

YES! The Interactive Negotiator

Preparation

Preparation is the critical phase of principled negotiation. Preparation may take time, but in the long run it usually saves more time than it takes. Experience demonstrates that negotiators are best prepared when they use a systematic approach.

Interests: You and others involved in or affected by a negotiation would like an outcome that meets your respective underlying interests – the things that matter most to all parties. The more you have thought about your interests in advance, the more likely you will be able to meet them in the negotiation.

Alternatives: Before you sign a deal, or turn one down, you should have a good idea of what else you might do to satisfy your or their interests if no agreement is reached. Developing your best alternative to an agreement, and estimating that of the other parties, will prepare you to make a wise choice in the negotiation.

Legitimacy: This refers to an external standard (laws, traditions, professional practices) with which you can assess if you are being treated fairly. Thorough research into legitimacy will prepare you with persuasive arguments for certain terms and help you defend against unfair proposals.

Options: This means the possible ways you might satisfy your interests with the other parties in the negotiation. The more options you prepare for discussion, the more likely you are to have one that will meet the mutual interests of the negotiating parties.

Relationship: You Should think about how to build a relationship with the other parties at the negotiating table that facilitates, rather than hinders, agreement. Reflecting on how you might improve the situation will help you to take constructive approaches and avoid unhelpful reactions.

Commitment: The quality of an outcome is also measured by the quality of the promises that are made. Think in advance about the specific promises that you or others might make during or at the conclusion of a negotiation.

Communication: A good outcome requires good two-way communication as each side seeks to influence the other. Think in advance about what to listen for, what to say, and how to do each.

Negotiation

Review

Negotiation is when two people or more are communicating with each other, each trying to influence the other, with the hope that together they can do better than they will elsewhere.

Dimensions of a Good Outcome: It will serve my interests and yours reasonably well. It will be the best of many options we can agree upon. It will be legitimate in the eyes of each of us. Commitments will be well crafted and durable and workable. It will certainly be better than our alternatives away from the table. We will have reached it efficiently by good communication. And it will be an outcome that tends to improve rather than damage the working relationship.

Something that satisfies both sides is what we are looking for.

BATNA: Best Alternative To a Negotiated Agreement

Real power is determined by the ability to walk away. The better I understand your interests, the easiest it is to persuade. We enhance our power by being better prepared on every element.

Disclose BATNA if it better than the other side thinks it is. Do not disclose it if it is worse than the other side thinks it. If you have a good working relationship, you may want to disclose it to get the other side's help.

Alternatives do not require the consent of the party I am negotiating with.

Options: No need to simplify. Brainstorm. Bring other variables in. Create options for mutual gain. Look at the interests and then try to put them together in some way.

Relationship: The ability to deal with our differences sensibly. Need a joint problem solving relationship.

Be aware of your feelings and of the feelings of the other side. Acknowledge differences.

Negotiation is not giving in. It makes it possible to do something.

When you are open to persuasion you are most influential. And you are least open to persuasion when you are behaving like an advocate.

Treat every negotiation like joint problem solving session. The closer the collaboration, the greater the likelihood that we will produce a good result.

Clarify interests, develop some standards before you start locking in on numbers.

We need to work out something you can sell to your constituents and something I can sell to mine.

Diagnose each situation and what elements are at play and then respond appropriately to that situation with a crafted solution.

Need open inquiry as to what might work and why a particular position is taken.

Don't like the game? First understand the game and then change it. Bring in another element. Understand what elements are in play and then bring another element in.

Showing respect and admiration for the other party's interests can make that party more sympathetic to reaching an agreement.

Interests are never really opposed. There is always some way to reconcile them for a good agreement for both sides.

What worked? What would you do differently?

Unless I can satisfy your interests enough so you like the agreement, enough so you are prepared to implement the agreement, we won't reach an agreement.

Your interests are more likely to be satisfied if you honestly let the other party know what they are.

Shared Interests: Focus rigorously on the other party's interests and those that you both share; briefly defer talking about money to work on the relationship; then introduce the concept of fairness and then try the standards.

Questions

Interests

Preparation

1. As part of interests, did I consider not just goals, objectives, motivations, needs, wants and hopes, but also concerns and fears?
2. Did I consider not only tangible and quantifiable interests, like money, but also intangible interests like reputation, respect and ego/
3. Did I consider the interest of all stake holders, not just my own?
4. Have I considered each stake holder's range of interests; personal, particular to their role, on behalf of their institution, industry, or other relevant group?
5. Did I rank interests in order of importance?

Conducting the Negotiation

1. Did I explain my own interests in a way they could understand?
2. Did I inquire into their positions in search of their interests?
3. Did I stay focused on the most important interests?
4. Did I learn anything new about their interests or my own during the negotiation?
5. Did I solicit criticism of possible options as a way to understand the interests which they failed to satisfy?

Goals

- o Interests of the parties are satisfied:
 - Ours, as well as possible
 - Theirs, at least acceptably, but also as well as possible

Alternatives

Preparation

1. Did I identify my alternatives to an agreement?
2. Did I evaluate which alternative best meets my interests, and select it as my BATNA?
3. Did I consider how I might try to improve my BATNA?
4. Did I estimate the other parties alternatives and BATNA?
5. Did I consider how I might reality test or worsen their BATNA, if appropriate?

Conducting the Negotiation

1. Before reaching agreement, did I compare the package of options on the table to my BATNA to ensure that it better satisfied my interests?
2. If I thought they were overestimating their BATNA, did I reality test it by understanding how it met their interests?
3. If I thought they were underestimating my BATNA, did I consider revealing it as a warning, not a threat?
4. Did I use discussions about BATNA as an opportunity ...
 - to learn more about their interests
 - to determine if a negotiated agreement is likely to satisfy the parties' interests better than either party's alternatives
 - to create options jointly that are better than our alternatives

Goals

- o If an agreement was reached, it satisfies my interests better than my BATNA

Legitimacy

Preparation

1. Did I consider many sources of standards/criteria, such as industry trend, precedent, market value, expert opinion, law, opinion of a neutral arbitrator, etc?
2. Did I focus on finding standards that are objective and independent of the willpower of any party?
3. Did I consider a broad range of relevant standards, not just the ones I like?
4. Did I assess which standards might be most appealing to the other party and why?

Conducting the Negotiation

1. Did I use standards as a basis for discussing fairness?
2. Did I introduce the subject of legitimacy explicitly?
3. Did I begin by discussing the standard before I applied it to this situation and advocated for a number or result?
4. Did I seek to persuade the other party or parties on the basis of these external standards as opposed to other bases like power, goodwill, threats, etc?
5. Did I use standards to avoid being coerced or yielding to pressure?
6. Did I distinguish between willpower (what we want) and objective standards (what we out to do) as the criteria to determine what I'll agree to?

Goals

- o Any agreement reached should be based on mutually compelling standards of fairness so that no one feels "taken"

Options

Preparation

1. Did I generate many options?
2. Did I generate options before evaluating them?
3. Did I create options to address my most important interests, and theirs?
4. Did I focus on options that might generate joint gains?
5. Did I create options to satisfy intangible interests as well as tangible ones?

Conducting the Negotiation

1. When generating options, was I explicit that options were possible ways of satisfying interests and did not constitute commitments?
2. Did I pay attention to maximizing joint gains?
3. Did I create new options after learning new information from the other party's negotiator?
4. Did I invite criticism and improvement of options I proposed, and then generate additional options based on these criticisms?
5. Did I solicit options from them?

Goals

- o Many creative options were generated
- o The options selected in the agreements (if agreement was reached) are among the best of many possible outcomes, in that they best satisfy the most important interests of the parties
- o The options selected in the agreement generated mutual gains for the parties

Relationship

Preparation

1. Was I clear about what kind of relationship I wanted?
2. Did I identify if a gap existed between our existing and preferred relationship?
 - o If a gap did exist, did I consider possible outcomes?

- In light of these causes, did I consider what approaches I might take to improve the current relationship?

Conducting the Negotiation

1. Did I separate the people from the problem and deal with each on its own merits by:
 - Discussing relationship issues separately and explicitly
 - Attacking the problem, not the people
 - Using interests, options, and legitimacy to address the problem
 - Acting as a joint problem solver rather than an adversary
2. Did I treat the other party with respect and accept them as individuals whose views merit my consideration?
3. Did I make a clear distinction between their views, with which I may disagree, and their intrinsic worth as people, which I should respect?
4. Was my behavior likely to be seen as trustworthy by the other party?

Goals

- The process improved (or at least maintained) the working relationship
- We know it has been improved if the next time we negotiate with that party it will be easier than it was this time (or at least not more difficult)

Commitment

Preparation

1. Did I consider if I had authority to commit, and what level of authority the other party's negotiator had?
2. Did I outline what I needed in a well-planned commitment? What they might need?

Conducting the Negotiation

1. Was I explicit about separating the creation of options from deciding among them during the negotiation?
2. Did I succeed in delaying commitment on the substance to the end of the negotiation, only after all parties had:
 - Explored interest fully
 - Created many options for mutual gain
 - Maximized the value of the possible agreement for both parties
 - Sought out relevant, persuasive standards of legitimacy, and used them to help decide among the options being discussed
 - Compared the most desirable options on the table to our BATNA to determine which of these met our interests best

Goals

- A well-planned commitment, which is defined as:
 - Realistic: I am able to do what I committed to and have the authority to achieve it
 - Operational: I have defined who will do what, when, how, etc.
 - Sufficient: the agreement I reached actually deals with all of the issues at hand, and satisfies the interests of the parties better our BATNA's

Communication

Preparation

1. Did I have a plan I could use to achieve a "good outcome" for all parties?
2. Did I consider how my perceptions might be different from theirs? Did I plan to inquire into these differences before acting on the conclusion that their perceptions were wrong?
3. Did I identify the subjects I should avoid, subjects about which I should inquire, and those which I should explain?

4. Did I consider how I would avoid, inquire about, or explain issues most effectively to the other party?

Conducting the Negotiation

1. Throughout the negotiation, did I explicitly discuss the process for negotiation when the other party seemed to be using a different one?
2. Did I promote two-way communication by inquiring before advocating?
3. Did I check my understanding to show the other party that they've been heard?
4. Did I explain the reasoning behind my statements and inquire into theirs?

Goals

- The process involved effective, efficient, two-way communication
 - Each of us understood what the other one intended to say
 - Our communication was concise and productive
- Negotiators used a process that enable them to use all of the elements well as they negotiated
 - When necessary, we were explicit about the process by which we were negotiating
 - We used all seven elements in the negotiation