

2-1997

The Negotiation Checklist: How To Win The Battle Before It Begins

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Recommended Citation

Simons, T., & Tripp, T. T. (1997). The negotiation checklist: How to win the battle before it begins. *Cornell Hotel and Restaurant Administration Quarterly*, 38(1), 14-23. Retrieved [insert date], from Cornell University, School of Hospitality Administration site: <http://scholarship.sha.cornell.edu/articles/671/>

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Abstract

Being well-prepared going into a negotiation is key to being successful when you come out. This negotiation checklist is a tool that can maximize your preparation effectiveness and efficiency.

Keywords

negotiation, hiring decisions, BATNA

Disciplines

Hospitality Administration and Management

Comments

Required Publisher Statement

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The Negotiation Checklist

How to Win the Battle Before It Begins

by *Tony Simons and Thomas M. Tripp*

Being well-prepared going into a negotiation is key to being successful when you come out. This negotiation checklist is a tool that can maximize your preparation effectiveness and efficiency.

Preparation increases your chance of success, whether in combat, sports, or negotiations. The well-prepared negotiator knows the playing field and the players, is seldom surprised, and can promptly capitalize on opportunities. This article offers a tool for use in effectively

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negotiating important transactions and disputes.

Making deals is a key part of being effective in business. Managers and executives negotiate constantly over issues as varied as hiring decisions and purchases, corporate resource allocations, and labor contracts. One could argue that the American system of government is based on an ongoing process of negotiation, which is sometimes successful and sometimes not.

The "negotiation checklist" that we present in this article is a systematic way to make sure you are well-prepared before you walk into your next negotiation. It is based on proven principles of negotiation that are taught at several of North America's top business schools. The techniques we describe apply whether you are getting ready for a labor negotiation, a negotiation with a supplier, or a negotiation with a customer. This checklist is not a formula for easy success in negotiations. Rather, it is a methodical approach that requires significant work. The amount of time and effort you spend answering the questions should depend on the importance of the negotiation and on the resources you have available. The payoff for your effort emerges from the confidence and information that you gain from preparation.

The Negotiation Checklist

The negotiation checklist (in the accompanying box) is a guide for thinking about an important, upcoming negotiation. The pages that follow describe and explain the items on the list.

A. About You

1. What is your overall goal?

Start with the big picture. What basic need will an agreement address? Why are you talking to this person or this company? What do you hope to accomplish? Under-

Negotiation Checklist

A systematic way to ensure you are well-prepared before your next negotiation.

Item
accomplished

A. About You

- 1. What is your overall goal?
- 2. What are the issues?
- 3. How important is each issue to you?

Develop a scoring system for evaluating offers:

- (a) List all of the issues of importance from step 2.
 - (b) Rank order all of the issues.
 - (c) Assign points to all the issues (assign weighted values based on a total of 100 points).
 - (d) List the range of possible settlements for each issue. Your assessments of realistic, low, and high expectations should be grounded in industry norms and your best-case expectation.
 - (e) Assign points to the possible outcomes that you identified for each issue.
 - (f) Double-check the accuracy of your scoring system.
 - (g) Use the scoring system to evaluate any offer that is on the table.
- 4. What is your "best alternative to negotiated agreement" (BATNA)?
 - 5. What is your resistance point (i.e., the worst agreement you are willing to accept before ending negotiations)? If your BATNA is vague, consider identifying the minimum terms you can possibly accept and beyond which you must recess to gather more information.

B. About the Other Side

- 1. How important is each issue to them (plus any new issues they added)?
- 2. What is their best alternative to negotiated agreement?
- 3. What is their resistance point?
- 4. Based on questions B.1, B.2, and B.3, what is your target?

C. The Situation

- 1. What deadlines exist? Who is more impatient?
- 2. What fairness norms or reference points apply?
- 3. What topics or questions do you want to avoid? How will you respond if they ask anyway?

D. The Relationship Between the Parties

- 1. Will negotiations be repetitive? If so, what are the future consequences of each strategy, tactic, or action you are considering?
- 2. (a) Can you trust the other party? What do you know about them?
 (b) Does the other party trust you?
- 3. What do you know of the other party's styles and tactics?
- 4. What are the limits to the other party's authority?
- 5. Consult in advance with the other party about the agenda.

For any issue that is not discussed, the parties risk the possibility of making different assumptions.

standing your main goal helps put all the other aspects of the negotiation into perspective. Most people begin and end their negotiation planning by determining their overall goal. We suggest that it is just the beginning.

2. What are the issues? What specific issues must be negotiated for the final outcome or agreement to meet your overall goal? For example, if the overall goal is to book a successful convention, what assurances, services, and constraints will be involved? Price may be an obvious component, but it is worthwhile to consider other items, too—items that might make the agreement much more attractive both to yourself and to the other side. Delivery schedules, duration of contract, product or service upgrades, cancellation clauses, contingency plans, transportation services, complimentary room nights, and many other options all have some value to those negotiating a contract. Such side issues may be researched and introduced as part of a food contract, conference booking, or union contract that you are preparing to negotiate.

Consider also whether any of the issues you have considered might be broken down into multiple components or sub-issues. For the conference-booking negotiation, for example, you might normally consider the room-block guarantee as a single item (i.e., so many rooms reserved until such-and-such a date). In fact, breaking the room reservations down by percentages and multiple deadlines (e.g., 50 percent by one date, 75 percent by another date) might open avenues for mutually beneficial arrangements.

You should anticipate as many issues as possible for the negotiation. By doing so, you will be better informed and thus feel comfortable and confident when negotiating.

Also, the more issues you can introduce, the more likely it becomes that creative solutions will arise, as those are often built by packaging or trading off multiple issues. Creative solutions often make it easier to discover an agreement that both parties like.

By adding items to the negotiations agenda, you increase your chance of discovering some issues that you value more than the other party, and discovering other issues that the other party values more than you. Trading off such differently valued issues dramatically increases the value of the agreement to you without costing the other party. Moreover, if you know what issues the other party highly values that you value less, you can use those issues to get concessions on issues that are important to you.

Imagine that you are a food and beverage director of a hotel seeking a dry-goods supplier and that you have written a request for bids from potential vendors. You have considered your storage capacity and specified every-other-week delivery in your request for bids. Now, suppose you receive a bid from Alpha Dry Goods, which has another customer in town to whom they deliver once every three weeks. Alpha's quote for biweekly delivery might be mediocre, but it turns out that they could save you substantial money on triweekly delivery. They could save you so much money, in fact, that you consider changing your storage arrangement to accommodate their every-three-weeks delivery schedule. If you had been unwilling to negotiate the delivery schedule, you might never have discovered that opportunity. By adding delivery schedule to the agenda, you were able to discover an issue that improved the business potential for both parties. In this example, you are able to secure a lower overall price in return for a concession on delivery schedule.

In general, the more issues you can put on the table (within reason), the better off you are.¹

Another reason to consider and discuss many issues in a negotiation is that it minimizes the chance of misunderstandings in the final contract. For any issue that is not discussed, the parties risk the possibility of making different assumptions. For example, the “standard frills” that accompany a banquet may not be known by the person purchasing the banquet.

Once you agree that it’s a good idea to discuss many issues, how should you determine how many and which ones? For starters, check with your executive committee or association members. Draw also on outside resources. For example, call some friends and colleagues who have conducted similar negotiations and ask them about what issues they put on the table. Library research and obtaining experts’ opinions may be helpful, too. Lawyers can be a marvelous source of ideas about which issues to place on the table, especially for a labor negotiation. Be prepared to include all reasonable and relevant issues that are important to you, even if they are not important to the other party.

You can also call the people with whom you plan to negotiate to ask them what issues they expect to discuss and to share your plans. This kind of conversation will begin the negotiation as a cooperative process and should minimize any delays caused by either negotiator’s needing to collect additional information, to get authority, or to figure out the value of issues they had not previously considered. As we discuss later, surprise is usually not conducive to effective negotiations.

¹ There is some risk of overwhelming oneself—and one’s negotiation partner—with too many issues. We suggest a combination of moderation in adding issues with an effective system of note-taking and organization.

3. How important is each issue to you? Now that you have listed all the different issues that might be negotiated, you need to develop as precise a picture as possible of their relative importance. Which issues are most important to you and which are not particularly important? Knowing the answer to that question will help you answer the next: On which issues should you stand firm and on which issues can you afford to concede? In other words, what issues might you be willing to trade away?

Setting such priorities can be a complex task. To deal with the complexity of rating the importance of individual issues, we suggest you develop a system to keep track of all the issues without losing sight of the big picture. Many different kinds of systems are possible. The key requirement is that you list and prioritize issues so that no issue is left out when you structure and compare potential agreements. The system you use must allow you to readily determine how well each possible agreement addresses every issue. We offer one such scoring system for your use, as described below.²

We suggest developing a table that lists every issue in the negotiation. For each issue the table should list the possible range of settlements.³ You will then assign points to each issue to reflect its relative priority and to every possible settlement of each issue to reflect the

² Any method that serves as a mnemonic device to track and evaluate multiple issues and deals may work. The one we describe is one that has received much attention in negotiation courses and research. See: D.A. Lax and J.K. Sebenius, *The Manager as Negotiator* (New York: Free Press, 1986).

³ Several negotiation sessions may take place before you can identify all the issues and the range of possible resolutions for those issues. However, we recommend that you list in advance as many issues as you know about and then update the table between negotiation sessions to include additional issues and settlements.

relative desirability of resolving the issue in that way. Such a table allows you to assess the value of any proposed agreement by adding up the points it generates. You can then accurately and quickly determine which of several complex agreements you prefer. Moreover, it can help you keep the big picture in mind as you discuss the details of your agreement. We describe additional benefits in the next few pages.

The first part of Exhibit 1 (on the next page) shows an example of a scoring system that a conference organizer might use to negotiate with a hotel representative. In that example, the issues on the negotiation table are the duration of the room-block reservation, the room rate to be charged, the number of complimentary rooms to be provided, and the late-cancellation policy.⁴ The maximum number of points possible here is 100. (If the conference organizer gets 100 percent of what she wants, then she gets 100 points; if she gets none of the issues that are important to her, then she gets 0 points.) The organizer has said that keeping the specially priced block of rooms available to last-minute registrants up until the week before the conference is very important. Room rate is somewhat less critical, she says, but is still important. Complimentary rooms and the cancellation policy are also valued by her, but are less weighty than are the first two. Note that it is not critical for all the increments within an issue to be valued equally. The jump from a 21-day-out block reservation to a 14-day-out reservation, for example, is worth 20 points to the conference

⁴ Note that we have simplified the issues of such a negotiation for expository purposes. Additional issues might include cancellation clauses, airport transportation, continental breakfasts, function space, additional events or amenities, and so on.

Exhibit 1

Creating a scoring system

The example shown is a scoring system such as a conference organizer might use.

Issue 1: Block Reservation

Maximum value: 40 points

Rooms reserved until 7 days before conference	40 pts
Rooms reserved until 10 days before conference	37 pts
Rooms reserved until 14 days before conference	35 pts
Rooms reserved until 21 days before conference	15 pts
Rooms reserved until 30 days before conference	5 pts
Rooms reserved until 31 or more days before conference	0 pts

Issue 2: Room Rate

Maximum value: 25 points

\$95 per person single, \$70 per person double	25 pts
\$105 per person single, \$80 per person double	20 pts
\$115 per person single, \$90 per person double	15 pts
\$125 per person single, \$100 per person double	10 pts
\$135 per person single, \$100 per person double	5 pts
\$145 per person single, \$110 per person double	0 pts

Issue 3: Number of Complimentary Rooms and Room Cancellations

Maximum Value: 20 points

3 room nights per 100 booked	20 pts
2 room nights per 100 booked	15 pts
1 room night per 75 booked	10 pts
1 room night per 100 booked	5 pts
1 room night per 150 booked	0 pts

Issue 4: Late Cancellations

Maximum value: 15 points

No penalty up to 14 days before conference	15 pts
No penalty up to 18 days before conference	9 pts
No penalty up to 22 days before conference	3 pts
No penalty up to 26 days before conference	0 pts

Exhibit explanation: *Develop a scoring system for evaluating offers.*

To construct your own scoring system, we recommend that you use the following steps.

- List all issues of importance for the negotiation, from step 2 in the checklist.
- Rank order all the issues according to their value to you. Which is the most important? Next? Last?
- Assign points to the issues. The highest ranked issue gets the most points and the lowest ranked issue gets the least points. The sum of maximum points across all issues should be 100. The purpose of this step is to improve upon the simple rank ordering in step (b) by reflecting the size of the difference between adjacently ranked issues (i.e., how much more important the first issue is than the second, the second issue than the third, and so forth). At 40 points, room-block reservation is worth almost twice as much as the next-most-important issue, room rate. The number of complimentary rooms and room-cancellation policy are slightly less important than room rate.
- List the range of possible settlements for each issue. Identify these ranges using industry or local norms or your best assessments of realistic, high, and low expectations. It may be the case that the longest block-reservation policy in the industry is 30 days. This figure establishes a realistic low boundary. Since a seven-day-out guarantee for a block reservation is possible but rare, it establishes a challenging high boundary to which one can aspire.
- Assign points to the possible outcomes that you identified for each issue. Give the maximum number of points to your preferred settlement for that issue, and assign zero points to any settlement that is least acceptable. Now rank and assign points to the possible settlements in between the best and the worst. Consider that the point values might increase dramatically between certain adjacent pairs of settlements in the range, or might just barely increase. The most important thing to remember about assigning points is that the assignment should reflect what is important to you.
- Double-check your scoring system. In completing steps (a) through (e) you undoubtedly will make a few capricious choices based on "gut feeling." For example, you may be so focused on the room-block issue that the points assigned to the other issues could be changed by five points either way without affecting your stance. The point is to make sure your scoring system accurately reflects the important issues and highlights the critical plateaus. To check your numbers, compose three to five completely different hypothetical agreements. Each agreement should emphasize different issues. For example, one agreement might offer a cheap room rate but a short no-penalty cancellation period, while another agreement offers high room rates but a long no-penalty cancellation period. Compare the different agreements on the basis of points and intuitive value. The prospective agreement that has the best "gut feel" should also have the most points. If not, you need to tinker with the values you assigned in steps (a) through (e) or reconsider your priorities.
- Use the scoring system to assess any offer that is on the table. You should work toward obtaining the highest-scoring agreement that the other party allows.

organizer, while the four-day jump from 14 days to 10 days is worth only two points. Such a difference in value carries an important message. The organizer is saying that it is *very* important to have at least a 14-day-out block reservation, and that any improvement over that would be nice but is not critical.

Constructing a detailed and accurate scoring system can mean considerable work (see the second column of Exhibit 1). However, the task can be worth the effort for several reasons. First, it allows you to compare any package of settlements that may make up an agreement. With large numbers of issues, it quickly becomes difficult to compare different packages without some kind of scoring system.

Second, having a scoring system can keep you analytically focused while keeping your emotions in check. If you force yourself to evaluate each proposal using a predetermined scoring system, you are less likely to lose sight of your original interests during the heat of the actual negotiations. Resist the temptation to revise your scoring system in mid-negotiation.⁵

Third, a scoring system is a useful communication tool that gives you a format for soliciting detailed information about the priorities and goals of your boss, your company, or your constituency. Building an accurate scoring system can become the

topic of pre-negotiation meetings that will improve your chances of pleasing the people you represent.

4. What is your BATNA? Before you begin a negotiation, you need to have a backup plan in case you fail to reach an agreement with the other party. Negotiation scholars refer to this backup plan as the Best Alternative to Negotiated Agreement, or BATNA, for short. Are you, for instance, negotiating with the only supplier in town, or do you already have several attractive bids in your pocket? Alternatives make all the difference.

Each side's BATNA is a key factor in determining negotiation power. The better your BATNA, the better an offer the other party must make to interest you in reaching an agreement. Your BATNA—what you get if you leave the table without an agreement—determines your willingness to accept an impasse, which in turn tells you how hard you can press for a favorable agreement. You can negotiate hard for a job if you already have a few offers in your pocket. The better your BATNA, the more you can demand.

Having a clear BATNA helps protect you from accepting a deal that you would be better off not taking. Often people get caught up in the negotiation process and accept a contract they should have rejected. Knowing your BATNA can keep you from accepting an agreement that would make you worse off than you were before you started negotiating.

Having identified your BATNA, calculate its value based on the scoring system you developed for step 3. That is, if the other party were to make an offer that was identical to your BATNA, how many points would that offer achieve under your scoring system? Use that score as a reference point to identify those agreements that are worth less to you than your BATNA.

Even if it is difficult to assign a score to your BATNA because it is

qualitatively different from the deal under negotiation or because it involves risk or uncertainty, you should nevertheless assign it a rough score for comparison purposes.

5. What is your resistance point? Your resistance point is the worst agreement you are willing to accept before ending negotiations and resorting to your BATNA. The resistance point is the point at which you decide to walk away from the table for good, and the BATNA is where you're headed when you take that walk.

You should choose your resistance point based primarily on how good your BATNA is. If your BATNA is great, you shouldn't accept anything less than a great offer; if your BATNA is poor, you may have to be willing to accept a meager final offer. Don't forget to factor into your resistance point the switching cost and the risk of the unknown that you would be taking if your BATNA involves changing suppliers.

To illustrate the effect of switching costs, put yourself in the "buying" position of the conference organizer described in Exhibit 1. Suppose the hotel you used last year has already offered to book your conference for \$100 a night single occupancy, with a 10-day-out block-reservation clause. If another hotel wants your business, you need to determine your BATNA and decide the margin by which the new hotel must beat the existing agreement—say, five dollars a night—to justify the risk of switching. Conversely, if you are the hotel sales representative in this deal, you have to determine the risks you accept for this new business—namely, that the association might fail to deliver the promised room-nights and the opportunity cost of displacing any existing business. Your BATNA as a hotel sales representative is the probability of your booking the rooms that the conference would otherwise occupy at a given rate, adjusted by the effort

⁵ In the interest of maintaining your original goals, do not adjust your scoring system while in the middle of a discussion with the other party. During negotiations you may hear things that suggest your original preferences and priorities may be in error. Such new information might be valid, or it might simply be the other negotiator's effort to mislead you. There is a bad way and a good way to deal with the uncertainty such rhetoric may cause you. The bad way is to lose confidence in the accuracy of your scoring system, throw it out, and continue to negotiate. The good way is to take a break and verify the information as both true and relevant to your preferences. If it is, during that break adjust your scoring system to reflect the new information and restart negotiations with the new scoring system.

**You must be willing
to live with all the
proposals you offer.**

(labor and expenses) it will take to book them.

The resistance point is meant to encompass all the issues at the same time rather than each issue independently. If you set a resistance point for each issue under consideration, you sacrifice your strategic flexibility. Your BATNA might include a room rate of, say, \$100 a night. If you set a resistance point for room rate, rather than for the agreement as a whole, then you might walk away from what is, in fact, an attractive offer—for example, a \$105 per night rate that includes more amenities and a better booking policy than your BATNA. So there should be just one resistance point and not a collection of them. The resistance point should be set just slightly better than your BATNA. Numerically, it will be the sum of the points from your scoring system that represent your minimum requirements for all the issues being negotiated.

Being aware of the resistance point is useful in negotiations. It converts a good BATNA into a powerful negotiating stance. Unless you have previously decided how far you can be pushed, you are vulnerable to being pushed below your BATNA, and thereby may accept an agreement that is worse for you than no agreement at all. The more precise your resistance point, the better.

It may seem awkward to apply a precise resistance point, particularly if your BATNA is vague or not strong. In such circumstances, you might consider setting a “tripwire” or a temporary resistance point. Set it slightly above your actual resistance point; the tripwire then gives you the chance to suspend negotiations for further consultation with your team. For example, imagine that you are booking the conference as discussed earlier. Your members have expressed a slight preference for exploring new places, and so you are negotiating with a new hotel. You are willing to pay more for a new

location, but you are not sure exactly how much more your membership will accept. You know that members will balk at an exorbitant room rate. Your BATNA is to stay at the same hotel as last year and face an uncertain amount of members’ disappointment. To deal with this uncertainty, you can set a “tripwire.” If you are comfortable signing a contract that entails a \$10-a-night increase, but if you are unable to secure a rate that low or better, the tripwire tells you that you should check with your membership before you make a commitment. You have, in effect, built a “safety zone” around an uncertain BATNA.

B. ABOUT THE OTHER SIDE

Good negotiators seek to understand the other party’s needs and limits almost as well as they know their own. Such negotiators might be able to accomplish this understanding before the negotiations begin, or early in the negotiation process. Obviously, the final agreement will reflect not only your own preferences and BATNA, but the other party’s as well. Thus, it is useful to ask the same questions about the other party as you ask about yourself.

1. How important is each issue to them (plus any new issues they added)? Consider and attempt to estimate the other party’s priorities. What tradeoffs can you offer that enhance the agreement’s value for both sides, or that might be neutral for the other side but a boon for you? If your counterpart had a scoring system like yours, what do you think it would look like? Call people who might have information or insight into the other party’s priorities. Build a scoring system like your own that estimates their priorities, and use it to design some potential tradeoffs.

As the negotiation proceeds, try to test, correct, and complete your picture of the other party’s scoring

system. Try to fill out your understanding of what that scoring system might look like if one existed.

Gather more information during the negotiations by asking direct questions about priorities, and also by judging the other negotiator's responses to your different offers and proposed tradeoffs.

You might also want to probe whether there are any issues about which the other side will completely refuse to negotiate. Such a refusal might simply be a ploy, or it might be a genuine constraint on the way it does business.

2. What is the other side's

BATNA? What are your counterpart's alternatives to doing business with you? How much do you think she or he values those alternatives? How badly does this company want to do business with you? Realize that the other party will probably accept an agreement only if it improves on her or his BATNA.

The other side's BATNA contains key information about how far you can push those negotiators before they walk away. If you are selling, the buyers' BATNA should determine the maximum price they would be willing to pay for your services or product. If you are buying, it should determine the lowest price at which they will sell. If you are booking a hotel conference in Hawaii in December, the hotel representative, who has a waiting list of customers, has a much stronger BATNA than the same representative has in July. If you are absolutely certain of the other side's BATNA, and if you propose an agreement that is just a little more attractive than the other side's BATNA, then those negotiators might accept your proposal.

3. What is the other side's resistance point, if any? Given your assessment of the other party's BATNA, you can estimate the least favorable deal for which the other party might settle. We say "might" because the other party may not

have considered his or her resistance point. We have found, though, that it is wise to assume the other party is well prepared. If you know the other party's resistance point, as noted above, you can push for an agreement that barely exceeds it. This kind of low-ball deal is often better for you than an "equitable" deal, though not always.

If you are the type of negotiator who prefers amiable negotiation tactics over low-balling, then you still may want to know the other side's resistance point for two reasons. First, the other party may try to low-ball you. Knowing its resistance point will give you the information and confidence to counter a low-ball tactic. Second, many negotiators consider a fair deal to be one that falls halfway between the two parties' resistance points. To find the halfway point, you need to know both resistance points. Since experienced negotiators consider their true resistance point to be confidential information, you will most likely have to make a best-guess about how far you can push the other party before seriously risking impasse or generating ill will.

Openly asking for the other party's resistance point carries risks. The other party might lie and thereafter be forced to take an uncompromising stance to avoid disclosing that misrepresentation. Or, if the other party honestly reveals his or her resistance point to you, that negotiator may expect you to reveal your resistance point, too. At this point, you have two choices. One, you reveal your resistance point and open yourself to being low-balled or, at best, to being offered an agreement that reaches no farther than the halfway point between the two resistance points. Two, if you don't reveal your resistance point, you may violate the norm of reciprocity.

4. What is your target? You set your target based on what you know about the other side. By this point,

you should know what is the least favorable agreement that you will accept, and you have estimated the other side's least favorable, acceptable agreement. Now consider the most favorable agreement for you. This is your upper limit—the top of your range. If you focus primarily on your resistance point, which is the bottom of your range, you are unlikely to secure an agreement that is far superior to that resistance point.

To properly set your target, you must consider the bargaining zone, and to do that you have to sum up the other side's situation. The bargaining zone is the range between the two parties' resistance points, comprising the range of mutually acceptable agreements.

C. THE SITUATION

By this point you have drawn up a fairly accurate picture of the issues and the priorities that constitute the negotiations. Here are some additional contextual factors to consider to help you maximize your advantages and minimize your risk of making mistakes.

1. What deadlines exist? Who is more impatient? The negotiator who feels a greater sense of urgency will often make rapid concessions in an effort to secure a deal quickly. Many Western cultures have a quick-paced approach to negotiations. When paired with negotiators from cultures that negotiate deliberately (e.g., Japan, India), quick negotiators risk getting unfavorable agreements. A good way to slow down your pace is to avoid negotiating under a close deadline. Flexibility with regard to time can be a negotiating strength.

2. What fairness norms or reference points apply? Negotiations often involve a discussion of what might constitute a "fair deal." In fact, some experts recommend the approach of always negotiating over the "principle" or standard that you will use to assess fairness before

For Further Reading

Some of the ideas and material for this paper were compiled from the following sources, among others.—*T.S. and T.M.T.*

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getting down to details and numbers. The abstract discussion may be less threatening or emotionally charged than the details, and may result in a more cooperative tone and outcome for the negotiation.

Recognize, however, that there are many valid ways to determine fairness, and each negotiator will often choose the fairness norm that most favors his or her position. Both parties know that the other is doing this; just the same, each party expects the other to justify an offer as fair by showing how an offer complies with some fairness norm. Because offers that are unaccompanied by a fairness argument will rarely be accepted, you should consider alternative norms of fairness for each negotiation. Ask yourself, Which ones justify your demands and which ones defeat them? Which ones best reflect your conscience?

An associate of one of the authors, for example, faced a salary negotiation upon considering a new job. The potential employer stated an intent to pay “market value” and thought it fair to define market value as the salary that other starting local faculty members were paid. The job seeker, on the other hand, judged that as unfair and argued that market value should be defined as the salary paid to starting management-faculty members at comparable nationally ranked universities. The candidate thereby successfully redefined “market value” by describing the salaries drawn by other graduates of his program who took management-faculty jobs. Since the employer had already agreed to pay market value, the employer found itself making concessions to do the fair thing of acting consistently with its own stated principles.

That example shows how a negotiation often hinges on a discussion of fairness. Prepare for each negotiation by considering alternative norms of fairness.

3. What topics or questions do you want to avoid? How will you respond if the other side asks anyway? You might find yourself in a position where there is something that you do not want the other negotiator to know. Your BATNA may be weak, for instance. Good negotiators plan in advance how to respond to questions they do not want to answer. Prepare an answer that is in no way dishonest but does not expose your weaknesses. Preparation means rehearsing your answer until you can deliver it smoothly, just as if you were practicing for a play. If you do not prepare and practice your answers to dreaded questions, then you risk an awkward pause or gesture that will tip off the other negotiator to a potential weakness. Awkward gestures might even cause the other party to believe you are lying when you are not. We suggest preparation so that you avoid looking like a liar when you tell the truth but choose not to reveal confidential information. If there are things you do not want to discuss, prepare your deflections in advance and polish them until they are seamless.

D. THE RELATIONSHIP BETWEEN THE PARTIES

1. Are the negotiations part of a continuing series? If so, what are the future consequences of each strategy, tactic, or action you are considering?

Consider whether you expect or want to continue a business relationship with the party across the table. If the answer is yes, then you probably want to be careful about using negotiation tactics that the other side might perceive as bullying, insulting, or manipulative. Extracting those last few additional concessions out of the other party is usually not worth the loss of goodwill.

The fact that you plan to do business with the other party in the future offers a few freedoms as well

as restrictions. The trust and goodwill that you develop in the current deal may have a payoff for next time. Also, if you can safely assume that the other party wants a relationship with you, then you can worry less about their negotiating in bad faith. Trust facilitates successful negotiations much more than does paranoia.

2. Can you trust the other party? What do you know about them? Call around to inquire how this company conducts negotiation. How much you trust the other party will influence your negotiation style. To find the tradeoffs and creative solutions that ensure that everyone gets a fair deal, you have to share information about your needs and priorities. Unfortunately, though, sharing your information makes you vulnerable to an unscrupulous negotiator across the table. Untrustworthy opponents can ascertain your priorities before you know theirs and use this knowledge to gain maximum concessions from you. They might also lie about their own priorities.

The extent to which you trust the other party should determine your approach to sharing and collecting information. A series of small information “trades” is a good way to build mutual trust without opening either side to exploitation. A second approach to gathering data when you do not trust or know the other party well is to offer multiple proposals and see which ones the other side prefers. Be careful in this approach, however, as you must be willing to live with all the proposals you offer. It is considered a breach of faith if you propose an offer (for any reason) but have no intention of carrying through with the deal even if the other party says okay.

If you already know and trust the other party, your task is much easier. In such cases negotiations can involve an extensive exchange of

information about interests and priorities.

3. What do you know of the other party's styles and tactics? Different negotiators have different personal or cultural preferences. You are likely to secure the best deal and have the most positive interaction if you learn about their style in advance and try to accommodate it.

We have observed three types of negotiators. One type prefers to ease into the issue at hand after some personal contact. Once that negotiator is at ease with you as a person, she or he will be comfortable revealing information afterward.

Another type of negotiator prefers a direct approach and eschews disclosure and creative problem-solving. Such a negotiator requires a competitive approach to the interaction.

The third type of negotiator enters the process having carefully computed and decided what is the best deal—and makes that offer upfront and announces that it is non-negotiable. Having already made up his or her mind about what the agreement must be, this negotiator will likely become impatient and annoyed at any attempt at give-and-take. If you know that the person you face prefers to do business this way, recognize that it is probably not a ploy. Simply assess the offer to see if it beats your BATNA. If it does, take it. If it does not, then politely refuse.

Some negotiators use either of two common gambits. One is to return from a break with a request for just one more concession that can seal the deal. This tactic, known as “taking a second bite of the apple,” is common among car dealers. The appropriate response is to suggest that if the other party would like to reopen negotiations, you are willing to reopen them, too—but on all the issues, not just one.

“Good cop, bad cop” is a tactic whereby the person with whom you

negotiate plays the role of “wanting” to meet all your needs, but “demands” are being made by someone who is higher up and usually absent from the actual negotiation (e.g., the sales manager). One response to this approach is to take a break to reassess the other side's stance compared to your tripwire. Another is to insist on speaking directly with the final decision-maker.

4. What are the limits to the other party's authority? Establish early the level of authority held by your counterpart. Most negotiators, unless they are the CEOs of their companies, are authorized to negotiate only certain specified issues and within certain ranges. Determine whether you are negotiating with the right person, or whether far more latitude in generating resolutions might be available if you negotiated with someone else.

5. Consult in advance with the other party about the agenda. As we stated earlier, consider calling the other party beforehand to share what issues you plan to discuss and to ask what issues the other party might raise. In general, holding back information is counter-productive and introducing unexpected issues generally delays the proceedings.

Although good negotiators often get creative in their approach to the issues, this creativity must be well-grounded in an understanding of the issues and of both parties' priorities. A well-prepared negotiator has considered these factors in depth, and has also considered the past and future context of the business relationship between the parties. It has been said that no plan survives contact with the enemy—but it remains true that the shrewd general will have memorized the terrain and analyzed the strengths and weaknesses of both sides before an engagement. Fortune favors the prepared mind. **CQ**