PER 2310: Planning Your Next Negotiation

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Learning Objectives

In this session, we will:

- Examine a model for evaluating the negotiation situation that balances your needs with the needs of the other party to achieve a mutually beneficial outcome
- Walk through a step-by-step guide on key aspects of a successful negotiation, and determine how these aspects relate to your current negotiation situation
- Engage in analysis, reflection, and conversation with others to consider how you can approach your next negotiation with confidence and increased likelihood of success

Characteristics of Negotiation

Two or more parties:

- Need each other to achieve their objectives
- Negotiate voluntarily and believe a better deal is possible than by not negotiating or continuing to fight
- Expect give and take (offers and demands)

Two Choices in Negotiation (generally)

- Distributive Negotiation
  - a/k/a Adversarial, “Hard,” Positional, Win-Lose (Competitive) Bargaining
  - The choice: Claim Value
  - Result: My Way or No Deal

- Integrative Negotiation
  - a/k/a Interest-based, Principled, Win-Win (Collaborative) Bargaining.
  - Advocated by: *Getting to Yes, Harvard Negotiation Project*
  - The choice: Create Value
  - Result: Sustainable agreement based on interactive communication

Value Claimers and Creators

Value Claimers (Distributive)

"successful negotiators claim as much value as possible"

- Competitive
- Win-lose
- Distributive
- Zero sum
- Divide the pie
- Positional bargaining
- Withhold information
- Secretive, distrust, coercive

Value Creators (Integrative)

"successful negotiators create value by finding joint gains"

- Cooperative
- Win-win
- Integrative
- Positive sum
- Expand the pie
- Principled bargaining
- Share information
- Open, trust, honest

Review of Key Negotiation Terms

Best Alternative to a Negotiated Agreement (BATNA) - The best option if you cannot agree and walk out of the negotiation.

- Examples: go to court, file a grievance, do nothing (“lump it”), move away, take another job, buy a different car, go on strike, reduce effort, etc.

Positions and Interests

- **Position:** Your demand; the tangible outcome you seek. "I must have the corner office"
- **Interest:** The underlying considerations (needs, fears, concerns) that motivate your demand. "I want a window for plants. I need space for meetings. I get distracted by noise and foot traffic."
- Note: Negotiations stall if we stick to positions; they open up if we explore each other's interests.

Objective criteria: An independent standard that exists separate_from a particular issue being negotiated.

- A reference from which to make informed decisions based on relevant data.
- Examples: law, court precedent, policies, market value, "Blue Book," regulations, scientific research, by-laws, etc.

What is Your Next Negotiation?

- **Find a Partner (or two) and discuss:**
  - What are the kind of issues you need to negotiate in your work, or in other aspects of your life?
  - Think broadly – there are no dumb or silly ideas
  - We'll debrief afterward to generate multiple ideas for further consideration

Note: Please plan to work with this partner (or two) for the session

Your Next Negotiation: Strategy and Planning

- **Determine your negotiation goal. It should be:**
  - Specific with a realistic target
  - Concrete and measurable
  - Linked to the other party's goals
  - Includes both substantive and relationship goals
- **Determine your strategy and tactics to achieve your goal**
  - **Strategy**: the overall approach to accomplish your goal. It is a general orientation or style of negotiation (integrative, distributive, etc.)
  - **Tactics**: short-term moves used to enact your strategy. A specific behavior that one uses to execute a strategy
- **Determine your plan to implement your strategy**

Negotiation Planning

1. Describe the negotiation situation
2. Determine the multiple issues involved (bargaining mix)
3. Define success (a good outcome) for you
4. Understand the other party
5. Clarify your BATNA (walk-aways) and theirs
6. Brainstorm creative options and evaluate against benchmarks
7. Plan your strategy
8. Plan your agenda

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1. Describe the Negotiation Situation

What is an important negotiation you need to have?

- When?
- With whom?
- About what?
- What challenges do you face?
  - Time constraints? Economic factors? Difficult personalities? Etc.?
- What is your end goal?

Describe these matters in general terms (we'll get more specific later)

2. Determine the Multiple Issues Involved (Bargaining Mix)

What issues (needs, goals, etc.) are important to you? Which issues are:

- Tangible (concrete, physical)
- Intangible (psychological)
- Procedural (relationship, how you communicate, etc.)

Which issues are most/least important?

- Which issues are connected (i.e., satisfying one issue is dependent on satisfying another)
- Which issues are separate (i.e., important but not integral; could be traded off)

Consider these same questions for the other person (i.e., educated guess)

- Which issues may be incompatible? Where is common ground possible?

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3. Define Success (a Good Outcome) for You

What is your preferred outcome for each issue you’ve identified?

- What will be your opening request for each issue? (Note: This would be above or below your preferred settlement to achieve that goal)

What are the trade-offs?

- What issues are less important that may be traded off (if necessary) in favor of more important issues?
- What might the trade-offs be for the other party that you can leverage?

What does "success" look like? How will you know you've achieved it?

- Paint a picture, use descriptive phrases, etc.

4. Understand the Other Party

What do you know about them? What do you need to know?

How will they prioritize the issues? How does this differ from your view?

What trade-offs might they consider? What concessions might they want?

What future relationship do you seek? What is your current relationship? How will this impact negotiations? How can you improve your relationship?

How would you describe success for them? How will you help them achieve this without sacrificing your goals?

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5. Clarify Your BATNA (walk-aways) and Theirs

What are your alternatives if you do not reach agreement?

- You probably have more than one alternative of which you will decide which is "best"

What is your BATNA (Best Alternative to a Negotiated Agreement), i.e., point beyond which it is better to walk away than accept an inferior outcome

- Note: This may involve price, but also other tangible/intangible considerations

Consider the same questions for the other person (i.e., educated guess)

- What reservations might they have to your proposal?

6. Brainstorm Creative Options and Evaluate Against Benchmarks

Consider:

- At least three possible options that (ideally) are:
  - Great for both (truly collaborative)
  - Great for you, good for them (or vice versa) (relative "wins" compared to no deal)
  - Good for both (reasonable compromise, even if not fully satisfactory)
- How trade-offs can be dovetailed (e.g., you can concede something important to them because it matters less to you. And vice versa)
- Benchmarks (objective criteria) by which to assess whether an option is fair
- Any unacceptable options based on BATNA (walk away rather than accept)
- How the other party may evaluate options, and how you will respond

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7. Plan Your Strategy

Will you be integrative (interest-based, collaborative) or distributive (adversarial, positional)? Or something else?

- Recommended: Interest-based

What strategy do you expect the other party to take? Why might they select this strategy?

How will you turn them to a more collaborative approach?

How to Turn the Other Side to Principled (interest-based) Negotiation

- **Focus on what you do** (indirect approach)
  - Influence them simply by doing principled negotiation
  - Change the game by playing a new one
- **Focus on what they do** (direct approach)
  - Direct their attention to merits
  - Follow principled negotiation steps and ask them to do so also

8. Plan Your Agenda

- What research do you need to do on the issues so you can argue for them convincingly? Do you need graphs, charts, figures, other notes and data, to communicate clearly?
- In what sequence should you present your arguments and information?
- What arguments can you anticipate, and how will you respond?
- What tactics will you use to encourage agreement? What ground rules will you suggest to encourage a collaborative approach?

8. Plan Your Agenda (continued)

- What are the logistics? Where? When? What environment is best?
- Who else is involved or needs to be consulted before or after? How will they be incorporated?
- If unsuccessful, what are you prepared to do? (assess your BATNA)
- If successful, how will you ensure follow-through on the agreement?

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Successful Negotiation = Successful Preparation

- Prepare for negotiations in advance
- Clarify goals and measures of success
- Diagnose the "problems"
- Identify barriers to agreements
- Develop creative options
- Know when/how to share information
- Learn about your needs and the needs of others
- Build in ways to resolve future conflicts

Thank You!

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