Win Win Negotiations: Can’t Beat Them? Join a Coalition.

How do coalitions work in multiparty negotiations? This article will explain this complex yet common negotiation scenario

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This [negotiation case study](http://www.pon.harvard.edu/daily/teaching-negotiation-daily/best-in-class-negotiation-case-studies/) demonstrates the power of coalitions to achieve win win negotiations at the bargaining table. How can negotiators cooperate with bargaining counterparts to create value for both sides and return win win negotiations? Here is the strategy used by Wyoming ranchers back in 2006 to achieve just that.

In 2006, representatives of wind-energy developers started knocking on the doors of Wyoming ranchers.

They were seeking to persuade the ranchers to sell the rights to build wind turbines on their land, reporter Addie Goss recounted on National Public Radio. Typically, the developers build wind farms by leasing large blocks of land from many different landowners in western states. In Wyoming, ranchers began signing leases without knowing the true value of the wind sweeping across their land.

U.S. Department of Agriculture program coordinator Grant Stumbough heard about the wind developers crisscrossing Wyoming and had a brainstorm: by working together, the ranchers might be able to get better deals.

Stumbough formed a “wind association” model in which ranchers and farmers pool as much as 100,000 acres of their land, negotiate leasing rights with wind developers as a group, and divide the profits.

Eight wind associations now exist in Wyoming alone, and the model is catching on in other western states.

Rather than waiting passively for an offer from a single developer, wind associations market their land rights to dozens of companies, sometimes triggering bidding wars in the process.

Royalties from a wind project could potentially generate hundreds of thousands of dollars annually for a rancher, Stumbough told NPR—a gold mine for those who are struggling to stay afloat in a depressed cattle market.

As a negotiator, what should you do when you’re in over your head?

[We have discussed a number of strategies](http://www.pon.harvard.edu/daily/batna/frustrated-by-an-uninformed-negotiator-consider-your-batna/) for boosting your [bargaining](http://www.pon.harvard.edu/tag/bargaining/) power at times when your position seems hopelessly weak. Carefully assessing your own outside alternatives and those of your counterpart, trying to change the rules of the game when they work against you, creating a strategy for your entire portfolio of [negotiations](http://www.pon.harvard.edu/tag/negotiation/), and appealing to the other side’s sense of fairness are a few techniques you can use to increase your strength at the table.

As some Wyoming ranchers have learned, you can also gain leverage and improve your results by banding together in a [coalition](http://www.pon.harvard.edu/tag/coalition/) with other relatively weak parties. As a member of a coalition, you can harness the resources you need to face a tough opponent.

Win Win Negotiations with Coalitions: How Coalitions Work

In certain situations, negotiators are unqualified to bargain on their own behalf.

Lawyers, agents, and other third parties can provide the expert negotiation guidance needed to prosper in situations as wide-ranging as a divorce settlement, a book sale, or a corporate merger.

A negotiating coalition takes the “Don’t go it alone” strategy a step further.

Rather than (or in addition to) hiring one or more advisers to negotiate for you, a number of weak parties who might otherwise be in competition with one another join forces to negotiate in a collective, organized manner with one or more stronger parties.

Labor unions may be the most obvious example of a negotiating coalition. When a company negotiates with an employee individually, it could threaten to hire someone else in the face of the employee’s demands.

By contrast, when employees bargain collectively through a union, they avoid the need to compete against one another (at least on certain issues) and typically achieve a more competitive compensation and benefits package than they would have negotiated on their own.

Win Win Negotiations with Coalitions: Why Join a Coalition?

Returning to our Wyoming story, a rancher who negotiates individually with a wind developer over leasing rights risks being coerced into accepting a lowball offer.

After all, both sides understand that the developer could walk away and talk with the rancher’s neighbor instead. By contrast, when ranchers join wind associations, they become part of an organized, informed group.

The coalition has the power and ability to negotiate with multiple developers over the lease of a much larger, and thus much more attractive, piece of land. Coalitions bring several benefits to weak parties.

First, when weak parties join a coalition, they avoid destructive competition with one another and, by pooling their resources, gain strength in negotiations with stronger parties. In addition, a coalition defuses a common adversary’s ability to pit one weak party against another or to credibly threaten to walk away.

Coalitions can bring advantages to the party across the table as well. Susan Williams Sloan, who works for the American Wind Energy Association, a wind industry trade group, pointed out to NPR’s Goss that wind associations offer developers a “one-stop shop.”

She also noted that landowners who belong to associations tend to be better informed about the issues at stake in their leasing negotiations.

Although the developers may have ended up paying a higher per-acre lease price to an association than they would to individual ranchers, the developers typically prefer to work with landowners who understand their contracts, according to Sloan.

In sum, a coalition is likely to lead to a more efficient negotiation process that could benefit everyone involved, including consumers and other constituents who may be affected by the outcome. Win win negotiations can be achieved more easily through coalitions.