

Professional Skills Training
“Strategy and Tactics of Integrative Negotiation”
Pre-Reading

Instructor:

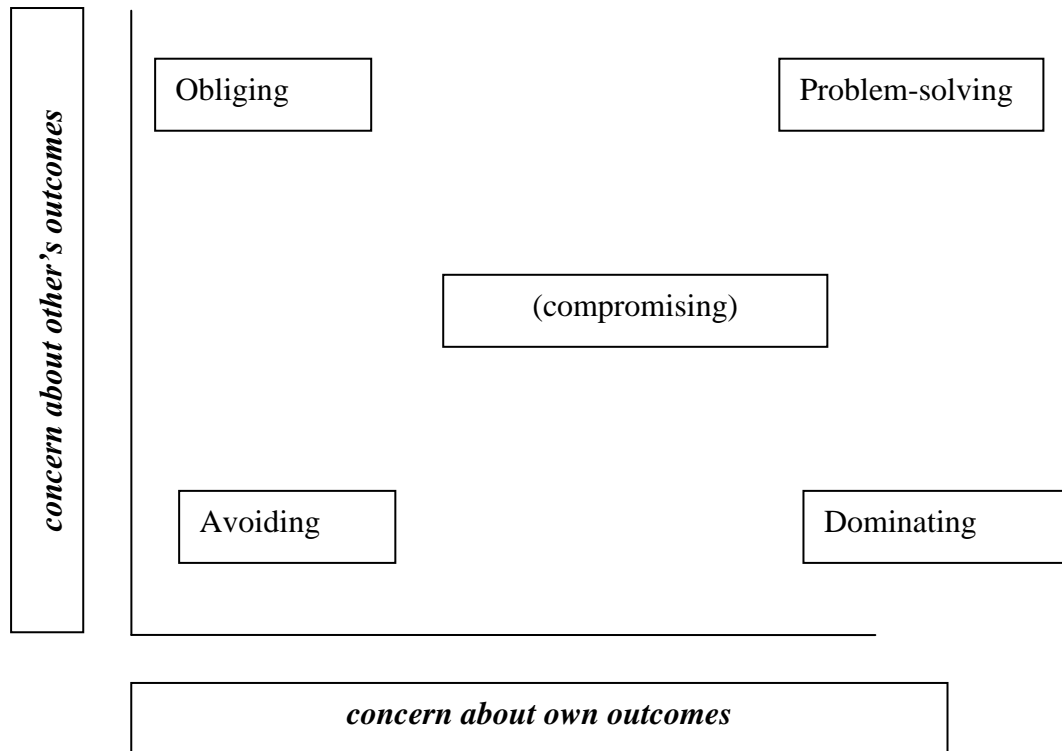
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Note: this text is an **obligatory** reading. For the first session (29.10) the participants should read parts I-VII, for the second (19.11) – parts VIII-IX.

I. Styles of Negotiation (Dual-concerns model)

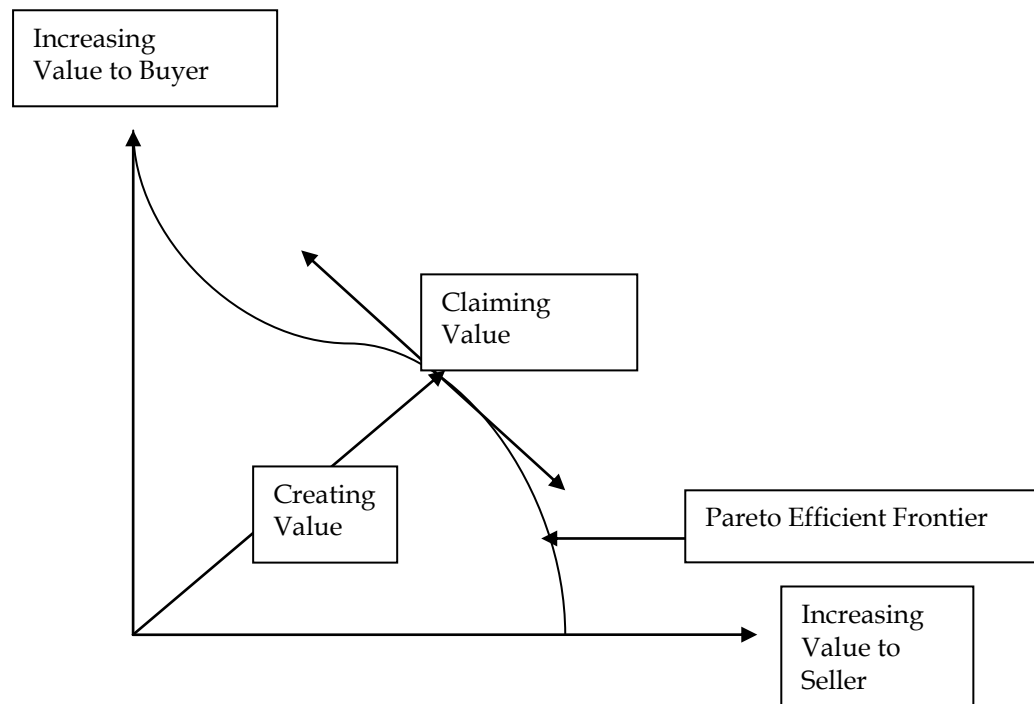


II. Why Integrative Negotiation?

Distributive Bargaining (Dominating or Obliging) is a more habitual and well-known method, so a lot of executives use it more often and readily as the Integrative one. The purpose of the Distributive Bargaining is to claim value – that is, to do whatever is necessary to claim the reward, gain the lion's share, or the largest piece possible. The purpose of the Integrative Negotiation is to create value – that is, to find a way for all parties to meet their objectives, either by identifying more resources or finding unique ways to share and coordinate the use of existing resources.

Creating and Claiming Value and the Pareto Efficient Frontier

The goal of creating value is to push the claiming value lines towards the upper right-hand side of the figure (see below). When this is done to the fullest extent possible, the line is called the Pareto efficient frontier, and it contains a point where “there is no agreement that would make any party better off without decreasing the outcomes to any other party”. One way to conceptualize Integrative Negotiation is that it is the process of identification Pareto efficient solutions.



There is no single “best”, “preferred” or “right” way to negotiate; the choice of negotiation strategy requires adaptation to the situation. Yet the predominant bias is to see the interdependent situations as more distributive or competitive as they really are. Successful negotiator must be able to use both approaches with equal versatility, taking into account that most actual negotiations are a combination of distributive and integrative processes.

Situations where appropriate Integrative Negotiation

1. Issues are complex
2. Synthesis of ideas is needed to come up with better solutions
3. Commitment is needed from other parties for successful implementation
4. Time is available for problem-solving
5. One party alone cannot solve the problem
6. Resources possessed by different parties are needed to solve their common problems

Situations where inappropriate Integrative Negotiation

1. Task or problem is simple
2. Immediate decision is required
3. Other parties are unconcerned about outcome
4. Other parties do not have problem solving skills (still You have the opportunity to use this approach, but it would take much more efforts)

People that prefer Effective Negotiation have the following personality traits:

1. Honesty and Integrity
2. Abundance mentality
3. Maturity (having the courage to stand up for your issues and values while being able to recognize that other’s issues and values are just as valid)
4. Systems orientation (understanding that the whole is greater as the sum of its parts)
5. Superior listening skills

III. Main ideas of Integrative Negotiation¹

A good agreement is one which is wise and efficient, and which improves the parties' relationship. Wise agreements satisfy the parties' interests and are fair and lasting. Integrative Negotiation is a method for reaching good agreements. Negotiations often take the form of Distributive Bargaining. In Distributive Bargaining each part opens with their position on an issue. The parties then bargain from their separate opening positions to agree on one position. Haggling over a price is a typical example of positional bargaining. Integrative Negotiations si based upon different principles.

Separating People and Issues

Fisher and Ury's first principle is to separate the people from the issues. People tend to become personally involved with the issues and with their side's positions. And so they will tend to take responses to those issues and positions as personal attacks. Separating the people from the issues allows the parties to address the issues without damaging their relationship. It also helps them to get a clearer view of the substantive problem.

The authors identify three basic sorts of people problems. First are **differences on perception** among the parties. Since most conflicts are based in differing interpretations of the facts, it is crucial for both sides to understand the other's viewpoint. The parties should try to put themselves in the other's place. The parties should not simply assume that their worst fears will become the actions of the other party. Nor should one side blame the other for the problem. Each side should try to make proposals which would be appealing to the other side. The more that the parties are involved in the process, the more likely they are to be involved in and to support the outcome.

Emotions are a second source of people problems. Negotiation can be a frustrating process. People often react with fear or anger when they feel that their interests are threatened. The first step in dealing with emotions is to acknowledge them, and to try to understand their source. The parties must acknowledge the fact that certain emotions are present, even when they don't see those feelings as reasonable. Dismissing another's feelings as unreasonable is likely to provoke an even more intense emotional response. The parties must allow the other side to express their emotions. They must not react emotionally to emotional outbursts. Symbolic gestures such as apologies or an expression of sympathy can help to defuse strong emotions.

Communication is the third main source of people problems. Negotiators may not be speaking to each other, but may simply be grandstanding for their respective constituencies. The parties may not be listening to each other, but may instead be planning their own responses. Even when the parties are speaking to each other and are listening, misunderstandings may occur. To combat these problems, the parties should employ active listening. The listeners should give the speaker their full attention, occasionally summarizing the speaker's points to confirm their understanding. It is important to remember that understanding the other's case does not mean agreeing with it. Speakers should direct their speech toward the other parties and keep focused on what they are trying to communicate. Each side should avoid blaming or attacking the other, and should speak about themselves.

Generally the best way to deal with people problems is to prevent them from arising. People problems are less likely to come up if the parties have a good relationship, and think of each other as partners in negotiation rather than as adversaries.

¹ That is a summary of a book: Fisher R., Ury W. & Patton B. Getting to Yes. Penguin, 1991

Focus on Interests

Good agreements focus on the parties' interests, rather than their positions. As Fisher and Ury explain, "Your position is something you have decided upon. Your interests are what caused you to so decide." Defining a problem in terms of positions means that at least one party will "lose" the dispute. When a problem is defined in terms of the parties' underlying interests it is often possible to find a solution which satisfies both parties' interests.

The first step is to identify the parties' interests regarding the issue at hand. This can be done by asking why they hold the positions they do, and by considering why they don't hold some other possible position. Each party usually has a number of different interests underlying their positions. And interests may differ somewhat among the individual members of each side. However, all people will share certain basic interests or needs, such as the need for security and economic well-being.

Once the parties have identified their interests, they must discuss them together. If a party wants the other side to take their interests into account, that party must explain their interests clearly. The other side will be more motivated to take those interests into account if the first party shows that they are paying attention to the other side's interests. Discussions should look forward to the desired solution, rather than focusing on past events. Parties should keep a clear focus on their interests, but remain open to different proposals and positions.

Generate Options

Fisher and Ury identify four obstacles to generating creative options for solving a problem. Parties may decide prematurely on an option and so fail to consider alternatives. The parties may be intent on narrowing their options to find the single answer. The parties may define the problem in win-lose terms, assuming that the only options are for one side to win and the other to lose. Or a party may decide that it is up to the other side to come up with a solution to the problem.

The authors also suggest four techniques for overcoming these obstacles and generating creative options. First it is important to separate the invention process from the evaluation stage. The parties should come together in an informal atmosphere and brainstorm for all possible solutions to the problem. Wild and creative proposals are encouraged. Brainstorming sessions can be made more creative and productive by encouraging the parties to shift between four types of thinking: stating the problem, analyzing the problem, considering general approaches, and considering specific actions. Parties may suggest partial solutions to the problem. Only after a variety of proposals have been made should the group turn to evaluating the ideas. Evaluation should start with the most promising proposals. The parties may also refine and improve proposals at this point.

Participants can avoid falling into a win-lose mentality by focusing on shared interests. When the parties' interests differ, they should seek options in which those differences can be made compatible or even complementary. The key to reconciling different interests is to "look for items that are of low cost to you and high benefit to them, and vice versa." Each side should try to make proposals that are appealing to the other side, and that the other side would find easy to agree to. To do this it is important to identify the decision makers and target proposals directly toward them. Proposals are easier to agree to when they seem legitimate, or when they are supported by precedent. Threats are usually less effective at motivating agreement than are beneficial offers.

Use Objective Criteria

When interests are directly opposed, the parties should use objective criteria to resolve their differences. Allowing such differences to spark a battle of wills will destroy relationships, is inefficient, and is not likely to produce wise agreements. Decisions based on reasonable standards makes it easier for the parties to agree and preserve their good relationship.

The first step is to develop objective criteria. Usually there are a number of different criteria which could be used. The parties must agree which criteria is best for their situation. Criteria should be both legitimate and practical. Scientific findings, professional standards, or legal precedent are possible sources of objective criteria. One way to test for objectivity is to ask if both sides would agree to be bound by those standards. Rather than agreeing in substantive criteria, the parties may create a fair procedure for resolving their dispute. For example, children may fairly divide a piece of cake by having one child cut it, and the other choose their piece.

There are three points to keep in mind when using objective criteria. First each issue should be approached as a shared search for objective criteria. Ask for the reasoning behind the other party's suggestions. Using the other parties' reasoning to support your own position can be a powerful way to negotiate. Second, each party must keep an open mind. They must be reasonable, and be willing to reconsider their positions when there is reason to. Third, while they should be reasonable, negotiators must never give in to pressure, threats, or bribes. When the other party stubbornly refuses to be reasonable, the first party may shift the discussion from a search for substantive criteria to a search for procedural criteria.

When the Other Party Is More Powerful

No negotiation method can completely overcome differences in power. However, Fisher and Ury suggest ways to protect the weaker party against a poor agreement, and to help the weaker party make the most of their assets.

Often negotiators will establish a "bottom line" in an attempt to protect themselves against a poor agreement. The bottom line is what the party anticipates as the worst acceptable outcome. Negotiators decide in advance of actual negotiations to reject any proposal below that line. Fisher and Ury argue against using bottom lines. Because the bottom line figure is decided upon in advance of discussions, the figure may be arbitrary or unrealistic. Having already committed oneself to a rigid bottom line also inhibits inventiveness in generating options.

Instead the weaker party should concentrate on assessing their best alternative to a negotiated agreement (BATNA). The authors note that "the reason you negotiate is to produce something better than the results you can obtain without negotiating." The weaker party should reject agreements that would leave them worse off than their BATNA. Without a clear idea of their BATNA a party is simply negotiating blindly. The BATNA is also key to making the most of existing assets. Power in a negotiation comes from the ability to walk away from negotiations. Thus the party with the best BATNA is the more powerful party in the negotiation. Generally, the weaker party can take unilateral steps to improve their alternatives to negotiation. They must identify potential opportunities and take steps to further develop those opportunities. The weaker party will have a better understanding of the negotiation context if they also try to estimate the other side's BATNA. Fisher and Ury conclude that "developing your BATNA thus not only enables you to determine what is a minimally acceptable agreement, it will probably raise that minimum."

When the Other Party Won't Use Principled Negotiation

Sometimes the other side refuses to budge from their positions, makes personal attacks, seeks only to maximize their own gains, and generally refuses to partake in principled negotiations. Fisher and Ury describe three approaches for dealing with opponents who are stuck in positional bargaining. First, one side may simply continue to use the principled approach. The authors point out that this approach is often contagious.

Second, the principled party may use "negotiation jujitsu" to bring the other party in line. The key is to refuse to respond in kind to their positional bargaining. When the other side attacks, the principled party should not counter attack, but should deflect the attack back onto the problem.

Positional bargainers usually attack either by asserting their position, or by attacking the other side's ideas or people. When they assert their position, respond by asking for the reasons behind that position. When they attack the other side's ideas, the principled party should take it as constructive criticism and invite further feedback and advice. Personal attacks should be recast as attacks on the problem. Generally the principled party should use questions and strategic silences to draw the other party out.

When the other party remains stuck in positional bargaining, the one-text approach may be used. In this approach a third party is brought in. The third party should interview each side separately to determine what their underlying interests are. The third party then assembles a list of their interests and asks each side for their comments and criticisms of the list. She then takes those comments and draws up a proposal. The proposal is given to the parties for comments, redrafted, and returned again for more comments. This process continues until the third party feels that no further improvements can be made. At that point, the parties must decide whether to accept the refined proposal or to abandon negotiations.

When the Other Party Uses Dirty Tricks

Sometimes parties will use unethical or unpleasant tricks in an attempt to gain an advantage in negotiations such as good guy/bad guy routines, uncomfortable seating, and leaks to the media. The best way to respond to such tricky tactics is to explicitly raise the issue in negotiations, and to engage in principled negotiation to establish procedural ground rules for the negotiation.

Fisher and Ury identify the general types of tricky tactics. Parties may engage in deliberate deception about the facts, their authority, or their intentions. The best way to protect against being deceived is to seek verification of the other side's claims. It may help to ask them for further clarification of a claim, or to put the claim in writing. However, in doing this it is very important not to be seen as calling the other party a liar; that is, as making a personal attack. Another common type of tactic is psychological warfare. When the tricky party uses a stressful environment, the principled party should identify the problematic element and suggest a more comfortable or fair change. Subtle personal attacks can be made less effective simply by recognizing them for what they are. Explicitly identifying them to the offending party will often put an end to such attacks. Threats are a way to apply psychological pressure. The principled negotiator should ignore them where possible, or undertake principled negotiations on the use of threats in the proceedings.

The last class of trick tactics are positional pressure tactics which attempt to structure negotiations so that only one side can make concessions. The tricky side may refuse to negotiate, hoping to use their entry into negotiations as a bargaining chip, or they may open with extreme demands. The principled negotiator should recognize this as a bargaining tactic, and look into their interests in refusing to negotiate. They may escalate their demands for every concession they make. The principled negotiator should explicitly identify this tactic to the participants, and give the parties a chance to consider whether they want to continue negotiations under such conditions. Parties may try to make irrevocable commitments to certain positions, or to make-take-it-or-leave-it offers. The principled party may decline to recognize the commitment or the finality of the offer, instead treating them as proposals or expressed interests. Insist that any proposals be evaluated on their merits, and don't hesitate to point out dirty tricks.

IV. Steps of negotiation

- 1. Relationship building.** Your aim is to create a free flow of information
- 2. Information gathering.** Your aim is to understand the other negotiators real needs and objectives, to find common and shared interests and to define the problem. Here you have to articulate your own interests too.

3. **Information using.** Your aim is to identify and define the problem, state it as a goal (attaining common interests) and identify the obstacles to attaining this goal.
4. **Search for solutions.** Your aim is to invent options that meet the needs and objectives of both sides.
5. **Evaluating and selecting alternatives.** Your aim is to evaluate solution on the basis of quality, standards, acceptability and objective criteria.

The first four steps are important for *creating value*. The fifth step of the integrative negotiation process involves *claiming value* and could require some distributive bargaining skills.

V. Relationship building²

Build trust and share information. The most direct way for parties to create value is to share information in an open, truthful manner. But even in negotiations within companies, parties fail to follow this strategy. The value created by sharing information with your most trusted customers will often outweigh the risk of having that information misused. If the two parties can put their tendency to claim value on hold, they may well be able to share valuable information about how much each side cares about each issue. “On-time delivery is critical to us,” you might tell a representative of a technology consulting firm in a negotiation over new business. “Our old contractor did good work, but couldn’t meet deadlines. Now tell me some of your key concerns.”

Questions for tough situations (when the other party won't use Integrative Negotiation)

The Situation	Possible Questions
“Take it or leave it” ultimatums	<ul style="list-style-type: none"> - If we can come up with a more attractive alternative than that, would you still want me to “take or leave” your offer? - Do I have to decide now or do I have some time to think about it? - Are you feeling pressure to bring the negotiation to a close?
Pressure to respond to an unreasonable deadline	<ul style="list-style-type: none"> - Why can’t we negotiate about this deadline? - If you are under pressure to meet this deadline, what can I do to help remove some of that pressure? - What’s magical about this afternoon? What about first thing in the morning?
Highball or lowball tactics (means that negotiator starts with a ridiculously low (or high) opening offer that they know they will never achieve)	<ul style="list-style-type: none"> What’s your reasoning behind this position? What would You think I see as a fair offer? What standards do you think the final resolution should meet?
An impasse	<ul style="list-style-type: none"> What else can either of us do to close the gap between our positions? Specifically what concession do you need from me to bring this to a close right now? If it were already six weeks from now and we

² Here we provide only basic ideas, as this topic was explicitly considered and the skills needed were trained during the seminar “Business Communication”

	were looking back at this negotiation, what might we wish we had brought to the table?
Indecision between accepting and rejecting a proposal	What's your best alternative to accepting my offer right now? If you reject this offer, what will take its place that's better than what you know you'll receive from me? How can you be sure that you will get a better deal elsewhere?
A question about whether the offer you just made is the same as that just offered to others	What do you see as a fair offer, and given that, what do you think of my current offer to you? Do you believe that I think it's in my best interest to be unfair with you? Do you believe that people can be treated differently, but still all be treated fairly?
Attempts to pressure, control or manipulate	Shouldn't we both walk away from this negotiation feeling satisfied? How would you feel if our roles were reversed, and you were feeling the pressure I'm feeling right now? Are you experiencing outside pressures to conclude this negotiations?

VI. Information gathering

How to bring interests and needs to the surface?

1. Ask questions!

Your goal is to understand the other party's interests as well as possible, yet both parties may be unwilling to fully disclose confidential information. What should you do next? Ask lots of questions! Many executives, especially those trained in sales persuasion tactics, view negotiating primarily as an opportunity to influence the other party. As a result, we do more talking than listening, and when the other side is talking, we tend to concentrate more on what we'll say next than on the information being conveyed. Listening and asking questions are the keys to collecting important new information.

Effective questions

“Why?”: Why you want what you want?

“Why not?”: Why you don't like this decision? By this question you could understand the limits and fears of other person

Open-ended questions – ones that cannot be answered with simple yes or no: “Why do you take that position in these deliberations?”

Open questions – invite the other's thinking: “What do you think of our proposal?”

Leading questions – point toward an answer “Don't you think our proposal is a fair and reasonable offer?”

Cool questions – low emotionality. “What is the additional rate that we will have to pay if you make the improvements on the property?”

Planned questions – part of an overall logical sequence of questions developed in advance: “after you make the improvements to the property, when can we expect to take occupancy?”

Treat questions – flatter the opponent at the same time as you ask for information: “Can you provide us with some of your excellent insight on this problem?”

Window questions – aid in looking into the other person’s mind: “Can you tell us how you came to that conclusion?”

Gauging questions – ascertain how the other person feels: “How do you feel about our proposal?”

Asking questions remember to pay careful attention to the other party’s language, emotions, non-verbal behavior

2. Listen more than you talk!

Samples of active listening

Sender: I don’t know how I am going to untangle this messy problem

Receiver: You’re really stumped on how to solve this one

S.: Please, don’t ask me about that now

R.: Sounds like you you’re awfully busy right now

S.: I thought the meeting today accomplished nothing

R.: You were very disappointed with our session

3. Put yourself in their shoes! Try not only to understand the position and interests of your partner, but also consider the problem from his point of view, feel his emotions. Show that you understand their interests.

4. Articulate your own interests in explicit manner! You have to be self-confident and firm, still flexible. Pay attention to your non-verbal behavior.

VII. Information using

You have to summarize the interests and needs of both parties before defining the problem.

1. Identify the interests!

Interests are the underlying concerns, needs, desires, or fears that motivate a negotiator to take a particular decision. Interests often stem from deeply rooted human needs or values. There are intrinsic interests (the parties value it in and of itself) and instrumental ones (the parties value it because it helps them derive other outcomes in the future).

	Intrinsic	Instrumental
<p>Substantive interests (focal issues under negotiation: economic and financial issues such as price or rate).</p> <p>Sample: The job applicant wants \$3000 as monthly salary</p>	<p>Because this salary affirms his intrinsic sense of personal worth in the market place</p>	<p>Because it instrumentally contributes toward paying off his educational loans</p>
<p>Process interests (related to the way a dispute is settled)</p>		

Sample: the negotiator may find the issues under discussion less important than the opportunity they allow him to voice his opinions	Having a voice highlights the key role he plays in the organization	Gaining voice allows to demonstrate that he should be invited back to negotiate other related issues in the future
Relationship interest One or both parties value their relationship	Value relationship for its existence	Parties derive substantive benefits from the relationship
Interests in principle (what is fair, what is ethical)	Valued because of their inherent worth	Valued because they can be applied to a variety of future situations and scenarios

2. Make the structure of both parties' interests!

Common interests create a common goal (“Both of us want to maintain our relationship”, “I am interested in a fair decision, as well as You”) thus forming the basement for inventing options.

Non-overlapping interests create the possibilities for enlarging the pie (each side could get something precious for it and costless for the other side)

Crossing interests are to be resolved.

3. Define the problem!

- Define the problem in a way that is mutually acceptable to both sides
- Try to have few if any preconceptions about the solution while defining the problem
- State the problem with an eye towards practicality and comprehensiveness (don't state obviously unsolvable problem)

VIII. Search for solutions

How to invent options? Main techniques are listed and illustrated by the example of two partners in a successful enterprise, Business Consulting Firm, Emma and India, that employs other 8 non-partner consultants. The partners are deciding where to locate their new office; half their clients are downtown, and half are in the suburbs. There are two possible locations that they are considering leasing. India prefers the downtown location. It has less floor space but is a more prestigious address. While its offices are smaller, its location is equidistant from where both partners live. Emma prefers the location in the suburbs. It has more floor space and larger offices, and it is newer. It is also located closer to Emma's house, but farther from India's. A compromise solution – stay in the current location is also possible, but the partners are trying to seek for better options.

1. **Expand the pie!** Many negotiations begin with a shortage of resources, and it is not possible for both sides to satisfy their interests under the current condition. A simple solution is to add resources – expand the pie. For instance, Business Consulting Ink could lease offices both downtown and in the suburbs to serve both sets of its clients. A projected expansion of the business could pay for both leases.
2. Use **logrolling!** The parties must first establish which issues are at stake and then decide their individual priorities on those issues. For instance, BKI could lease the downtown location and give Emma the bigger office. India would get her preferred

location, which is more important to her, and Emma would receive better working place, which is more important to her. Possible variant is usually found by trial and error.

Different ways to logroll.

Exploit differences in risk preference. The idea is that people have different tolerance for risk. Suppose 2 entrepreneurs are discussing a future business venture. One has little to risk at the moment and everything to gain in the future; the other has a lot on the line now that he does not want to risk losing if the future is bad. If they simply agree to split profits in the future, the one with a large amount of current risk may feel vulnerable.

Exploit differences in expectations. For instance, the entrepreneur with a lot to lose may have pessimistic expectations about the future of the joint venture, whereas the other partner may be more optimistic. The optimist may thus be willing to gamble more on future profitability and payout, whereas the pessimist may be willing to settle for a smaller but more assured payment.

Exploit differences in time preferences. One may be concerned about meeting short-term needs while the other may be interested in the long-term rewards of their relationship. Then the former will need immediate gratification, the latter – immediate sacrifices to ensure a future payoff.

3. Use **non-specific-compensation!** To allow one person to obtain its objectives and pay off the other person for accommodating his interests. Such compensation is non-specific because it is not directly related to the substantive issues being discussed. For instance, BKI could decide to lease in the suburbs and give India all new office furniture. In this case Emma gets her preferred location, while India receives new office furniture as nonspecific compensation.
4. **Cut the costs for compliance!** It is designed to minimize the other party's costs for agreeing to a solution. For instance, BKI could decide to lease in the suburbs and provide Samantha with a travel subsidy and a new company car.
5. **Find a bridge solution!** When the parties are able to invent new options that meet all their needs they have created a bridge solution. For instance, BKI could decide to expand the number of partners in the firm and lease a larger space downtown, with new office furniture for everyone and a prestigious street address³.

Refocusing questions to reveal the Win-Win solutions

Expanding the pie

1. How can both parties get what they want?
2. Is there a resource shortage?
3. How can resources be expanded to meet the demands of both sides?

Logrolling

1. What issues are of higher and lower priority to me?

³ Some other techniques of inventing nontrivial options would be considered in the seminar "Creative Thinking"

2. What issues are of higher and lower priority to the other negotiator?
3. Are there any issues of high priority to me that are of low priority for the other negotiator, and vice versa?
4. Can I “unbundle” an issue – that is, make one larger issue into two or more smaller ones that can then be logrolled?
5. What are things that would be inexpensive for me to give and valuable for the other negotiator to get that might be used in logrolling?

Non-specific compensation

1. What are the other negotiator's goals and values?
2. What could I do that would make the other negotiator happy and simultaneously allow me to get my way on the key issue?
3. What are things that would be inexpensive for me and valuable for the other negotiator to get that might be used as non-specific compensation.

Cost-cutting

1. What risks and costs does my proposal create for the other negotiator?
2. What can I do to minimize the other negotiator's risks and costs so that he would be more willing to agree?

Bridging

1. What are the other negotiator's real underlying interests and needs?
2. What are my own real underlying interests and needs?
3. What are the higher and lower priorities for each of us in our underlying interests and needs?
4. Can we invent a solution that meets the relative priorities, underlying interests, and needs of both negotiators?

Different variants of solution

If you still cannot invent possible solution, you can take into consideration “stronger” and “weaker” options.

Stronger	Weaker
On substantive issue	On procedure
Stable	Temporary
Total	Partial
Final	In principle
Unconditional	Probable
Written	“Gentlemen agreement”

IX. Evaluating and selecting alternatives

It is better to decide the principles of selection of “good agreement” before inventing options. For this stage you may need to look for independent standards and objective criteria.

How to work on BATNA? BATNA means what you will do or what will happen if you fail to reach agreement in the negotiation at hand. Example: If you need to sell your car and you need 7000\$ and you got only one buyer that will offer 6500\$ as his limit, you will have to accept his deal as it is the only one choice in front of you. But if you got many buyers you could push his offer for 6800\$ even for 7000\$. So knowing all your choices will help you in making the right choice.

Step 1. Try to invent as many of your choices as you can.

Example: What are the possible opportunities in case you wouldn't sell your car to this buyer? The BATNA could be based not only upon selling to some other person. You could also change it for something precious for you, or credit it towards payment of a new car and so on.

Step 2. Research each possible choice elaborately.

Example: Get precise information on what price the other buyers could offer, study the conditions of changing or buying a new car and compare all your choices. The best one would be Your BATNA.

Step 3. Gather as many information as you could get about the other parties, so you could know if you are representing their BATNA or not.

You should close the deal only in case it beats your BATNA! Otherwise you have to walk away.

Sources:

Lewicki R., Barry B., Saunders D. Essentials of Negotiation. 4th edition. NY, 2007

Fisher R., Ury W. & Patton B. Getting to Yes. Penguin, 1991. Book summary written by T. Glaser, Conflict Information Consortium. <http://conflict.colorado.edu/>