

## 2. Method of win-win negotiation

**2.1 Focus on the solution, not on the person or in the problem:** What Is Win-Win Negotiation? Ever heard someone say that they *'gave away the farm'*? Despite our best intentions, we sometimes negotiate too much value away to arrive at an agreement. Even when we go into our talks with high motivations and a grandiose, exuberant spirit of cooperation, we have to be wary and dip our toes cautiously into the waters to make sure we aren't about to be devoured by a grinning and hungry shark. Today, many of us hear that win-win negotiations are all the rage. Academia has in more recent times married win-win to *principled negotiation*. Yet it is all too common that most negotiators fail to understand that this term represents our achieving a win-win negotiated *settlement*.

Yes, win-win negotiation is less about the process, less about the "how" of getting there, and more about the destination. That said, this article focuses on *how* best to get you a win-win outcome, whilst keeping your eyes fixed on the elusive win-win negotiation outcome or goal.

### The Real Win-Win Negotiation Concept

The *true meaning* of a win-win negotiated settlement is where the agreement reached cannot be improved further by any discussions. So your outcome cannot be improved for your benefit, and similarly, the agreement for the other party cannot be improved further for their benefit either. By definition, there is no value left on the table and all creative options have been thoroughly explored and exploited.

### What does *not* constitute a win-win negotiation deal?

Many negotiators falsely delude themselves into believing they have a win-win approach and settlement when they adopt many of the strategies described below. However, were they to put their agreement under our microscope and look closer, they would be dismayed to discover that they squandered money and wasted resources. Positional and tactical negotiators love less experienced negotiators who do not fully understand win-win. Why? Inexperienced negotiators make for easy targets to be shot down, simply due to their lack of understanding of the win-win concept.

So what pitfalls can lead your company or team to miss the rich rewards promised by a win-win settlement?

#### 1. One size fits all win-win approach

It's fine to have a positive mindset going into the talks, but we must be realistic that we do not get bogged down into '*the end justifies the means*' mentality by sacrificing resources or funds to get that agreement. The Negotiation Experts does not advocate win-win in all situations. A couple of examples where win-win would be an inappropriate commercial strategy to employ would include:

- Hostile or die hard positional negotiation counterparties who look at you through win-lose lenses.
- When you're negotiating the purchase of a widely available commodity type product or service that makes neither a strategic impact upon your business, nor carries a large price tag.
- For distributive business negotiations with 1 or 2 negotiation variables. There is no room to maneuver and the party with the more power cards will win (skills being roughly equal).

## 2. Compromise

Many negotiators falsely believe that compromise is a positive approach to gain a win-win negotiation deal. This is plainly incorrect. If you look at the definition of the word '*compromise*', it means '*A settlement of a dispute in which two or more parties agree to accept something less than they originally wanted.*' If one or both parties agree to lower their aspirations, this is hardly a win-win outcome, is it? (Note: Over ambition in aspiration due to lack of experience or research is the subject of another article).

## 3. The Relationship

Possessing the desire to create a durable relationship in a negotiation is admirable, but it does not guarantee that you will walk out of the negotiation with a win-win agreement to hand. Mutual relationships are the ideal, with each side creating value for their organization and for the other's organization. If you find that you're getting the short end of the stick over and over again, then you'll need to think through how the other side perceives you, and the negotiation frame that's been set. Almost everyone agrees that it's important to have good relations with your business partners, but few will agree with what "good" really means. It's

best you explore this separately as a company and or team, as assumptions are dangerous.

#### 4. Take Our Time

Many negotiators are under the impression that if they take extra negotiate they are more likely to achieve a win-win settlement. The truth is that many studies on this very subject have revealed that extra time does not make much difference to the quality of the negotiated agreements.

### 2.2 Creation of the best alternative to a negotiated agreement:

In negotiation theory, the **Best Alternative to a Negotiated Agreement** or **BATNA** is the course of action that will be taken by a party if the current negotiations fail and an agreement cannot be reached. BATNA is the key focus and the driving force behind a successful negotiator. A party should generally not accept a worse resolution than its BATNA. Care should be taken, however, to ensure that deals are accurately valued, taking into account all considerations, such as relationship value, time value of money and the likelihood that the other party will live up to their side of the bargain. These other considerations are often difficult to value, since they are frequently based on uncertain or qualitative considerations, rather than easily measurable and quantifiable factors.

The BATNA is often seen by negotiators not as a safety net, but rather as a point of leverage in negotiations. Although a negotiator's alternative options should, in theory, be straightforward to evaluate, the effort to understand which alternative represents a party's BATNA is often not invested. Options need to be real and actionable to be of value however without the investment of time, options will frequently be included that fail on one of these criteria's. Most managers overestimate their BATNA whilst simultaneously investing too little time into researching their real options. This can result in poor or faulty decision making and negotiating outcomes. Negotiators also need to be aware of the other negotiator's BATNA and to identify how it compares to what they are offering.

BATNA was developed by negotiation researchers Roger Fisher and William Ury of the Harvard Program on Negotiation (PON), in their series of books on Principled negotiation that started with Getting to YES, unwittingly duplicating the game theory concept of a disagreement point from bargaining problems pioneered by Nobel Laureate John Forbes Nash decades earlier.

Equilibrium theory explains that, if in a group of players, each player has in consideration the other player's decisions, then no one will benefit from altering their decisions, if the other players haven't either. For example, Amy and Phil are in Nash Equilibrium if Amy is making the best decision she can, taking into account Phil's decision, and Phil is making the best decision he can, taking into account Amy's decision. Likewise, a group of players are in Nash Equilibrium if each one is making the best decision that he or she can, taking into account the decisions of the others.

A ruthless, aggressive and cold blooded negotiation style is the framework approach most people have when it comes to negotiation, a theoretical example of that is *Adversarial Approach Style Negotiation*. But in reality, as mentioned by experts and researchers such as Fisher and Ury it doesn't have to be that way. As the world moves to more sophisticated platforms of communication, negotiation follows the trend and *Problem-Solving Approach* is in a way, the "antidote" of Adversarial Approach Style Negotiation. *Getting to YES* suggest an *Interest-Based Model* for the use of Problem-Solving Approach. Interest-Based Model focus on *separating the person (positional) from the problems (resolution)* and then concentrate on the resolution. This lets each party attain its goals in a distributive way.

*Attractive Alternatives* is needed to develop a very strong BATNA. In *Getting to YES*, the authors give 3 suggestions of how you can accomplish this:

1. Inventing a list of actions you might take if no agreement is reached
2. Converting some of the more promising ideas and transforming them into tangible and partial alternatives
3. Selecting the alternative that sounds best

**BATNA rules:** A BATNA is not disclosed unless it's beneficial.

In negotiations involving different cultures, all parties need to account for cultural cognitive behaviors and not allow judgments and biases to affect the negotiation. The individual should be separate from the objective.

The purpose here, as Gulliver mentions, is for negotiation parties to be aware.

Preparation at all levels, including prejudice-free thoughts, emotion-free behavior, bias-free behavior are helpful according to Morris and Gelfand.

**Here are some additional helpful courses of action while using BATNA:**

### **Prepare Your BATNA**

- It is important to really understand what your BATNA is before beginning negotiations. When no agreement can be reached with the other person, brainstorm and research a list of all the possible options, courses of action that can be taken in this case. Evaluate each one and eliminate options until you have decided which one you prefer. Sometimes, none of the alternatives are appealing, but you still need to decide which one is the best among the choices.

Preparation is key. The more details you know about your BATNA and how you feel about it, the easier it will be for you to compare it to any agreements that are proposed during the negotiation.

### **Compare BATNA to Proposed Agreement**

- During the negotiation, it is likely that one or more courses of action will be proposed. Before agreeing to any proposal, compare it to your BATNA. Because this comparison is usually subjective, it might help to come up with a set of criteria that you will use to evaluate each option. Think about what your interests are and consider all of the potential impacts and effects of each choice. Writing it down is a good way to think clearly and thoroughly about this comparison.

### **Walk Away From Deals That Are Not as Good as Your BATNA**

- Sometimes, your best option is your BATNA. It may be tempting to accept any agreement rather than walk away, especially if you have invested time and money into the negotiations. However, it is not wise to choose a proposal that is inferior to your BATNA.

### **Strengthening Your Negotiating Position**

- If your BATNA is really good, then you are able to confidently walk away from other, less-appealing deals. If your BATNA is terrible, then you are more inclined to accept a deal that is not great, but still better than your BATNA.

Sometimes the circumstances are beyond your control but, whenever possible, do what you can to improve your BATNA. This might involve research, creativity and other resources. Having an appealing BATNA in your back pocket gives confidence and power in a negotiation.

### **Preserve Relationships When Possible**

- How you conduct yourself during a negotiation can be as important as the outcome of the negotiation. If you damage relationships in the process, you may find yourself at a disadvantage in the future.

When creating and evaluating your BATNA, you might want to consider what effects certain choices will have on the relationships involved and how important those relationships are to you.

Often, if you act with integrity, you can preserve respect even when you are not able to reach a mutual agreement.