

## PLANNING TO NEGOTIATE

### INTRODUCTION TO NEGOTIATION PLANNING

At this point in the book you should understand what a negotiation entails, the common mistakes negotiators make, basic negotiation terminology, and approaches to negotiation. You should understand the distinction between an understanding approach and a convincing approach to negotiation and what it means to create value in negotiation. In the chapters on the various negotiation levers that follow this one (Chapters 4–10), we will go into the *why* and *how* of negotiation, including understanding individual negotiator behaviors and tactics you can use in negotiation to obtain value in various ways.

But before you learn how to think about negotiations and how negotiations work, you need to understand how to plan for negotiations. Why learn about planning first? To borrow from a famous author, because we want you to “begin with the end in mind.”<sup>1</sup> The goal is for you to be able to fill out Table 3.10 (which you will find at the end of this chapter) or at least a shortened version of Table 3.10 in your own mind *before* you start negotiating. This includes the ability to anticipate potential challenges and opportunities in each negotiation, understand your own needs and wants and anticipate others’ needs and wants, and craft a cohesive strategy that considers the specifics of your negotiation. So, while you will not understand each and every tactic just yet, this chapter will give you a guidepost for where you want to end up so that you can be prepared for sitting at the table.

Having a plan does several things. First, and most importantly, it makes you a more confident negotiator, which will allow you to feel more comfortable and less anxious in the negotiation. This confidence increases your ability to create value by working with the other party, instead of fearing that the other party is going to take advantage of you.<sup>2</sup> Second, it allows you to have a consistent and

### Learning Objectives

1. Articulate the purpose and utility of planning before negotiating.
2. Describe what a negotiation plan contains and how plans may differ depending on the context of the negotiation.
3. Create a preference table based on the issues in the negotiation, and use the preference table in your own negotiation.
4. Create a complete negotiation plan along with appropriate contingencies for use in a negotiation.
5. Argue for both the benefits and the detriments of creating and using a negotiation plan.
6. Describe the ethical questions related to knowing a great deal of information about those with whom you are negotiating.

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focused approach in your negotiation. By planning, you can align your interests with your planned strategy and tactics in order to have the best chance to get what you want. Third, it allows you to *resist* tactics from others, because having a plan will lower your uncertainty. If you are expecting what the other side might do, when they actually do it you will not be anxious or taken off guard—you will be ready.

## THINKING ABOUT PLANNING

As discussed in Chapter 1, one of the most common mistakes novice negotiators make is failing to plan for a negotiation. You plan so that you do not have to think through and figure out every aspect of a negotiation as it happens “on the fly.” You plan so that you do not have to rely on your instinct. Sometimes following your instincts might be successful and result in excellent outcomes, but that is not a viable long-term strategy, especially when you end up faced with negotiations that may be outside of your experience or familiarity. By planning, you will have anticipated and prepared for a variety of possible situations that might occur. Furthermore, planning helps you to react effectively in situations when people are trying to convince you of something. A good plan helps you look for ways to facilitate an understanding approach rather than a convincing approach to negotiation. It does this by keeping you both focused and adaptable.

Planning is a sophisticated activity that requires you to think critically about yourself, other parties, and the context of the negotiation. The plan puts these together into a usable guide that you can rely on as you try to navigate the negotiation process. A negotiation plan can therefore draw upon any of the material from this book, although you will need to be selective about which material is important or relevant to a given situation.

Most people fail to plan for negotiations because it is not clear to them *why* planning is necessary, or *how* they should be doing it. Since planning is not something people typically do before they negotiate, they do not have a good framework to help them do it. To think about planning, let us use this analogy: You are stranded in the middle of nowhere and a storm is coming. No one can get to you before the storm hits, so you need to figure out how to weather it. What do you do? You cannot really answer that question yet because you first need to know something about the kind of storm that is coming (snow, rain, hurricane, tornado, etc.). You also need to know where you are, what resources you have at hand, and what you are capable of. (Are you in the woods? Is your car nearby? What wilderness skills do you have?) The answers to these questions tell you what you might be able to find, use, or create to help you shelter yourself. Planning requires that you take your general knowledge and think about what you will do in a specific situation.

Continuing with the analogy, let's assume you are in the woods, a rainstorm is coming, you know something about building shelters, and you have no extra clothes. In this case you might make keeping dry a high priority, and so you look around for materials to build a good watertight shelter. If you know what you are going to do, then, even if the storm starts, you can keep focused on executing your task. You don't want to be figuring out what to do while the rain is pouring and you are getting soaked—you won't be able to think clearly. Similarly, you don't want to be figuring out what to do while arguments are flying at you in a negotiation—you won't be thinking straight. A negotiation plan is

something you will use during the negotiation to keep you focused on what you want to accomplish. When you are negotiating, you will be simultaneously communicating, influencing and resisting influence attempts, attending to others' moves, and adapting to others' strategies. Planning must therefore provide a clear objective and way to assess progress toward that objective.

**You cannot plan for everything, but you can plan for a lot of things.**

A good plan makes allowances for managing a situation as it evolves. The path that a negotiation will follow is not fully predictable, much like the weather. Thus, it is probably more important for a plan to be flexible rather than exact. Luckily, even though the course of a negotiation can always deviate from the expected path, negotiations tend to change in fairly predictable ways, some of which can be anticipated. To go back to the rainstorm, some new hazards might turn up (lightning, flooding), but many will not (smoke, blizzard), and if you think about what is likely, you can have contingencies for them (e.g., build the shelter on higher ground in case of flooding).

The best plan is, therefore, one that is adapted to the situation and comprehensive enough to cover the important features. At the same time, the plan must be easy to use. It tells you what you need to keep in mind but no more. It offers guidance that is general enough to apply as the negotiation evolves but is specific enough to guide decisions at any point in time. It provides a way for you to act but is flexible enough to change as new things emerge in the negotiation.

## INFORMATION GATHERING

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Negotiation plans are situation specific, as nothing in negotiation works the same way all the time. While you may have general knowledge about negotiation, what you need to figure out when planning is how to accomplish your negotiation goals in your specific situation. This is where information comes in. Information helps you apply the concepts and tactics correctly and effectively. Suppose you receive a job offer from Microsoft. Table 3.1 gives examples of the kinds of information you may need.

Table 3.1 shows you how important planning is to the negotiation process. No matter which tactics you wish to use in your negotiation, you need information supporting those choices and information to carry out those choices. Our goal in this chapter is to walk you through this process.

### What Is “True”?

The value of information relates to how much the negotiating parties believe the information to be an accurate representation of reality. As first discussed in Chapter 1, a mistake you must avoid is the false-consensus effect, that is, assuming the other side believes what you believe. While some information you have may be fact (e.g., the salary they are offering me is \$45,000), far more often you form a biased conclusion based on the information at hand. For instance, you might assume, based on the salary being \$45,000, that

**Table 3.1 Types of Information**

Example of (Hypothetical) Information	Example of How That Information Can Help You Plan
Knowledge about what Microsoft wants from its employees	You can think about what assets or resources you have that you could offer.
Knowledge of the role of the person you are negotiating with	You won't waste time asking for things they can't give (e.g., HR hiring staff may have no authority to discuss promotion schedules).
Knowledge of other potential job offers	You can set more or less aggressive goals for the negotiation.
Knowledge that Microsoft doesn't negotiate salary	You may think about adding other issues to the bargaining mix.
Knowledge of the HR manager's wariness of "losing" the negotiation	You may decide to ask them for their ideas as to how the package can work for both of you.
Knowledge of the standard package that is offered to new hires	You can use this information for deciding how persistent to be.
Knowledge of whether you will ever see this HR manager again	You can think about how aggressive you should be (because there is little possibility of a future relationship).

the company (a) has not offered more than that in the past, (b) has little money to spend, or (c) has other qualified candidates. Are these conclusions true? Perhaps, but perhaps not. The danger is in assuming they are true and therefore negotiating as if they are true.

In our example, if you were to believe "c," that one of the other candidates will take the offer if you do not, you will assume you have low formal power in comparison with the company. This may lower your confidence, lower your persistence, and make you less willing to ask questions in order to create value out of fear that the company will hire someone else. Thus, your belief, which is based on an assumption, NOT fact, is affecting your ability to obtain value from the negotiation. The correction is to practice critical thinking when you gather information. Have you gathered all the relevant information? Have you considered and discounted alternative explanations? Do you know how to figure out if you are wrong in your assumptions when you get to the negotiating table?

### Relevance

**Relevance** is how important a particular piece of information is in a particular negotiation. The fact that you are CEO or a store manager is great, but probably won't matter too

much to your children in a negotiation over bedtime. Relevance is a question about whether information that *could* matter *does* matter, and if so, how? This is critical to think about when you are gathering information because you want to seek out information that the other side will perceive as relevant to the negotiation. Take the following example:

Andrea and Jamison are at odds over where to send their daughter Caroline for day care. Their interests range from money to location to quality of food to atmosphere to the quality of the curriculum to extracurricular activities. They can't seem to reach agreement. Jamison decides to do more information gathering. Specifically, he makes a spreadsheet of all the day cares in their town, what they cost, and what extracurricular activities are offered in the afternoons. He presents this to Andrea thinking this will finally help them make a decision. Andrea says: "So what, this doesn't matter."

Jamison has made the mistake of assuming what is going to be relevant to Andrea. He thinks because cost and type of activities are his two most important interests, Andrea will respond to research based on those criteria. Jamison has fallen victim to the false-consensus effect. To Andrea, however, it is much more about the *feel* of the day care and her interactions with the teachers. She needs to feel comfortable dropping Caroline off there, and that is only going to come from her own interactions with the staff. Jamison's research was useless in meeting her interests.

As you think about what is relevant, realize that you might have to find information that *may* be useful. In most negotiations, the need to simplify and be as conservative as possible in your assumptions about what could happen is paramount. However, creating value in negotiations is in large part about exploring what *could* happen. Discovering and/or creating these possibilities will require the inclusion of information that may be atypical for a negotiation. Put differently, if all you consider are obvious issues, your ability to create value will be severely limited. You have to plan for potential issues. (See Chapter 2 for a discussion of obvious and potential issues.) Both obvious and potential issues are pieces of information that have the potential to create value, and so you may need to be a bit more generative (in the brainstorming sense) when it comes to data gathering about value creation.

Remember that each party has their own filter on what they believe to be true and relevant, and when you think these things are wrong, it will often be quite difficult to get the other side to abandon their beliefs. If you are planning to negotiate with a **free-riding** team member (i.e., one who gets by on less than his fair share of effort), to get him to increase his effort, you should think about whether this team member shares that opinion. He may see himself as an active contributor; he may even feel this way in the face of clear evidence to the contrary. When questioned about his performance, he may offer, "I have A's in all my other classes" as (irrelevant) evidence for his contribution. If you are going to negotiate with this person, you cannot dismiss that information. Thinking you will show him how he is wrong (a convincing approach) is a strategy doomed to fail. Better to accept that perception as information (an understanding approach) and try to find a different tactic or set of tactics to use.

## Anticipating Negotiation Tactics

If the fundamental process in a negotiation is obtaining value, then you will need to assess in each negotiation situation what the potential tactics are that you can use. These are the tools that can be used to change others' beliefs and behaviors. You must plan not only for which ones will be useful for you to use, but which ones are likely to be used on you. For both, you can think about how to use them effectively and also how they can be resisted.

As you read through the next section of the book, you can think of these chapters as “levers” in a machine you can pull to influence the other side. You can pull one lever at a time or multiple levers at once. In each negotiation, you want to think through, as you plan, what is likely to work and, more importantly, why.

To assess the likelihood of effectiveness, one of the first steps is to think about relevance: What assets do you have at your disposal (e.g., time, resources, motivation, knowledge, etc.) that will help you obtain value from the other side? Generating this list will help you plan. For instance, if you have a reputation for honesty and integrity, you can leverage this to your advantage. When thinking about how you are likely to be influenced, you must similarly think of the assets that others have at their disposal. Sometimes this is a function of the other party (e.g., what they are expert in) or formal power (e.g., they are your boss's boss). But you should also consider what they probably think will work on you. How are you perceived by others? What does this mean for the kinds of tactics people think will work upon you? If you are generally soft-spoken, then you should consider that others may mistake this for weakness and may try to be aggressive. This is what you need to plan for.

When thinking about what tactics will probably be used, you should also think about how these will be resisted. If you intend to use formal power to obtain value from your subordinates, you should be realistic about what will happen if they want to resist. Will they try to make excuses? Say yes but then not do what you ask? Look to get you to do unpleasant things in return? Each of these would imply different courses of action. It is naïve to think that the other person will just cave to your request, so you should think a few steps ahead in anticipation of this resistance. And if you know the levers that are likely to be used by the other side, you can anticipate possible countermoves or responses. In all cases, the questions to ask when planning are “What tactics do I have at my disposal to obtain value from others in this situation?” and the complementary “What tactics will others use to obtain value from me?”

## Planning for Value Creation

Value creation will almost always involve creativity of some sort, or at least deviation from your normal negotiation routine. Why creativity? Because what has value and the ways value can be obtained from negotiations vary depending on the people involved, the context, the time, the issues, and so on. While it is easy to apply a standard, noncreative approach to negotiation, that often leaves a great deal of value unclaimed.<sup>3</sup> This is because value creation typically comes from creatively adding or packaging issues. To uncover such issues requires gathering information on what people have that is tradable and connecting it to their interests. This information may not be readily known and thus might take some creativity to uncover.

Creativity is a cognitively demanding activity that requires a level of openness and thinking flexibility. Therefore, the easiest time to do this is not when you are busy trying to figure out how to respond to the other party's attack, or when you are managing the negative emotion that comes from being engaged in conflict, but rather before you sit down at the negotiating table.

Creativity comes from thinking processes that typically happen unconsciously and automatically. While the input to creativity is often an explicit question (e.g., "What could I offer Josefina to work longer hours?") and other information (e.g., "I have time and expertise at my disposal"), how these things combine into novel and useful solutions happens largely in the automatic thought processes that you cannot directly control.<sup>4</sup> What's more, the harder you try to force solutions using your conscious, deliberate thought processes, the more likely you are to fail.<sup>5</sup> So, not only do you have to gather data on what people want and what you have to offer, you also need some time to let these data "percolate." Engaging in activities that put a large load on your conscious thinking processes (such as negotiating) limits the amount of unconscious thinking that can happen. And being in a negative emotional state limits the flexibility of your thinking with respect to seeing novel solutions to a problem. This is, again, why a plan is useful.

This brings us to the last point about planning for value creation. Value creation takes time and effort, and sometimes the situation is simply not worth the bother. If you want our meeting to be at 9 am and I want it at 10 am, it may be most efficient and effective to compromise (9:30 am) or for one side to accommodate the other (9 am or 10 am). One needs to assess the context in order to figure out whether the time and effort required to come up with ideas, pitch those ideas, and implement those ideas are worth it.

## BUILDING A NEGOTIATION PLAN

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We will now walk you through the main components of planning for negotiation. Are these the only things you will ever need to plan for? No, but thinking through each of these next sections will give you a solid basis from which to work. Do all of these things always matter? No. Every negotiation is unique, so every negotiation will have areas of emphasis that other negotiations will not.

### Negotiation Participants

The most obvious participants are the parties at the table. These are the individuals directly responsible for reaching agreement. Every negotiation has parties at the table. For most negotiations, even if just between two people, there are also likely to be background participants and nonparticipants. As discussed in Chapter 1, background participants are the people who may be "pulling the strings" of the participants at the table or who may need to give their blessing to any ultimate agreement. Nonparticipants are those who have an interest in the outcome of the negotiation but do not have direct control over the parties at the table.

In a contract negotiation, the representative for the supplier and the representative for the purchaser are the parties at the table. The supplier's boss and the purchaser's boss are background participants as they have final say over the deal but are not directly negotiating. Nonparticipants could include coworkers, other suppliers or buyers, stakeholders, and the like. These individuals may have an interest in the outcome of the negotiation and may enter the minds of the parties at the table, but they do not have direct influence over the negotiators.

Very quickly the parties at the table, background participants, and background nonparticipants can get complicated (especially if influencing person A will negatively affect person B, or you need to get C's buy-in before recruiting D). Such complexity is hard to manage in the moment, so it is useful to think of the negotiation parties beforehand. In all cases, one must plan for who needs to be influenced, how they (in particular) should be influenced, and possibly in what order this must happen.

### Interests

One of the first questions you should ask when planning is "What are my interests?" But in a specific situation, the question is really "What interests can be satisfied in this negotiation?" Once you know what you want, you need to think about the various ways you can meet your interests in your situation. This links your interests to the obvious and potential issues that should be included in the bargaining mix. Situations differ in what issues can be negotiated and hence what interests can be satisfied.

You also need to anticipate what others will want (their interests) and how you might be able to meet those interests. Knowing what issues or positions can be traded, and the benefits and costs associated with such trades, will allow you to determine the range of acceptable deals between what you hope to get (your goal) and what is the least you'll take (your resistance point).

A plan that keeps what you want clearly in mind helps you stay focused in your negotiation. A plan that keeps what others want clearly in mind helps you stay on target with what you offer. Remember that your habit, a very strong habit, will be to start with some kind of position, so it is always worthwhile to compensate by digging for the underlying interests. Do this the usual way: Keep asking yourself why you/they want that position. Watch out for the false-consensus effect (don't assume!), and try to have evidence for your conclusions about what others really want. They *might* have this interest, but you should conclude that only after you have evidence.

Kiera is negotiating with her mom regarding her curfew time. Her mom says, "Kiera, you know I want you home by 11 pm, no later." Kiera assumes her mom's main interest is to keep her safe, so she replies, "Mom, I'm only going to be at my best friend's house. Why can't I stay there until 12?" Mom says, "No, 11 pm." Kiera has assumed incorrectly. Mom's real interest is in having Kiera get a good night's sleep so that she can finish her homework in the morning. If Kiera had asked about her Mom's interest, she might have discovered this and figured out a creative way to do her homework before she went out for the night.



As you will see in the forthcoming chapters, coming up with creative solutions that satisfy both parties relies on your ability to trade things that are important to the other party for things that are important to you. Discovering what those things are is therefore crucial in order to be effective in a negotiation. Perhaps you might only be able to discover these interests and their relative importance during the negotiation, but the more you can anticipate what these interests are ahead of time and think about issues that the other party may care a lot about, the easier it may be to uncover them during the negotiation.

## Issues and Creating a Preference Table

Issues are the things you negotiate (money, time, flexible work, company car, cell phone reimbursement, grade in a class, vacation destination, etc.); they are the building blocks of negotiated agreements. The more kinds of issues you have, the more ways you have to get to agreement. The best issues for you to find are ones that have more value to you than cost to the other side. The more issues you have, the higher the likelihood that some of these will have this quality. Here again, the habit to avoid is to think only about what first comes to mind (e.g., in the job negotiation thinking of only salary, benefits, and time off). Better to answer these questions: “What other resources do these people have that could meet my interests? What do I have that might meet their interests?”

Not all issues may be usable in a negotiation. If you go into a negotiation with your boss with only the issue of telework to negotiate and your boss is prohibited from giving you that, you walk away with nothing. The more issues you’ve thought about beforehand, the more you have to work with. Having thought of potential issues beforehand can help with further discovery.

In Chapter 2, we distinguished between obvious issues and potential issues. You need to plan for both. The obvious issues are those that both sides know must be negotiated. Brainstorm beforehand what other issues could be on the table. It is much easier to do this brainstorming before the negotiation begins, because during the heat of the negotiation when emotions are high, it will be harder to think of other issues.

PJ has just taken a new job downtown, which is about a 30-minute commute away. A challenge for PJ is that his new company did not offer him a parking spot, which is critical as PJ does not have easy access to public transportation. He sees that a nearby hotel is offering parking spots for \$220 a month. This sum is more than he can afford, so he plans for the negotiation by thinking about potential issues that could be added beyond the issue of price. These include room discounts at this hotel, hotel vouchers at other locations, special event preferred pricing, use of the hotel fitness facility, and discounted

meals in the hotel restaurant. When negotiating with the hotel manager, PJ asks about all of these potential issues. The hotel manager lights up at the restaurant idea and ends up offering PJ free buffet breakfast every morning. It turns out he wants more people in the restaurant in the morning and offering PJ breakfast costs him virtually nothing as the hotel is already making the food for the buffet. PJ is also able to decrease the price to \$200 a month and lock in that price for 2 years. Planning was critical in this instance, as it is unlikely PJ would have thought of this issue during the negotiation.

We can now use our issues to create a preference table. The central task of making a **preference table** is to figure out (roughly) how much you might be willing to give of issue A to get more of issue B, C, and so forth. Essentially, you need to clearly be able to prioritize your issues in terms of which are more important to you and which are less important. The more issues you add, the more likely that the levels of the issues may use different units (money, time, more abstract things such as level of respect), and these are not always easily tied to a common denominator. Intangibles are not so easily converted into tangibles; even when they can be, the result may be less than satisfactory. For example, economists try to use “how much you would pay” as the common denominator to make things simpler. But by that logic, one should trade one less day of vacation for a 0.4% raise, or one less week of vacation for a 2% raise. Why? Because this is what you would get if you convert vacation days into pay. But vacation days mean something beyond money, and most individuals would not take this seemingly “rational” trade.

The pragmatic problem is creating a system that allows you to compare issues that are seemingly quite different. There are a number of ways to do this, but in all cases you are trying to find “good enough” ways to evaluate offer equivalence. Good enough is defined as the right balance of simplicity (for ease of use) and accuracy (so you can make good trade-offs). Not precise enough is easy to use but leads to bad trades. Too complex can lead to precise trades but will be very hard to use in real time. The tool to use is called a preference table.

Let’s say you are going to negotiate with your significant other, Pat, about where you want to go for dinner. Here’s how you might negotiate without thinking through a preference table:

**You:** So where do you want to go to dinner tonight?

**Pat:** I dunno. Where do you want to go?

**You:** Uh, I dunno. How about that new pizza place—Anthony’s?

**Pat:** Fine, if that’s what you want.

**You:** No, that’s not necessarily what I want. I was just throwing it out there.

**Pat:** No, it’s fine, let’s go there.

**You:** I don’t even really want pizza, though.

**Pat:** Then why did you suggest it?

**You:** Because I thought that’s what you might like!

**Pat:** Let’s just go, OK?

**You:** Fine.

Who “wins” in this negotiation? No one! Who loses? Both you and Pat. Why? Because neither side talked about his or her interests in going out to eat or the important issues tied to those interests.

So, let's try this again. You are going to negotiate with Pat over where to go out to eat. The issues tied to your interests, issues that you care about, are price, atmosphere, type of food, and distance from where you live. Four possible positions for each of these four issues are listed here, ranked in order of most attractive to least attractive to you (Table 3.2). Note that this is YOUR preference sheet; Pat would have his or her own.

**Table 3.2 Basic Preference Table**

Attractiveness	Price	Atmosphere	Type of Food	Distance From Where You Live
<b>Most attractive position</b>	>\$50	Romantic	Mediterranean	Very close (<15 minutes)
	\$40–\$50	Relaxed	Italian	Close (15–30 minutes)
	\$30–\$40	Loud	Asian	Not that close (30–45 minutes)
<b>Least attractive position</b>	<\$30	Family	Mexican	Far (>45 minutes)

An ideal solution for you would be an expensive, romantic restaurant that serves Mediterranean food close to where you live. Why are these positions more attractive to you? Because of your interests. You just got a promotion at work, so you'd like to celebrate with an expensive meal. You love Pat and would like a romantic setting with Pat. Mediterranean food is something you haven't had in a while but is a cuisine you very much enjoy. Finally, you are hungry, which is why you want to go somewhere close by.

However, that "ideal" restaurant may not exist! That's OK. This preference table is not about getting everything you want; rather, it's about thinking through *what* you want so that you and Pat can create value and come to a better agreement.

This first preference table is very basic, though, and does not let you make distinctions across issues (e.g., is a romantic atmosphere OK if the food is not very expensive?). One improvement to the preference table would be to rank the issues (Table 3.3). For instance, let's say you value price the most (you'd really like to spend money on dinner!), then atmosphere, then distance, then type of food.

The added benefit in this preference table is now you know which issues are most important to you. This helps you decide which trade-offs you might be willing to make. Because type of food is your least important issue, if Pat wants to go to an expensive, romantic Mexican place, this might be fine with you given that type of food is your least important issue.

This preference table is still limited, though, because we don't know the *relative importance* of the positions within the issues. For instance, this table does not reflect your interest of, for example, hating Mexican food. In fact, you are pretty much fine with any type of food as long as it's not Mexican.

**Table 3.3 Preference Table With Issue Ranking**

Attractiveness	Price	Atmosphere	Type of Food	Distance From Where You Live
<b>Most attractive position</b>	>\$50	Romantic	Mediterranean	Very close
	\$40–\$50	Relaxed	Italian	Close
	\$30–\$40	Loud	Asian	Not that close
<b>Least attractive position</b>	<\$30	Family	Mexican	Far
<b>Issue Rank</b>	<b>1– Most Important</b>	<b>2</b>	<b>4– Least Important</b>	<b>3</b>

To improve your preference table to take these relative values into account, you can rank all of the positions within the issues in terms of relative importance to each other. In this example (Table 3.4), since there are 16 choices, a rank of 1 would be the most important outcome to you, and a rank of 16 is the outcome you are least interested in.

You see that this preserves the relative preference order of the issues, while also giving information about preference between positions within those issues.

**Table 3.4 Preference Table With Position Ranking (Position rank in parentheses)**

Attractiveness	Price	Atmosphere	Type of Food	Distance From Where You Live
<b>Most attractive position</b>	>\$50 (1)	Romantic (2)	Mediterranean (5)	Very close (6)
	\$40–\$50 (4)	Relaxed (3)	Italian (9)	Close (7)
	\$30–\$40 (8)	Loud (13)	Asian (10)	Not that close (11)
<b>Least attractive position</b>	<\$30 (15)	Family (14)	Mexican (16)	Far (12)
<b>Average Position Rank</b>	$(1+4+8+15) / 4 = 7$ – <b>Most Important</b>	$(2+3+13+14) / 4 = 8$	$(5+9+10+16) / 4 = 10$ – <b>Least Important</b>	$(6+7+11+12) / 4 = 9$

Table 3.4 gives us even more clarity about what we want. Now we can see what we truly value, as spending money and having a romantic or relaxed atmosphere comprise our top ranked positions. We can also see what we definitely do not want, namely, a cheap dinner in a Mexican restaurant that is loud and family-friendly.

By assigning ranks to specific positions, we have already refined our interests, but ranks still may not adequately reflect the magnitude of difference between positions within the issues. It is possible for us to clarify our interests even further, in a way that captures more information about what we really value. The best way to add such specificity is to take the rankings and distribute points across possible positions, and then calculate your resistance point and goal in terms of these points. The advantage of points is that they can, for example, better take into account your hatred for Mexican food. A ranking of 16 merely tells you it is your least preferred option. Allocating a point value to each option allows you to better distinguish how least preferred it is. There's no particular scoring system you need to use. The important thing is merely that your scores capture the relative difference in how much you value (or do not value) the options. In this case, the scoring system has the extreme ends of +50 for things you really want and -50 for things you really want to avoid. If two items have the same score, that implies that you have a relatively indifferent attitude toward them. As Table 3.5 shows, you do not care whether a restaurant is Italian or Asian, so both are given the same score.

**Table 3.5 Preference Table With Position Scores**

Attractiveness	Price	Atmosphere	Type of Food	Distance From Where You Live
<b>Most attractive position</b>	>\$50 (30)	Romantic (25)	Mediterranean (10)	Very close (5)
	\$40–\$50 (20)	Relaxed (20)	Italian (0)	Close (5)
	\$30–\$40 (0)	Loud (-10)	Asian (0)	Not that close (0)
<b>Least attractive position</b>	<\$30 (-15)	Family (-15)	Mexican (-50)	Far (0)

This preserves your issue and position rankings but has the added benefit of allowing you to set a specific and measurable goal as well as a resistance point. You might say your goal is 55 points and your resistance point is 30 points. This means you want to figure out how to get to 55 points, but you'll say yes as long as you get at least 30 points.

Given these point allocations, you can now brainstorm some restaurant possibilities that are acceptable to you; that is, they provide value at or above your resistance point (Table 3.6).

**Table 3.6 Preference Table for Each Restaurant**

**Restaurant #1: Zayteen** (35 total points to you)

Attractiveness	Price	Atmosphere	Type of Food	Distance From Where You Live
<b>Most attractive position</b>	>\$50 (30)	Romantic (25)	Mediterranean (10)	Very close (5)
	\$40–\$50 (20)	Relaxed (20)	Italian (0)	Close (5)
	\$30–\$40 (0)	Loud (–10)	Asian (0)	Not that close (0)
<b>Least attractive position</b>	<\$30 (–15)	Family (–15)	Mexican (–20)	Far (0)

**Restaurant #2: Tabbouleh** (55 total points to you)

Attractiveness	Price	Atmosphere	Type of Food	Distance From Where You Live
<b>Most attractive position</b>	>\$50 (30)	Romantic (25)	Mediterranean (10)	Very close (5)
	\$40–\$50 (20)	Relaxed (20)	Italian (0)	Close (5)
	\$30–\$40 (0)	Loud (–10)	Asian (0)	Not that close (0)
<b>Least attractive position</b>	<\$30 (–15)	Family (–15)	Mexican (–20)	Far (0)

**Restaurant #3: Anthony's** (30 total points to you)

Attractiveness	Price	Atmosphere	Type of Food	Distance From Where You Live
<b>Most attractive position</b>	>\$50 (30)	Romantic (25)	Mediterranean (10)	Very close (5)
	\$40–\$50 (20)	Relaxed (20)	Italian (0)	Close (5)
	\$30–\$40 (0)	Loud (–10)	Asian (0)	Not that close (0)
<b>Least attractive position</b>	<\$30 (–15)	Family (–15)	Mexican (–20)	Far (0)

**Restaurant #4: P.F. Chang's** (45 total points to you)

Attractiveness	Price	Atmosphere	Type of Food	Distance From Where You Live
<b>Most attractive position</b>	>\$50 (30)	Romantic (25)	Mediterranean (10)	Very close (5)
	\$40–\$50 (20)	Relaxed (20)	Italian (0)	Close (5)
	\$30–\$40 (0)	Loud (–10)	Asian (0)	Not that close (0)
<b>Least attractive position</b>	<\$30 (–15)	Family (–15)	Mexican (–20)	Far (0)

Armed with this information, your task now becomes to use this information in your preference table to negotiate with Pat. If you take an understanding approach to this negotiation, your goal is to try to figure out what Pat's preferences are. Essentially, you want to be able to construct these relative values by asking Pat questions about Pat's interests. You might find out that while Tabbouleh is #1 on your list, Pat had Mediterranean food for lunch and really does *not* want Mediterranean cuisine. Pat's preferences might look like Table 3.7.

Your combined values then look like Table 3.8.

So what's the best solution here? Well, it depends on your stance toward Pat in this negotiation. If you don't care at all about Pat's interests, then Tabbouleh would seemingly be best for you. But we know that's not likely to be the case and that you probably want the best restaurant for both of you. In this case, P.F. Chang's is the best option. This is called **logrolling**—you've traded an issue that is less important to you and more

**Table 3.7 Your Negotiation Partner's Preference Table With Scores**

Attractiveness	Price	Atmosphere	Type of Food	Distance From Where You Live
<b>Most attractive position</b>	>\$50 (0)	Romantic (15)	Mediterranean (–10)	Very close (5)
	\$40–\$50 (5)	Relaxed (10)	Italian (0)	Close (5)
	\$30–\$40 (10)	Loud (–10)	Asian (40)	Not that close (0)
<b>Least attractive position</b>	<\$30 (10)	Family (–15)	Mexican (20)	Far (0)

**Table 3.8 Scoring Values for Each Restaurant Possibility**

Restaurant	Points of value to you	Points of value to Pat	Joint Value
Zayteen	35	-15	20
Tabbouleh	55	10	65
Anthony's	30	30	60
P.F. Chang's	45	60	105

important to Pat (cuisine) for an issue that is more important to you and less important to Pat (price). In discussing interests, you also open the possibility of finding a more romantic Asian restaurant, which would create further value for both of you.

And to think, without the preference table you were going to go to Anthony's!<sup>6</sup>

One important note is also the idiosyncratic nature of these interests, rankings, and scores; some of them (if not all of them) are only valid today and for this particular situation. You may generally not want to spend a lot of money when you go to restaurants, but because you wanted tonight's dinner to be a special occasion, you do care a lot about that issue today. By the same token, Pat may normally really like Mediterranean cuisine, but because Pat had it for lunch, it is not something that Pat values very highly for dinner today. Thus, these scores are specific to the situation and time and can be very different if you and Pat have a similar discussion tomorrow. The ideal outcome tomorrow, in the exact same negotiation, might be very different from what you arrived at today. This highlights that you need to approach each negotiation with this type of mind-set and not make assumptions about the other party's interests or preferences.

Let's be realistic. Are you going to create a preference sheet for every negotiation? Of course not. But going through the exercise of making a preference sheet *forces* you to think about your interests in a way that is detailed and specific. This helps you know the issues that are important to you, the relative importance of those issues, the trade-offs you are willing to make, and what goal or resistance point you might set for the negotiation.

Even though this might seem cumbersome and time-consuming, the key to successful value creation is to be able to logroll: trading the issues that are less important to one party against issues that are more important to the other party. Thus, it is important for you to know exactly which issues are more important to you and which are less important. To be effective and find the best outcomes, it is equally important to uncover which issues are more important to the other party (or parties) and which are less important. Once you know that, you can identify which of the issues important to the other party but less important to you you would be willing to concede on, in exchange for the other party conceding on an issue that is really important to you but not as important to them. Much of the "discovery" of which issues are more or less important to the other party



will occur during the course of the negotiation itself and the communication that occurs. However, as with our discussion of interests earlier, the more you can anticipate and gather information in advance about which issues may be more or less important to the other party, the better prepared you will be to look for this information.

## Goals

In Chapter 10 we will talk about the characteristics of good goals and how they can impact motivation during negotiation. Goals serve as a measure (and anchor) of performance. Planning for goals guides against the contamination of emotion. If you can think beforehand (when you are presumably less anxious) about what you really want to walk away with, and the point at which you don't want to continue to negotiate, then you have something to keep you grounded when the emotions start to swirl during negotiation. If you have a clear, specified goal, you will be motivated to persist in the negotiation.

As will be discussed in Chapter 10, with goals there is the danger of **overspecification**, that is, specifying a precise amount for each issue (making a goal of \$80K salary, 2 weeks off, and 2 days a week teleworking with a resistance point of \$70K salary, 1 week off, and 0 days a week teleworking). An overspecified goal leaves only one way to reach it. This increases the danger that you will miss a creative opportunity (e.g., the other side adds an issue you had never thought of) because you are laser-focused on reaching your goal. Overspecification also can lead you to want to go through issues one at a time, which prevents value creation. Thus, you want to set your goals such that you are motivated to persist without narrowing your focus so much that you lose sight of your broader interests.

## Alternatives

You must always identify your alternatives and specifically your **BATNA** (best alternative to a negotiated agreement). Your BATNA represents what you can do if you fail to reach agreement with the other side. It should be clear and explicit in your mind before going into the negotiation; otherwise, you cannot reap its benefits. If your BATNA is weak, you may not want to use it. Or you can take steps to strengthen it as part of your preparation for negotiation. That is, you could develop alternatives to negotiating that would serve whatever purpose you ultimately desire. For example, if you were going to negotiate with a contractor for remodeling your home, rather than seeing your BATNA as limited to the same job done by other contractors, you could consider doing the work yourself, moving to another house, or finding some other way to accomplish whatever you wanted to get out of the remodeling (e.g., if it was building an exercise room, you could think of a gym membership as a BATNA; if it was building a home office, you could think about joining a coworking space). Even if you wind up having a very weak BATNA, knowing what it is prevents you from making threats you cannot deliver upon, or rejecting offers that, while not attractive, do actually improve your situation.

As will be discussed in Chapter 9, BATNA is absolutely central to negotiation. Not only does the relative BATNA of your situation determine how confident you are in a given negotiation context, but it can give you leverage over the other side. BATNAs can also help you determine your goals and resistance points, as you know what you can get

elsewhere. The worst deal you are willing to accept is the deal that is slightly better than (or as good as) your BATNA. Obviously you would not easily agree to an agreement that is worse than your BATNA, since you could just walk away and take your BATNA.

Your resistance point is usually determined by your BATNA. A clear, well-defined resistance point gives you information about when to walk away and guards you against influence attempts during the negotiation. If you know what your bottom line is and people are trying to get you to cross it, you can convincingly say, “This won’t work for me.” Either the other side will capitulate, or you will stop wasting your own time negotiating. It is understandable to want closure. Things like **sunk cost bias** make “completion” an attractive-looking endpoint, as we are driven to engage in future actions to justify past costs. These forces, however, bias judgment in a way that is ultimately maladaptive in that value is left on the table. Some deals should not be signed.

### Individual and Cultural Differences

Much of what we focus on in this book is about what is possible—what leads to influence, how to align yourself with others, when there might be more possibility to negotiate, and so forth. However, there are often aspects of situations that limit possibilities. These aspects include the individual and cultural differences that impact negotiations (Table 3.9; also see Chapters 11 and 12). You need to understand the relevant characteristics of the situation before you go into the negotiation so that you don’t waste time and effort trying to accomplish or change something that you actually can’t.

**Table 3.9 Individual and Cultural Differences**

Difference	Example
Gender	This can impede your ability to influence by changing how you are perceived.
Personality	Some negotiators may be overly conflict avoidant, making some negotiation tactics difficult to use. Others might be overly confident.
Ability	Certain negotiations are complex and may be more difficult for some negotiators to grasp.
Diversity	Diverse negotiators may be assumed to have certain preferences or characteristics, impeding the ability to create value. Diversity among negotiators also increases the potential for misunderstanding and miscommunication.
Emotion	Heightened anxiety creates defensiveness, impeding the ability to take an understanding approach to negotiation.
Culture	Cultural differences can make certain tactics unacceptable, create communication difficulties, and engender a great degree of uncertainty.

You will also need to think about the logistics of the negotiation, such as where to negotiate, when to negotiate, which technology to use (see Supplement B), and so on. Further, many negotiations have barriers such as resource and time constraints (see Supplement F).

## Approach and Tactics

As you work through this book you will gain a significant amount of information about the tactics associated with negotiation. As you plan to negotiate, you will have to decide which tactics to use. The first choice, as shown in Figure 2.2 in the previous chapter, is whether you are going to take a convincing or understanding approach during the negotiation.

If you take a convincing approach, are you going to use formal power? Alternatives? Uncertainty? Persistence? If you take an understanding approach, are you going to focus on reciprocity? The relationship? Intangible interests? And then, within each, which tactic or tactics are you going to use? Once you've decided on a set of tactics, you might find it helpful to write down specifically what you will say. Over the years we've seen our students struggle with finding the words to use in opening a negotiation and, more often than not, default to a weak opening defined by conflict avoidance. When you write down how you'd like to open, you have a **planning script** to follow, which reflects what you truly wish to convey.

Negotiations evolve in a way that is not perfectly controllable by any one person; therefore, a good plan should be adaptable to unexpected conditions. Plans can go awry in an infinite number of ways, so there is no way to prepare for all contingencies. However, you can identify the critical pathways or milestones and have backup plans for these. These are the places that would make you vulnerable or weakened if they did not work out. Some unexpected events could include the following:

- What if they open the negotiation first when you planned to open?
- What if you are trying to understand and they insist on convincing?
- What if they do not care about future interaction and you struggle to build trust or liking?
- What if you find out new information that strengthens or weakens your arguments?

Because people tend to be pretty poor at prediction, you should not get carried away trying to presage all the possible ways in which negotiations can get off track. It is much better to have a focused and flexible set of tactics in case you need a "Plan B." For example, when negotiating with a friend, maintaining the relationship should be critical, and you should have a backup plan in case the negotiation starts to devolve into a fight. Or, if you walk into a negotiation thinking that your awesome BATNA gives you the leverage you need, have a contingency for what you will do if the BATNA turns out to not be very strong at all. If you spend the time to at least think of a few things

that might go wrong and how you might respond or change your plan, you will have an advantage over people who do not engage in some basic contingency planning. Asking yourself, “What are the three main things that might go wrong in this negotiation?” can be a very useful thought exercise as part of your planning process.

## MAKING A PLANNING WORKSHEET

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There isn’t one fixed way to plan for a negotiation, and obviously lots of negotiations can vary in many different ways—hence the need for flexibility in your planning. However, as a general rule, it’s always good to prepare a worksheet (see Tables 3.10 and 3.11) ahead of time and to make sure that all of the “boxes” have been filled out as much as possible with available information. Not only does this get you in the habit of making sure that you are thinking about all of the important aspects of the negotiation ahead of time, but also the empty areas of the worksheet clearly tell you what information you still need to find.

Once you have filled out a worksheet as completely as possible, the missing gaps will tell you what additional information you need to be searching for (before the negotiation) and trying to discover (during the negotiation). You should also use the worksheet to help you figure out *how* you might try to convince or understand the other party. Does the worksheet tell you anything important about what tactics the other party or parties might be susceptible to? Does the worksheet help you understand how you might overcome different barriers that you might be anticipating during the negotiation? What type of tactics and approach are you going to use, now that you have this information? Most importantly, does looking at the worksheet suggest possible avenues for finding creative solutions that might benefit both parties? In other words, can you already start to get an idea for what low-priority things you might be able to trade away to another party that they might really value, and what things they might not value that could be really important to you?

A planning worksheet is not by any means the only preparation or planning you need to do for a negotiation. As outlined in this chapter, there are many factors that you need to plan for and contingencies to consider. However, a planning worksheet (see Tables 3.10 and 3.11) is something that can help you organize information and think about creative solutions that can lead to effective outcomes. Having a worksheet like this can be a “safety blanket” to help the inexperienced negotiator feel more prepared and confident. As you become a more experienced negotiator, you may eventually not need a paper worksheet in front of you to write on—you may keep much of this in your head—but it remains important to organize and categorize the information in a systematic way.

Tables 3.10 and 3.11 are a start, as for most negotiations this worksheet will capture the important features of the negotiation at hand. As you prepare for a particular negotiation, you might decide that other categories need to be represented in your worksheet. Perhaps there is history between the two individuals that should be captured, or you want to note your own proclivities for the common negotiation mistakes. Use the worksheet, then, and supplement based on the particular situation you are facing.

**Table 3.10 The Planning Worksheet**

<b>1. Parties</b>	Who are the parties in the negotiation?	
<b>2. Interests</b>	What are your interests in this negotiation?	
	What do you believe are the interests of the other side in this negotiation? Why might your answer to this question about the other side's interests be wrong?	
	How might you be able to create value in this negotiation?	
<b>3. Issues</b>	What are the obvious issues to be negotiated?	
	What are the potential issues to be negotiated?	
	What are your preferences/rankings on those issues?	
	Create a preference table for your negotiation, including possible positions (in the left column) on each issue (across the top row). Include either rankings or point values for each possible position on each issue.	
<b>4. Goals</b>	What is your goal (or goals) for this negotiation? Is this goal SMART? How is this goal going to motivate you to be persistent in this negotiation?	
<b>5. Alternatives</b>	What is your BATNA? What is the strength of your BATNA? What is the other party's BATNA? What is the strength of their BATNA? What is your perception of your/their BATNA? What is their perception of your/their BATNA? What is your resistance point, or the point at which you will walk away?	

*(Continued)*

**Table 3.10 (Continued)**

<p><b>6. Individual and cultural differences</b></p>	<p>What individual and cultural differences are likely to be in this negotiation? How are these likely to impact your negotiation? Personality, ability, gender, etc.</p>	
<p><b>7. Approach, levers, and tactics</b></p>	<p>Which approach are you going to use in this negotiation—convincing or understanding? Why?</p>	
	<p>What negotiation levers are you going to try to “pull”? What tactics will you try first?</p>	
	<p>What specifically will you say? How will you open the negotiation?</p>	
	<p>What tactic(s) will you use if your first option(s) is not successful, and why?</p>	
<p><b>8. Their approach, levers, and tactics</b></p>	<p>What approach, levers, and tactics do you anticipate the other party using?</p>	
<p><b>9. Logistics</b></p>	<p>Where will you negotiate? How will you negotiate? What are the resource and/or time constraints of this negotiation? Will you need to use a mediator or arbitrator?</p>	
<p><b>10. Other?</b></p>	<p>What else is likely to matter in this negotiation? History between the parties? Proclivities for making negotiation mistakes? Contract details? Other?</p>	

**Table 3.11 Sample Negotiation Plan**

*This negotiation plan is adapted from an MBA student named Sobek. In anticipation of a negotiation with his boss Julie, he put together this negotiation plan. This is written from Sobek's perspective and was used to negotiate a pay raise, additional responsibilities, and security clearance sponsorship from his employer.*

<p><b>1. Parties</b></p>	<p>Who are the parties in the negotiation?</p>	<p>There are two parties at the table in the negotiation: my supervisor Julie and myself. In addition to these two parties, there are three background participants who can affect the progression of the negotiation because of the influence they have on my supervisor. These are the three companies I perform work for, who were assigned to me by Julie. These companies have influence because if they are not satisfied with my work, they can tell Julie that they no longer need me.</p>
<p><b>2. Interests</b></p>	<p>What are your interests in this negotiation?</p>	<ul style="list-style-type: none"> <li>• I want to be able to pay off my student loans as rapidly as possible. The interest on my student loans begins to accrue once my classes are over, so an increase in my rate would help me to address this.</li> <li>• I want to take on additional responsibilities with the work I'm performing so that I may become more knowledgeable about the federal contracting space and make myself more attractive to potential employers.</li> <li>• By increasing the frequency at which I perform work for my supervisor and receive feedback, I can build a stronger relationship with my supervisor and get more exposure to our clients.</li> <li>• As my future is in the government contracting space, sponsorship toward a security clearance will open career path options for me.</li> </ul>
	<p>What do you believe are the interests of the other side in this negotiation? Why might your answer to this question about the other side's interests be wrong?</p>	<ul style="list-style-type: none"> <li>• My supervisor wants to keep the three companies I work with as happy as possible so she does not lose them as clients.</li> <li>• My supervisor does not want to lose me working for her as a project analyst because I perform competitive research for the clients she works with.</li> <li>• My supervisor does not want to damage the mentor-mentee relationship she has with me because I am, in part, a reflection of her.</li> <li>• My supervisor wants me to succeed because she has invested in me and my success will reflect positively on her.</li> </ul> <p>I might be wrong because I'm not in Julie's shoes. I don't have her perspective on the broader business, nor have I had a negotiation like this with Julie before.</p>

(Continued)

**Table 3.11 (Continued)**

	How might you be able to create value in this negotiation?	I can create value by adding issues and hopefully facilitating logrolling. This creates values if these issues are more important to me than to Julie. If Julie is able to give me my preference on issues #2, #3, and #4, then I would be willing to forgo a \$5 increase in pay.																												
<b>3. Issues</b>	What are the obvious issues to be negotiated?  What are the potential issues to be negotiated?	<p>Obvious (What's on the table):</p> <ul style="list-style-type: none"> <li>• My hourly pay rate</li> </ul> <p>Potential (What could be on the table):</p> <ul style="list-style-type: none"> <li>• I would like additional responsibilities from Julie related to working with our technology platform. This platform is used by our government clients to coordinate projects, and it is something that would help me greatly in my career.</li> <li>• Increasing the frequency at which I perform a number of my assigned duties and report them to my supervisor. Currently I only report weekly but would like to report more frequently.</li> <li>• My supervisor sponsoring me for a security clearance.</li> </ul>																												
	What are your preferences/rankings on those issues?	<p>(In order of importance)</p> <ol style="list-style-type: none"> <li>1. My hourly pay rate</li> <li>2. Additional responsibilities</li> <li>3. Frequency at which I report tasks and get new assignments</li> <li>4. Sponsorship for a security clearance</li> </ol>																												
	Create a preference table for your negotiation, including possible positions (in the left column) on each issue (across the top row). Include either rankings or point values for each possible position on each issue.	<table border="1"> <thead> <tr> <th></th> <th>Hourly Pay Rate</th> <th>Additional Responsibilities</th> <th>Feedback Frequency</th> <th>Sponsorship</th> </tr> </thead> <tbody> <tr> <td>Position 1</td> <td>+\$5/hr (100)</td> <td>Yes (50)</td> <td>Daily (40)</td> <td>Yes (30)</td> </tr> <tr> <td>Position 2</td> <td>+\$3/hr (80)</td> <td>No (0)</td> <td>3 times/week (30)</td> <td>No (0)</td> </tr> <tr> <td>Position 3</td> <td>+\$1/hr (20)</td> <td></td> <td>2 times/week (20)</td> <td></td> </tr> <tr> <td>Position 4</td> <td>No change (0)</td> <td></td> <td>Weekly (0)</td> <td></td> </tr> </tbody> </table> <p>(Overall points of value to me in parentheses)</p>						Hourly Pay Rate	Additional Responsibilities	Feedback Frequency	Sponsorship	Position 1	+\$5/hr (100)	Yes (50)	Daily (40)	Yes (30)	Position 2	+\$3/hr (80)	No (0)	3 times/week (30)	No (0)	Position 3	+\$1/hr (20)		2 times/week (20)		Position 4	No change (0)		Weekly (0)
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Position 3	+\$1/hr (20)		2 times/week (20)																											
Position 4	No change (0)		Weekly (0)																											



<p><b>4. Goals</b></p>	<p>What is your goal (or goals) for this negotiation? Is this goal SMART? How is this goal going to motivate you to be persistent in this negotiation?</p>	<p>I will gain 150 points of total value as determined by the preference table. It is specific, time-bound, difficult, relevant to my interests, and I've set it myself. I have not made this public.</p>
<p><b>5. Alternatives</b></p>	<p>What is your BATNA? What is the strength of your BATNA? What is their BATNA? What is the strength of the other party's BATNA? What is your perception of your/their BATNA? What is their perception of your/their BATNA? What is your resistance point, or the point at which you will walk away?</p>	<ul style="list-style-type: none"> <li>• What is your BATNA? My BATNA would be to simply continue working at my current hourly rate.</li> <li>• What is the strength of your BATNA? The strength of my BATNA is low.</li> <li>• What is your perception of your BATNA? I perceive my BATNA this way because of the low resource power I possess and the belief I hold that, in part due to my close relationship with my supervisor, she is aware of my BATNA.</li> <li>• What is your perception of their BATNA? I perceive her BATNA to be strong since she has legitimate and resource power. Also, her BATNA is strong because there are many candidates who can perform the same work that I do.</li> <li>• What is their perception of your BATNA? I believe that her perception of my BATNA is that it is weak. I state this because she knows she holds significant resource power but, more importantly, I strongly believe that my supervisor is aware of my BATNA.</li> <li>• What is their perception of their BATNA? My supervisor is aware of the job market and the prevalence of individuals with my skills. As such, I feel that she believes she has a strong BATNA.</li> </ul>

(Continued)

**Table 3.11 (Continued)**

<p><b>6. Individual and cultural differences</b></p>	<p>What individual and cultural differences are likely to be in this negotiation? How are these likely to impact your negotiation? Personality, ability, gender, etc.</p>	<p>Julie may not want to be seen as “soft” since she is an aspiring woman leader in the organization. She may be sensitive to this. I need to explore her intangible interests for how she would like to be viewed coming out of this negotiation.</p> <p>I'm generally conflict avoidant and need to remember to keep asking questions and pursuing a positive agreement with Julie.</p>
<p><b>7. Approach, levers, and tactics</b></p>	<p>Which approach are you going to use in this negotiation—convincing or understanding? Why?</p> <p>What negotiation levers are you going to try to “pull”? What tactics will you try first?</p>	<p>I want to use an understanding approach to this negotiation. I would feel uncomfortable trying to convince Julie of anything, and I want this to feel as much like solving a problem as possible. In other words, I don't want to get into a tug-of-war with Julie. Because she is serving as my agent, I need her to be on my side during this negotiation so that she is able to represent my interests along with hers to the client(s).</p> <ul style="list-style-type: none"> <li>• <i>Relationships</i> (Chapter 6). I will begin by exchanging pleasantries and working to build rapport. The relationship is by far and away the most important thing to me in this negotiation, and I will make sure Julie knows this.</li> <li>• <i>Intangible interests</i> (Chapter 5). From this point, I will tell her how grateful I have been and continue to be for the support and guidance she has offered me. Julie, my supervisor, views me as her mentee and, as such, I believe would respond well when I express my sincere gratitude for all that she has done for me and be completely honest with her by clearly communicating both the things that I need and the things that I would love to have. This should promote a problem-solving approach to the issues at hand rather than an adversarial one.</li> <li>• <i>Reciprocity</i> (Chapter 4). Sharing information by openly and honestly communicating with her about my “needs” versus my “love-to-haves” will only act to further the trust that we have with one another. As a result of furthering this trust, she will be even more willing to be forthright with me and explain why she could or could not approve of or address the issues I have communicated.</li> <li>• <i>Reciprocity</i> (Chapter 4). I will ask her if it is OK to ask about <i>adding issues</i>. If she says yes, I will present all four of the issues in my preference table.</li> </ul>

	<p>What specifically will you say? How will you open the negotiation?</p>	<p>“Julie, I just want to tell you how much your guidance has meant to me over the past couple years. From hiring me immediately after I left my personal training job, to teaching me the fundamentals about federal government contracting, to writing my recommendation letter when I chose to pursue my MBA, you have believed in me and supported me when others did not. I am forever appreciative of this! Thank you. As I finish up the last classes of my MBA over these next few weeks, I am increasingly looking ‘down the road’ in terms of my financial situation. Now, I absolutely hate to ask this, but I always want to be completely honest with you. In order to effectively pay down the student loans I have taken out, I’d like to discuss possibilities regarding an increase in my hourly rate as well as other possible job opportunities. Is this OK to discuss?” <i>(Wait for answer before proceeding.)</i></p>
	<p>What tactic(s) will you use if your first option(s) is not successful, and why?</p>	<ul style="list-style-type: none"> <li>• <i>Reciprocity.</i> If my supervisor responds by saying that she does not think she can increase my hourly pay, I can suggest a contingent contract. The contingent contract would state I would get paid \$25 for my hourly work rate for 3 months and if, by that time, I do not have a new job, the hourly rate would go back down to \$20.</li> <li>• <i>Alternatives.</i> I’ll try to strengthen my BATNA by obtaining another job offer. If I’m able to do that, I can then use that BATNA to threaten to walk away and take another offer.</li> </ul>
<p>8. <b>Their approach, levers, and tactics</b></p>	<p>What approach, levers, and tactics do you anticipate the other party using?</p>	<ul style="list-style-type: none"> <li>• <i>Relationships.</i> I really like Julie and her husband and this makes it very difficult for me to ask her for value. Even if she doesn’t explicitly “use” her relationship power over me, I know this can influence me.</li> <li>• <i>Background power.</i> Julie can say that her hands are tied because of the contract that we are working on.</li> </ul>
<p>9. <b>Logistics</b></p>	<p>Where will you negotiate? How will you negotiate? What are the resource and/or time constraints of this negotiation? Will you need to use a mediator or arbitrator?</p>	<ul style="list-style-type: none"> <li>• I’d like to get out of the office and negotiate with Julie at a local coffee shop. I think this will make for a more relaxing environment.</li> <li>• Julie may not have the resources to increase my pay because she is constrained by the contract we are working on.</li> <li>• I’m unable to directly negotiate with the three companies that I perform work for. In this sense Julie is my agent. I have to speak with Julie, who, in turn, must speak with the three companies about increasing my hourly rate. This will potentially decrease my ability to know the interests of the three companies.</li> </ul>

(Continued)

**Table 3.11 (Continued)**

<p>10. <b>Other?</b></p>	<p>What else is likely to matter in this negotiation? History between the parties? Proclivities for making negotiation mistakes? Contract details? Other?</p>	<ul style="list-style-type: none"><li>• Julie and I met when I was a personal trainer at a local gym and Julie and her husband joined as my clients. I am forever grateful to Julie and her husband for being early clients of mine, and I think this is going to impact how willing I am to ask Julie for things now. I need to remember that this is a business deal and Julie is interacting with me as my supervisor, not as my personal training client.</li></ul>
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## ETHICAL CONSIDERATIONS

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Planning is surprisingly important from an ethical perspective. This is surprising because you may not consider the planning stage of a negotiation as one where difficult ethical choices or dilemmas might present themselves. To a certain extent, this is true; the ethical consideration here is more one of trying to proactively avoid getting into those situations in the first place.

Often, when individuals engage in unethical behavior, it is not necessarily because they are bad or evil people or their intent is selfish or unethical. Rather, it can be because they are placed in unfamiliar situations or are exposed to unexpected pressure—either from other people or from a “strong” situation—and they react with behavior that they might not have otherwise engaged in if they had more time to consider their action or been able to step away from the situation. There are volumes of research in social psychology that demonstrate these kinds of effects,<sup>7</sup> and being well prepared and having a specific plan can “inoculate” you against many of them. Instead of being caught off guard and finding yourself in an unfamiliar and confusing situation, you can rely on your preparation and stick to your plan.

There is a saying among SCUBA divers: “Plan your dive, and dive your plan,” which is a rule of thumb designed to prevent people from getting into trouble during a dive. Many fatalities in SCUBA diving occur because divers (often relatively inexperienced ones) end up putting themselves in situations they had not planned for and end up in considerable danger. The logic for negotiations should be the same: The more you have a plan for unexpected things that might happen, or things that can go wrong during the negotiations (as mentioned earlier in this chapter), the less likely you are to find yourself in an ethically compromised position.

Another important way that planning is relevant to ethics is in terms of thinking about your personal ethical standards *before* you enter a negotiation. The more you have a clear idea of what you are willing to do and what you are not willing to do, and exactly where your line is, the less likely you are to accidentally cross that line. For instance, if you are negotiating on behalf of your employer and someone offers a bribe during the negotiation to influence you toward a deal more beneficial to them, you should not have to consider whether or not to take it; you should already *know* the answer. Most difficult choices will not be as blatant as this example and might involve considerable nuance and ambiguity. Gathering as much information about the particular context and norms related to the negotiation ahead of time, so that you can determine how your personal standard applies, is an important part of preparation. Even if you have very clear personal ethical standards, you will still need to think about how they apply in a particular context. Will your standards for appropriate behavior be different when negotiating a used car purchase than for a salary negotiation with a prospective employer? Probably.

### Ethics Discussion Questions

1. Are there conditions under which offering a bribe, or accepting a bribe, might be acceptable? What would those conditions be?

2. If you are preparing to negotiate with a company for a contract, and an old college friend of yours contacts you to sell you confidential information on the bids of your competitors (which would give you a significant advantage), how would you respond?
3. Would you be prepared to tell an outright lie during a negotiation? If so, under what conditions? Would you ever include lying in your negotiation plan?
4. If you are negotiating on behalf of your employer, and you were explicitly told by the CEO to not reveal particular information, how do you respond if someone asks you about the information during the negotiation? What do you do if the other party offers what appears to be a really good deal for your company if you reveal the information?

## CHAPTER REVIEW

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### Discussion Questions

1. What appropriate information could you gather prior to a job negotiation?
2. What are all the responses you should be prepared for when you ask a car salesman whether he can lower his price?
3. What would be the danger in developing one part of the plan thoroughly without the other parts of the plan?

### Concept Application

1. Following Tables 3.10 and 3.11, make a negotiation plan for each of the following situations, and then conduct the negotiation.
  - a. A one-issue negotiation
  - b. A negotiation with a close friend or family member
  - c. A negotiation with multiple parties
2. Report back on how and why the plan was helpful and where it could be improved.
3. Also report back on whether the plan was restrictive, and if so, in what ways.



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