

# NEGOTIATING WITH DEANS

*not to mention hospital CEO's, surgeons,  
nurses, and just about everyone else*

Steven J. Barker, PhD, MD  
Professor and Head  
Department of Anesthesiology  
University of Arizona College of Medicine  
*SAAA -- 2010*

## Starting point of any negotiation: *What do you each want?*

- What do you as a new chair want from the dean?
  - Money \$\$\$.
  - Space.
  - People.
  - Help with external relationships (e.g., hospital).
  
- What does the dean want from you? *It is very straightforward:*
  - The OR's must run on time.
  - The OR's must run on time.
  - The OR's must run on time.

## COMMUNICATE!

But before you start “communicating,” ask yourself:

- What is your dean's style of communication? Options:
  - Frontal assault – direct approach.
  - Indirect – “nuanced” approach.
  - PowerPoint personality?
  - One-on-one, small groups, large groups?
- How does your style interact with his/hers?

- If the dean is “nuanced” and you are frontal, you might have a problem. *Adapt your style.*

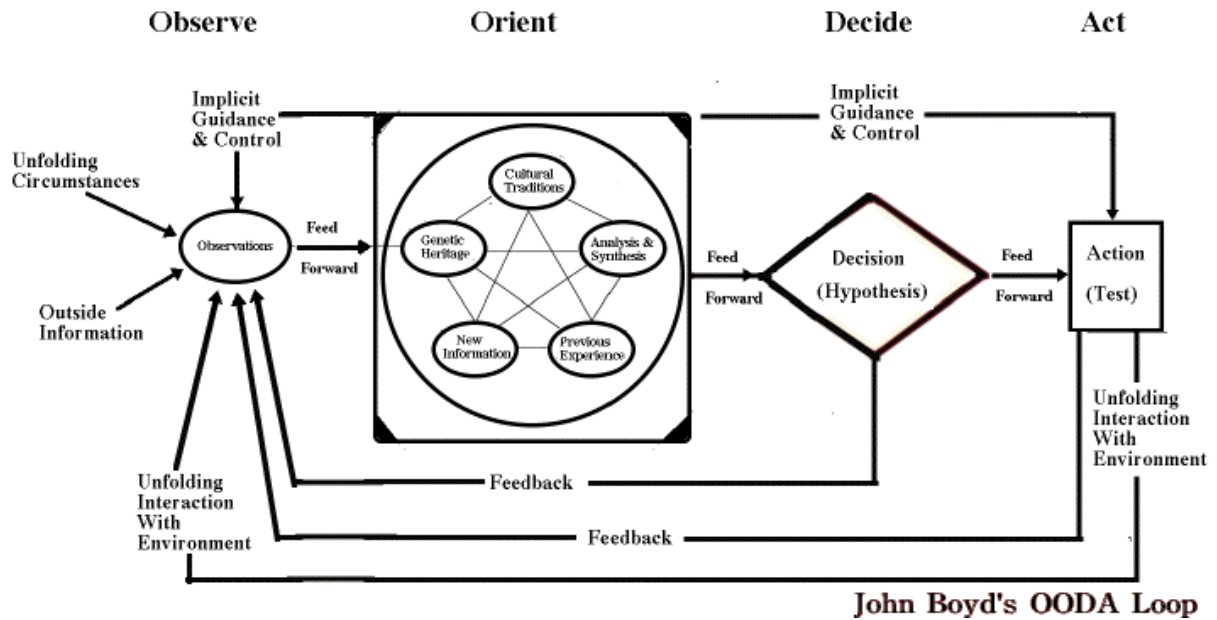
## Basic Rules:

- 1: “When you have seen one, you have seen one.” *Every relationship is unique!*
- 2: Therefore: listen, adapt, evolve. Be creative, but SAFE.  
RULE #1: *The dean can fire you!* When in doubt, see Rule #1.
- *And that leads us to.....*

## The “OODA Loop” REFERENCES

1. Coram, Robert: “Boyd, the fighter pilot who changed the art of war.” Little-Brown, New York, 2002. (*Paperback, Amazon.com*)
2. Hammond, Grant T: “The mind of war – John Boyd and American security.” Smithsonian Inst. Press, Wash DC, 2001.
3. Richards, Chester W: “Certain to win: the strategy of John Boyd applied to business.” Random House, New York, 2005.  
*[This one is included so you will know I am not totally nuts!]*

## Boyd’s “OODA Loop”



## How does OODA work with deans?

- **OBSERVE:** Listen carefully, watch body language, and get other data when possible.
  - In other words: *do your homework!*
  - What is your objective? What is the dean's objective?
- **ORIENT:**
  - *Air combat: "what will my enemy do next?" Put yourself in his cockpit.*
  - What motivates the dean? Why?
  - Are their cultural factors? What is his/her background?
  - What are his/her options? Which one is best?
  - *Which brings us to:* Compare your "BATNA" with his/hers.

## "BATNA"

### Best Alternative to Negotiated Agreement

- If negotiations fail:
  - What are your best alternatives?
  - What are the dean's?
- Which party has the Better BATNA?
  - This will determine your stance in negotiations.

- Do both parties understand the BATNA's?
  - If the dean's is better than yours, does he/she know it? *If not, keep your mouth shut!*
  - If your BATNA is better, make sure the dean knows.

## OODA, You, and Dean (cont'd)

- DECIDE: Based on "OO", choose best course of action (hypothesis) after considering all alternatives.
- ACT:
  - Consider possible consequences of action.
    - Some actions could make things worse.
    - Useful actions (Boyd also called them 'tests') get you more information as well as help solve problem.
  - Do it! *But even while doing it, you must.....*
- OBSERVE: *the dean's reactions to your action, and start the loop again.*

## *Example: OODA/BATNA with dean, hospital, and consultant*

### *Define Your Objective:*

- In Boyd's OODA, objective is always the same: *shoot down your enemy*. We must be more specific.
- OBJECTIVE: I (hypothetical chair) needed dean to pressure the hospital, so that they would negotiate a service contract with anesthesiology.

### OBSERVE

- Dean generally felt that the hospital could do no wrong.
- Hospital self-image (in 2005): Community hospital, no real connection or obligation to COM.

- Hospital CEO did not report to dean.
- No service contract (ever) between hospital and dept, little support.

## ORIENT

- Dean's objectives of this interaction:
  - The OR's should run on time, etc.
  - Please go away and don't bother me – especially don't ask me for money.
- Dean's perceptions.
  - The hospital is *almost* always right.
  - "I don't like people saying: 'you have my money.'"
  - The hospital CEO doesn't report to me anyway.
- My BATNA:
  - Give it up; continue to pay faculty salaries well below the 50<sup>th</sup> percentile. Good luck recruiting.
  - Find other sources of income?????
- Dean's BATNA:
  - I go away and quit griping about hospital.
  - Anesthesiology ends up short-staffed, and then....
  - ***THE OR's DON'T RUN ON TIME!!!!***
- Does the dean understand both BATNA's?
  - In this case, I want to be sure he does.

## DECIDE

- Alternatives: Considering my own BATNA's (which suck) I must act aggressively.
- My BATNA's are weak, but the dean's are even weaker if I can convince him of that last point.
- Hypothesis for Action:
  - Convince dean of reality of BATNA.
  - Convince hospital directly (& through dean) that they will make money on anesth service contract.
  - Make both arguments *positive* rather than as threats.

## ACT

- Dean & hospital CEO unlikely to take my word on the argument that service contract will make money for them.
- So, when you want someone who takes your watch and tells you what time it is, you.....
- HIRE A CONSULTANT!
  - It's a gamble – they might give back the wrong answer. (*That's another lecture.*)
  - Therefore, I start to OBSERVE the consultant's behavior, history, experience, and then I .....OODA the consultant.

## OUTCOME

*purely hypothetical, of course*

- Consultant reviewed department, compared with national benchmark data (UHC, SAAC, MGMA).
- Consultant recommended anesthesia service contract in the amount of \$4.2 million/yr.
- Hospital “objected” strongly.
- Contract signed after 9 months of further painful negotiations – \$2 million. *Not \$4 M, but good start!*

## OODA-BATNA: Remember it – Use it!

*Do the OODA-BATNA shuffle!*

- The combination of these tools will serve you well in *any* negotiations – not just with deans. *Even patients!*
- Remember the key to the OODA Loop is constant *feedback* and *adaptability*. Don't just “stick to your guns” when the situation changes.

**THE END**