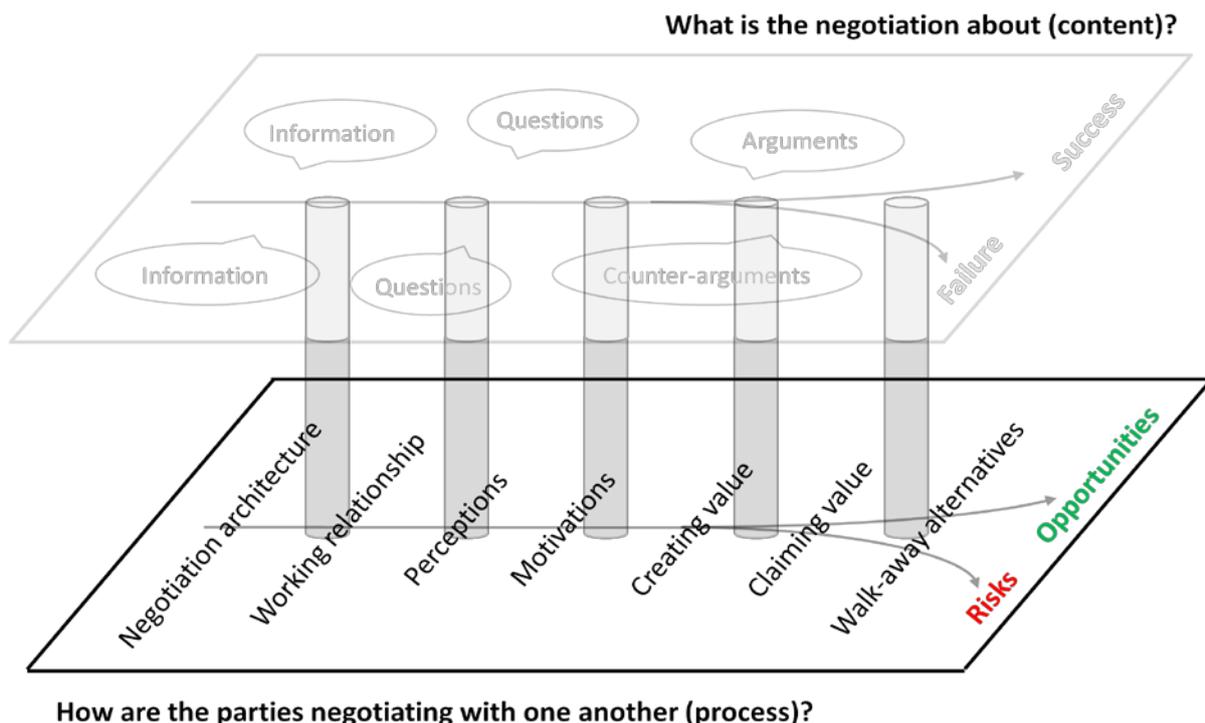


A Sumbiosis Think Piece

Principled Negotiation

When negotiating, a key consideration is that success or failure is not only determined by the complexity and contentiousness of the issues to be resolved (content), but also to a large extent by the way in which the parties negotiate together (process). In other words: *how* we negotiate is at least as important as *what* we are negotiating about! Taking good care of process and content at the same time is however difficult. Many people tend to focus their attention of the "what", thereby neglecting to manage carefully the "how". When this is the case, the quality of the process diminishes. This is the most common cause for failure in negotiation.

Research and development work conducted in the framework of the Harvard Negotiation Project at Harvard University has shown which mechanisms determine the course of a negotiation. These mechanisms fall into seven process "fields" (see exhibit below):



As a matter of fact, the following seven questions are crucial: How consciously do the parties plan and manage the architecture of their negotiation? How do the parties manage their working relationship? How do they deal with their respective perceptions and points of view? How do they express what they want? How do they develop solution ideas? How do they try to resolve their conflicting interests? And how do they address the possibility that they might not reach an agreement?

Negotiation architecture: You wouldn't, most probably, start building a house without asking an architect to draw plans first! The same applies to negotiating. Even when the parties prepared the content well, if they don't have a common picture of the structure of their discussion (what we call the architecture of the negotiation), the conversation will probably take a rather chaotic course. One of the best ways to increase efficiency is to jointly plan the architecture of the negotiation and then stick to it.

Working relationship: Issues of substance can hardly be addressed and resolved successfully, if the parties do not entertain a functioning working relationship. This does not mean that the parties should like each other – they should however be able to have a meaningful dialog together and to design an efficient joint decision-making process. Good communication and mutual trust are key features of a functioning working relationship. Both of them cannot be taken for granted and must be consciously and carefully cultivated by the parties.

Perceptions: When people negotiate, they inevitably find out that at least some of their perceptions and points of view are different. Each side may then be tempted to convince the other one that their point of view is wrong. This of course, does not work well. What works better is trying to understand the perception of the other party. A prerequisite for a functioning working relationship is that each party respects the point of view of the other one (which in an extreme case may mean something like this: "I totally disagree with you, but I respect the fact that you view things differently than I do").

Motivations: One of the most common negotiation rituals is to take a position and make unilateral claims. This ritual invariably leads to positional bargaining and battles of concessions. To avoid this, it is worthwhile to look for and focus on the underlying interests behind the positions – i.e. the legitimate concerns that explain why people want what they say they want. Once the interests of the parties have been listed, it is then easier and often possible to find ways to satisfy them.

Options: When people prepare themselves for a negotiation, they often devote all their attention to the solution which would be ideal for them. They then try to "sell" it to the other party ... which is of course reluctant to "buy"! A better way to negotiate is to jointly brainstorm and look for mutual gains – i.e.: for ways to meet the interests on both sides.

Conflicting interests: It would be nice to have only common interests in a negotiation, but this never happens. When facing the harsh reality of interests that conflict, negotiators typically try to resolve the issue arbitrarily by imposing their own will. At the end, there is either a winner and a loser, or two losers. As far as conflicting interests are concerned, the most constructive ambition which negotiators can have is to find a resolution that both parties will consider well-founded and fair. There is a path-way that can be followed to reach such a result: instead of directly making proposals and arguing about them, the parties look for, discuss and chose neutral decision criteria or processes (e.g. precedents, common practices, fair standards or procedures) on the basis of which the conflict shall be resolved.

Unilateral action: Not every negotiation concludes with an agreement; nor should it (if such an agreement would not meet the interests of one or both parties, or be considered as well-founded and fair by one or both of them). In this situation, each party has to fend for oneself and chose to act unilaterally according to its most attractive walk-away alternative or "Best Alternative to a Negotiated Agreement" (BATNA). However, the handling of such alternatives is tricky. Negotiators often use their BATNA as a threat, hoping to force the other party to give in – which of course

massively hurts the working relationship. Instead of threatening, negotiators should assess realistically the attractiveness of their respective BATNAs and even discuss jointly and openly the pros and cons of walking away.

Overall, the chances and risks in the negotiation process can be illustrated as follows:

