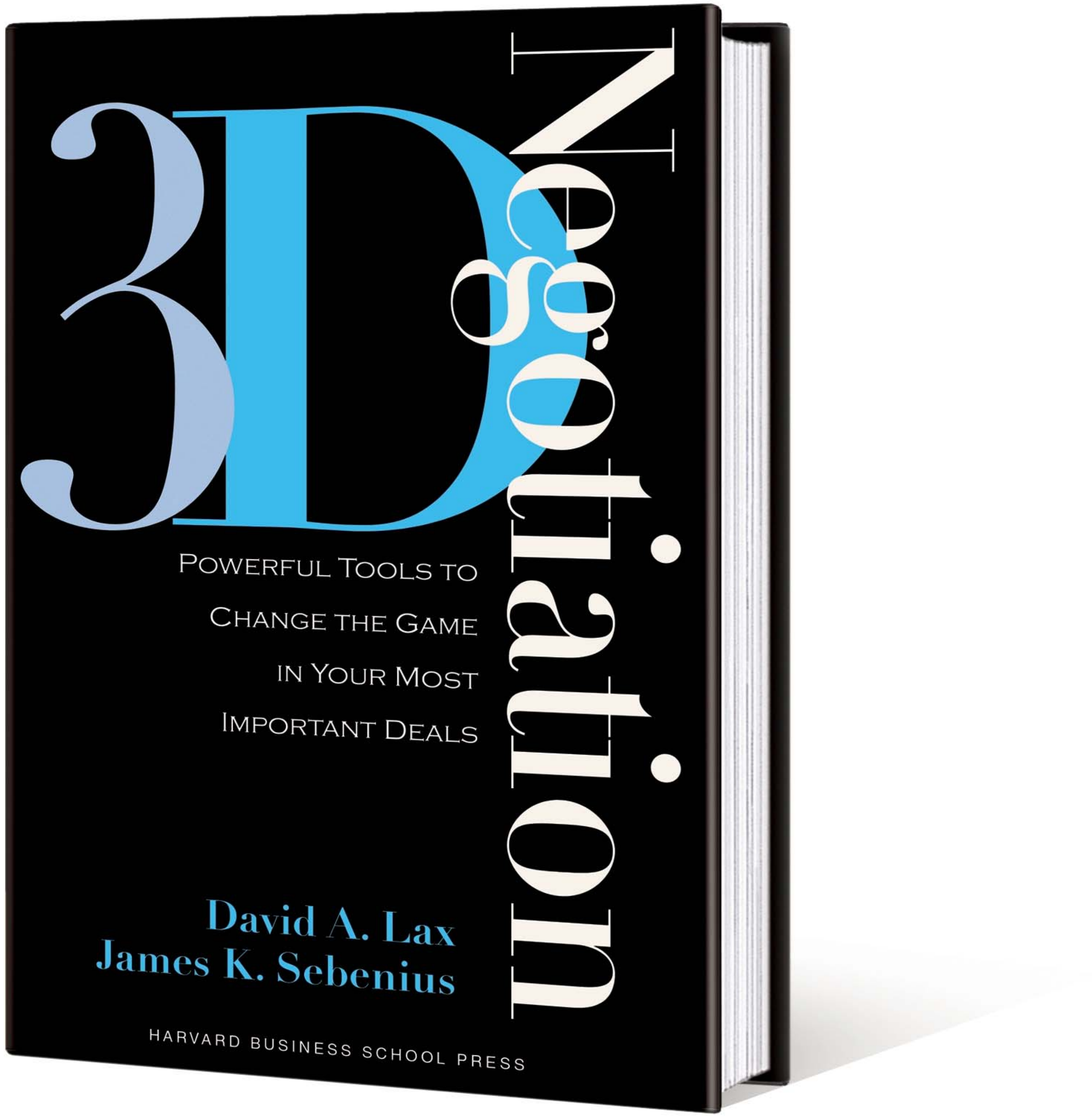
3-D Negotiation Book Excerpt

Chapter 1 - Negotiate in Three Dimensions



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Chapter 1 - Negotiate in Three Dimensions

Why are we born with two eyes?

One reason, of course, is redundancy: it's good to have a back-up, in case we lose an eye to an accident or illness.

But there's another consideration. Having two eyes is different from having, say, two kidneys, or two lungs. Having two eyes gives us the extraordinary ability to *see the world in three dimensions*. Yes, it's certainly possible to get along in the world with only one eye—people do it all the time—but "binocular" vision gives us the enormous advantage of depth perception. When seen with two eyes, rather than one, a formerly flat world acquires all kinds of useful complexity.

This is a book about seeing the world in three dimensions. More specifically, it's about learning to negotiate in ways that recognize—and take advantage of—the rich complexities of human interactions.

We call our approach "3-D Negotiation," because it draws on three distinct dimensions to achieve great outcomes. But before getting into the specifics of 3-D Negotiation, let's look at the alternative, which we'll refer to as "one-dimensional negotiation."

Negotiating in one dimension

There are many kinds of one-dimensional negotiators. (In fact, the world is full of them.) But most fall into one of two broad categories, which—for the purposes of this overview chapter—we'll call "win-lose" and "win-win" negotiators.

Whether you're a pro or a novice, you'll instantly recognize these two types. They offer competing seminars. They do battle in academic journals. And in many cases, they engage at the table.

Win-lose types are from the old school of bargaining, although you can certainly still find plenty of them plying their trade in boardrooms, town hall basements, and rented conference facilities around the world. Their bookshelves bulge with manuals on adversarial ploys, such as *Winning Through Intimidation* and *Start With No*. They battle and scrap for the best price, the biggest share of the pie, and so on. They sit down at the bargaining table intending to walk away not only with their share of the goodies, but most of yours, too.

Win-win negotiators, by contrast, have for some time now represented the New Way. They promise innovative solutions, more value, and better relationships. The win-win library consists of books that emphasize the cooperative potential of negotiation, including valuable ones like *Getting to Yes* and *Getting Past No*. Win-win types don't sit around cooking up unilateral ways to get more than their fair share at the table; they'd rather engage in joint brainstorming sessions to come up with creative solutions that "make the pie bigger" for all.

Experience has probably given you an intuitive feel for the pluses and minuses inherent in each approach. Yes, the aggressive win-lose negotiator gets a better deal some of the time. But he or she may damage relationships in the process, may overlook more creative agreements, and may even precipitate a deadlock, thereby causing promising discussions to break down unnecessarily. (Although, as we will emphasize in later chapters, some discussions *deserve* to break down.)

The earnest win-win player may be more focused on creativity—and almost certainly has more friends—but may come up short in tough encounters. It's a trade-off, and it's not always a beneficial trade-off. In the name of long-term relationships, naïve win-win negotiators may give up achievable gains in the here and now.

So win-lose and win-win negotiators couldn't be more different, right? Well, no. In fact, we see them as being very similar in a fundamental way: they are both one-dimensional negotiators. They both concentrate almost exclusively on the *face-to-face and tactical aspects* of negotiation. They view the negotiating process mainly in terms of *actions at the bargaining "table*," which of course comprises not only the conference room, but virtual tables (phone, fax, e-mail, etc.).

Negotiating advice from both types mainly focuses on how best to *deal directly with the other side*. From the win-lose side of the house, this means tips on how to size up your opponent's weak spots, who should make the first offer, how much to demand, how to persuasively overcome objections, decipher body language, threaten to walk away, and profit from various ploys—the "powerless agent" story, the "good-cop bad-cop" routine, and so on. Again, it's all about grabbing the biggest slice of the pie *through actions at the table*.

Meanwhile, the win-win playbook shows how to build trust, communicate clearly, probe for real interests behind bargaining positions, brainstorm new options, avoid cross-cultural gaffes, and successfully counter the powerless-agent ploy, the good-cop/bad-cop routine, and so on. But note again that the focus is on the tactical. The players are predetermined, the chess board is set up; all that remains is for a great tactical game to be played.

In our experience, most people consider negotiations to be one or the other of these approaches, or a blend of the two. Take a look, for example, at the many negotiation seminars offered by the venerable American Management Association, which are mostly listed under the category "Communication and Interpersonal Skills." Again, this is a standard, one-dimensional mindset: *Negotiating is what happens at the table. It is about tactics and dealing directly with the other side.*

Obviously, win-win negotiators and their win-lose counterparts do more than interact at the table; they also prepare before they get there. But mainly, they prepare by planning their face-to-face approach and tactics. The real action, their main focus, is at the table.

Years of doing deals and analyzing negotiations have persuaded us that this commonsense focus on the table often fails. It routinely misses the larger potential game that can really drive the outcome. Even if they don't recognize it or acknowledge it, one-dimensional negotiators are actually playing in a 3-D world, and they often pay a steep price for their very limited approach. They, or the people whom they represent, are the losers.

The 3-D Negotiation alternative

So what *is* this larger 3-D game? Like any good bargainer, 3-D Negotiators must master the tactical, "at-the-table, face-to-face" techniques that hinge on effective communications and interpersonal skills. (In fact, "tactics" is the shorthand we use for the first of our three dimensions.) But as we've said, 3-D Negotiation involves not one, but *three* dimensions, all of which are in play more or less concurrently throughout an effective negotiation. The three dimensions are:

1. Setup
2. Deal design, and
3. Tactics

By now, you've already got a sense of tactics—at least of the win-win and win-lose kind. The second of these dimensions, deal design, will likely be the most familiar to you as we begin to shift our focus away from one-dimensional moves "at the table." So let's look at deal design before getting into our much less well-understood—and most powerful—third dimension: setup moves.

The 3-D focus on deal design

Here is deal design in a nutshell: *Negotiation involves the art and science of drawing up deals that create lasting value.* Deal design employs a good old-fashioned tool—the drawing board—in new and productive ways.

This is where the win-lose negotiator, in particular, comes up short. To the win-lose type, the broad outlines of the deal are self-evident. So the core challenge of negotiating lies in choosing the best tactics to *win*—to win the best price, the most generous terms, or whatever.

Here's what *we* mean by a systematic approach to deal design: when a proposed deal does not offer enough value to all sides, or when its structure won't achieve its purposes, deal designers must go to work "on the drawing board," sometimes solo, sometimes jointly. Their deal designs create value, often unexpectedly, guided by general principles and specific techniques that we demonstrate to you in subsequent chapters.

Maybe we need to make a definitional aside, as we introduce this term. "Back to the drawing board" sometimes has a negative connotation—that is, a starting-from-scratch connotation—that we don't intend. Rather, we use the drawing-board metaphor to invoke notions of creativity, invention, and fresh thinking guided by potent underlying deal design principles.

Smart people working at the drawing board sometimes can discover hidden sources of economic and non-economic value, then craft agreements—design deals—that unlock that value for the parties involved. For example: Is it *really* a pure price deal? Does some sort of trade between sides make sense and, if so, on what terms? Can we unbundle different aspects of what looks like a single issue, and give to each side what it values most? Should it be a staged agreement, perhaps with contingencies and risk-sharing provisions? If there's a contract involved, should it be an unusual kind of contract—one with a more creative concept and structure than we've used before? One that meets ego, needs as well as economic ones?

A few deal-design examples

Conventional wisdom says that we negotiate to overcome the differences that divide us. So, typically, we're advised to find win-win agreements by searching for common ground. Common ground is generally a good thing. Yet many of the most frequently overlooked sources of value in agreement arise from *differences* among the parties. Deal-design principles can systematically point to agreements that create value by dovetailing differences.

For example, when Egypt and Israel were negotiating over the Sinai, their positions on where to draw the boundary were incompatible. When negotiators went beyond the opposing positions, however, they uncovered a vital *difference* of underlying interest and priority: the Israelis cared more about security, while the Egyptians cared more about sovereignty. The solution was a demilitarized zone under the Egyptian flag. Differences of interest or priority can open the door to unbundling different elements and giving each party what it values the most, at the least cost to the other: a core principle of deal design.

A good win-win negotiator may well come up with such creative agreements through focusing on *interests*, not positions, and brainstorming options. The distinctive contribution of deal design, however, is to crystallize and much more systematically develop the underlying principles.[i]

Let's look at an example of another kind of difference, focusing on how divergent *forecasts* can fuel joint gains. Suppose an entrepreneur, who is genuinely optimistic about the prospects of her fast-growing electronics-components company, faces a potential buyer who likes the company but is much more skeptical than the entrepreneur/owner about the company's future cash flow. They negotiate in good faith, but at the end of the day, the two sides sharply disagree on the likely future of the company and so cannot find an acceptable sale price.

Instead of seeing these different forecasts as a barrier, a savvy deal designer would perceive opportunities to bridge the "value gap." One option would be a deal in which the buyer pays a fixed amount now and a contingent amount later, with the contingent amount determined by the future performance of the company. Properly structured, with adequate incentives and monitoring mechanisms, such a contingent payment (or "earn-out") can appear quite valuable to the optimistic seller—who expects to get that earn-out—but not very costly to the less optimistic buyer. The seller's willingness to accept such a contingent deal, moreover, may give the buyer the confidence he or she needs to go through with the deal. The two-step payment process may make the deal sufficiently attractive to both parties—and more attractive than walking away.

As we will demonstrate in later chapters, a host of other differences make up the raw material that skilled deal designers transform into joint gains. For example, a less risk-averse party can "insure" a more risk-averse one. A more impatient party can get most of the early money, while his more patient counterpart can get considerably more over a longer period of time. Differences in cost or revenue structure, tax status, or regulatory arrangements between two parties can be converted into gains for both. If one party mainly cares about how a deal looks to a key constituency, while the other focuses on substance, the right deal design can create value for both. Indeed, for a savvy deal designer, conducting a disciplined "differences inventory" is at least as important a task as identifying areas of common ground.

By now, you should be getting a better sense of what we mean by the second dimension in our 3-D scheme: deal design "on the drawing board." While our first dimension, tactics, focuses mainly on the interpersonal *process at the table,* deal design shifts toward *substance and outcomes*, often significantly away from the table itself.

The third dimension, setup moves—often the most potent actions a 3-D Negotiator can take—completes that shift. It takes place entirely *away* from the table.

The 3-D Focus on setup

In a nutshell, here is what we mean by setup: Negotiation involves moves away from the table to set up the most promising situation once you're at the table.

Before taking a seat at the table, the 3-D Negotiator has taken advantage of powerful negotiation principles—described in later chapters—to create the most promising possible situation at the table. In other words, the "table has been set" well before the tactical interplay (the focus of win-win and win-lose negotiators) begins.

What does "setting the table" mean, in this context? Simply put, it means acting to ensure that the *right parties* have been involved, in the *right sequence*, to deal with the *right issues*, who engage the *right set of interests*, at the *right table or tables*, at the *right time*, under the *right expectations*, and facing the *right consequences of walking away if there is no deal*. Before worrying too much about tactics, the 3-D setup architect works hard to optimize these elements—the scope, sequence, and choices about the process itself—within which interpersonal dealing will play out.

If the *setup* at the table isn't promising, the 3-D Negotiator doesn't merely resort to bullying (like the win-lose type) or turning up the empathy and interpersonal charm (like the win-win negotiator). Instead, he or she takes action away from the table to *re-set* the table more favorably. The 3-D Negotiator understands that a bad setup makes tactics at the table more or less irrelevant—and that a *great* setup, conversely, makes good tactics all the more effective. In fact, it can help the tactician achieve otherwise impossible results.

Financing Staples: getting the scope and sequence right

The 3-D Negotiator pays careful attention to optimizing the *scope* (the parties, interests, no-deal options) and *sequence* by which different potential parties are involved in order to create the most promising possible setup. Let's look at an interesting real-world case to give you a clear illustration of what we mean by a better setup.

The case involves Thomas Stemberg, the founder of Staples, which was the original big-box office supply store.[ii] Thanks to a first round of financing received from Stemberg's initial venture capital (VC) backers, the Staples concept—rock-bottom prices on office supplies for small businesses—appeared increasingly compelling, beating early sales targets by 50 percent. With these positive early results in hand, and with the threat of new competitors like Office Depot jumping into the market that Staples had started to create, Stemberg urgently needed expansion capital. Logically enough, he went back to the same well: the venture capital industry that had helped get Staples off the ground in the first place.

But during the hunt for second-round financing, the question of *valuation* emerged as a potential stumbling block. From Staples's side of the table, it appeared that the VCs were closing ranks, stonewalling Stemberg, and refusing to value Staples as highly as he'd hoped. Not a novel tactic, certainly—offering less capital while demanding a bigger piece of Staples's equity—but surprising in its monolithic nature. No matter where he went in the venture capital community, Stemberg heard more or less the same thing.

So what was the best negotiating stance for Stemberg to adopt at this point, to (in his words) "break the venture capitalist cartel"? Was the answer to be found in being a better tactician at the conference table?

If so, should Stemberg concentrate on being a better win-lose negotiator of the old school? In other words, should he try harder to unflinchingly look the bankers in the eye, or decipher their body language? Should he resolve to lock everyone in a room until the positive result he was looking for finally emerged? Should he just say "no?" Refuse to budge? Wear them down until he wore them out?

Or, alternatively, should he resolve to be a more effective win-win player? That is, should he listen actively? Brainstorm options? Focus on what would be fair?

In a word, *no,* on all counts. From the 3-D Negotiator's perspective, the best way to deal with this hardball stance was *not* to focus on tactics and process at the table. Instead—we 3-D Negotiators would argue—*Stemberg needed a more promising setup*, involving the *right new parties and interests* that would be more receptive to the particular deal he was seeking.

Going out to generate a better financing offer would be good—and completely standard—advice here.[iii] And Stemberg did just that. He initiated conversations with Goldman Sachs: an investment bank, rather than a venture capital firm. After talking to its venture contacts, however, Goldman initially proposed *exactly the same valuation* to Stemberg. Rather than weakening, it appeared that the cartel was broadening. *Now* what?

In a case like this, a good 3-D Negotiator would routinely ask a series of questions—that we will later develop for you—in order to generate a more promising setup. Here's one such line of questioning: "who are the potential '*high value players*' here? What parties are not now involved who might value this agreement more highly than those in the current setup?"

To answer these questions—to overcome the perceived cartel—Stemberg visited Harvard Business School and sought out one of our colleagues, Professor Bill Sahlman, who is an expert on venture firms and the financing of entrepreneurial startups. Stemberg asked: "How do you break this?" Sahlman's answer: "Go *directly* to the institutions: the pension funds and insurance companies.... They may be limited partners of the venture capital firms, but they often resent handing off 20 percent of the profits and a hefty management fee, instead of keeping it themselves."

To a 3-D Negotiator, these were potential "high-value players." If brought *directly* into the deal, they would see 20-plus percent higher returns than if they invested *indirectly* through venture capital partnerships. Following this advice, Stemberg found his institutional-funding options greatly expanded, with several limited partners of the venture funds willing to put up their *own money* at Stemberg's price.

Meanwhile, who *else* might be a high-value player, for different reasons? Stemberg decided that he should also make an appeal to high-net-worth individuals with independent perspectives that might support a higher valuation than the VCs. For example, he approached Marty Trust, head of Mast Industries, whose office was literally across the street from Staples's second store. Trust could see Staples's remarkable results for himself. He had the retailing background to recognize its potential. And he understood that Stemberg had to act *fast*, since clone competitors like Office Depot were opening stores like mad. As Stemberg later recalled, "When [Marty Trust] said he wanted 10 percent of the company, we'd say, 'Fine, that'll be $3 million.' And he'd say 'Fine'—and like magic, the company had a value."

Does this story surprise you as an example of what we call "3-D Negotiations"? Didn't the negotiations with the venture capitalists break down? Is *that* an example of successful negotiations?

"Yes" to both of those last two questions. This is an example of exactly how 3-D Negotiators think. How so? Because Stemberg didn't rely on face-to-face *tactics* to change the minds of his initial backers, whom he considered to be overly greedy. (That would have been standard, one-dimensional kind of thinking.) Instead, he changed the *scope* of the negotiation (the parties, their interests, the no-deal options). He favorably reset the table with right new parties whose interests were far more aligned with *the deal he wanted to do*. And, as we'll see, he then sequenced the process.

Now, the generic advice in this particular story—that is, to shop around for other options—is pretty standard and pretty good guidance, and it should hardly surprise you. Yet if Stemberg had spent his time indiscriminately pitching other investment bankers, commercial bankers, or many other potential capital sources, he would likely have come up empty-handed, while burning up precious time. Why? Because although these were alternatives to the VCs, in practical terms, they were not the *right* players.

By applying the principles of 3-D Negotiation (that we'll show you) in a systematic, disciplined way, you can learn to zero in on potential "high-value players"—those parties not now involved who might value this agreement more highly than those in the current setup—and thereby achieve a better setup, and a better outcome. In the Staples case, the right players were the "high-value" ones; in other cases, we'll show you how *other* kinds of players are the "right" ones to enhance the setup. Examples would include direct or indirect influence, a key role in deal approval or implementation, and so on.

Other good things happened to the setup as a result of Stemberg's away-from-the-table moves. Even as he went out to the new sources suggested by Sahlman and pushed Goldman Sachs to sweeten its offer, Stemberg continued negotiating with the venture firms—but with improved options in case the VCs ultimately said "no." Meanwhile, of course, Stemberg's effective maneuvers sharply worsened the VCs' no-deal options. When he went back to his first-round backers, he was able to present alarming news to them. Not only were they now in the unaccustomed role of middlemen—at risk of being cut out by their own limited partners—but it began to look like they might be crowded out altogether as other investors piled in. "This thing's filling up fast," Stemberg declared flatly. "Do you guys want to play or not?"

It worked...on his terms. And the ultimate success of his table-resetting effort also had a beneficial impact the next time he approached potential financial backers. (*Hey, guys—I've already proven I can get the money somewhere else*. *Do you want to play or not?*)

Of course, there's a lot more to getting the *right scope* (parties, interests, no-deal options) and *sequence* than we've included here. But you get the general idea. Don't just focus on tactics at the table; be sure the setup is right. If you don't like the way the table is set, reset it by attacking the scope and sequence of the negotiations.

Creating and claiming value

Let's back up a step and ask a fundamental question whose answer underlies our approach in this book: whether we act in one, two, or three dimensions, what are we actually trying to do by negotiating?

On one level, everyone will answer this question differently, depending on the specifics of the negotiations at hand. (On this level, Tom Stemberg would have said, "The point of negotiating is to get the money I need quickly and on terms that I consider fair.") But on a deeper level, the answer to our rhetorical question is always the same: *Your negotiating objective should be to create and claim value for the long term, by crafting and implementing a deal that is satisfactory for both (or all) parties.*

What is "value"? Of course, many negotiations center on economic value—that is, potential financial gains to the negotiating parties. Suppose that we own a patent that could dramatically boost the value of your products in a market segment where our firm has no interest in competing. A licensing deal could create economic value for both of us, and would certainly be more appealing than the no-deal alternative.

But value can—and in many cases, should—be understood more broadly. Think of the example of Egypt and Israel negotiating over the Sinai, described earlier in the chapter. Rather than a zero-sum battle over where to draw a line in the sand, they came up with a demilitarized zone under the Egyptian flag; the kinds of value they created was not mainly economic, but had to do more with security for the Israelis and sovereignty for the Egyptians. The idea of "value" can go farther still; as long as one or more parties care strongly about some aspect of the process or outcome, that aspect is a potential source of value in the negotiation. So, yes, "value" can mean a discounted cash flow. But it can also mean precedent, relationships, reputation, political appearance, fairness, or even how the other side's self-image fares in the process.

The 3-D negotiator is a master at the kinds of cooperative, problem-solving skills that uncover joint gains, and thereby create value for all sides relative to no deal. Value-creation falls into the "win-win," or "non-zero-sum" aspect of the process. (This means, simply, that one side's win doesn't translate into the other side's loss.) Value-creation benefits all parties.

But that's only half the story. The 3-D negotiator is also a master at *claiming* value. This is the competitive, win-lose part of the negotiation, where one side seeks to claim a full share of the "value pie."

Obviously, there's an inherent tension between the cooperative moves needed to create value jointly and the competitive moves that enable you claim value individually. Managing that tension is at the very heart of the art and science of negotiation. When those contradictory tugs are badly managed, things tend to break down quickly. Hardball moves to claim value can short-circuit the moves needed to create value. Impasses arise unnecessarily, and money gets left on the table.

The 3-D Negotiation techniques described throughout this book will help you solve all three of these challenges. They will help you create value, claim value, and productively manage the tension between creating and claiming.

There's one more point to make here: the need to think in the long term, when creating and claiming value. Yes, there are many kinds of "one-shot" negotiations, where it is highly unlikely that the two parties will ever sit down to bargain together again in the future. Most likely, you will only sell your company once. If you sell a series of houses or used cars over your lifetime, you'll almost certainly be dealing with a different individual each time. These are important deals, and in subsequent chapters we will offer you a great deal of advice for managing one-shot negotiations, which—by definition—don't require a long-term perspective.

But in negotiations that aren't one-shots, keeping the long term in mind when creating and claiming value is important for at least three reasons. First, many negotiations are only a single chapter in a larger, ongoing relationship, which can be damaged by adversarial tactics. If you damage an ongoing relationship, it will be harder to strike good deals in the future. Second, many agreements only deliver their value when all parties live up to their respective sides of the bargain in the intended spirit. If parties to the agreement feel that they have been exploited or otherwise dealt with unfairly, they may live up to their side of the bargain only half-heartedly—or they may even repudiate the agreement. Third, even in the case of a true one-shot, stand-alone agreement, your approach to deal-making can affect your reputation beyond the confines of that one deal. The business and personal networks within which we all interact are becoming ever more tightly connected. People talk. If you get a reputation for dealing unfairly or adversarially, it may come back to haunt you.

We stress the overall negotiating objective—to create and claim value for the long term—since this objective directly informs both how you perform a 3-D barriers audit (the subject of our next chapter) and how you craft a 3-D strategy to overcome the barriers you've identified (the subject of Chapter 3). As we analyze what is hard about a given negotiation, we will often ask two more precise questions:

- What are the barriers to creating value?
- What are the barriers to claiming value?

Similarly, when we talking about crafting a 3-D strategy, that discussion will focus on the setup, deal design, and tactical moves that will 1) create the maximum possible value, and 2) claiming a full share of that value—on a long term basis.

Not one dimension, but *three* dimensions

To summarize, the 3-D Negotiator plays a more complete game than either the old school win-lose negotiator, the trendy win-win negotiator, or their many close cousins who cluster around the bargaining table. That's why we've come to use the metaphor of "dimensions" to describe the three different—and mutually reinforcing—classes of negotiating moves that the 3-D Negotiator holds in his or her arsenal: tactics, deal design, and setup.

By putting these pieces together, this book will show you precisely what it means to be a 3-D Negotiator, playing the *whole* negotiating game—an integrated focus on setup, deal design, and tactics—rather than just the at-the-table part of it.

For most negotiations, *the stakes are high*. This is true whether you're trying to secure second-round financing, broker a peace between warring states, or close a key business deal. True, these are very different negotiating contexts, with very different sorts of things hanging in the balance: lives, profits, individual dreams. But in all of them, the people at the table care very deeply about the outcome of the bargaining process.

Unfortunately, when it comes to negotiating success, caring deeply doesn't make the difference. Only *being prepared* makes the difference—and in our experience, the best preparation is mastering the principles of *3-D Negotiation*. The very first part of preparation is understanding what you're really up against. To us, that means the barriers that stand between you and the deal you want. Diagnosing those barriers is our next order of business, as we move to Chapter 2.

* **Negotiate in three dimensions, not just one:**
* **First dimension: Tactics "at the table"**
* **Second dimension: Deal Design "on the drawing board"**
* **Third dimension: Setup "away from the table"**
* **Create and claim value for the long term.**

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[i] Here again, Fisher, Ury, and Patton (1991) are the trailblazers. *Getting to Yes* has done more to highlight the critical value of "interest-based" negotiations, as opposed to "positional bargaining," than any other negotiation experts. The first systematic exploration of the role of differences in deal design can be found in Sebenius (1980, 1984), and in Chapter 5 of Lax and Sebenius (1986), *The Manager as Negotiator*, New York: The Free Press.

[ii] We learned of this episode from Jeffrey L. Cruikshank. This version is taken, in part verbatim, from Cruikshank's *Shaping the Waves*, Boston: Harvard Business School Press, 2005, p. 27. We also draw on later communication with William Sahlman that refined our understanding, as did Thomas Stemberg's account in *Staples for Success* (1996), Santa Monica, CA: Knowledge Exchange LLC, pp. 44-47.

[iii] Roger Fisher, Bill Ury, and Bruce Patton popularized the importance of your Best Alternative to Negotiated Agreement, or BATNA, in *Getting to Yes* (New York: Penguin, 1991); a history of this venerable concept, as well as some of its wider ramifications, can be found in Sebenius, James K., and David Lax. "The Power of Alternatives or the Limits to Negotiation." *Negotiation Journal* 1(1985): 77-95.