Negotiation Genius

- negotiating rationally in an irrational world
  - Claim value
    - Preparation
      - Assess BATNA (best alternative to negotiated agreement)
        - Identify 2 of the plausible alternatives
        - Improve the best one, if possible
        - Estimate the value associated with each alternative
        - Note the best alternative
      - Calculate BV (reservation value) ==> The walk-away point in the current negotiation
      - Assess the other party's BATNA
      - Calculate the other party's BV
      - Evaluate the ZOPA (zone of possible agreement)
    - common negotiator mistakes
      - make the first offer when you were not in a strong position to do so
      - made a first offer that was not sufficiently ambitious
      - agreed too soon
      - Used to influence the other party but did not try to learn from them
      - did not challenge your assumptions about the other party
      - miscalculated the ZOPA and did not developed a BatNa for negotiation
      - made greater concessions than the other party did
    - first offer! ==> anchor
      - ignore the anchor
      - separate info from influence
    - respond to their initial offer
      - avoid deciding on their offer
        - if low, ask for more
        - if high, ask why
      - make an anchored counteroffer, then propose moderation
      - then force him to moderate their offer without losing face
      - keep the ancora 100% in play
    - what should my first offer be?
      - provide a justification for your offer
      - ask for their initial aspirations
      - consider the context and the relationship
    - how far can I push them
      - analysis of pre-negotiation sources of info
      - identify your aspirations prior to the negotiation
      - ask questions that challenge your assumptions
      - ask indirect questions
      - protect yourself from lies and uncertainty with contingency contracts
      - focus on the other party's BATNA and their walk-away signal
      - avoid making unilateral concessions
      - be comfortable with silence
    - effective haggling strategies
      - label your concessions
      - defuse what it means to reciprocate
      - make unique concessions
      - be aware of the effects of diminishing rates of concessions
    - negotiating the relationship
    - managing your own emotions
  - creating value in negotiation
    - creating value
      - pie's logrolling
      - adding issues
      - maximize value ==> pareto improvement
      - this contingency contracts ==> insurance compatible
    - preparation strategies
      - identify your multiple interests
      - have a scoring system
      - calculate a package reservation value
      - identifyhis other party's multiple interests
    - ideation strategies
      - ==> explore multiple issues simultaneously
      - ==> bracket differences of all types
      - ==> ask the progress that was already made in reaching the can agreement
      - ==> suggest that there are aspects of the deal that you wish could be improved
      - ==> suggest that you may have already reached a tentative agreement that shuck have to deal "outside the box" if that will be acceptable to them
      - ==> may it be a pointless for both of you to realize that you are not looking for a new agreement, but an improved agreement with the other party in the current agreement
    - post settlement settlements
      - ==> ask questions, especially if you are surprised or skeptical
      - ==> give some some info
      - ==> negotiate multiple issues simultaneously
      - ==> make multiple offers simultaneously
    - ==> important to realize that we are not negotiating over a fixed pie, but rather we are negotiating the size and scope of value creation
  - investigative negotiation
    - principles
      - first just ask what, and why
      - seek to reconcile interests, not demands
      - create common ground with uncommon allies
      - anticipate demands or opportunities
      - don't dismiss anything as "not problem"
      - don't let negotiations end with a rejection of your offer
      - understand the difference between "selling" and "negotiating"
    - 4 strategies for eliciting info from reluctant negotiators
      - build trust and share info
        - understand and speak their language
        - increase the ties that bind
        - build trust when you're not negotiating
      - ask questions, especially if you are surprised or skeptical
      - give some some info
      - negotiate multiple issues simultaneously
      - make multiple offers simultaneously
  - when rationality fails
    - biases of the mind
      - fixed pie bias
        - the tendency of negotiators indicriprocs and divide another party's concessions simple and assume that being offered by an adversary
      - the viciousness loop
        - create a scoring system
        - separate info from influence
      - motivational miscalculation of commitment
        - start your negotiation with a prepaymend and strategy
        - assign and reward a "devil's advocate"
        - Ask yourself "what is the best outcome" and find their worst target
        - participate and prepare for the escalation forces you are likely to encounter
      - the problem of conflicting motivations
      - apparentism
      - overconfidence, irrational optimism, and the illusion of superiority
      - ==> the problem of negotiating rationalizing and the source of value creation
    - biases of the heart
      - self-serving attributions
        - what happens when we view successful others as unethical or hypercompetitive?
          - not try to learn from them
          - so we create paradox: we will avoid negotiating with them
          - when we have no choice but to negotiate with them, we will find it easy to justify our unethical behaviors
        - in the absence of trust
          - make concessions
          - share info
          - take the risks inherent in building mutually beneficial relationships
      - regret aversion
        - human medial miseery, who error clear to winning on awake at all
        - make a system 1 list
        - avoid negotiating under time pressure
        - partition the negotiation across multiple sessions
        - defend multiple negotiations simultaneously
        - focus on the principles, not particulars
        - bring in an outsider
        - take the outsider perspective
    - confronting your own biases
      - learn ibrra the use of outsiders
      - incorporate the concerns of your friends or other outsiders
      - help others be less biased
      - calibrate info provided by others
      - use contingent contracts to resolve conflicts stemming from biases
    - confronting the biases of others
      - use "screen 1" thinking
      - adopt the outsider lens
      - help others be less biased
      - calibrate info provided by others
      - use contingent contracts to resolve conflicts stemming from biases
  - strategies of influence
    - ethicacre strategies
      - multiple their potential losses rather than their potential gains
      - disaggregate their gains and aggregate their losses
        - disaggregate their gains
          - if you have the ability to make concessions, do not make them all at once
          - if you have good news to share, try to parcel it out in a series of "gives"
          - if you have bad news to convey to other, try to aggregate the negative impact you can, rather than "dribs"
        - aggregate their losses
          - if you are requesting or demanding that the other party make concessions, make one comprehensive request
          - if you have bad news to share, share it all at once
          - if you have costs or burdens to impose, aggregate their loss one
      - employ the "foot in the door" tech
        - simply put, if you want oh, ask for more and you need, and be prepared to make concessions
        - up to a point the audacious request very soon after a small request increases the compliance rate. However, the curious effect is that if the audacious request is made very soon after a concession, but on an entirely different issue
        - ==> the reciprocity norm kicks in. The extreme request is made when some time has passed since the audacious request was accepted