

Notes on Preparation, Conduct and Debriefing of a Negotiation (mainly for two party negotiations)

1. Preparation

- a. Create table (parties, possible results, values)
 - i. Reduce possible results to small number (classification if necessary)
 - ii. Determine your values
 - iii. Guess values of counterpart(s)
- b. Create hypothetical diagram (if only two parties, otherwise just table)
 - i. Put BATNA on (0/0)
 - ii. Calculate sum of win-win-potential
 - iii. Put your Pareto maximum in diagram
 - iv. Put counterpart's Pareto maximum in diagram
 - v. If simple function: draw Pareto frontier, if complex: guess
 - vi. Put other possible results in diagram
 - vii. Guess degree of your uncertainty (in %)
- c. Define strategy
 - i. Active or passive? (the more I know, the more active)
 - ii. Which information do I want to give?
 - iii. Which information do I try to get?
 - iv. How do I organize the cooperation test?
 - v. Which "trading on differences" do I offer?

2. Conduct

- a. Offer cooperation
 - i. Cheap concessions: friendliness etc.
 - ii. Declaration of intention to cooperate
 - iii. Information which does not create too much vulnerability
 - iv. Maybe first substantial concessions
- b. Test whether the other side cooperates
 - i. If yes: Tit-for-Tat, go Northeast, increase stakes as long as cooperation continues, trading on differences
 - ii. If no: Ask why, if afraid or uncertain: educate, if tempted to exploit you: play Tit-for-Tat, partisan BATNA analysis, improve perception of your BATNA, show weakness of counterpart's BATNA if possible
- c. Collect information
 - i. On counterpart's evaluation
 - ii. On counterpart's strategy
- d. Modify hypothetical diagram/table based on information collected so far (as exactly as possible, guess if necessary and be more precise during a break)
 - i. What is the main problem: creating value or claiming value?
 - ii. How much of total value on the table is already developed (in %)?
 - iii. Who got what so far (in %)?
 - iv. In which field of the Prisoner's Dilemma am I? If sucker or punishment, make it explicit and announce change in strategy
 - v. In how far has my degree of uncertainty changed so far (in %)?
- e. Start second phase (similar to first phase, but more active, if less uncertainty)
- f. Identify win-win-potential
 - i. Give something that is less important to you than to your counterpart and vice versa
 - ii. Continue successful win-win processes until you get to the Pareto frontier

- g. Go Northeast
 - i. Reward concessions of the other party through your own concessions
 - ii. Demand concessions from other party for your concessions
- h. Prepare deal-making
 - i. Try to get maximum certainty on information
 - ii. 3. and second last hypothetical table/diagram
 - iii. Develop packages and a final package
 - iv. Ask for final package or offer final package
- i. Secure win
 - i. Create "Letter of intent" to guarantee win for all parties
 - ii. Agree to continue search for further win-win
- j. Post-settlement-settlement
 - i. Propose improvements based on last guess (be careful: Prisoner's dilemma is still valid!), share information depending on degree of cooperation before
 - ii. If others propose something: guess degree of honesty based on strategy before

3. Debriefing

- a. 4. and last hypothetical table/diagram
 - i. Last guess on evaluation of other party
 - ii. Modify your evaluation if necessary
- b. Analysis of the result
 - i. How much of the total value has been developed (in %)?
 - ii. Who got how much of the pie (in %)?
- c. Analysis of strategy and tactics
 - i. What was the main problem: creating value or claiming value?
 - ii. In which field of the Prisoner's Dilemma am I? If sucker or punishment, why?
 - iii. Which of my moves were successful to create or claim value? Which were not? Did I miss opportunities?
- d. Consequences for future negotiations
 - i. Analysis of my weak points, what is my main problem: understanding of the basic concepts, sucker, punishment or missed opportunities?
 - ii. Analysis of my strong point: what worked well and can be applied again (more)?
 - iii. Analysis of the concepts: which aspects are difficult to understand or to apply, which should be modified, which worked well and can be applied again (more)?

Disclaimer: It is not necessary to apply this framework in detail to get good negotiation results. Even if you apply parts of it, it will "only" increase the likelihood of good results. Dare to guess! It is better to use a bad guess and modify it later than to work without any hypothetical framework.