

#### CHAPTER ONE

### QUESTIONING BEFORE NEGOTIATING

# How to Move Beyond an Instinctive Approach

It goes against general wisdom to drive a car without having taken driving lessons; or to cook a sophisticated meal without having opened a cookbook; or to embark on a journey to a faraway land without having consulted a guidebook or someone who has previously travelled there. Yet, nearly everyone negotiates without ever having taken a negotiation course, read a book on the subject, or consulted an expert. Whilst we live in a world where conflicts are frequent, we seek to resolve them without having the slightest idea of how these conflicts arise or subside.

Negotiation is an instinctive practice of the highest order. An individual tends to negotiate *ad lib* according to what he or she considers the best way, and very often believes to be the only way. Negotiation is a social activity for which instinct exerts the greatest influence, often with disastrous results. Years of observation help to identify, among these instinctive practices, those most damaging. Without making an exhaustive list, we enumerate certain ones that result in unfortunate consequences.

Dictated by habit, these practices are at the root of strains in interpersonal relations, rising transaction costs, an inability to make progress, a loss of dynamism in the negotiation process, wasted resources, project failure, the risk of tarnishing the personal reputation of the negotiators and hindering their future transactions, conflict escalation, the signature of agreements that







are difficult to ratify and still more difficult to apply, and generally, an overall loss of time. The list could go on. It is important to recognise that a purely instinctive approach to negotiation risks all these negative repercussions. Each individual must examine his or her instinctive practices, question them, and revise them as necessary.

This is why the critical prerequisite to negotiation is questioning. Self-awareness, with some reflections and casting doubt on our practices, permits a better appraisal of our skills, some distance from the subject, as well as a greater chance to evolve. As Descartes wrote in his *Discourse on Method*, doubting, i.e. questioning, is essentially "to root out from the mind all mistakes that could have slid into it previously" and to lay solid foundations. Here, we find the point of departure for building a personal negotiation method.

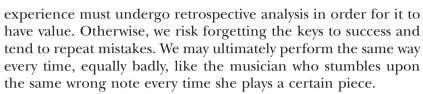
It is this constructive doubt that will be examined in Chapter 1. To assist us in identifying the dormant instinctive negotiators within, we present ten instinctive practices that are pitfalls for the unwary. The goal of discussing them is to provide an outline of appropriate negotiation alternatives. Please note that the pitfalls and alternative behaviours are simply presented as sketches here. The latter will be detailed in later chapters.

### Instinctive Pitfall # 1: Absence of a Learning Cycle

This is the first of the instinctive pitfalls and impacts all that follow. A "turn-the-page" attitude in negotiation is very common for the uninitiated. Here, we move on hastily from the negotiation of the previous day to apparently another completely unrelated. This is often the case when the negotiation has been poor or the result unproductive. This is, after all, only human: Nobody enjoys brooding over failure. However, the same behaviour is observed for negotiations that go well and are topped off with success, the common reflection being: "What good is reflecting on what has happened, if all has passed well"? This attitude stems from a false assumption that mastery of negotiation can be achieved solely through ongoing experience. Certainly, experience is invaluable in the path toward progress. However, there is a condition:







Top athletes have understood this well. After every performance, they view, critique, and review in slow motion the videotape of the event. Sometimes, even practice sessions are filmed so that athletes can analyse their technique and tactics before the big day. This helps them to obtain two types of information. First, they identify their strong points, which they will build upon in the next competition. Second, they identify the weak points where they have room to improve, and which they will prioritise in training. The same concept of analysing experience is used by fighter pilots who "debrief" their last mission while planning the next, so as to improve their performance each time. The negotiator ought to be inspired by such excellent habits.

Learning lessons from a single negotiating experience is but one step of an entire process. After each negotiation and in order to improve the next one, why not take the time to reflect on the following questions?

- What have I learnt about *negotiation* in general?
- What have I learnt about *myself* as a negotiator?
- What should I continue to do the same and why? (Alternatively: What are my strong points? Which ones can I capitalise on?)
- What should I do *differently*? Why and how? (Alternatively: Which are my weak points and where do I have room for improvement?)
- What are my *personal objectives* for improvement in the next negotiation?

It would be worthwhile to record your responses to these questions in a file and to update them after every negotiation, like a ship log. You will thus be better equipped to prepare for the next negotiation, which you will again follow up on with time for reflection, and so on. You will be able to put your successive negotiations into perspective, and the lessons you would have learnt will







serve you in future negotiations. Here are some examples of what you can do to enrich this *virtuous learning cycle*.

- Observe carefully real negotiations to which you are privy.
   You can benefit a great deal from studying the conduct of others. Maintain an analytical mindset, by examining the situation as both a positive critic who recognises exemplary practices and a negative critic who weeds out the unsatisfactory ones.
- Dissect the negotiations you come across in the media, including real negotiations or interactions in films.
- Read books and articles devoted to negotiation, with a resolve to define and refine your own method.
- Approach professional and personal situations from the angle of negotiation, so as to get better acquainted with the tools presented in this book.

A constant exchange between experience and analysis allows the negotiator to establish a personal approach, by shedding unproductive reflexes and adopting other, more effective methods.

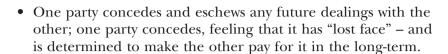
### Instinctive Pitfall # 2: Positionalism

Positionalism can be summed up by: "Agree to my position", or "There is only one solution: mine", or "This is not negotiable". The instinctive negotiator camps on his position as long as possible, in hopes that the other party will exhaust herself and give in. The end result is very rarely the one that was sought. It is, generally, one of the following, or a combination of several of them:

- The two parties experience rising costs to the point that the negotiation gets stuck.
- The parties allocate increasing resources to defend their position, to the detriment of other projects.
- The relationship between the two parties deteriorates.
- The other party leaves the negotiation table.







At best, positionalism transforms negotiation into a hard bargain where each party adopts an extreme position as a point of departure, maintains it for as long as possible, refuses to relent, and only backs down in small steps, minimising each move, as though it posed a threat to its reputation. The efficiency of this approach is virtually nil.

The pitfall of positionalism may be avoided by negotiating on interests,2 or, better still, on the underlying motivations of the negotiator. Chapter 2 will treat this idea in greater detail. Let us illustrate the difference between positionalism and negotiation based on motivations through the following story.

**The shrub in Madagascar** – One day the Malagasy government receives a visit from the representative of a Swiss multinational pharmaceutical company. The envoy explains that his company is preparing to start industrial production of a new medicine, made from a rare shrub that grows only in Madagascar. The Swiss company proposes to invest and create jobs on condition that it is granted exclusive rights to the land where the shrub grows. To the Malagasy government, this seems to be a great opportunity, as the shrub was previously of no use. As discussions begin, an American multinational cosmetics company also requests a meeting with the Malagasy government. This company is preparing to launch a new line of cosmetic products based on ... the same shrub. The American company makes a similar offer with the same condition: rights to 100% of the said land. In a dilemma as to whom to grant exclusivity, unwilling to offend either, the Malagasy government proposes that the two representatives meet to negotiate a settlement. But in a fervent spirit of positionalism, the two companies continue to demand full use of 100% of the available land. To overcome the problem, the two parties come up with the idea of a bidding system. At this point, the negotiation falls into a rut. It is only at this moment that positions give way to *motivations*. When the





question on the specific use of the shrub arises, it is discovered that production of both the medicines and cosmetics require active molecules, but that these are different for each. The positions of the two parties clashed ("We want all the shrubs"), but the true motivation in this affair was the use of particular substances, which were fortunately found on two distinct parts of the shrub: the leaves for one, the roots for the other. The positional reflex posed an obstacle to identifying the true motivations at hand: obtaining the substances. By contrast, more acute consciousness of motivations permitted both companies to find a solution in order to launch their respective products, and the Malagasies have the benefit of receiving double of what was initially proposed.

## INSTINCTIVE PITFALL # 3: THE COMPETITIVE APPROACH

The competitive approach is often coupled with positionalism. "My position must prevail and in order to make it so, I must dominate the other". In this scenario, there is an *a priori* mistrust of the "other". In fact, this approach considers all transactions as a zero-sum game. Inspired by military thinking, it views all negotiations as conflicts where there is one winner and one loser. The "other" is the enemy and all must be done to win. Because "business is business", all tactics are justifiable. Any form of cooperation is denounced as weakness or even treason!

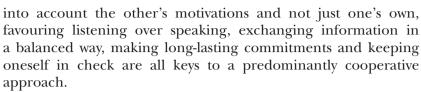
If our description seems to be a bit strong, it is important to note that many instinctive negotiators favour this approach. Far from promoting a path toward partnerships, this conception of negotiation plants the seeds for a poisonous climate, multiple blockages, tensions and conflicts. Value creation is severely reduced or even nonexistent. If any agreements get signed, they occur under enormous pressure, leaving the parties feeling that they have given up too much and must try to get it back the next time.

The pitfall of the competitive approach may be avoided by privileging an approach that is predominantly cooperative.<sup>3</sup> Chapters 3–6 illustrate this point. Establishing confidence, taking





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Why is our approach "predominantly cooperative" instead of just simply "cooperative"? If negotiation is instinctively conceived through a competitive perspective - there is one winner and one loser – negotiation has also experienced a velvet revolution by our colleagues at Harvard, Fisher and Ury, who advocated a "cooperative approach". Fisher and Ury encouraged a transformation of the battle of the wills into a more balanced approach that seeks a peaceful relationship among the parties, and resorts to rational methods to reach solutions based on objective criteria. The end result is a mutually satisfying agreement, immortalised by the expression "win/win".

This theory, more commonly called "principled negotiation" marked a turning point in the way negotiation was conceived and approached. However, as any theory, it has its limits.<sup>4</sup> Practice never lends itself easily to theory in any case. It would be wrong, however, to label principled negotiation as idealistic since many of the ideas it presents are pertinent and operational, especially those concerning the preparation phase of a negotiation. Perhaps it is simply too optimistic. Think of the frustration and disenchantment of the principled negotiator when confronted by other negotiators who are not so "principled".

Our own approach integrates many of Fisher and Ury's ideas but also summons more realist literature that attempts to resolve some of the shortcomings of the "win/win" theory. For example, the question of dividing the pie is only partly resolved in Fisher and Ury's approach. Even though one may be successful in making the pie larger, at the end of the day, it still needs to be sliced. It is for this reason that our approach is "predominantly cooperative", since far from denying the difficulties of dividing the pie, it prefers to recognise and confront them head on. In fact, we need to maintain all the fruits of the "win/win" theory and, at the same time, accept that the end result may not always lead to de facto symmetrical equality in gains, an absolute satisfaction of everyone's motivations, and an absence of all tensions.







## INSTINCTIVE PITFALL # 4: THE CONCESSIVE APPROACH

If the Fisher and Ury revolution shook up negotiation theories and practices, it did so not only by challenging the myths that the best negotiator is the one who employs a competitive ruse, but also by questioning the merits of compromising or "give and take". Even if the "win/lose" approach – which often translates into "lose/lose" – is undesirable, the usual "give and take" approach also has its shortcomings. The latter's major flaw is that it assumes that each side must make concessions toward the other and meet "in the middle", in order to compromise and avoid a conflict, which results in missing opportunities to create value (Figure 1.1).

The pitfall of the concessive approach may be avoided by focusing on problem-solving. The latter approach goes beyond a simplistic conception of negotiation in which gain can only be acquired at the expense of the other party, and *vice versa*, and permits the parties to optimise their satisfaction through value creation. It is neither conciliatory or accommodating ("I give in to the other party"), nor competitive ("I get everything I want and the other party gets nothing"), nor concessive or compromising ("I give some, the other party gives some"), nor conflict avoiding or zero sum ("neither receives nothing") (Figure 1.2).

It is important to recognise that reaching this optimal point in the north-eastern part of the graph is difficult. Such success requires a combination of good negotiation techniques, favourable circumstances and a willing partner. However, it is possible to move there, toward the *northeast*, and away from a compromising approach based on concessions. It requires a good understanding of all parties' motivations and value creation through imaginative options. In order to illustrate this approach, here is an example that is borrowed from principled negotiation.<sup>5</sup>

FIGURE 1.1 NEGOTIATION THROUGH A CONCESSIVE APPROACH

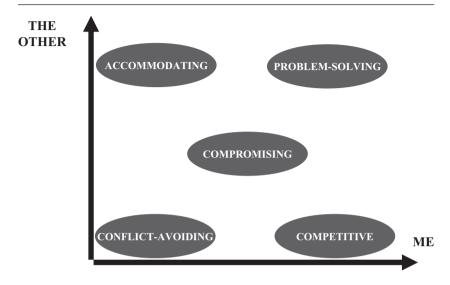








FIGURE 1.2 NEGOTIATION ACCORDING TO A PROBLEM-SOLVING APPROACH



**The Camp David Accords** – In 1978, Israel and Egypt met to negotiate peace, each demanding sovereignty over the Sinai: Israel for security purposes, Egypt for historical ones. Any compromise involved drawing boundaries and this was not acceptable to either. In the end, a plan was agreed upon that let Egypt have complete sovereignty of the Sinai as long as Egypt designated and implemented several large demilitarized zones that would assure Israeli security.

Full acknowledgement of sovereignty for one nation and of security for the other made the difference. This example shows the necessity in negotiation to resist halfway solutions. The concessive approach often results in less than satisfactory situations, such as a meal in which your Champagne cocktail and dessert coffee are both served at room temperature. The Camp David Accords overcame both positionalism and a concessive approach. While the negotiation on positions (keeping the Sinai or getting it back) or on concessions failed, the negotiation which took seriously the underlying motivations (sovereignty/security) succeeded.







Every negotiation requires at least two people who will form or deepen a relationship in order to discuss a problem – a series of substantive issues. Spontaneously, many negotiators mix the substance and the relationship. This may cause confusion as questions over content and over people get mixed up:

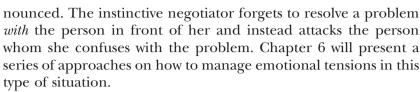
- On the one hand, a negotiator may be tempted *to make large concessions on the problem for the sake of the relationship.* Let us take the example of a senior consultant who wants to maintain good relationships with her colleagues by attributing missions not based on objective criteria (correlation between the mission and consultant's skills, workload, interest in promoting an economy of scale among attributed missions, etc.), but rather on the opinions and desires of the latter. More particularly, she adopts an accommodating mode that puts her at the forefront of potential blackmail "for the sake of the relationship": "Do this for me; we have known each other for such a long time" or "Listen, we're friends; don't tell me you can't do this for me".
- On the other hand, *one may sacrifice the relationship for the substance.* The instinctive negotiator, anxious to obtain concessions on the issues at hand, may want to put pressure on the other, and thus badly hurts the relationship. "Never mind the bumps in the road; I only care about getting a deal". This assumption is not only inexact but is a fine example of the following pitfall of focusing on the short-term.

Sometimes, there is an accumulation of these two types of attitudes that leads to a widespread, counterproductive negotiation tactic: a velvet hand in an iron glove. The instinctive negotiator is voluntarily aggressive and hard with the other party since he believes that this is the way to win on substance. Inevitably, however, he will be made aware of the disastrous effects of such an attitude and in an attempt to make amends, will then become soft on the problem.

When a negotiation is about resolving a conflict, the confusion between substance and relationship is even more pro-







The pitfall of confusing substance with relationship may be avoided by privileging a soft approach on the people, while being tough on the problem.<sup>6</sup> It is about putting an iron hand in a velvet glove.

### Instinctive Pitfall # 6: SHORT-TERM PREFERENCE

This pitfall is about the instinctive negotiator who focuses only on the short-term to the detriment of the long-term. The negotiator should keep the future in mind and would be wise to presume that two people on our small planet will meet again. Let us examine the following true story.

The diplomat's flat – A young Canadian diplomat is sent to Paris for his first mission. He rents a flat owned by a French diplomat who has just been sent on a mission abroad. After paying two months rent for the deposit, he moves into the flat. After three years, the young diplomat must return to Canada. Based on the fact that he has taken very good care of the flat, he hesitates to pay the last two months of rent. After all, he has already paid the owner the equivalent amount as a security deposit and needs the money to put down a new deposit on a flat in Canada. Property owners, in general, do not appreciate such action. In the end, he decides to follow the rules by the letter, and pays the last two months of rent. Of course, four months went by before his security deposit was returned. Twenty-five years later, our diplomat is appointed Canadian Ambassador to Israel. Upon arriving in Tel Aviv, he made the rounds in order to meet his fellow ambassadors. When he arrived at the French Embassy, the French Ambassador looked vaguely familiar. Indeed, the French Ambassador was the former owner of the flat he rented in Paris ...





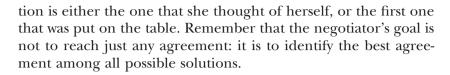
The pitfall of focusing on the short-term may be avoided by assuming that the negotiation might continue indefinitely. It is essential to consider that the exchange never ends, even if there seem to be no stakes in sight in the near future. It is actually quite likely that you will meet the negotiator in question again or at least someone else who knows him or her. This possibility is enough to recommend prudence and not to put one's own reputation at risk through competitive or unfair behaviour. "Remember the future", the French poet Louis Aragon tells us. "The problem with the future is that we are condemned to live it", states Woody Allen. Callières, French King Louis XIV's experienced diplomat and one of the first great negotiation theorists, writes:

"... a negotiator must remember that he will have more than one affair to deal with in his lifetime. It is thus in his interest to establish a good reputation that he must treat as a tangible good, since reputation will be the key in facilitating future successes".

### Instinctive Pitfall # 7: The "Unique Solution" Trap

Even if one is able to avoid all the previous pitfalls, it is nevertheless quite common to be convinced that there "is only one possible solution" for the problem at hand, which is, most invariably, "mine". There are, however, many possible solutions if we choose an approach that makes possible the discovery of a variety of solutions and that views difficulties much more like opportunities than obstacles. Here, it is important to keep an open mind and create trust. The best method in doing so is to imagine as many solutions as possible through brainstorming. Paradoxically, the more potential solutions that are found, the easier it is to identify the best one.

The pitfall of the "unique solution" may be avoided by establishing the rule of brainstorming in order to invent as many solutions as possible. During a negotiation, while avoiding positionalism, and focusing on motivations, we must remain flexible on the ways to satisfy them. The worst thing a negotiator can do is to be closed in her own certainties and be convinced that the only good solu-



### Instinctive Pitfall # 8: ARBITRARY SOLUTIONS

A common companion of the previous pitfall, and another reflex of the instinctive negotiator, is being persuaded that he is right and that there is no need to provide arguments to prove it. This is all the more pernicious when he has more power than the other. For example, when he is the boss, there is a large temptation to impose his will in order to get a rapid decision. But, in doing so, he risks abusing his power and being accused of arbitrariness. Just because he wields more power does not mean that he should not be accountable for his actions. In fact, it is just the opposite. The more power he has, the more he should be accountable for the rationality and legitimacy of his actions.

Sometimes, even when power levels are balanced, the instinctive negotiator foregoes explanations concerning the rationality and legitimacy of her actions, since she just unconsciously assumes that the other is aware of them. This is an inaccurate perception of reality. Everyone interprets the world according to his or her own particular perspective and it is miscalculated to think that someone else sees things just the way she does. The more someone acts on this presumption of a shared vision, the more she sets herself up for failure.

The feeling of arbitrariness may be avoided by justifying solutions before proposing them. It is essential to be clear about the principles and arguments that lie behind solutions before articulating them. Giving clear justification criteria a priori which serve to anchor a particular proposed solution is much more effective than having to give explanations a posteriori. Notably, it is a natural reflex for the other who has already been proposed a solution to be on the defensive and refuse to consider any explanations "after the fact". The more negotiators are clear about the reasons and criteria of their arguments, the more the discussion will focus on principles and not result in a battle of wills.







#### INSTINCTIVE PITFALL # 9: OVERCONFIDENCE

Experience shows that a negotiator is often tempted to underevaluate the other's skills and rationality as well as over-evaluate his own. Spinoza stresses a subjective tendency to say that the solution is good because we want it, rather than wanting the good solution. We put forward our own good will and rationality, while denying the same to the other. This instinctive bias is fertile ground for bad faith and is, unfortunately, commonplace in negotiation. Some examples include:

- I make all the efforts, he does nothing.
- I would like to agree, but my hands are tied. She, however, could say yes, but refuses to do so.
- I have good intentions. His are misguided.
- If my proposal isn't accepted, it's because she doesn't understand it. If I don't accept her proposal, it's because it's a bad one.
- If I am angry, it is because he has gone too far. If he gets angry, it is because he's unable to control himself.

This mechanism of asymmetric perceptions leads to an unhealthy dissonance in interpreting negotiation behaviours. The same attitude is perceived in a radically opposite way depending on who adopts it, as Table 1.1 illustrates.

"L'enfer c'est les autres – Hell is the others", as Sartre summarised. By habit, the negotiator who is convinced of her own good intentions naturally assumes that when negotiating with others, "she should expect the worst" from the other. Here, negotiation is similar to driving a car: in an accident, it is far too easy to accuse the other, while finding good reasons to excuse oneself. This is what Keith Allred<sup>8</sup> described as the usual combination of the accuser's bias and of the excuser's bias.

This unbalanced perspective pushes negotiation up against a wall. In such a situation, the instinctive negotiator is compelled to a competitive, deceptive behaviour based on the following unquestioned assumptions:

- "The other party will not be aware of my deception."
- "Even if she is aware, she will not oppose me."







- "In any case, she will not retaliate."
- "In the end, she will forget."

TABLE 1.1 OVERCONFIDENCE OF ONESELF AND Under-evaluation of the Other

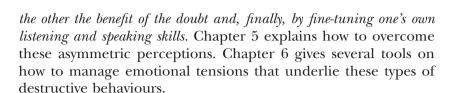
	Overconfidence of Oneself	Under-Evaluation of the Other
1	I am firm. It is necessary to protect myself against the other's tactics.	He is stubborn.  He always exaggerates his demands.
2	I am subtle.  I have the capacity to be precise.	He splits hairs.  He complicates things just to bother me.
3	I have good intuition.  I can trust my innermost feelings.	He is completely unaware. He makes many instinctive mistakes.
4	I am clear and open.  I disclose information openly.	He conceals information.  He purposely keeps some important information secret.
5	I am fair.  I strive for equity, nothing more.	He wants more than his share. He refuses a fair agreement.
6	I feel hazy and uneasy.  I think he is deceiving me.	He is a whiner.  He is always complaining.
7	I am careful.  I want to make sure that we proceed towards a good deal.	He is overly procedural.  He uses delaying tactics.
8	I am clever. I use and anticipate tactics.	He is a manipulator.  He is always trying to trap me.
9	I am conciliatory.  I show my flexibility.	He is a hypocrite.  He proposes false concessions.
10	I am pragmatic. If there are changes, I will adapt to the new situations.	He is not reliable.  He's always taking back his word.

The problem is that, rarely, the other negotiator is as stupid as we think. Like us, nobody accepts to be manipulated.

The pitfall of self-overconfidence and under-evaluation of the other may be avoided through developing a reflex of self-questioning, by giving







### INSTINCTIVE PITFALL # 10: NEGOMANIA

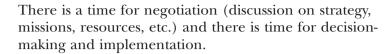
The phrase "everything is negotiable", which offers negotiation as the only viable decision-making tool, unveils a frequent short-coming of the instinctive negotiator. It is essential to be able to determine what is negotiable and what is not. Negomania is often a smokescreen for delaying the implementation of difficult decisions. It is sometimes an excuse for the parties involved to refuse to accept their responsibilities and to take actions.

The pitfall of negomania may be avoided by careful examination of a situation in order to verify that negotiation is the best course of action. Here are some examples:

- There is no established law or precedent that would help clarify the appropriate action to take. Thus, negotiation would be useful in this situation. However, one does not negotiate the results of a democratic election or the implementation of a promulgated law.
- The different parties are interdependent: a unilateral decision is neither recommended nor possible and thus negotiation would be useful here.
- There is no urgency at hand that precludes a negotiated solution. If there is a forest fire, the firemen must act immediately. Here, there is hardly any room for negotiation. However, if the issue at hand is the prevention of forest fires, negotiation between the different actors involved (firemen, elected officials, forest rangers, local residents, etc.) is the best avenue.
- For reasons of efficiency, the roles and responsibilities of the different parties involved are favourable to a negotiated process. It seems obvious nonetheless that certain business decisions will be made by the CEO without an exhaustive consultation with her associates. This guarantees efficiency.







To these different criteria, we may add ethical considerations. For example, during World War II, Churchill and, later, the Allied Forces, decided not to negotiate with Hitler. War was declared and continued until the complete capitulation of the Nazi regime. Outside this extreme case, it is important, however, to check one's judgments such as "never negotiate with hostage takers" since they may not be tenable. We have, in fact, a responsibility to negotiate with hostage takers when human lives are at stake, if only to gain time to prepare an armed assault. It is no wonder that crisis negotiation units have been created in many police forces.

Finally, it is important to keep in mind that negotiation is one mode of decision-making, among others. It is not the only one. It would be absurd to automatically resort to negotiation without reflection. It thus seems appropriate to end this chapter by emphasising the fact that one must question one's practices. During the following chapters, we examine in detail how to avoid all the aforementioned pitfalls and how to build an efficient negotiation method.









