Unit 1 Chapter 1 Part 3

Let’s see some key terms related to negotiation concepts.

Positional negotiation

With the positional style of negotiation, each party starts with an extreme (usually unjustified) position. The basis for this approach stems from the belief that the ultimate solution will be favorable only if the initial offer is extreme. It is seen as a zero-sum game. One party will win and one will lose. An extreme position increases the chances of a “win”. The more extreme the opening positions and the smaller the concessions, the more time and effort it will take to come to an agreement.

The classic example of positional bargaining is the haggling (讨价还价) that takes place between proprietor（业主，摊贩）and customer over the price of an item. The customer has a maximum amount she will pay and the proprietor will only sell something over a certain minimum amount. Each side starts with an extreme position, which in this case is a monetary value, and proceeds from there to negotiate and make concessions. Eventually a [compromise](https://www.beyondintractability.org/essay/compromise) may be reached. For example, a woman offers a vendor at the flea market $10 for a paint she has for sale. The vendor asks for $30, so the customer offers $15. The merchant then says she will accept $25, but the customer says the highest she will go is $20. The vendor agrees that $20 is acceptable and the sale is made at $20. So the customer pays $10 more than she originally wanted and the vendor receives $10 less.

这种观点看来，谈判双方的利益是对立的，你进我退，你获利我就要失利，所谓“零和博弈”。以上的例子里，商贩定的价越高，被还价的余地就越大，最后获利的可能就越大；顾客给的价格越低，对她来说，还价的余地也就越大，最后获利的可能也就越大。

Principled negotiation

Principled negotiation is an interest-based approach to negotiation that focuses primarily on conflict management and conflict resolution. Principled negotiation uses an integrative approach to finding a mutually shared outcome. Principled negotiation has become synonymous with the more popular phrase “win-win” originally taken from “Game Theory.”

Positions are often pre-determined（预先确定的）, concrete（具体的） and explicit（明确的）. For example, one party’s position may be to accept a salary of no less than $40,000. The other party’s position may be to offer no more than $35,000. These positions will tend to get the parties locked in to a contest of will. A more flexible approach is to search for the interests, desires, motivations and needs that underlie（隐藏在什么之下） the positions. For example, why does the person want $40,000? Are there other benefits or schemes that could provide an equivalent value to the person? Why will the other party not pay more than %35,000? Is there a possibility of incremental income（增量受益，稳步增长的受益） over a short period of time or salary plus other benefits? Interests allow flexibility and define positions by determining the underlying needs, concerns and motivations of each party. The more interests that are found, the greater is the potential for developing options for mutual gain.

Win-win negotiation

A win-win negotiation settlement is an integrative negotiated agreement. In theory this means the negotiating parties have reached an agreement after fully taking into account each other’s interests, such that the agreement cannot be improved upon further by any other agreement. By definition, there are no resources or “gold” left on the table and all creative options have been thoroughly exploited. “Win-Win” has its roots in “Game Theory” and Economics.

BATNA

An acronym described by Roger Fisher and William Ury which means Best Alternative to a Negotiated Agreement. It is the alternative action that will be taken when your proposed agreement with another party results in an unsatisfactory agreement or when an agreement fails to be materialized. If the potential results of your current negotiation only offer a value that is less than your BATNA, there is no point in proceeding with the negotiation, and one should use his or her best available alternative option instead. Prior to the start of negotiations, each party should have ascertained their own individual BATNA.

Fixed pie assumption

Assumption that your interests conflict with the interests of the other side, i.e. you are both fighting for the biggest piece of the pie. It is also known as the “mythical fixed pie”, a well-documented phenomenon – people believe that negotiation situations are zero-sum, even when there is potential for both parties to create value, not just claim value.

Negotiation anchoring

Anchoring is an attempt to establish a reference point (anchor) around which a negotiation will revolve and will often use this reference point to make negotiation adjustments. Anchoring often occurs when the first offer is presented at the beginning of a negotiation.

Negotiation concessions

Negotiation concessions are also sometimes referred to as “Trade-Offs”, where one or more parties to a negotiation engage in conceding, yielding, or compromising on issues under negotiation and do so either willingly or unwillingly. Negotiation concessions often include “log rolling”.

At last, let’s review some words we learned in the context. Can you complete the sentences with the words from the box?

Well? Are you confident to give the answers? I think so. Here are the answers! Can you read your answers loudly with me together?

1. They are determined to make the negotiation a zero-sum game, winning every penny of the deal.
2. We must ascertain our BATNA before we sit at the negotiation table.
3. In situations of great ambiguity and uncertainty, first offers have a strong anchoring effect—they exert a strong pull throughout the rest of the negotiation.
4. We make judgments about people, but when we believe that only our assumption can possibly be correct, we fall into this trap.
5. I am prepared to make some concession on minor details, but I cannot compromise on fundamentals.
6. In any negotiation or business decision, choose solutions that fit your values, even if they're not the easiest or cheapest options.

Well, this is the end of this session. See you next time!