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The Art of Negotiation

Negotiation Strategies, Tactics, Styles & Glossary

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PDH Online | PDH Center

5272 Meadow Estates Drive
Fairfax, VA 22030-6658
Phone & Fax: 703-988-0088
www.PDHonline.org
www.PDHcenter.com

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The Art of Negotiation

Negotiation Strategies, Tactics, Styles & Glossary

Introduction

Like it or not, everybody is a negotiator. It's something you do all the time in your work as well as in your personal life. Getting familiar with negotiation strategies and tactics will enable you to build, maintain, and improve important workplace relationships and to make you more efficient. Instead of spending hours arguing with people and trying to force them to do what you want, you can reach agreements, find solutions to tough problems, and keep work moving ahead more easily and with less effort if you negotiate effectively. In addition, being a good negotiator helps you achieve important goals and get what you need and want for yourself, your department, and the organization.



Negotiation Strategies

Negotiation can take a wide variety of forms, from a trained negotiator acting on behalf of a particular organization or position in a formal setting, to an informal negotiation between friends. Negotiation can be contrasted with mediation, where a neutral third party listens to each side's arguments and attempts to help craft an agreement between the parties. It can also be compared with arbitration, which resembles a legal proceeding. In arbitration, both sides make an argument as to the merits of their case and the arbitrator decides the outcome. This negotiation is also sometimes called positional or hard-bargaining negotiation.

There are two relatively distinct types of negotiation. They are known as *distributive negotiations* and *integrative negotiations*. Different negotiation

theorists may use different labels for the two general types and distinguish them in different ways.

1. Distributive Negotiation

Distributive negotiation is also sometimes called positional or hard-bargaining negotiation. It tends to approach negotiation on the model of haggling in a market. In a distributive negotiation, each side often adopts an extreme position, knowing that it will not be accepted, and then employs a combination of guile, bluffing, and brinkmanship in order to cede as little as possible before reaching a deal. Distributive bargainers conceive of negotiation as a process of distributing a fixed amount of value.

The term distributive implies that there is a finite amount of the thing being distributed or divided among the people involved. Sometimes this type of negotiation is referred to as the distribution of a "fixed pie." There is only so much to go around, but the proportion to be distributed is variable.

Distributive negotiation is also sometimes called win-lose because of the assumption that one person's gain results in another person's loss. A distributive negotiation often involves people who have never had a previous interactive relationship, nor are they likely to do so again in the near future. Simple everyday examples would be buying a car or a house.

2. Integrative Negotiation

Integrative negotiation is also sometimes called interest-based or principled negotiation. It is a set of techniques that attempts to improve the quality and likelihood of negotiated agreement by providing an alternative to traditional distributive negotiation techniques. While distributive negotiation assumes there is a fixed amount of value (a "fixed pie") to be divided between the parties, integrative negotiation often attempts to create value in the course of the negotiation ("expand the pie"). It focuses on the underlying interests of the parties rather than their arbitrary starting positions, approaches negotiation as a shared problem rather than a personalized battle, and insists upon adherence to objective, principled criteria as the basis for agreement.

Integrative negotiation often involves a higher degree of trust and the forming of a relationship. It can also involve creative problem-solving that

aims to achieve mutual gains. It is also sometimes called win-win negotiation.

Positions vs Interests

A position is what you say you want or must have. Positional bargaining is usually distributive - and may be inefficient in the sense that value may be left on the table at the time of settlement because each party did not know what the other really wanted - but it may help one party gain more short-term profit. An interest is both an objective or need and reasons why you want what you want. Interest-based bargaining add integrative potential.

In a negotiation, it is important to be able to distinguish between positions and interests - both yours and the parties' with whom you are negotiating. Depending on which one you decide to focus on will affect your negotiation style and influence the outcomes. It is always good to ask yourself why you want what you want. This will help you get a better understanding of what your real goals are and could open up better deals for you.



Negotiation Tactics

Tactics are always an important part of the negotiating process. There are many tactics that you may meet or use in negotiation. They can be fair, foul or something in between, depending on the competitive or collaborative style of the people involved and the seriousness of the outcomes. Often times, tactics are employed in a subtle, difficult to identify manner. Below are a few commonly used tactics.

1. Auction

Most people do not realize that auction is a special form of negotiation, which sets up sellers or buyers to compete against one another. The bidding process is designed to create competition to the seller's advantage. When multiple parties want the same thing, pit them against one another. When people know that they may lose out on something, they will want it even more. Not only do they want the thing that is being bid on, they also want to win, just to win. Taking advantage of someone's competitive nature can drive up the price.

2. Brinksmanship

One party aggressively pursues a set of terms to the point at which the other negotiating party must either agree or walk away. Brinksmanship is a type of "hard nut" approach to bargaining in which one party pushes the other party to the "brink" or edge of what that party is willing to accommodate. Successful brinksmanship convinces the other party they have no choice but to accept the offer and there is no acceptable alternative to the proposed agreement.

3. Bogey

Negotiators use the bogey tactic to pretend that an issue of little or no importance to him or her is very important. Then, later in the negotiation, the issue can be traded for a major concession of actual importance.

4. Barter

Do you have any items that might be of interest to the seller? Could you offer some services that would be of value to the seller? Consider making a trade to eliminate or significantly offset the need for actual dollars in a transaction. The idea is to use creativity in order to reach a deal that might otherwise not come to fruition.

5. Bundle

A great way to augment your negotiation over price is to include other items. When you reach an impasse in your negotiations, an offer to purchase multiple quantities of the item or additional items might trigger flexibility on the part of the seller.

The seller may be willing to lose a customer if it's a single item. But when a seller has the opportunity to make a much larger transaction, there is a much greater likelihood he will be amenable to a lower price.

6. Chicken Tactic

Negotiators propose extreme measures, often bluffs, to force the other party to chicken out and give them what they want. This tactic can be dangerous when parties are unwilling to back down and go through with the extreme measure.

7. Deadlines

Give the other party a deadline forcing them to make a decision. This method uses time to apply pressure to the other party. Deadlines given can be actual or artificial.

8. Don't Make the First Offer

Whether you are buying or selling, you never want to make the first offer. Why? Because the other party may offer a price that is a much better deal than what you initially had in mind. If you're buying, consider the starting point to be the list price, but make it clear that the price is too high. From

there, ask the seller if there is any flexibility and force the seller to offer you a lower price. It is only at that point you should make your first offer.

But once you have made your offer, do not volunteer another price unless and until the other party has responded with a counteroffer. Expect the negotiations to be a back-and-forth process, but remain confident throughout.

9. Good Cop/Bad Cop

The good cop/bad cop approach is typically used in team negotiations where one member of the team makes extreme or unreasonable demands, and the other offers a more rational approach. This tactic is named after a police interrogation technique often portrayed in the media. The "good cop" will appear more reasonable and understanding, and therefore, easier to work with. In essence, it is using the law of relativity to attract cooperation. Bad cop is usually not in the negotiation room and can be played by such roles as attorneys, auditors, government regulators, spouses, bosses, and the market place. This tactic is easy to spot because of its frequent use.

10. Use Silence When Necessary

Never respond too quickly to an offer. Pausing or even suspending negotiations can convey that you're not desperate to close the deal and that you have other options. Silence can force a surprising amount of pressure on the other party as well.

11. High Ball / Low Ball

A tactic used to make an offer that is unreasonably high or low for the purpose of seeing if the other side can be fooled into paying/doing more/less than an informed negotiator would agree to. The theory is that the extreme offer will cause the other party to reevaluate his or her own opening offer and move close to the resistance point (as far as you are willing to go to reach an agreement). Another advantage is that the person giving the extreme demand appears more flexible he or she makes concessions toward a more reasonable outcome. A danger of this tactic is that the opposite party may think negotiating is a waste of time.

12. The Nibble

Nibbling is asking for proportionally small concessions (usually 1 or 2% of the total solution) that haven't been discussed previously just before closing the deal. This method takes advantage of the other party's desire to close by adding "just one more thing." Nibbles come at the very end of negotiations. If you get Nibbled, be sure to Nibble back.

13. Keep It Light

You never want to let negotiations become too tense. Always feel free to smile and inject some humor in the conversation. Lightening up the mood can ingratiate you with your opponent while also conveying your negotiating strength. If you do not appear to be taking the negotiation extremely seriously, your opponent may conclude that you are ready to move on if you don't get the price you want.

14. If I Do this Will You Do That

In this tactic, one negotiator proposes a possible concession tied to the other side's concession. If they succeed in getting the other side to concede, they then negotiate from this lower plateau.

15. Leaking Information

Also known as Planted Information, this tactic lets the other side 'discover' secret information that will change their perceptions or expectations. For some reason humans trust what we learn about the other party by coincidence more than what the other party actually is telling us about themselves.

16. Limiting Your Authority Technique

Negotiators often find it useful to limit their own authority. This provides opportunities for a negotiator to gather information, test the other side's positions, and explore potential concessions prior to being pressured into making a decision. In this case, the negotiator will indicate that final approval can only be provided by a higher authority.

17. Krunch Tactic

"You've got to do better than that." This puts pressure on the other party without elaborating on "how much better." Often this tactic is used by a participant to test the limits of the other party.

18. Merit Based Rule

Also known as the Equity Rule, this tactic requires that each participant shares the negotiation pie based upon the various contributions and inputs they have made to the specific business situation. Those who have contributed more get more.

19. Be Willing to Walk Away

Even if it's the car, television, or house of your dreams, if the seller won't come down to the maximum price you have set for your budget, force yourself to walk out of the store or away from the deal. This strong stance more often than not will get you the price you're looking for, as the seller doesn't want to lose the sale.

20. Splitting the Difference

Taking the distance on an issue that stands between the latest positions and giving each side half. It can be a tactic to make you think you are getting an equitable result when in fact where the negotiation began was to the advantage of the other side.

21. Bad Faith Negotiation

When a party pretends to negotiate, but secretly has no intention of compromising, the party is considered to be negotiating in bad faith. For example, one political party may pretend to negotiate, with no intention to compromise, for political effect. Sometimes, bad faith negotiation is used to win more time. It is important for a negotiator to recognize a bad faith negotiation when it occurs.

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More negotiation tactics can be found in the Glossary section.

Negotiation Styles

Complex and strategic negotiations involves many conflicting interests. A simple, but typical, example is the buyer wants to buy at the lowest possible price and the supplier wants sell at the highest possible price. How we handle such negotiation conflicts determines the outcome of our negotiation. According to Thomas-Kilmann Conflict Mode Instrument, conflict resolution can be viewed along two dimensions:

1. Assertiveness, i.e. the extent to which we attempt to satisfy our own concerns; and
2. Cooperativeness, i.e. the extent to which we attempt to satisfy the other party's concerns.

Figure 1 below illustrates five commonly referenced conflict resolution, or negotiation styles, within this framework:

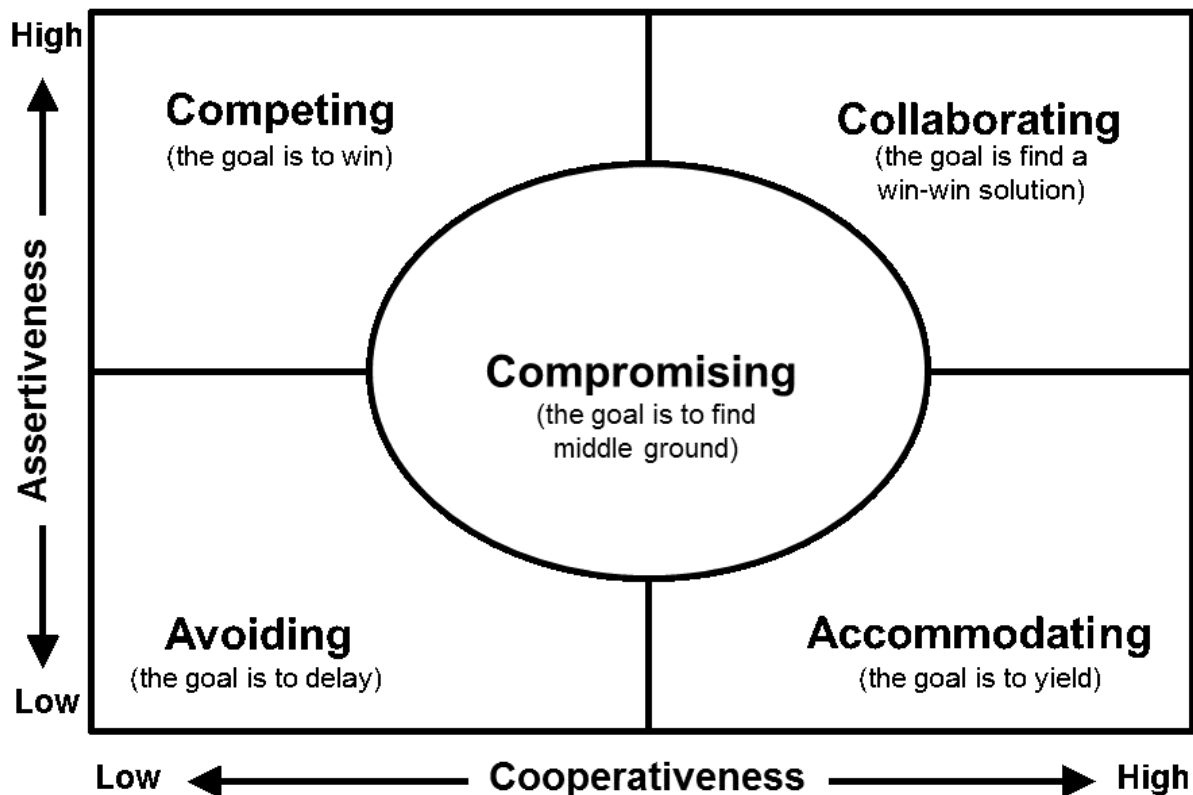


Figure 1 - Negotiation Styles (Source: TechnologyConnect)

Negotiation styles vary with the person, their beliefs and skills, as well as the general context in which they occur. Here are five different styles considered from different viewpoints.

1. Competing (I win – You lose)

Competing is assertive and uncooperative, a power-oriented mode. This style of negotiation is best described as competitive and is one of the most used styles in negotiating. Negotiators using this style are looking out for their own needs, asking themselves 'what do I need to get from this discussion / process?'. Competitive negotiators have strong instincts for all aspects of negotiating and are often strategic. They use a variety of tactics to get what they want. Because their style can dominate the bargaining process, competitive negotiators often neglect the importance of relationships.

Competing style is appropriate if your power balance is high, you have a good Plan B and you think he needs you more than you need him. This style is most effective when results are needed quickly, or you are certain there is no room for negotiation. Good examples of this style are buying a new car or a lawyer representing their client or commodity based selling.

2. Accommodating (I Lose – You Win)

This style of negotiation is all about the relationship and is the polar opposite of the Competing style. Accommodating negotiators believe that the only way to ultimately get what they want is to satisfy all the demands of the other party, hoping maybe in time the other party will do the same.

Accommodators are sensitive to the emotional states, body language, and verbal signals of the other parties. They can, however, feel taken advantage of in situations when the other party places little emphasis on the relationship. This style, is naturally, well-liked by the opposite party.

Examples of this style are when a person injures another person and willingly offers to pay all medical expenses hoping the injured party does not sue.

3. Avoiding (I Lose – You Lose)

Individuals who do not like or do not wish to negotiate often resort to this style. They don't negotiate unless warranted. When negotiating, avoiders tend to defer and dodge the confrontational aspects of negotiating; however, they may be perceived as tactful and diplomatic. Avoiding is the strongest position of all — the other side has to make concessions just to get the process started.

An example of this style is two co-workers who cannot agree on the delivery of a project and avoid communicating with each other but happily talk to other co-workers about it!

In some cases, users of this style are unassertive and uncooperative because of their personality. They do not immediately pursue their own concerns or the other parties nor do they ever address the conflict. This style could be a vengeful style and while the adopters of this style won't address the conflict they will seek ways of retribution. When this occurs, the avoiding style can be difficult to spot as it can go under cover for a time; it escalates to a 'passive aggressive style'. This style is usually in response to a highly competitive style. The avoider will shut down communication and contact and will seemingly disappear off the radar. While this is in play, mutual resentment builds and cracks to total breakdown of the relationship may occur, leading to a lose-lose scenario.

4. Compromising (I Lose / Win Some – You Lose/ Win Some)

The old adage 'pick your battles' applies here. This style values the relationship and acknowledges that there is a loss but it is better to compromise than completely lose. A compromising style results in both parties getting more or less half of what they originally wanted. This style is common when the negotiating parties have a high level of trust between each other and are time poor.

Compromisers are individuals who are eager to close the deal by doing what is fair and equal for all parties involved in the negotiation. They can be useful when there is limited time to complete the deal; however, compromisers often unnecessarily rush the negotiation process and make concessions too quickly. This style should not be confused with Collaborating (I win – You win).

5. Collaborating (I Win – You Win)

Collaborative negotiators are innovators! They recognize that both parties have needs that must be met and take the time to find creative solutions to this common conundrum. Collaborators are good at using negotiations to understand the concerns and interests of the other parties. In business, this style of negotiating is often seen as the “Holy Grail”.

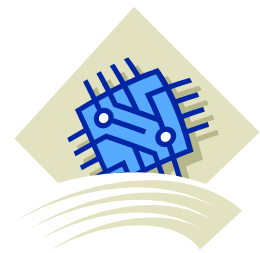
Collaboration is great when both parties have the power to implement a truly Win-Win business plan. When both sides are strong and both want the deal, then collaboration is possible. Most business to business negotiators plan for this type of negotiation. Some organizations are well known for their collaborative style of negotiating. A good example of this style is Toyota Motor Company which is known for being completely focused on a collaborative approach to working with their suppliers resulting in greater commitment and cooperation and well built cars!

It needs to be recognized that this style of negotiating is somewhat wonderful ideological and is the most challenging to effect because in reality it is high on resources and time. It can, in some instances, create problems by transforming simple situations into more complex ones.

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The above negotiation styles are also referred to as conflict-handling modes. All five styles are useful in different situations. Each of us is capable of using all five negotiation styles. None of us can be characterized as having a single style of dealing with conflict. But certain people use some styles better than others and, therefore, tend to rely on those styles more heavily than others—whether because of our temperament (nature) or because of our upbringing (nurture).

So if you ever wonder “which is the best negotiation style?”, the answer is “It depends.” Your negotiation style will be the product of both your personal predispositions and the requirements of the situation in which you find yourself. Most people choose the style that is likely to reward them with either the quickest conflict resolution or the biggest profit prize.



Types of Negotiators

Three basic kinds of negotiators have been identified by researchers involved in The Harvard Negotiation Project. These types of negotiators are: Soft bargainers, hard bargainers, and principled bargainers.

1. Soft Bargainers

These people see negotiation as too close to competition, so they choose a gentle style of bargaining. The offers they make are not in their best interests, they yield to others' demands, avoid confrontation, and they maintain good relations with fellow negotiators. Their perception of others is one of friendship, and their goal is agreement. They do not separate the people from the problem, but are soft on both. They avoid contests of wills and will insist on agreement, offering solutions and easily trusting others and changing their opinions.

2. Hard Bargainers

These people use contentious strategies to influence, utilizing phrases such as "this is my final offer" and "take it or leave it." They make threats, are distrustful of others, insist on their position, and apply pressure to negotiate. They see others as adversaries and their ultimate goal is victory. Additionally, they will search for one single answer, and insist you agree on it. They do not separate the people from the problem (as with soft bargainers), but they are hard on both the people involved and the problem.

3. Principled Bargainers

Individuals who bargain this way seek integrative solutions, and do so by sidestepping commitment to specific positions. They focus on the problem rather than the intentions, motives, and needs of the people involved. They separate the people from the problem, explore interests, avoid bottom lines, and reach results based on standards (which are independent of personal will). They base their choices on objective criteria rather than power, pressure, self-interest, or an arbitrary decisional procedure. These criteria may be drawn from moral standards, principles of fairness, professional standards, tradition, and so on.

Glossary

This glossary covers terms that are unique to the negotiating field, both acronyms and slang. It also covers terms that are commonly used in business, communication, law and other fields, and provides a definition of how that term is used in the negotiating context.

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Anchor Point - Generally your first offer in a negotiation. See Anchoring below.

Anchoring - A tactic used to open bargaining outside your MDO (Most Desired Outcome) so that when you move it appears as if you have conceded much in the hopes of causing the other side to second-guess their MDO and open at or near their goal, thus anchoring them at a lower opening than justified by the circumstances.

Arbitrator - An unbiased and objective person agreed to by the parties to decide the outcome of a dispute.

Authority - Authority to make the agreement. The primary question a negotiator needs to ask is "How much authority do I want in this negotiation."

BATNA - Best Alternative to a Negotiated Agreement: Your back-up plan that you are comfortable implementing if an agreement cannot be reached at or above your LAA (Least Acceptable Agreement).

Bargaining - A distributive negotiation which generally is both competitive and positional. Many times it involves a single issue like price. One party usually tries to gain advantage over the other to gain the best possible outcome.

Big Order Approach - A tactic that can be used sometimes to help identify the seller's true cost, or the seller's flexibility in reducing a quoted price. This occurs when offered a price, the buyer asks "What if I double the order" or, "What if I take all you have?"

Blind Spot - A missed opportunity or idea that one is not open to, not because of a physical eyesight problem, but due to a lack of information, perspective, intellect or emotional appeal.

Bluffing - A tactic in which one side pretends that they may do or agree to something that they really have no intention of doing. To pretend to be in a better position than one is.

Body Language – Non-verbal cues into the emotional state and feelings of another person.

BPA - Best Possible Agreement: A collection of those choices that best satisfy all stakeholders' interests.

Brain Storming - Creative development of ideas to solve a problem without judging the merit of the ideas.

Brinkmanship - To hold a high risk position in a negotiation where the margin between success and failure is slim.

Buy-in - To get "buy-in" is to influence another person to agree, have confidence in, or become vested in a particular strategy or solution.

Capitulate - To acquiesce to terms and conditions you previously resisted.

Cherry Picking - A tactic whereby the negotiator selects the parts of an offer that they like and rejects the parts they don't like. Use words of dependency, like "contingent on," in your proposals to defeat cherry picking.

Compromise - Each side concedes something of value and neither side gets what they wanted.

Concession - Giving into something in order to reach an agreement. Concession is sometimes used to indicate a one-sided move, where as a "trade" or "exchange" describes that each side gave and received.

Consensus - When all parties agree to a term or condition.

Cooling Off Period - Build 'cooling off periods' into a negotiation when emotions and power struggles become apparent. Both parties are better served if each has time to reflect on their own needs and interests, and positions – outside of the negotiating room.

Counteroffer - A new offer with different terms made in response to an original offer, thereby rejecting the original offer.

Crunch - A response to an offer that does not come in the form of a counter offer. It is designed to encourage the other party to move off its current position, to make concessions, and ultimately generate creative solutions.

You should challenge all Crunches with an equally assertive or greater Counter-Crunch.

Creative Concession - Ideas, suggestions and offers that satisfy the interests of both parties to a negotiation. Any concession that has a relatively low cost to one side but a relatively high value to the other side. Creative concessions help you achieve a higher level of interest-based or value-based bargaining through knowledge of the other party's business, concerns, challenges, and interests.

Defensive Deception - Justifying deceit of the other party based on your expectation that they will do the same to you.

Direct Communication Style - Literal truthfulness and efficiency in communication are highly valued and are to some extent a higher priority than personal or political sensitivities, especially in a business setting. Saying "No" or "I don't know" is considered both honest and respectful of the party. Examples of cultures that promote a direct communication style include U.S. Americans, Australians, Germans and Anglo Canadians.

Distributed Negotiation - A negotiation in which the interests of each party is in complete conflict. A gain to one side results in a loss to the other. Also called Zero-Sum Negotiation or Win-Lose Negotiation. Distributed Negotiation is also referred to as Distributed Bargaining.

Divide and Conquer - "Divide and Conquer" has two quite different meanings. If referring to a multi-party negotiation, one side attempts to get the other side arguing with one another to cause a breakdown in their solidarity. This weakens their power and resolve. If referring to a complex, multi-issue negotiation, it is often helpful to divide up the negotiation into its various components; come to agreement on the simpler issues; and then tackle the tougher issues. This can help pave a way to the final agreement.

Dry Well - Show that you have nothing left to give.

End-Run - Going around someone to achieve that which they are resisting, and getting approval from another source with authority.

Escalation - A sudden rise in the intensity of disagreement between negotiating parties; a sudden rise in the terms that was not expected.

Expressive Communication Style - Cultures with an expressive communication style regard emotion as a natural part of the communication process. A total lack of emotion in their counterparts may feel to them like a lack of sincerity and trust. Examples of such cultures include Mediterranean, Arab, and in some situations Russian and Latin America.

Fait Accompli - Literally, a thing finished; in slang, a done deal. Used by negotiators to justify why they can't make a desired change.

Haggling - Relentless bargaining over an issue for the sole purpose of getting more/giving less, without concern for the relationship.

Hidden Agenda - An interest or goal that you want but that you don't reveal to the other side, and in fact want to prevent the other side from learning.

High Ball / Low Ball - A tactic used to make an offer that is unreasonably high or low for the purpose of seeing if the other side can be fooled into paying/doing more/less than an informed negotiator would agree to.

Hot Buttons - The issues or ideas that are known to cause a person consternation and likely to produce an emotional reaction.

Hypothetical - A technique whereby one party poses a fictional situation that could exist but doesn't, as a way to explore options or better understand the limits of someone's authority or willingness to offer concessions.

Indirect Communication Style - Directly communicating negative information is seen as impolite and crude, even in a business setting. Instead polite excuses or evasions are given with recognition by both parties that a diplomatic strategy is being employed. Examples of cultures that employ an indirect communication style include Japanese, Chinese, Indians, and Saudi Arabians.

Interests - A party's goals, needs and desires, which underlie a party's demands or positions.

Integrative Negotiation - A negotiation in which the parties work together to achieve a mutually beneficial agreement. Also known as win-win, interest-based and value-based negotiation.

LAA - Least Acceptable Agreement. The minimal conditions that make it still worth it to move forward with the solution or agreement, but anything less than the LAA results in no agreement.

Leading Questions - A question that is designed to generate only one possible answer.

Legitimacy - That which is authoritative, official, authentic. Examples include written documents, standard terms and conditions, company policies, and price schedules that are perceived as more legitimate than the spoken word. They have a tendency to make things non-negotiable without you having to say "No."

Magical (or mystical) Math - A tactic that uses numbers, financial information, and other data points to justify a proposal where the analysis would not otherwise support the offer.

MEEP or MEEO (multiple economically equivalent proposals/offers) - Presented simultaneously as offers with different terms, but which have equal economic value to you from which the other party can choose.

MDO - Most Desired Outcome. Often called the "ideal situation" you want to achieve in a negotiation.

Offer - Provide a term or condition for agreement and commitment that you are willing to be bound by and implement.

Probe - An open-ended question used to generate discussion and explore options. Used in the Information Exchange Stage to learn more about the other side, their interests and positions, to test assumptions, and see the opportunities to create value. Used in the Bargaining Stage to develop creative solutions that capture value.

Poker Face - Not using your face to show the emotion you feel inside, whether it be anger, surprise, elation, fear, etc.

Position - A party's demands – what they say they want - that are supported by interests.

Puppy Dog - An old-school sales tactic used to entice interest by allowing the buyer to try out the product or service and simply return it if they are not satisfied. Unsure if you want to buy a puppy? Take it home and fall in love, and see if you can bear to return it.

Red Herring - A tactic used to divert a party's attention from the real issue to something tangential or unrelated, allowing the diverting party to gain some advantage.

Relationship-Oriented Culture - A cultural trait where emphasis is on group opinions and not on one or two expert opinions. Mature judgment, social skills, political acumen, and loyalty to the team are of high importance. Examples of relationship-oriented cultures include most of Latin America, eastern and southern Europe, Africa and the Middle East, and nearly all of Asia.

Reserved Communication Style - Cultures with a reserved communication style feel that the open expression of emotion, even at a point of great frustration or elation, is foolish, inappropriate, and immature. Examples of such cultures include Chinese, Japanese, and to a degree the English and northwestern Europeans.

RFI - Request for Information. Typically sent out by an organization when it wants to buy a product or service but first needs to learn more about what is available in the marketplace and which suppliers can best meet its needs.

RFP - Request for Proposals. Typically sent out by an organization that knows the marketplace for the product or service it wishes to buy, using this more formal process to learn how suppliers will respond to a specific set of requirements.

RFQ - Request for Quotation. Often used by buyers and other purchasing professionals when acquiring commodities where price will be the main determining factor.

Stalling - A tactic that avoids reaching agreement by claiming without justification the need for more time.

Stonewalling - Demonstrating by your actions or words that you are not open to new solutions. Some negotiators stonewall to see if the other side will capitulate.

Stakeholder - People and organizations that have a vested interest in the outcome of the negotiation. They are rarely at the negotiating table, and are often not directly involved at all.

SWOT - An assessment of yours or the other side's Strengths, Weaknesses, Opportunities and Threats.

Tactics - Measures taken to turn a negotiation to your advantage.

Task-Oriented Culture - A cultural trait where the "good performer" or "successful" person is one who "gets the job done" efficiently through skillfully managing tasks and time. Examples of Task-oriented cultures include Australia, Germany, U.S. Americans and the Netherlands.

Ultimatum - A threat of no agreement used to force closure, often expressed as "take it or leave it."

Walk-away - What you need – as opposed to what you want. The least beneficial terms upon which a party could enter into an agreement. Also referred to as the LAA (Least Acceptable Alternative).

Walk-out - Literally the situation where a party abruptly leaves the negotiating room or "table" and refuses to return. An example of an aggressive Crunch.

Winner's Curse - Remorse after reaching agreement that you could have gotten better terms. For buyers and sellers, often referred to as buyer's remorse and seller's remorse.

Win-Lose Negotiating - Each party attempts to negotiate an agreement that benefits themselves at the expense of the other party. Also called distributive or concessional bargaining.

Win-Win Negotiating - A negotiation in which both parties strive to reach an agreement that satisfies everyone. Also called interest-based, value-based, and mutual gain negotiating.

ZOPA - Zone of Possible Agreement

