

Key Lessons:  
Art and Science of Negotiations  
Leadership Conference 2022

Know Which Tradeoffs You Will Make.

Most negotiators don't know what they want at the level of detail that is required to succeed in negotiations. The negotiation table is an expensive place to figure out your preferences, or the tradeoffs you should make. Which concessions can you live with? At the very least, distinguish the “need to haves” from the “nice to haves.”

Value Comes from Differences.

It's not enough to know how you feel about the issues. What is your best guess of your partner's payout table? How can you test your priors before and during the negotiation? Trading priorities requires understanding how your preferences differ from your counterpart's, and value comes from profitably arbitraging these differences so it's critical to know where they exist.

Ask Questions.

While it's always good to have a compelling story to go along with your stated positions, do not overlook the importance of asking your partner some questions. Your partner is going to say 'yes' for their reasons not yours; it's therefore important to have maximal insight into their situation. Asking questions is also a good way to collect data about their priorities and constraints and to signal that you care about them. It also helps you control the agenda, and can be a good way to diffuse any tension that builds.

Make Them Work for Your Concessions.

Be careful not to go to your bottom line too quickly on low-priority issues. Make your negotiation partner work for the concessions you make. Ideally, your concessions are small and get smaller with each round.

Expand the Pie.

Almost any single-issue negotiation can be made into a multi-issue one by adding an issue to the mix. Doing so expands the pie—it increases the value parties have to carve up among them—making it easier for parties to reach a deal that is an improvement on their alternative.

Cheaply Solve Their Problems.

Adding an issue to the bargaining mix requires reflecting on ways that you might create value for your partner. Do you have a resource or service that she might find valuable? Is there an easy way to meet one of her existing needs? Offer it up on the condition that she meets one of yours.

### Check Your Assumptions.

Negotiators commonly (and incorrectly!) assume that all of the issues are distributive—their counterpart wants the exact opposite outcome. Negotiators also tend to assume their counterpart feels as strongly as they do about all of the issues. When negotiators make these assumptions, they set themselves up to be exploited by their partner. Unless the issue at hand is price, assume you do not know your counterpart's preferences and prepare a strategy for gathering those details from your partner.

### Working in Bundles is a Must.

You cannot integrate with your partner (i.e. trade priorities) by discussing one issue at a time. Doing this is tantamount to having a series of haggles (zero-sum interactions) with your partner. Think and work in bundles or packages. While this makes the conversation more complex it almost always makes it easier for both parties to leave the table with an outcome that is an improvement on their current situation.

### Be Thoughtful About the Order.

Give some thought to the order in which to introduce issues to the conversation. There is no universal recipe for success, however, sealing the deal can be difficult if you wait until the very end to reach an agreement on an issue you believe is distributive. You might also consider waiting to add new issues to the mix until there's a point of impasse; that's a great way to get back some momentum when the conversation stalls. Adding an issue can also make for a great closing move. Or maybe you will start with an issue that you can quickly concede on just to build some rapport with your partner. Again, there is no 'right' answer; the wrong answer is: I didn't bother to think about it.

### Remember the Negotiator's Dilemma.

Almost any multi-issue negotiation has some distributive components: After growing the pie, you still need to slice it. Part of the challenge is figuring out how to expand the pie (by revealing your priorities) without making yourself vulnerable to exploitation (because the sharing of priorities was one-sided). The best negotiators are versed in both pie-expanding and pie-claiming moves and recognize when they can and ought to do each. The core dilemma you face in negotiations: How to expand the pie—by sharing your preferences, for instance—without undermining your ability to claim a large piece of it for yourself?