

LATZ'S 5 GOLDEN RULES OF NEGOTIATION

RULE 1
INFORMATION IS POWER—
SO GET IT

Get the Info to Set Your Goals

- Set and prioritize your goals
- Determine and prioritize your counterpart's goals
- Evaluate the power of relationships

Practical Tactics for Goal-Setting

- Brainstorm to set your goals
- Be aggressive and specific
- Tie your goals to realistic standards
- *Expect* to succeed
- Commit in writing

Develop an Information Bargaining Strategy

- **Get substantive information**
 - Find facts, issues, opinions
 - Uncover interests, not positions
 - Brainstorm options
- **Get strategic intelligence**
 - Obtain sooner, not later
 - Negotiate with right person
 - Learn counterpart's past tactics

Ten Information-Gathering Tactics

1. Leave your ego at the door
2. Be sincere
3. Establish trust
4. List your information needs
5. Do the "big shmooze"
6. Ask questions
7. Use the funnel—open- to closed-ended questions
8. Actively listen and use the "power of silence"
9. Ask "why"—get to interests, not positions.
10. Evaluate and use nonverbals/ body language.

**Prepare Blocking Techniques
Reevaluate Your Goals**

RULE 2
MAXIMIZE YOUR
LEVERAGE

Evaluate Initial Leverage

- Find each side's need level
- Determine Best Alternative To a Negotiated Agreement (BATNA/Plan B)

Why?

- **Tells you when to walk:** Prevents you from making an agreement you should reject
- **Tells you when to sign:** Accept agreement only if it's better than your best likely alternative

How?

- **Brainstorm** alternatives to take if you don't/can't reach agreement
- **Convert** better alternatives into practical possibilities
- **Select the best** – and measure other offers against it

Leverage is Fluid

Strike While Leverage is Hot

Five Leverage-Enhancing Tactics

1. Quantify all sides' initial leverage
2. Improve your alternatives and limit their alternatives
3. Tactically share your leverage-related information
4. Communicate your leverage credibly and confidently
 - Be truthful – don't make it up
 - Be detailed
 - Provide independently verifiable alternatives
 - Explain the rationale underlying your best alternative
5. Selectively use risky leverage tactics like walkouts and threats

RULE 3
EMPLOY "FAIR"
OBJECTIVE CRITERIA

The Power of Standards and Procedures

- Creates the perception of independence and objectivity
- The more independent and objective, the more power

Powerful Standards

- Market Value Power
- Precedent Power
- Tradition Power
- Expert- and Scientific Judgment Power
- Efficiency Power
- Costs and Profit Power
- Policy Power
- Reciprocity Power
- Status Power: Title and Position
- Professional or Industry Standards Power

Powerful Procedures

- One cut, the other choose
- Take turns, draw lots, or flip a coin
- Use an independent third party, e.g., arbitrator or mediator

Harness the Power by Using These Four Critical Tactics

1. Find your most powerful standards and procedures *at the start*
2. Research standards and procedures your counterpart previously used
3. Do the "standards dance"
4. Never forget: Leverage trumps objective criteria

RULE 4
DESIGN AN OFFER-
CONCESSION STRATEGY

Know Your Offer-Concession Patterns

- Beware of the premature offer
- The longer you wait, the less eager you appear—timing pattern
- Early concessions include relatively larger moves—the size pattern

First Offer Issues

- **Advantages to first offers**
 - Set expectations
 - Elicit genuine reaction
 - Strategic advantages—leverage timing, information
- **Disadvantages to first offers**
 - Lack of information to appropriately set it
 - Other side gains information
 - Bracketing
- **Where to start**
 - First-offer expectations
 - Your original goal
 - Your most aggressive, yet reasonable, independent standard
 - "Room to move" psychology

Psychological Expectations

- Play the expectation game

Offer-Concession Nuts & Bolts

- Use specific, detailed language, explain the offer's rationale, and tie to standards
- Promote an air of finality and rigidity
- Carefully communicate your priorities and order of issues
- Learn when, how, and under what circumstances to use agents
- To bluff or not to bluff
- Closing strategies

RULE 5
CONTROL THE
AGENDA

Prepare a Substantive and Atmospheric Agenda to Start

- Setting the agenda for short-term negotiations
- Setting the long-term agenda

Negotiate the Agenda

Manage the Deadlines

- Determine what, if any, deadlines already exist
- Evaluate the deadlines' impact (deadline dynamics: urgency, timing, concession, and organization)
- Decide what type of deadlines you want (short, long, or flexible)
- Take the initiative—and set or negotiate the deadlines
Don't let them see you sweat

Apply these Agenda Control Tips and Tactics

- Use the "power of the pen"
- Preview, agree, and focus
- Just do it
- The subtle control
- Control the turf
- To phone or not to phone—consider effect on:
 - Relationship
 - Efficiency
 - Written record