

Negotiation Planning Document

Will you need to be flexible at the deal table? Yes. Can you anticipate everything that will happen? No. Still, it is to your advantage to come to the negotiation table having oriented, reflected on the issues at play, and strategized on your approach. This is a template for organizing your preparation and approach to two-party negotiations.

You may not be able to complete all of the cells in the table but that itself is informative—having an awareness of what you do not yet know about your counterpart’s situation is useful. What you want to avoid is making strong assumptions about them and leaving those assumptions untested. Walk into the negotiation with a plan to probe the unknowns.

Orienting

The first step is orienting.

- You should have a clear understanding of what your alternatives are to your current negotiation partner. If they say, “no,” what will you do? What is your best-alternative-to-a negotiated agreement (i.e., your **BATNA**)?
- You’ll want to establish a tripwire – a **walkaway point**. It should be based on your BATNA (or your budget). It’s too easy to get caught up in the process and agree to deals that you should walk away from. Your walkaway point is there to protect you. If the offer is not better than your walkaway point, you should diplomatically decline and ask your partner if it would be ok to contact them in the future if your situation changes. You might also encourage them to reach out if their situation changes.
- Lastly, you want to ask yourself: what does **success mean** to me? How much do I care about the financial terms, the relationship, getting the deal done quickly, negotiating ethically and with candor, etc.? It’s next to impossible to effectively strategize if you don’t know what you’re trying to accomplish. There are lots of ways to succeed (and fail) in negotiations. What are you trying to do here?

	Me	Other Party	Notes
BATNA (no-deal outcome) If there is no deal, what will the parties do?	What is your no-deal alternative?	What is their no-deal alternative?	
Walkaway Point At what point should you walk away? The answer should be	What is your bottom line?	What is your best guess of their bottom line?	

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based on your BATNA or your budget.			
<p>Definition of Success</p> <p>What is success? Is this about getting good financial terms, building a relationship, negotiating with candor, finding a deal that both parties are happy with, etc.</p>	What is success here?	How are they defining success?	

The Issue Mix

The next step is identifying the issues (terms) in the deal.

- Single-issue (price) negotiations are simple but they're often the hardest to reach agreement on. In an ideal world there are multiple levers (issues/terms) that you and your partner can fiddle with to arrive at a mutually beneficial outcome. It is worth **listing them** out in advance of the negotiation.
- Next, I would think about your "**need to haves.**" You're probably not going to get everything you want and so what will you push for? It's also worth giving some thought to their priorities: What is most important to them? Perhaps you will concede on this issue if they will concede on the terms that matter to you. More generally, which tradeoffs are you willing to make?
- Consider **adding an issue** to the conversation. Is there some way that you can cheaply make them happy? Add that to the mix in exchange for a concession on something that matters to you. Likewise, consider the possibility that there are things that they can cheaply do to make you happy.

<p>Issues</p> <p>What are the issues in the negotiation. (e.g., price, financing terms, delivery date, etc.).</p>	<p>List the issues here:</p>
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	Me	Other Party	Notes
<p>Priorities</p> <p>What are the parties' top priorities?</p>	<p>What are you "must haves"?</p>	<p>What are their "must haves"?</p>	
<p>Flexible or Indifferent</p> <p>What are the low priority issues?</p>	<p>Are there issues on which you can be flexible? And what will you ask for when you concede on them?</p>	<p>What might they be flexible on?</p>	
<p>Expand Pie</p> <p>Are there issues not currently in the conversation that might be valuable to you or to them?</p>	<p>What can you cheaply do to make them happy?</p>	<p>What can they cheaply do to make you happy?</p>	

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Your Strategy

Once you've oriented and reflected on which issues are in the deal and how you prioritize them, it is time to strategize your moves.

- Think about your **offer strategy**. Should you let them open? Should you ask them to open? What will you do if they ask you to open? Don't do anything counter normative (e.g., it would be odd for a recruit to make the opening offer in a job negotiation).
- Think about the **rationales** you will use to make your case. Anticipate their arguments. How will you respond?
- Plan your **inquiries** and anticipate how you will **react** to your counterpart's questions. What would it be useful to know about your counterpart? What assumptions can you test? What will you say if they ask about your alternatives?

	Me	Other Party	Notes
Offer Strategy What is your offer strategy?	Will you make the first offer? What will it be? In what form (e.g., range, point, etc.).	What will you say if they ask you to make the opening offer?	
Rationales What arguments will be made?	What reasons will you offer? How will you justify your ask?	What arguments might they make and how can you counter them?	
Questions What info do you need?	What questions can you ask to get the info you need?	What "sensitive" questions might they ask, and how will you respond?	