

Recognizing and Avoiding Negotiation Mistakes

There are many articles written on common negotiation mistakes. We will not “reinvent the wheel” here, but this text will cite some of the principles to keep in mind when you are planning your next negotiation. For example (and as is usually the case), preparation is the key to success. We need to understand our negotiating style, knowledge, ability, etc. and acknowledge our strengths and weaknesses in these areas. For example, what is the point at which we become defensive or protective of ourselves if someone crosses our “sensitive line?” If we are faced with information about ourselves with which we are uncomfortable, we may become rigid or uncertain. This places us in danger of becoming risk averse and can impact our ability to represent our needs effectively. Are we realistic about the timeline we have established to progress through the negotiations? Artificial or incorrect timelines can lead us to ineffective decision-making. It is advisable to maintain flexibility regarding negotiating timelines to avoid making unnecessary, incorrect, or pressured decisions. Does our negotiation counterpart have full authority to close the deal? Are we going through the motions of negotiation only to find upon conclusion that our counterpart(s) needs to consult with managers, constituents, a spouse, etc. before he or she can agree to specified terms? Most negotiators have limited authority to approve certain issues and within certain limits. It is wise, therefore, to research this question in advance either directly or indirectly. Do we know what our priorities are and in what order we rank them? What issues are we willing to trade off and on what issues must we be competitive? Listing our issues and priorities in the planning stage will help to ensure that we do not conclude negotiations with important unresolved issues. Do we have a plan for trading off concessions? Are we prepared to walk away at a predetermined minimum/maximum offer? Do we have a Plan B (called a BATNA – Best Alternative to a Negotiated Agreement) to enable us to maintain confidence in our walk-away price? Have we decided whether or not forming or continuing a positive relationship with our counterpart is important to us or does this negotiation call for us to try to win at virtually all cost? The answer to these questions will help us to choose the appropriate negotiation strategy (Avoiding, Competitive, Accommodating, Compromise, and Collaborative). Finally, and equally important, can we answer these questions about our counterpart? For instance, the easiest way to forgo the successful outcome we may envision is to think of the negotiation only from our point of view! Whether we use a “fixed pie” or “expand the pie” approach to negotiation, we can only achieve a successful outcome if we acknowledge that while we align our strategy with our goals, our counterpart is coming to the table with a strategy consistent with his desired outcome. Success lies in determining possible areas of mutual agreement as well as issues that will be in strong contention. (It is all in the planning!). This course offers specific resources to address these issues. In order to formulate a successful negotiation strategy, use the knowledge contained in these readings, lectures, and videos to build your personal negotiating toolkit.