

Tommy Ku's Personal Negotiation Guide

A bonus content for the post "On negotiation" on <http://blog.tommyku.com>

Preparation

- Figure out your BATNA, then calculate reservation point by adding premium to your BATNA - sunk cost doesn't count
- Figure out your style depending on whether it's long/short term relationship
- Figure out your aspiration point which is somewhere better than your BATNA
- Research/guess your counterpart's BATNA
- Figure out your issues - what you can give as concession or for trade, even if they are included for free you can tag them as a concession/trade
- Guess what the counterpart may want (BATNA & issues)
- In a multi-party negotiation, work out who could be your potential friends first
- Make a spreadsheet if the calculation gets complicated and involves multiple issues

Opening

- Make opening offer if you think you know the counterpart's BATNA, so that anchoring works better
- Anchoring works when it's reasonable, maybe it's the best case in your bargaining zone, but it can't be too ridiculous or you're demonstrating a lack of goodwill
- Unbundle issue, discover interests by asking questions, or suggesting packaged deals that are equally valuable for you to discover counterpart's relative interest between issues
- Information can be traded too, good trick for an integrative negotiation
- Discover more of your outside options when it's a multi-party negotiation by talking to different counterparts separately
- Krunch if you feel like your counterpart is greedy, that sends a clear signal

During negotiation

- Don't waste time arguing things you disagree with, like some possibilities in the future, bridge creatively by, say betting
- Small concession for goodwill and trust
- Don't give things up easily unless it's a mutually beneficial trade, or make them feel you are giving up something you are interested in even though if it's not
- Don't be the first to turn on people unless it's the last moment and they can do nothing about your betrayal, like in the harborco case
- If you want to sound convincing, back your claims up with reasons
- You can lie as long as you don't get caught
- Make bigger trade and bigger concessions if there are competitors bidding for the deal, or you have limited time/exchanges (say via email)
- Conversely, make use of agreement bias if your counterpart is bidding for a deal with their competitors, ask for bigger concessions/trades
- Trust your gut feeling when trying to catch a liar, and consciously question everything your counterpart says
- You may be in a weak position, but if you can veto, or change the payout depending on your decision, you're not weak
- Let others fight each other off while finding yourself friends, you don't want to be against anyone or everyone in a multi-party negotiation
- Being greedy and aggressive never worked for you, unless counterpart is weak/ill-prepared or have made a mistake in their BATNA, be nice first, then adjust accordingly

Closing

- If counterpart is playing chicken, play along and make sure you win, don't fallback
- Don't feel sorry if a deal falls apart or you've lost a deal - you avoided going beyond your BATNA, and you can usually re-negotiate in real life
- If you feel like there could be better trades, ask for post-settlement settlement to avoid losing your original deal that's good enough for you, making trade before getting any guarantee is dumb
- Stupid time - people may accept complicated deal that sounds good to them, raising new issue at this time is a good way to earn extra due to agreement bias and somewhat endowment effect (losing the deal at this time would be a bad idea to them)