Negotiation Theory – Essentials from Lt. Colonel Olivia D. Nelson

The two most important things to understand about negotiation are...

1. When possible, invest in the relationship: if you view the negotiating opposite as a worthwhile human being with genuine motives, it will be easier to find common ground. (Using that relationship capital to try to convince the opposite that his/her values/interests are less valid/reasonable/important than your values/interests will not help the situation.)

2. It’s less about “compromise” and more about “aligning interests” – it helps to have pre-gamed what your interests are, what you believe the opposite’s to be, and where those overlap.

There are three really important contextual factors to negotiation to consider...

3. You can’t afford to ignore the power dynamic – What power does each party wield? What factors do they wield power over? Does one party wield more power than the other over related factors? Can one party exercise direct power over the other?

4. Access to the greatest body of accurate information could shift the balance of power. Be well researched and well prepared for the negotiation.

3. To the extent possible, go into the negotiation with a clear understanding of each party’s Best Alternative to a Negotiated Agreement (BATNA).

For example: Consider the 2019 federal government shutdown negotiations. BATNAs were all over the news...you just had to know how to spot them. The Democratic Party’s BATNA was a veto override. The President’s BATNA was the Declaration of Emergency. In terms of the power dynamic, both BATNAs are pretty powerful, but also relatively drastic. So, then, each side has to examine the costs associated with employing the BATNA (in the military, such costs are referred to as “2nd and 3rd order effects.”).