



A COLLECTION OF ARTICLES

Your company orchestrates
thousands of negotiations
every year.

Does each and every deal
harmonize with your
corporate strategy?

*New sections to
guide you through
each article:*

- *The Idea in Brief*
- *The Idea at Work*
- *Exploring Further. . .*

The Nuts and Bolts of Negotiation

Overview

Six Habits of Merely Effective Negotiators

by James K. Sebenius

Negotiating the Spirit of the Deal

by Ron S. Fortgang, David A. Lax, and James K. Sebenius

Turning Negotiation into a Corporate Capability

by Danny Ertel

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EVERY year, your company engages in thousands of negotiations—joint ventures, supplier contracts, and the day-to-day dealings between departments, team members, and employees and their managers. Taken together, these deals can make or break productivity and careers—as well as your firm's strategy and bottom line—depending on how each negotiator handles them.

Clearly, we all must master the art of negotiation if we hope to score successes for our organizations *and* ourselves. But for most of us, negotiation is a complex skill fraught with pitfalls.

How can we begin acquiring essential negotiating talents? This HBR OnPoint collection offers three suggestions:

- Master the art of letting the *other* guy have *your* way—by understanding his priorities,

then shaping his decision so he chooses in his *own* interest what *you* want.

- Attend to the *spirit* of the deal—tacit assumptions about how your agreement will be implemented. Too many negotiations disintegrate because the parties never discussed how they expected to work together *after* the contract ink dried.
- Create a *negotiation system* enabling negotiators to learn from each other's deal-making experiences and forge agreements supporting—not conflicting with—company goals.

The theme connecting these three strategies? Financial factors are only one measure of a deal's success. The best agreements are perceived by all players as respectful and fair. They lay the groundwork for long-term, collaborative relationships rather than immediate gain for one “winner.”

THE ARTICLES

“Six Habits of Merely Effective Negotiators” by James K. Sebenius

All negotiators have one purpose: getting the other person to choose what *they themselves* want—for *the other person's* own reasons. Yet owing to common mistakes, even seasoned negotiators sometimes bungle deals. **Pitfalls** include failing to understand the other party's priorities, letting price bulldoze other interests (such as a positive working relationship), and falling prey to perceptual biases (for example, painting your side with positive qualities while vilifying your “opponent”).

“Negotiating the Spirit of the Deal” by Ron S. Fortgang, David A. Lax, and James K. Sebenius

The authors take a closer look at the spirit of the deal, or **social contract**—expectations about how your agreement will work *in practice*. The social contract answers two questions: 1) *What* is our agreement's nature and purpose? Is this a short- or long-term deal? A discrete transaction or partnership?

2) *How* will we work together? How will we communicate? Resolve disputes? Handle surprises? Unless parties concur on the social contract—by explicitly discussing assumptions *before* cementing deals—agreements may sour.

“Turning Negotiation into a Corporate Capability” by Danny Ertel

Many negotiators see each deal as a one-off, unknowingly undermining one another's and the company's efforts. To combat this tendency, create a more **coordinated negotiation system** enabling all negotiators to *support* company goals, as well as each other's deal making. Establish an infrastructure that gives all negotiators better and more information, including lessons from past negotiations. Also, don't judge negotiations solely on financial outcomes. Evaluate other benefits as well—such as better communication with suppliers, fresher solutions, and more workable commitments that benefit your company.