Everyone is Doing It!

We are all involved in the process of “negotiation” on a continuing basis, be it in our personal or business lives. Everyone negotiates something everyday; it is an integral part of every human activity. People negotiate even when they don’t think of themselves as doing so; negotiation is a fact of life. Negotiation in business is where the proverbial “rubber hits the road.” It equates to opportunity. Business transactions cannot do without it!

Society is experiencing a period of punctuated evolution that is changing the way we learn, work, play, and interact with others. For example, Hari Balakrishnan of MIT, states that there are over 100 billion E-mails transmitted daily. Communication technologies are dramatically advancing and expanding capability and capacity of practical instant communication devices.

This technology adventure is globally democratizing the business world. Thomas Freedman in The World is Flat: A Brief History of the Twentieth-First Century states, “It is now possible for more people than ever to collaborate and compete in real time with more other people on more different kinds of work from more different corners of the planet and on a more equal footing than at any previous time in the history of the world.”

With this continuing expansion, Fisher, Ury, and Patton, authors of Getting to Yes: Negotiating Agreement without Giving In, state that negotiation and conflict resolution is a growth industry. They indicate the importance in a changing world of establishing negotiation approaches that have wisdom and are rational, objective, fair, and efficient. Their integrative model is named “principled negotiation.” Five major fundamental components of this interest based prescriptive win-win approach are as follows:

1. **Separate the people from the problem** - This first component is separating relationship issues (or “people problems”) from substantive issues and dealing with each independently. A negotiator has two interests in a negotiation – the negotiation itself and the relationship with the other parties. The general approach is to be “soft” on the people issues and “hard” on the actual substantive issues. Concessions can be made on the process and procedural details of the negotiation while holding firm on the important items at stake.
2. **Focus on interests, not positions** - An *interest* is the underlying need, while a *position* is just one particular way to satisfy that need. Positions are characterized as concrete, explicit decisions. Positional bargaining focuses on a single “want” (or position) rather than on the reasons for the positions. Each side has multiple interests that define their positions. Interests are abstract and intangible. Generally, they define basic human needs, desires, concerns, and fears. The task is finding shared interests that can serve as a common ground for generating creative collaborative problem solving techniques that address alternative positions with differing priorities among the parties that will satisfy the interests of all sides. As parties develop a greater understanding of each other’s interests, they can then move to the next step in principled negotiation.

3. **Invent options for mutual gain** - Collaborative processes are designed to create value, review alternatives, and “expand the pie” by working together in generating options. This approach avoids assuming single solutions or zero-sum conditions. One method is through “brainstorming” where the parties informally explore issues in detail prior to finalizing the agreement and without being judgmental. Negotiators are looking for ideas and solutions for addressing preferences, shuttling between the specific and the general, separating the problems into smaller segments, inventing agreements of different strengths, identifying shared interests, dovetailing differing interests, etc. This is followed by evaluation and expansion of promising ideas and solutions prior to final decision making.

4. **Insist on using objective criteria** - When interests are directly opposed, the parties should use objective criteria to resolve differences. Decisions based on reasonable standards make it easier for the parties to agree and preserve their good relationship. Criteria should be legitimate, practical, efficient, fair, and have merit. Source examples include scientific findings, professional and industrial standards, market value, replacement cost, precedent, the Kelly Blue Book, the law and legal precedent, or developed procedures to resolve issues.

5. **Develop the best alternative to a negotiated agreement (BATNA)** - The BATNA phase is culminated in the preparatory stage prior to starting negotiations. The idea is to baseline the minimally acceptable potential agreement by devising alternatives if the negotiation were to fail. Below that point it is best to discontinue and walk away from the negotiation effort, retreating to the BATNA. The party with the best BATNA is the more powerful party having ability to walk away from the negotiation. BATNA is the key to expanding existing assets by identifying opportunities and taking steps to further develop those opportunities.

The above listed fundamental structure of Fisher, Ury, and Patton’s integrative approach is the basic foundation of principled negotiation. There are additional key elements that are integral to the negotiation process. The most important is through preparation, especially in dealing with complexities and intricacies. Building trust and understanding is pertinent in developing relationships. Communication skills, listening techniques, and
persuasive dialogues are requirements. Dealing with difficult opponents, dirty tricks and hardball tactics, power plays, conflict escalation, cultural diversity, ethical dilemmas, etc. are challenges that require experience, wisdom, and insightfulness in resolving differences. Awareness of psychological factors, such as emotions, perceptions, feelings, anxiety, and fear, is extremely beneficial in conducting negotiations. Employing humor may have a powerful impact in tense situations. It is all part of the total life cycle of the negotiation game. Have fun. Every one is doing it, so you do it well.

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