CHAPTER 1

Negotiation:
The Big Picture

Tory was ecstatic: Two weeks ago, she had landed a highly competitive job at a major food products company. For the past two weeks, Tory had been enjoying her new position as assistant head of one of the company's most profitable divisions. Most of her time had been spent in meetings with her senior manager, Dana, concerning the division's plans for renegotiating their contract with one of their major suppliers. The plan was for the two of them to fly to New York next week for negotiation talks with the supplier. Tory was excited about her role and all that she would learn.

Today, Dana called Tory from home and explained that she had a medical emergency and that Tory would have to take sole responsibility for negotiating with the supplier.

"You can't go to New York?" Tory asked, trying not to show her agitation. "What about a conference call?" Dana explained, "No, I am having immediate back surgery and I can't travel. You'll have to go, and you'll have to work on those important issues we've been struggling with here." Tory suggested that the meeting time could be changed. Dana explained that the meeting had been pushed back far too many times already and that it was either next Wednesday or six months from now and that delay was unattractive in both parties' eyes.

Tory nervously tried to review the key points of the contract that needed revision. "So, the big issues are the on-time guarantee and the variable costs?" Dana explained that the suppliers were not going to like the proposed changes. "So, what should my approach be?" asked Tory. "Should I be tough and insist upon those terms or should I be open to compromise?" Dana responded, "Tory, you're in charge now; that's your decision."

How should Tory negotiate in this situation? What is the most effective way to achieve her goals with the supplier? This is the type of fundamental question that every negotiator asks him- or herself. Consider what it takes to negotiate successfully in the following situations:

- a manager pulling together a multimillion-dollar contract with another firm
- a graduate accepting her first full-time job with an employer
- two roommates allocating household chores and living expenses
- spouses making decisions about child-care arrangements
- a group of friends deciding how to spend an evening in the city
- a group of financial analysts negotiating foreign policy

As these examples suggest, negotiation does not occur only in Mexican bazaars, corporate boardrooms, and international diplomatic meetings. Rather, we negotiate with others almost every day of our lives. Our most important negotiations take place in our own homes and workplaces. With our rapidly changing workplace and increased career mobility, negotiation skills are more and more essential for successful navigation through life and career (Neale and Bazerman, 1991). It is difficult to imagine how we could get through a week or even a day without negotiating.

This book focuses on the skills necessary for effective negotiation. The good news is that these skills are effective across a wide range of situations, ranging from multiparty, high finance deals to one-on-one casual exchanges. The bad news is that the skills are not immediately obvious and a lot of preparation is necessary. The rest of this chapter will introduce the fundamental components and characteristics of negotiation, beginning with a definition of negotiation.

BEDROCK PRINCIPLES

Negotiation is a decision-making process by which two or more people agree how to allocate scarce resources. There are three main elements in this definition of negotiation: judgment, interdependence, and cooperation.

Negotiation is not a contest of wills or a match of strength, but rather, involves logic and reasoning. This book examines the key judgments that negotiators must make (chapters 2, 3, and 5) and then explores what often goes wrong that impedes negotiator effectiveness (chapters 6, 7, and 8).

The presence of two or more people implies that the decision-making process is inherently interdependent—that is, what one person does affects the other party. It is not sufficient for us to focus only on our own judgment skills to be an effective negotiator; we must understand how to interact, persuade, and communicate with others. The effective negotiator knows how to work with others to achieve his or her objectives. In chapters 9, 10, 11, and 12, we discuss groups, relationships, fairness, and social dilemmas, respectively.

The desire to reach mutual agreement reveals the **cooperative** aspect of negotiation. Many people regard negotiation to be combative, and that there can be only one winner and someone must lose. This is a gross misunderstanding that we address in chapter 4.

DEBUNKING NEGOTIATION MYTHS

Everyone would like to be a good negotiator. The truth, however, is that most people are not effective negotiators—at least, not as effective as they would like to be. Many people have theories about what it takes to be an effective negotiator. Usually, these ideas are incorrect and not supported by facts. Hanging on to such erroneous beliefs is particularly problematic because it hinders our ability to learn to be effective negotiators. We expose four myths about negotiation behavior.

Myth #1: "Good Negotiators Are Born"

A pervasive belief is that to be a good negotiator a person has to have the right genes. This is inaccurate; there are very few "natural" negotiators. Good negotiators are not born; they are self-made. Effective negotiation, like other skills, requires practice and study. The problem is that most of us don't get an opportunity to develop effective negotiation skills in a disciplined fashion. Rather, we learn by doing. Although experience is helpful, it is not sufficient.

Myth #2: "Experience Is a Great Teacher"

We've all met that person at the cocktail party or on the airplane who proudly claims to have 20 years in the business and therefore "must be doing something right." Many young managers have been intimidated at the bargaining table when the person they face is substantially older and more "experienced."

It is only partly true that experience improves negotiation skills. There are three strikes going against experience as an effective teacher. First, most people who claim to have "extensive experience" are referring to unaided experience. Unaided experience is a poor teacher. Can you imagine trying to learn math without ever turning in homework, taking tests, memorizing tables, and getting graded? Without diagnostic feedback, it is very difficult to effectively learn from experience. Second, our memory tends to be selective. We remember our successes and forget our failures. This is comforting to our ego, but does not improve our skills. Third, experience tends to improve our confidence, but not our accuracy. Unwarranted confidence can be dangerous because it leads people to take unwise risks.

Myth #3: "Good Negotiators Take Risks"

We've all seen the movie or read the book wherein the protagonist gambles on what appear to be incredibly small odds and manages to come out ahead. The message is that good negotiators take risks, defy the odds, and step out on a limb. Whereas this works in the movies, it does not lead to success in real negotiations. Effective negotiators do not take risks—they know how to evaluate a decision situation and make an optimal choice given the information that is available to them. In some instances, it may be wise to choose a risky course of action; but in other instances, sticking with the status quo or a less risky alternative is wiser. The key is to know how to evaluate different courses of action and to choose wisely among them so as to maximize one's outcomes. Risky decision making is discussed in chapter 5.

Myth #4: "Good Negotiators Rely on Intuition"

An interesting exercise is to ask people to describe their approach to negotiation. Many seasoned negotiators explain their strategy to be one of "gut feeling" or "intuition." Another way of summing up such a strategy is that one "flies by the seat of his or her pants." These people lack a proactive, prescriptive strategy for approaching negotiation situations. People are reluctant to admit this, however, so they construct a theory after the fact to justify their actions. This is not effective negotiation.

In contrast, effective negotiators are self-aware. Their strategies are proactive, not post-hoc. They can articulate the methods and strategies they use. Moreover, they can apply these principles to different situations. They are not victims of arbitrary features of the situation. Most of the important "work" of negotiation takes place before the negotiator is seated at the bargaining table. It takes place in the days, hours, and minutes ahead. It is called **preparation**, and is discussed in chapter 2.

BASIC ARCHITECTURE OF NEGOTIATION

We present a basic architecture for studying negotiation. This architecture serves three interrelated functions: analytic, diagnostic, and strategic. As an analytical tool, it provides a means to conceptualize negotiation and to predict behavior of ourselves and others. As a diagnostic tool, it allows us to evaluate negotiations retrospectively—in a sense, perform a postmortem on negotiated interactions with an eye toward learning, insight, and improvement. Finally, as a strategic tool, it provides knowledge about how to construct negotiation situations to best serve our objectives.

Conflict

Conflict and negotiation are not the same thing. **Conflict** is the perception of differences of interests among people. Negotiation is a decision-making process in which two or more people make joint decisions about the allocation of scarce resources. Negotiation is one of many methods that may be used to resolve perceived conflict of interest. The "Conflict Tree" model (shown in Figure 1-1) illustrates the relationship between conflict and negotiation.

Unfortunately, conflict has a bad reputation; people assume that differences in interest are undesirable and should be immediately reduced—ideally, they should never be permitted to emerge in the first place. But conflict, in and of itself, is not good or bad; it merely reveals perceived differences of interest. Furthermore, the negotiation of differences of interest is not necessarily unpleasant or unproductive. In fact, differences of interest can often improve the welfare of the parties involved, their relationship, and the well-being of related persons and organizations (Pruitt and Rubin, 1986).

Intrapersonal, Interpersonal, and Intergroup Conflict

Conflict may occur at the intrapersonal, interpersonal, or intergroup level. The focus in this book is on the interpersonal level. We briefly define all three types for clarity. **Intrapersonal conflict** is conflict that occurs within one person. Freud and other psychoanalysts spoke of this kind of conflict in describing the battle of drives or wills within a single individual. There are three types of intrapersonal conflict that most of us have experienced at some time in our lives (Lewin, 1935; Coombs and Avrunin, 1988; Miller, 1944). In **approach–**
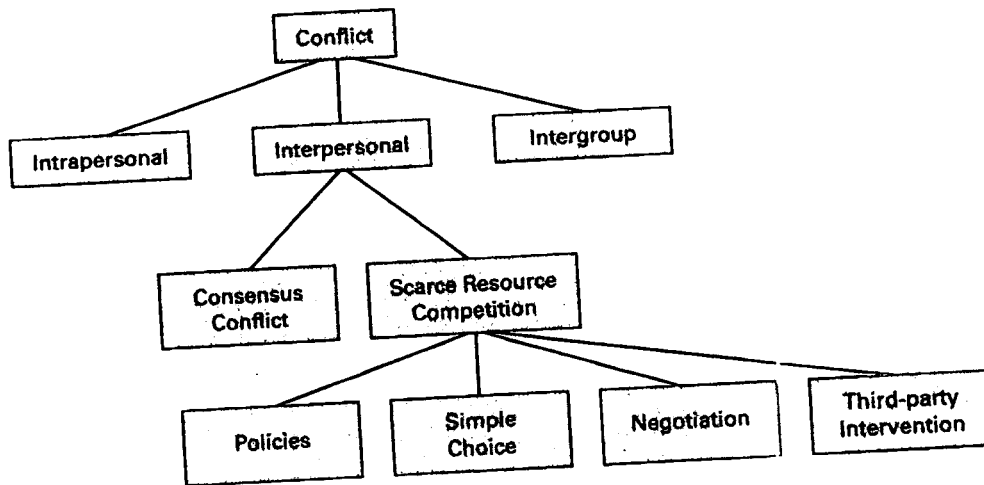
FIGURE I-I. Conflict Tree Model

approach conflicts, we are attracted to two (or more) options but may choose only one (e.g., the student choosing whether to go to Stanford or Harvard). In **avoidance–avoidance conflicts,** we avoid two (or more) undesirable options but must choose one (e.g., the medical patient must choose among different painful treatments for an illness). Finally, in **approach–avoidance conflicts,** we consider a single option that has both attractive and unpleasant aspects (e.g., a move to a new city promises delightful weather but exorbitant living expenses).

Interpersonal conflict is conflict between two or more people. Conflict between two persons is **dyadic conflict;** conflict among three or more persons is **multiparty conflict.**

Intergroup conflict occurs between members of different groups representing personally relevant social, cultural, or political categories. For example, conflict between racial groups, political factions, union and management, or divisions within a company are all instances of intergroup conflict.

There is an intimate relationship between intrapersonal, interpersonal, and intergroup conflict. The dynamics at one level are often similar to the dynamics at other levels. Consider Fran, a middle-level manager at a large consulting company. Fran is concerned about her future in the company and is toying with the idea of leaving to form a small, specialized consulting company with two of her associates. Staying at the large company offers more stability, but less potential. Forming a new company promises great challenge but possible failure. Fran is torn; at the intrapersonal level, this is clearly an approach–approach conflict.

Fran's business associates, Michael and Frank, are pressuring Fran to leave the company and join with them in forming their own consulting group. However, Fran has some conflict concerning management style and practice with Michael and fears that Frank and Michael might form a voting coalition against her when making policy. This is interpersonal conflict.

The consulting business is fiercely competitive. Fran has thought about her potential competitors—other small consulting firms as well as the large multinational companies. Fran is concerned about this level of intergroup competition.

Fran's situation is a common one, involving all three levels of conflict.

Consensus Conflict and Scarce Resource Competition

There are two major types of interpersonal conflict: consensus conflict and scarce resource competition (Aubert, 1963; Druckman and Zechmeister, 1973; Kelley and Thibaut, 1969; Thompson and Gonzalez, 1997). **Consensus conflict** occurs when one person's opinions, ideas, or beliefs are incompatible with those of another and the two seek to reach an agreement of opinion. For example, jurors' beliefs may differ about whether a defendant is innocent or guilty. Another example: Two managers may disagree about whether someone has project management skills.

Scarce resource competition exists when people perceive one another as desiring the same limited resources. The focus of this book is on conflicts of interest, or conflicts over scarce resources. **Conflicts of interest** concern people's preferences regarding various options and alternatives. For example, consider two managers in conflict over who has primary responsibility for expenditures on a particular project, roommates in conflict over phone bill charges, or spouses in conflict concerning child care and housework. In each of these cases, the people involved clash over the use, allocation, and control of resources. In some cases, resources are monetary—as in the case of phone bill charges. In many situations, however, resources are less tangible; they involve responsibility, control, time, services, and favors.

Resolution

The next level of the conflict tree identifies the mechanisms by which people may resolve conflicts of interest. Conflicts of interest may be resolved through various social justice mechanisms, such as changing a particular policy or rule or dividing resources on the basis of equality, equity, or need (Leventhal, 1976). Conflicts of interest may be resolved through a simple, strategic choice of behavior with each party acting in a unilateral fashion. Conflicts of interest may be resolved through negotiation. Finally, conflicts of interest may be resolved through various forms of alternative dispute resolution and third-party intervention such as mediation or arbitration. Third-party intervention will not be discussed further as this book focuses on negotiation.

CONDITIONS OF NEGOTIATION

Consider the situation that Tory is facing with the upcoming meeting in New York. Is it a real negotiation? What are the characteristics of negotiation situations?

Perceptions of Conflict

People who are involved in the same dispute may hold very different perceptions (Hastorf and Cantril, 1954; Thompson, 1995b). People may falsely believe they are in conflict—even when there is no objective basis. Although it may seem incredible that people could believe they have conflicting interests when in fact they don't, people frequently assume conflict exists when it doesn't (Thompson and Hrebec, 1996). This often results in **lose–lose outcomes:** both people want the same thing but settle for less because they believe they are in conflict.

For this reason, it is often useful to distinguish between objective conflict and perceptions of conflict (Thompson and Hrebec, 1996). Figure 1–2 illustrates four possibilities: In

Objective State of World

		Conflict	No Conflict
Subjective Perceptions	Conflict	Real Conflict	False Conflict
	No Conflict	Latent Conflict	No Conflict

FIGURE 1-2. Perceptions of Conflict and Reality

veridical (or real) **conflict,** conflict actually exists between people and they perceive it as such. In **latent conflict,** conflict exists, but people do not perceive it. In **false conflict,** conflict does not exist between people, but they perceive conflict. Finally, in **no conflict,** conflict does not exist and is not perceived. We are especially concerned with instances of real conflict—that is, accurate perception of conflict—as well as false conflict—instances in which people perceive conflict that does not exist. It is obvious that Tory's firm and the New York supplier regard themselves as have differing interests that need to be worked out. Theirs is a case of real conflict.

Communication Opportunities

If people cannot communicate, they cannot negotiate. Most of us think of communication as involving unrestricted, face-to-face interaction with others. But communication may take many different forms, such as written messages, electronic mail, telephone calls, and reports from third parties or agents. There are two types of bargaining: explicit bargaining and tacit bargaining (Schelling, 1960). In **explicit bargaining,** people are able to communicate with one another; in **tacit bargaining,** people are unable to directly communicate but coordinate through their actions. In this book, our principal focus is on explicit bargaining. The purpose of Tory's trip to New York is to allow the parties to communicate in a direct fashion.

Intermediate Solutions or Compromises

If one party to a dispute must choose between total victory or yielding completely, no bargaining can occur. Only when intermediate solutions are possible can bargaining occur (Schelling, 1960). For example, if the supplier gave Tory an ultimatum, then no negotiation could occur. In chapter 2, we'll see why ultimatums and unwarranted threats are unwise strategies.

Interdependence

People are interdependent if their actions affect others' outcomes (Thibaut and Kelley, 1959). People in negotiation affect the actions each may take and the outcomes each receives. If one party has complete authority over the other party and is not affected by the actions of others, negotiation cannot occur. For instance, many, but certainly not most, parent–child interactions are not real negotiations because the parent ultimately has the final word. This is not to

say that parties to real negotiations do not differ in power. Often, people negotiate with those of greater or lesser power. For example, an employee often has less power than his or her employer; nevertheless, such a situation is considered to be a negotiation because the employee could take actions that would affect the employer's welfare, such as quitting or initiating a lawsuit. Both Tory and the New York supplier are interdependent in that they can take actions that affect the other's welfare.

In the dyadic case, parties must agree to the outcome for negotiation to occur. Thus, each person has veto power in that he or she can leave the situation. In fact, we will see that "walk-away" alternatives are the basis of power in negotiation (see chapter 2). In the multiparty case, it is not always necessary that all parties reach mutual agreement for settlement to occur. Once three or more conflicting parties are involved, coalitions may form to wield influence over others and garner resources.

ELEMENTS OF NEGOTIATION

Negotiation may take any number of forms; no two negotiations are exactly alike. Given the complexity of players, issues, alternatives, and behaviors in many negotiations, it is important to know what main elements to look for. To return to Tory's plight introduced at the beginning of the chapter, how should Tory start to prepare for her negotiations with the New York supplier? The following framework is a good starting point for identifying the central elements of negotiation.

Parties

It is always important to identify who the players are in a negotiation. The people who negotiate are termed "parties" even if they represent only themselves. A **party** is a person (or group of persons with common interests), who acts in accord with his or her preferences. Parties are readily identified when they are physically present, but often, the most important parties are not present at the negotiation table. Such parties are known as the **hidden table** (Friedman, 1992).

We also need to distinguish the party of interest from his or her opponent. Following Raiffa (1982), we term the party of interest in our discussions the **focal negotiator;** the opponent is termed the other party or **target negotiator** (Raiffa, 1982). There is no common convention, however, used to refer to the "other party" in negotiations. When parties' interests are opposed, as in purely competitive negotiations, **opponent** is often used; when parties' interests are highly coordinated, **partner** may be used. In addition to the key players, also known as **principals,** there may be other parties to a negotiation, such as constituents, third parties, and so on. It is important to identify who these persons are and what their stake is in the negotiation.

Using this framework, Tory identified the main parties in the negotiation situation: herself; her manager, Dana (although not present, she was a central figure); the supplier; the supplier's constituents; and the supplier's union. In the negotiations, Tory was careful to be sensitive to each party's needs.

Issues

The **issues** are the resources to be allocated or the considerations to be resolved in negotiation. For example, in a land dispute, the issues may be particular plots, mineral and water rights, method of payment, development rights, and so on. In an employment negotiation, the

issues may be salary, job responsibilities, health coverage, and so on. A central element of successful negotiation is identifying the issues.

Although it might seem that negotiations would be better for all involved if the issues were simplified and fewer in number, in fact, the opposite is true. The more issues, the better. More issues provide negotiators with more opportunities to construct tradeoffs among issues. For example, consider an employment situation in which the issue is hourly pay and the two parties have opposing preferences. That is, the employer wants to minimize wages; the employee wants high wages. At best, the two parties can reach a compromise agreement, leaving each of them perhaps moderately satisfied. However, if the same negotiation involves not only salary but job responsibilities and work hours, the parties may negotiate tradeoffs so that each benefits most on the issue that is most important to him or her. We will discuss such methods in more detail in chapter 4.

In her negotiations with the supplier, Tory identified the central issues from her own firm's perspective, but she also asked the supplier about the issues of concern to them. In this way, Tory expanded the **issue mix**, which provided more degrees of freedom in the negotiation.

Alternatives

The **alternatives** correspond to the choices available to negotiators for each issue to be resolved. For example, in the land dispute negotiation, the alternatives for the mineral rights may range from no rights to complete mining rights. In the employment negotiation, alternatives for medical coverage may include premiums, selection of health maintenance organizations, deductibles, dependent care, and so on. Again, just as negotiators identify the issues, they also identify and create alternatives; the more alternatives, the better. In her negotiations with the supplier, Tory sought to identify a number of feasible alternatives for each of the issues.

Interests and Positions

We've identified the issues and possible settlement options, but we have not yet determined how negotiators feel about the various options. **Positions** are the stated wants a negotiator has for a particular issue. **Interests** are the underlying needs that a negotiator has. For example, in an employment negotiation, salary is an issue. Requesting $75,000 is a position. The negotiator's underlying interest might be the ability to afford a home mortgage payment to be paid off in 15 years or to send children to college in 18 years. Usually, negotiators' needs may be met by a variety of positions. A key to successful negotiation is to move away from **positional bargaining** into a discussion of underlying interests and needs.

In her negotiation with the supplier, Tory did two things. First, she was careful to separate her own firm's interests from their position. Their interest was to cut stocking fees and to satisfy customers. Second, Tory designed questions, in advance of the meeting, to probe the supplier's interests. Tory correctly anticipated that negotiators often fail to separate their positions from their interests (Fisher, Ury, and Patton, 1991).

Negotiation Process

The **negotiation process** is the events and interaction that occur between parties before the outcome. The process of negotiation includes all of the verbal and nonverbal interchange among parties, the enactment of bargaining strategies, and the external or situational events

affecting the interaction between negotiators. The negotiation process is also known as the **negotiation dance** (Raiffa, 1982).

The negotiation process includes the degree and level of concessions that each party makes, the use of threats and promises, and the medium of communication between negotiators. It is virtually impossible for a negotiator to reliably predict how the process will unfold. However, a negotiator can do three important things to better control process to his or her advantage. First, a negotiator may plan his or her opening statement or offer. In some instances, it is best to let the other party make the first offer, but even this should be planned. Second, a negotiator should think about which medium of communication is best from his or her perspective. We'll see later, for example, that some negotiators may not prefer face-to-face negotiations—with good reason. Finally, negotiators should have a good idea of the flow and pace of a negotiation. Is it important to resolve the situation today in this room? Often, in the heat of negotiation, parties feel pressure to resolve the situation, which may be to their disadvantage.

Tory thought about these three things and decided that she would like to make the opening statement in the negotiation, given that her firm's division had very clear goals. She realized that, although the negotiation was face-to-face, it may take longer than a single day. She prepared a plan for how discussions would continue, if necessary, in following days. This also allowed her to discuss the issues with Dana, prior to committing to anything.

Negotiation Outcome

The **negotiation outcome** is the product or endpoint of the bargaining. Negotiations may end in **impasse,** wherein parties do not reach a settlement. Such situations are also known as **stalemates** or **deadlocks.** In some cases, parties may elect to have a third party intervene and possibly impose a settlement. In other situations, parties mutually reach settlement. When settlement is achieved, we can examine the negotiators' performance and look for ways to improve it.

The analysis of negotiated outcomes does not stop with the attainment of mutual agreement. As we will see in chapter 10, negotiators have emotional reactions to negotiation. They sometimes feel satisfied; other times they feel cheated; they may even feel guilty. These feelings can dramatically affect the likelihood of settlement and the relationships and reputations of the parties.

WHY IS NEGOTIATION SO DIFFICULT?

Why do we need a whole book on negotiation if there exists a set of skills that can be effectively applied to a wide variety of negotiations? There are at least three reasons why negotiation is deceptively difficult to effectively master: cognitive hardwiring, feedback, and schematic frameworks.

Cognitive Hardwiring

We are barraged with an onslaught of information and stimuli. Fortunately, one of the wonderful things about our information processing system is that it is designed to simplify this information. We make shortcuts and simplifying assumptions to quickly process and apply information. Moreover, we have a need for **closure** (Kruglanski, Peri, and Zakai, 1991). That is, we desire to have immediate answers and resolutions to situations. We do not like ambiguity and uncertainty.

In most instances these simplifying procedures and our desire for closure serve us well. However, they can lead us astray if we make faulty assumptions. To be an effective negotiator, we have to actively fight against such simplifying assumptions. We must be willing to tolerate ambiguity and uncertainty, to test our assumptions in a disconfirmatory (rather than confirmatory) manner, and to think in different terms than those to which we may be accustomed. This book challenges the negotiator to do this.

Feedback

We noted earlier that unaided experience is not an effective teacher and that our egos tend to work against us. We recall our successes and forget our failures. When we bask in our glory, we don't focus on self-improvement. Further, even when we attempt to seek feedback about our performance, we seek **confirmatory feedback.** For example, we may ask our partner after a particularly contentious and acrimonious negotiation, "I was reasonable, right?" It rarely occurs to us, however, to ask the other side (or our own partner for that matter), "What aspects of my behavior seemed most unreasonable and aggressive?" The difference in wording seems subtle, if not trivial, but leads to dramatically different types of feedback. People will tell us what they think we want to hear, but that is not helpful for learning.

Schematic Frameworks

Most people don't have well-formulated frameworks for negotiation. When asked how they plan to negotiate, people say things like, "Well, I will see how things go, collect some information, and make decisions at that point." This is a poor substitute for effective negotiation planning. It can actually be more time- and energy-consuming for a negotiator to not have a framework than to carefully prepare a strategy. A naïve person may spend fruitless and frustrating hours in a negotiation situation that a skilled negotiator would have walked out on after five minutes upon realizing there was no potential for mutually beneficial agreement. This book provides a framework for approaching negotiation. Most of the important thinking and work in negotiation takes place prior to the negotiation.

NEGOTIATION: THE BIG PICTURE

In this book, we discuss many different types of negotiations that span a wide range of situations, for example: negotiations among managers in organizations, negotiations among colleagues, and negotiations among friends. Although there are certainly differences across these contexts, the basic characteristics and elements we discussed here are quite similar. Principles that describe negotiation in management–labor situations also characterize negotiations between spouses, roommates, and department heads.

Negotiation, like physics and biology, is a science. Just as the physicist uses theories, principles, and instruments rather than gut feeling and intuition to understand, predict, and control the physical world, the negotiator must use principles and informed analysis when making sense out of the social world.

There's a lot to learn about negotiation. For this reason, it is often helpful to have a "big picture" view when learning new skills. Figure 1–3 on page 12 is a schematic diagram of the most important elements involved in virtually all negotiation situations.

FIGURE I-3. NEGOTIATION: The Big Picture
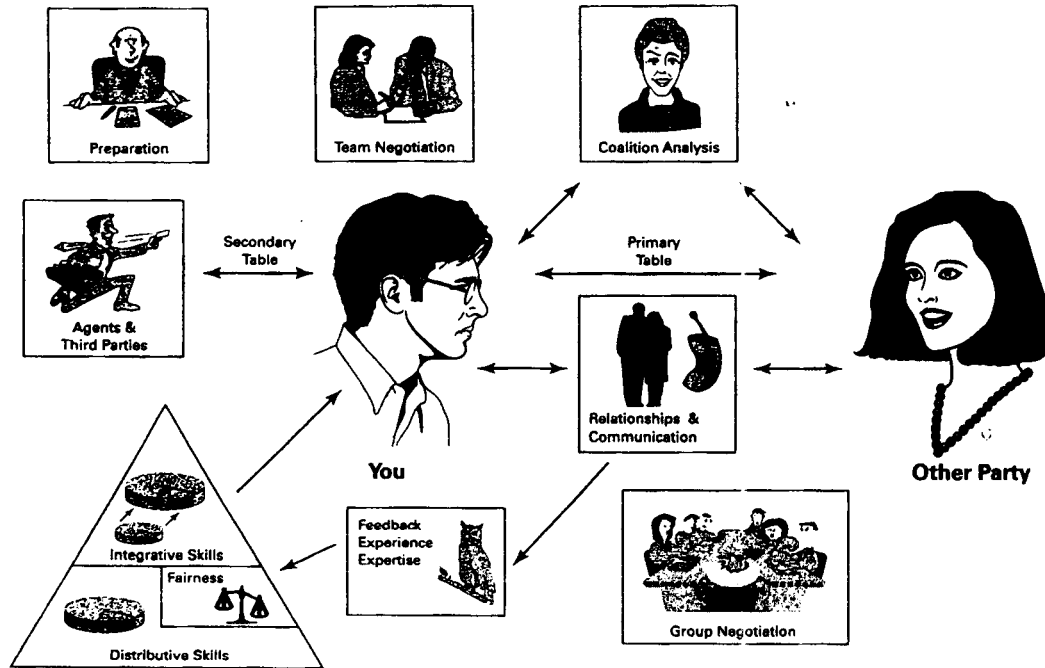
The most basic, fundamental negotiation involves two people facing one another at the bargaining table. This could be you and a potential employer, you and a car dealer, you and a house seller, or you and your business partner. This relationship is the **primary table.**

The first step in negotiation involves preparation. Most naïve negotiators fail to sufficiently prepare. The skilled negotiator focuses on two kinds of skills: integrative skills and distributive skills. Integrative skills involve enlarging the pie of available resources; distributive skills involve claiming resources. A key aspect of distributive negotiation is fairness.

As more parties enter the negotiation, the skills needed for successful negotiation become more complex. Team negotiation, coalitions, groups, agents, and third parties are common forms of negotiation.

The ability of negotiators to build and maintain a relationship, and communicate effectively, is critical for negotiation success. Finally, for a negotiator to become an expert, he or she must utilize feedback and experience wisely.

TAKE-AWAYS

- The best negotiators practice negotiation like a tennis pro practices her serve; negotiation skills do not come naturally to most people.

- We do not always see the world the way other people do; this can lead to conflict and lose–lose agreements.

- The starting point for analyzing any negotiation situation is to identify the parties, the issues, the alternatives and interests.

- Negotiation is difficult because we are cognitively hardwired to simplify information, we don't get timely and accurate feedback, and we lack schematic frameworks.