

CREATING POSITIVE NEGOTIATION CONVERSATIONS AND OUTCOMES

We experience numerous discussions in which we easily and naturally find win-win outcomes that are best for both parties. Because the experiences are positive and we reach favorable outcomes we would likely describe the interactions as conversations rather than negotiations.

At other times, however, we experience interactions lacking win-win dynamics. In these situations it is likely that the other party has a different context for the discussions. One common context is the zero-sum-outcome in which one party must win and the other party must lose. Entering into these discussions has a very different feel and requires more effort to reach solutions that work for all parties. These experiences are typically less enjoyable and the outcomes are almost always suboptimal for at least one of the parties.

When we find ourselves in less than ideal negotiating contexts, we can adopt helpful approaches to increase the likelihood of achieving win-win outcomes. Below are tips for shifting negotiating conversations and for creating more positive outcomes for all parties. If win-win conversations are not possible, these actions will help to ensure that you do not unintentionally and unnecessarily enter into suboptimal agreements.

Before the conversation:

- Take time prior to negotiating conversations to consider your *target* outcome and *walkaway* outcome. The target is your ideal outcome and your walkaway represents the minimum you are willing to accept. Entering into negotiations without considering both factors increases the risks of giving too much away and not walking away from an unsatisfactorily low outcome.
- Research and gain clarity about key benchmarks so you know in advance what is reasonable to ask for and to offer, as well as to reduce the influence of the other party's views and requests.
- Maximize your BATNA's (Best Alternative to a Negotiated Agreement) before negotiating. Generating strong and viable BATNA's will enhance your negotiating conversations and positioning, and will reduce the tendency to agree to unsatisfactory outcomes.

During the conversation:

- Begin conversations by building rapport, including when appropriate sharing personal information. Openly and authentically sharing, especially at the beginning of zero-sum-outcome conversations, encourages the other party to shift toward a win-win scenario.
- Ensure that you include all factors involved in the negotiating conversation. Focusing on multiple metrics reduces the tendency for the conversation to become a zero-sum proposition. Considering multiple factors expands the context and allows for more give and take.

- Develop and rank each party's priorities. Many times we incorrectly assume that the other party is focused on only one metric or values metrics the same as we do. This is usually not the case and clearly ranking each party's priorities creates flexibility and allows for trade offs.
- Resolve everything at one time rather than sequentially. This increases flexibility as each party can trade items of lesser importance to gain others of more importance. Agreeing to terms sequentially removes them from consideration and limits the ability to negotiate trade-offs.
- Frame your offer in the most effective way. Separating positive terms into multiple parts increases the number of terms you are offering and provides a psychological benefit. Consolidating the items you are asking for into the fewest possible components reduces the number of terms and lowers the perceived value of what you are requesting.
- Ensure that each successive counter offer gives less away than the prior offer. Counter intuitively, many negotiators offer the smallest concessions in the first round. When the other party counters, the negotiator offers a larger discount than the previous concession. This provides an incentive for the other party to continue asking for more concessions since each request yields a bigger benefit. As part of your strategy know where you want to end up and offer the largest concession first and then follow each subsequent offer with smaller concessions to reinforce the reality that each negotiating round will provide the other party with diminishing benefits.
- Be aware of the anchoring principle and actively resist the natural tendency to have the other party's position unduly influence your thinking. Just as making the first offer creates an anchoring effect and influences the other party, their offer will do the same to you, even when you are aware of the anchoring effect and its impact.
- If other party is the first to make an offer, no matter how good the offer is, make a counter offer. Studies show that accepting the first offer creates negative feelings for the offering party. Not countering gives the impression that they could have done better and gave too good of a deal. Remember that the goal in all conversations is to create a win-win outcomes *and* for all parties to feel good about the outcomes. It is possible to create win-win outcomes but to have the other parties feel negatively about the outcomes.

After the conversation:

- After agreement has been reached send a summary of your agreement by email. This helps to solidify the agreement before memories become fuzzy. If a written agreement is required take the initiative to draft the document.
- At the end of the process thank the other party and, if appropriate, complement them on their positive role in the process. This is especially important if there is a chance that you will be repeating the process with them in the future.

Plan ahead to create a win-win negotiating outcomes for all parties. When a win-win scenario does not initially exist, be intentional about shifting a zero-sum-outcome context to reach the best possible outcome for both parties. If a win-win outcome is not possible, use these tips to help you minimize the impact of a win-lose negotiation conversation.