

Negotiation Power

By: Bruce Patton



You know you should prepare for negotiation, but often you don't. Preparation increases the odds of a desirable outcome.

People often do not prepare for negotiation because preparation takes time, energy, and hard work; preparing removes one excuse for not doing well; and some people believe that preparation will not help — the outcome will be determined by the relative resources and “power” of the parties. But, the outcome is not fixed. Sometimes David beats Goliath. Preparation can change the outcome and maximize your negotiation power.

Preparing well involves more than learning “the facts.” Good preparation does not focus on creating a “script” or a bag of “tricks.” These tend to be pointless or counterproductive unless used in the service of a sensible purpose.

Seven Elements of Negotiation

To prepare well, you need an approach that is helpful no matter what the context or personalities involved. At the Harvard Negotiation Project, we developed a seven-element framework to maximize your negotiation power.

1. Interests Whose interests are at stake? Why are you each negotiating? What do you want? These are your interests, needs, concerns, desires, and fears that lead you to negotiate. Where are interests shared? Where are they different, perhaps complementary? Where do they conflict? Interests can be tangible, like “getting the job” or intangible, like “feeling fairly treated.” Intangibles are often more important than tangibles. Even when people’s demands conflict, their interests may be compatible.

2. Alternatives What will you do if there’s no agreement? We define alternatives as ways of meeting your interests that do not require agreement from the other side. Remember these as alternatives away from the table. The goal of negotiation is not an agreement, but rather an outcome that is better for you

than no agreement, if that’s possible. To make wise choices, you need to know your best alternative to a negotiated agreement (BATNA). Your BATNA determines when you should walk away. If you haven’t figured it out, you may agree to something you later regret, or reject something you later prefer. For an agreement to be acceptable to the other side, it must also be better than their BATNA. So, estimate their alternatives, too.



3. Relationships Often negotiations occur in the context of an ongoing relationship that you would like to maintain or improve. Even in “one-shot” negotiations, you should seek a relationship that is conducive to the outcome you prefer.

4. Options What are some ways to satisfy both parties? If meeting your interests in a certain way requires getting the other side’s agreement, learn what it will take to get that agreement. Think about how the other side sees the situation and what their interests are. We refer to ways of meeting your interests that require the other side’s agreement as options. Because they require negotiation to implement, you can remember them as options on the table. Explore how those interests might be met in an agreement, how shared interests can be maximized, and how different interests can be met in creative ways. Enormous value is left on the table when parties don’t look for ways to meet both side’s interests, instead they spend their time in adversarial arguments over conflicting interests.

5. Legitimacy You (and others) have an interest in legitimacy — feeling fairly treated. Many negotiations fail not because the economic terms are unattractive, but because one or both parties don’t feel fairly treated. Think through possible arguments on both sides. Be prepared to make your best arguments persuasively, and to have a good answer for their arguments. Legitimate standards are more likely to persuade your counterpart than threats, demands, intimidation, or intransigence. Precedents, objective standards, and fair principles represent the wisdom of the community in dealing with similar problems. If you use them to guide your own decision-making, you are less likely to regret those decisions later.

6. Commitments Options are possible agreements or pieces of agreements. They don’t become actual agreements until someone makes commitments to do them. A handshake agreement may be more binding than a signed contract. In some alliances, the contract is a living document that is regularly amended, serving more as general principles than operating rules. Think about the form and content of the agreement you hope to negotiate. How detailed does it need to be? Imagine the implementation process step by step, noting who would have to know what to act at each step. Use this as an agenda to make sure you don’t overlook something important.

7. Communication Think through the process of the negotiation — how you talk about all of this. Are you adversarial or collegial? Organized or freeform? Where will you meet? How often? Who should be there? What should be the agenda? How should the participants see their roles? What do you want to learn from them? How will you look for creative options with the best chances of success? How should disagreements be resolved?

This framework takes time to learn and practice to master. Valuable information about interests, options, and standards may be hard to come by, because it is considered confidential or strategic.

It’s worth the effort, of course, because negotiation preparation equals negotiation power. To the victor go the spoils; to the prepared goes the victory.

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