclosure specs)
	Sept	*CDNP requests multiple pairs, shorter loan period, arrival in 2014;*
		also proposes Canadian panda trust fund for conservation and research
	Oct	CEOs of 3 zoos visit Beijing, sign letter of intent with CAZG
2011	Jan	*Granby Zoo drops out* of consortium
	Feb	final version of agreement approved by CAZG, not announced
2012	Feb	Harper visits China, agreement formally signed and announced

3 months

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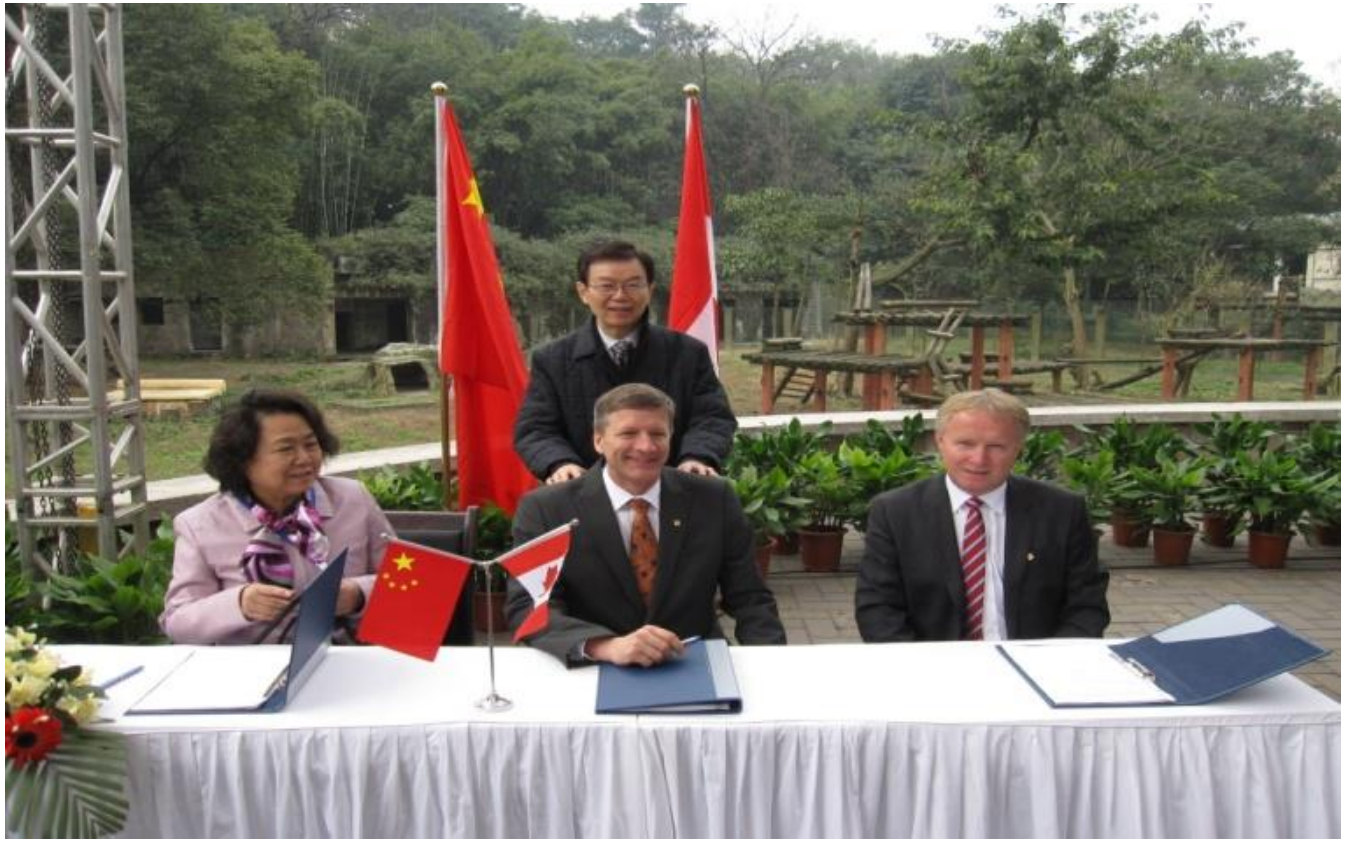
CDNP-CAZG Agreement

(signed Jan. 11, 2012; announced by PM Harper on Feb. 11, 2012)



- Toronto Zoo (5 yrs), then Calgary Zoo (5 yrs)
- standard financial contribution of US$1 mn/yr
- renovated enclosure acceptable
- cubs: one-time fee of $100,000/cub
- insurance: US$1 million/panda

Pandas arrived on March 23, 2013
Exhibit opened on May 18, 2013

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Ten Principles for Negotiators

1. Examine what you can afford, and set clear financial limits.
2. Know—highlight—your distinctive resources and capabilities.
3. Seek partners and build a strong coalition on your side.
4. Identify the counterpart's key decision-makers, the critical path to them.
5. Act at the "ripe" moment.

6. Go "out of the box": create, propose non-standard terms of agreement.
7. … *[deleted for handout set]*
8. …
9. …
10. …

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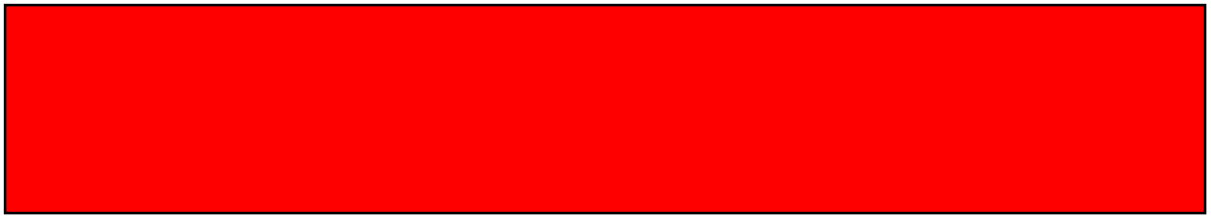
Extras



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Model Agreement for Panda Loans (1992)

(cf. San Diego-CWCA Agreement of 1994)

- purpose: long-term, cooperative research with Chinese scientists
- a breeding pair of giant pandas
- host zoo environment to be inspected by Chinese specialists in advance
- host zoo staff to be trained by Chinese panda keepers
- US$1 million/year to China for wild habitat protection projects
- duration of loan: 10 years

- in the event of offspring, an additional fee of $600,000/year per cub (cubs to stay with their mothers for 3 years then return to China)
- panda parents and offspring to remain the property of China throughout the loan period
- technology transfer to China …
- supplementary funds to China (equipment, salaries) …

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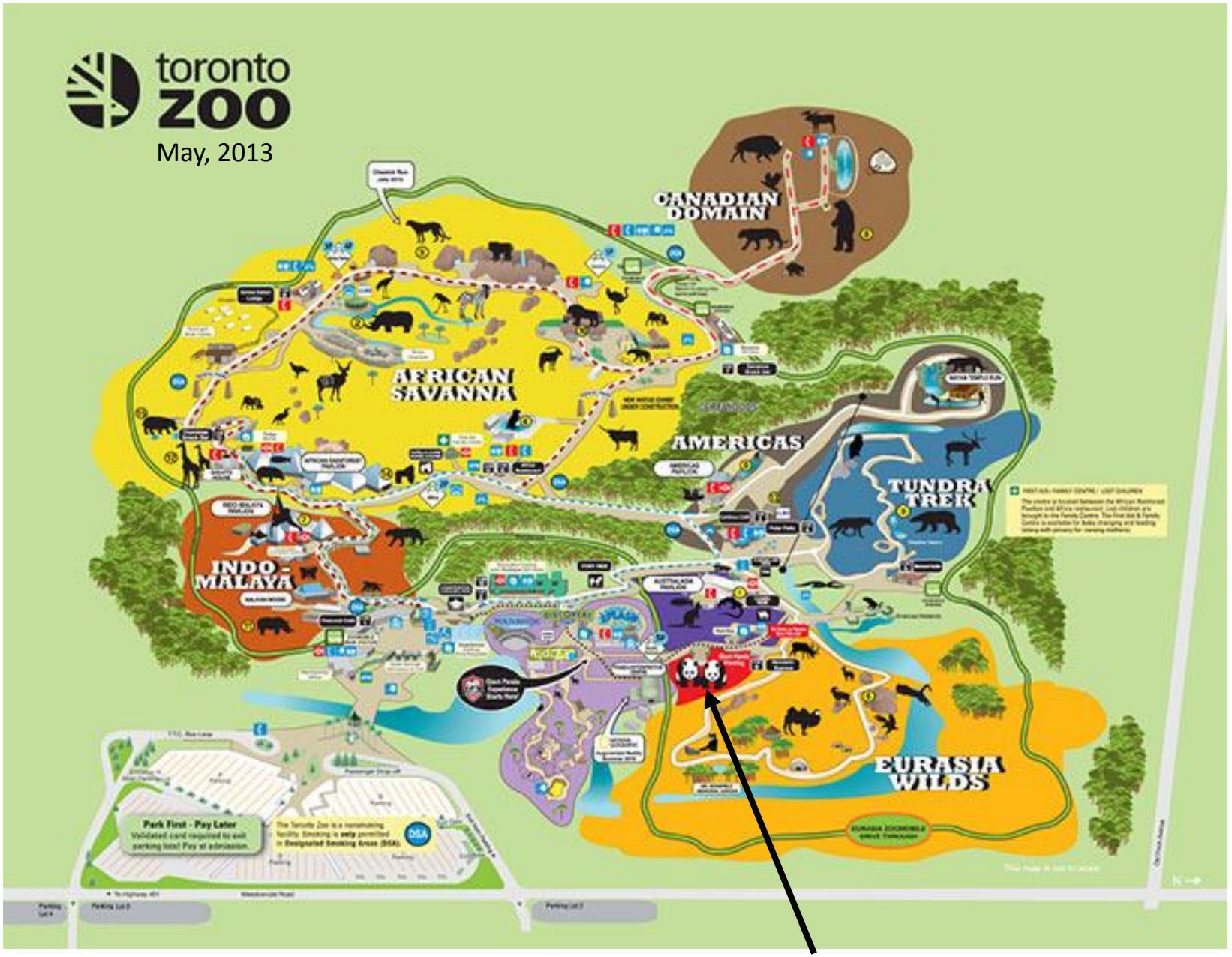

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toronto zoo
Same planet. Different world.

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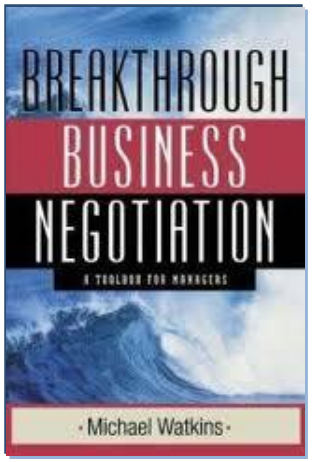
More Tips for Countering Power



2002

"Dancing [Negotiating] with Elephants"

- Never do all-or-nothing deals
- Make them smaller
- Make yourself bigger
- Build momentum through a sequence of deals
- Harness the power of competition

- Constrain yourself
- Hold the informational high ground
- Take control of the process
- Negotiate with implementation in mind
- Build superior organizational capabilities

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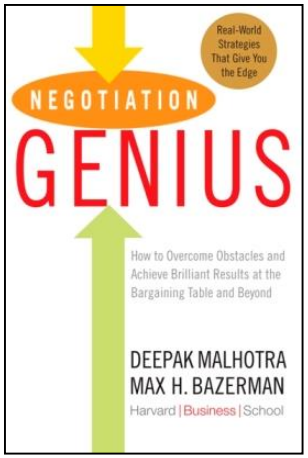
More Tips for Countering Power



2007

"Negotiating from a Position of Weakness"

<u>Negotiating without Power</u>

- Don't reveal that you are weak
- Overcome your weakness by leveraging their weakness
- Identify and leverage your distinct value proposition
- Consider relinquishing what little power you have
- Strategize on the basis of your entire negotiation portfolio

<u>Upsetting the balance of power</u>

- Increase your strength by building coalitions with other weak parties
- Leverage the power of your extreme weakness--they may need you to survive
- Understand--and attack--the source of their power

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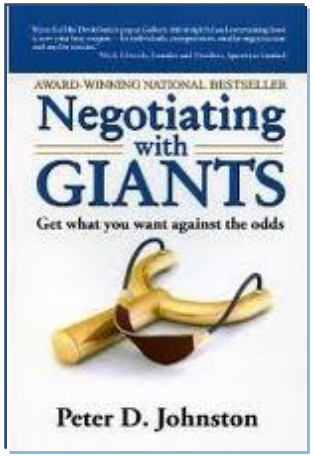
More Tips for Countering Power



2008

- Defend yourself from the start
- Level the playing field: make them smaller and weaker
- Level the playing field: make yourself bigger and stronger
- Craft golden deals
- Stand tall in conversations

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