

# SUMMARY OF NOTES ON THE HARVARD NEGOTIATION PROCESS\*

## The Cain Project in Engineering and Professional Communication

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Please read the following pages about the basics of negotiating, explained fully in a wonderful but inexpensive book, *Getting To YES: Negotiating Agreement Without Giving In*. You can buy this book at most commercial bookstores or on the web. The usual price is below \$15.00, and used booksellers have it for less. I strongly recommend this book as a useful tool for the future.

The Harvard Process breaks down into four steps:

- Finding out people's reasons or interests
- Inventing options for mutual gains
- Choosing objective criteria
- Reaching agreement

## 1 Finding Out People's Reasons or Interests

Very often, people think they know what they want: to pay \$8000 for a used car, to have the family at home for a holiday dinner, or to be put on a two-year project in Mexico. If those wishes can't be fulfilled immediately, people need to negotiate. To avoid settling for a compromise that satisfies no one, people should find out what motivates the other negotiator's requests. You have to separate people from their declared objective and find out why that objective matters to them. You have to say things such as

- "How will this benefit you?"
- "Why did you want to do this?"
- "Have you seen this work well for some other person / organization / firm?"
- "How do you figure this would work out better than what we did last time?"
- "Would you let me know more about how this fits with your goals?"
- "Would the primary benefits of doing this be short-term or long-term?"

Try to memorize these questions, or, as **Getting to YES** phrases it, "burn them into your neural pathways" so that they will be easy to call upon in the negotiation setting. All of these questions are intended to reveal the needs that must be satisfied in order for the other negotiator to reach "YES." At the same time, you want to make clear your own interests in the situation. What benefits are you seeking? What reasons do YOU have for negotiating?

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## 2 Inventing Options for Mutual Gain

Once you have a clear sense of the other person's or company's reasons for taking a position (making a request), you should begin a separate phase of the discussion. This first phase entails articulating your intent to explore options without yet choosing to commit to a result. You want to make clear that you want the other party to help you invent options that will benefit you both. Try to come up with new ways of meeting as many needs or interests as you can. Think "outside the box." For example, if you are negotiating a monthly contract, you might look into changing the timing or the financing package so that the monthly payments are acceptable may enable the buyer to agree to a higher price if keeping the monthly payments down is a key concern.

You must not respond negatively to any possibilities. Criticizing an option during this phase will quickly bring negotiations to a halt. Nothing kills creativity faster than comments such as "We already tried that and it didn't work." "You've got to be kidding. Do you think we're made of money?" or "Did you think that up all by yourself." You wouldn't want to proceed if someone said that to you.

**Instead, try to acknowledge that you've heard each possibility by restating it**, sometimes separating it from commitment: "I can see that as an option, but I don't want to commit to it yet."

## 3 Choosing Objective Criteria

No one wants to live with an unjust agreement. A bargain that is too harsh is one that participants can't live with and also one that may well come unraveled. Insist on objective criteria. Such criteria might be current market price, professional standards, legal requirements, or equal benefits for both parties.

If someone insists on an unreasonable criterion, then the Harvard system also teaches you to be prepared to fall back on what it calls a Best Alternative to a Negotiated Agreement, or BATNA. Thinking about your best alternatives in advance will help you be more comfortable if the deal you had anticipated falls through. For example, knowing how much it will cost you to ship your possessions home from college will help you figure out whether a used car's ticket price is your best alternative.

## 4 Reaching Agreement

Once you have chosen criteria, apply them to your options. At that point it is easier to rank the possibilities and perhaps to combine features of various solutions to reach an optimal deal/solution. At this time it is also a good idea to plan how you will deal with any problems that may come up later. Different cultures tend to have different ideas about how binding contracts are. Japanese and Mexican companies are reputed to believe contracts can always be renegotiated; US companies tend to believe a contract's provisions must be enforced; any changes should result in additional charges. Deciding to go with negotiation, mediation, or binding arbitration may lower your legal bills later.

## 5 What If They Don't Play Fair?

Many popular negotiation tactics emphasize power plays and hard bargaining. What if the other side huffs and puffs and makes demands or threats? If you know your BATNA (best alternative to a negotiated agreement), you can make more objective judgments. Don't agree to unfair rules. Suppose that the other side refuses to separate itself from its position, saying, in effect, "Take it or leave it!" You can respond by playing out the right process and inviting them to participate:

*OK, Mr. Leonard, I heard you say "take it or leave it," but before I do either one, I'm going to go through what I imagine your reasons to be and what I think mine are. Just jump right in and correct me if I'm wrong. As I see it, the possibility of our doing your safety work for you would allow us to apply some of the experience we've gained over the years in just this kind of plant design, and we could do it quickly because we've become efficient with this kind of review. We would get work for our people in February, which is usually a slow month for us, and we've*

*been hoping to get a small project that would show your company what we're capable of. Your firm would benefit from having the design evaluated for safety problems before any construction begins and from having our experience at work for you. You would get the work done right away without having to hire any new people and you'd get to evaluate a prospective vendor for future reference on a small test project with fairly low costs and low risks. . . . "*

When you have the situation wrong, the other side can seldom resist telling you so, which in turn gives you a better view of their reasons and interests. If their motives turn out to be incompatible or do not meet the objective criteria you believe are fair, then knowing your BATNA in advance allows you to step away from the negotiation and make a different choice without being bullied into a contract you can't live with.