



Strategic Moves in Negotiation

Negotiation was once considered an art practiced by the naturally gifted. To some extent it still is, but increasingly we in the business world have come to regard negotiation as a science—built on creative approaches to deal making that allow everyone to walk away winners of sorts. Most self-employed business people and entrepreneurs have become experts at “getting to yes,” as the now-familiar terminology goes.

Nevertheless some negotiations stall or, worse, never get off the ground. A deal or sale you were counting on does not come through. Why?

There are often quite practical reasons. But our recent research suggests that the answers also lie in a dynamic we have come to call the “shadow negotiation”—the complex and subtle game people play before the get to the table and continue to play after they arrive. The shadow negotiation doesn’t determine the *what* of the discussion, but the *how*. Which interests will hold sway? Will the conversation’s tone be adversarial or cooperative? Whose opinions will be heard? In short, how will the bargainers deal with each other?

The shadow negotiation is most obvious when the participants hold unequal power—and this is a situation in which independent contractors and entrepreneurs often find themselves. Working on their own, they usually do not have the support networks, personal clout, experience, or organizational backing to influence the other side. But even when the bargainers meet as equals, a negotiation can be blocked or stall—undermined by hidden assumptions, unrealistic expectations, or personal histories. An unexamined shadow negotiation can lead to silence, not satisfaction, and do real damage to the bottom line.

It doesn’t have to be that way. Our research identified strategic levers—we call them power moves, process moves, and appreciative moves—that independent contractors and entrepreneurs can use to guide the shadow negotiation. In situations in which the other person sees no compelling reason to negotiate, *power moves* can help bring him or her to the table. When the dynamics of decision making threaten to overpower the negotiator’s voice, process moves can reshape the negotiation’s structure. And when talks stall because the other party feels pushed or misunderstandings cloud the real issues, appreciative moves can alter the tone or atmosphere so that a more collaborative exchange is possible. These strategic moves don’t guarantee that everyone will walk away winners, but they help get stalled negotiations out of the morass of unspoken power plays.

Power Moves

On the face of it, independent contractors and entrepreneurs often negotiate when they need the other side more than he or she needs them. The rep from the company, seeing no apparent advantage in negotiating, stalls. Phone calls go unanswered. The meeting you want to set up

keeps being postponed or, if it does take place, a two-way conversation never seems to get going.

Such resistance is a natural part of the negotiation process. A proposal will generally be accorded a fair hearing only when the other party believes two things: (1) What is being proposed is of value and (2) his or her own interests will not be met without giving something in return. Willingness to negotiate is, therefore, a confession of mutual need. As a result, a primary objective in the shadow negotiation is fostering the perception of mutual need.

Power moves bring reluctant parties to the table by convincing them that they must negotiate: They will be better off if they do and worse off if they don't. There are three basic power moves you can employ:

- offer incentives
- raise the costs of not negotiating
- enlist support

Offer incentives. For any negotiation to have a happy outcome for you, the other party has to recognize the benefits that will accrue from the negotiation. These benefits must not only be visible—that is, right there on the table—but they must resonate with the other side's needs.

Creating value and making it visible are key power moves in the shadow negotiation. You can't leave it up to the other party to puzzle through the possibilities. You must make the benefits of your proposal explicit if they are to have any impact on the shadow negotiation. When value disappears, so do influence and bargaining power. If you want a supplier to deal with you, that supplier has to be clear about the advantages.

Raise the costs of not negotiating. Sometimes the other party hesitates to make a decision. When people have even a hint that the negotiation might produce bad results for them, ducking the issue seems to be the easiest course. They need a push. You accomplish this by making the status quo less attractive. By exerting pressure, you raise the cost of business-as-usual until the other side begins to see that things will get worse unless you both get down to talking. If a client drags his feet on an agreement, for example, you can point out that your calendar next month is crowded or impending price changes will result in higher costs if a decision is delayed.

Enlist support. This move may seem impractical if you're working at home on your own. But allies are an important resource in the shadow negotiation. You can use members of your value chain or supply chain to establish credibility and to back you up. They can lend tangible support to incentives you've already offered. At a minimum, if their voice is important to the other party, it gets his or her attention and primes the pump.

Process Moves

While process moves do not address the issues in a negotiation—the terms of the sale or the scope of work, for example—they do directly affect the hearing those issues receive. The agenda, the pre-negotiation groundwork, and the sequence in which ideas and people are heard—all these structural elements influence the other party's receptivity. There are two main ways you can influence the negotiation process:

- take control of the agenda
- seed ideas early

Take control of the agenda. When the outcome of a negotiation is important to you and your business, take control of the agenda. Don't wait for the other party to respond. Set the ball rolling. This effort can be no more than arranging a time and place for a meeting that is comfortable for you or insuring that you have enough time to cover what's on your agenda. Alert the other person to exactly what you want to talk about and ask whether there are other things that need to be on the agenda.

Seed ideas early. Nobody likes surprises in a negotiation. If you are planning to raise your fee schedule or have a problem with delivering on schedule, let the other side know ahead of time seeding ideas also means having solutions to problems or defensible reasons for fee changes at the ready..

Appreciative Moves

Power moves exert influence on the other party so that talks get off the ground. Process moves change the ground rules under which the negotiations play out. But still talks may stall. Two strong advocates may have backed themselves into respective corners. Or one side, put on the defensive, even inadvertently, may continue to resist or raise obstacles. Communication may deteriorate, turn acrimonious, or simply stop as the participants focus solely on their own demands. Wariness stifles any candid exchange. And without candor, the two sides cannot address the issues together or uncover the real conflict. Appreciative moves break these cycles.

Not only do appreciative moves shift the dynamics of the shadow negotiation away from the adversarial, but they also hold out a hidden promise. When bargainers demonstrate appreciation for another's concerns, situation, or "face," they foster open communication so that differences in needs and views can come to the surface without personal discord.

Appreciative moves include:

- helping the other side to save face
- keeping the dialogue going
- soliciting new perspectives

Help the other side to save face. Image is a concern for everyone. How negotiators look to themselves and to others who matter to them often counts as much as the particulars of an agreement. If your proposal will cause significant problems for the other side, it won't get very far. Think about the reasons for resistance and couch responses in ways that respond to those reasons.

Keep the dialogue going. Sometimes talks don't get off the ground because the timing is not right. Information may not be sufficient or the other party is simply not ready. People have good reasons—at least reasons that make sense to them—for thinking it's not yet time to negotiate. Appreciating this disposition doesn't mean abandoning or postponing a negotiation. Instead it requires that you keep the dialogue going without pushing for immediate agreement. This appreciative move allows an opportunity for additional information to come to the surface and affords the other party more time to rethink ideas and adjust initial predilections.

Solicit new perspectives. One of the biggest barriers to effective negotiation and a major cause of stalemate is the tendency for bargainers to get trapped in their own perspectives. With the sale looming so important to you, it's simply too easy to see only that importance. But if the terms don't work for the other party, the proposal won't get off the ground. You want to find out the why behind his or her dissatisfaction. Draw out the other person so that you understand the objections. Once they are on the table, you can work together to find a solution that suits you both.

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There's more to negotiation than haggling over issues and working out solutions. The shadow negotiation, though often overlooked, is a critical component. Whether you use power, process, or appreciative moves in the shadow negotiation depends on the situation. Power moves encourage the other party to recognize the need to negotiate in the first place. Process moves shape the negotiation's agenda and dynamic so that you can be a more effective advocate. Appreciative moves engage the other party by fostering both trust and candor in the shadow negotiation. While power and process moves can ensure that a negotiation gets started on the right foot, appreciative moves can break a stalemate once a negotiation is under way. Used alone or in combination, strategic moves in the shadow negotiation can determine whether you get the account or make the sale.

To learn more about negotiation, the gender gap in pay, or the common obstacles women face at the bargaining table, visit the authors' website at <http://www.negotiatingwomen.com>. Take **Getting What You're Worth**, the first online negotiation course designed by women for women, or the crash course in salary negotiation—**getting the Salary You Want**.

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