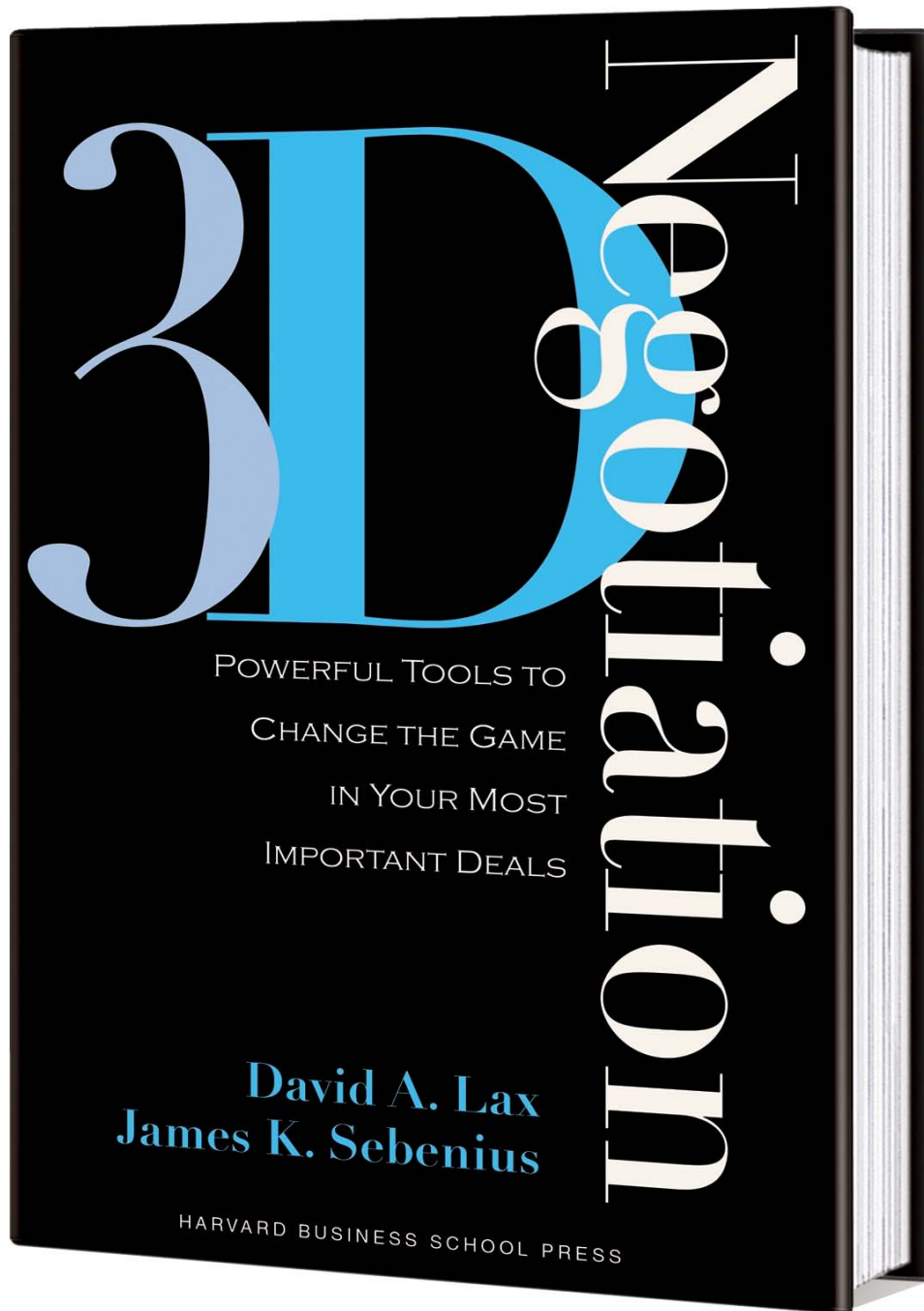


3-D Negotiation Book Excerpt

Introduction



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Table of Contents

Part 1

Overview: 3-D Negotiation in a Nutshell

1. Negotiate in 3-D
2. Do a 3-D Audit of Barriers to Agreement
3. Craft a 3-D Strategy to Overcome the Barriers

Part 2

Set Up the Right Negotiation, “Away from the Table”

4. Get All the Parties Right
5. Get All the Interests Right
6. Get the No-Deal Options Right
7. Get the Sequence and Basic Process Choices Right

Part 3

Design Value-Creating Deals, “On the Drawing Board”

8. Move “Northeast”
9. Dovetail Differences
10. Make Lasting Deals
11. Negotiate the Spirit of the Deal

Part 4

Stress Problem-Solving Tactics, “At the Table”

12. Shape Perceptions to Claim Value
13. Solve Joint Problems to Create and Claim Value

Part 5

3-D Strategies in Practice: “Let Them Have Your Way”

14. Map Backward to Craft a 3-D Strategy
15. Think Strategically, Act Opportunistically

Introduction

You've picked up a book on negotiation. Why?

Chances are that you have found yourself—or expect to find yourself—involved in some sort of bargaining process. Maybe you've just been through a tough negotiation, and you have a sense that you could have done better. Maybe you are looking down the road, in your professional or personal life, and you see important negotiations looming ahead. Most likely, you're someone who's involved in negotiations on a fairly regular basis, and you are simply on the lookout for new and better ideas.

This book can help.

We've spent years doing deals. We advise companies and governments on their most challenging negotiations. We systematically analyze negotiations and teach what we've learned to senior executives, top government officials, and MBAs at Harvard and around the world. This long-term engagement with deals and dealmakers has left us increasingly dissatisfied with the model that dominates most of the negotiations—and thinking about negotiations—that go on today.

What's the problem that we've perceived? Most negotiators focus on a single dimension of the bargaining process. They are “one-dimensional,” in our terminology, and the single dimension that they embrace is *tactics*. One-dimensional bargainers believe that *negotiation is mainly what happens at the table*. To them, preparation and execution is mainly about process and tactics.

But all too often, this one-dimensional approach leaves money on the table. It is inadequate to the tough negotiations in which the other side seems to hold all the cards. It isn't well-suited to common dealmaking challenges such as many parties—not just two—tricky internal as well as external negotiations, and shifting agendas. It leads to suboptimal deals, creates needless impasses, and fosters conflicts that could have been avoided.

We have a better approach—one that encourages you to negotiate in three dimensions, not one. We've coined the phrase “3-D Negotiation” to describe our approach, and to distinguish it from most of the negotiations that go on out there.

Our first dimension—“tactics”—is familiar territory. Tactics are the persuasive moves you make and the back-and-forth process you choose for dealing directly with the other side, at the table. Good tactics can make a deal; bad ones can break it.

Our second dimension, “deal design,” includes more than the obvious, face-to-face aspects of negotiation. Deal designers know how to probe below this surface to uncover the sources of economic *and* non-economic value. To unlock that value for the parties, they have a systematic approach to envision and structure creative agreements.

Where one-dimensional negotiators mainly focus on actions *at the table*, our third dimension, “setup,” extends to actions *away from the table* that shape and re-shape the situation to advantage. In deal after deal we've seen the same result: once the parties and

issues are fixed, and once the negotiating table has otherwise been set, much of the game has already been played. Therefore, before even showing up at the conference room, 3-D Negotiators take the initiative. They act *away* from the table to set up the most promising possible situation, ready for tactical interplay. This means ensuring that the *right parties* have been approached, in the *right sequence*, to deal with the *right issues*, that engage the *right set of interests*, at the *right table or tables*, at the *right time*, under the *right expectations*, and facing the *right consequences of walking away if there is no deal*. If the *setup* at the table isn't promising, this calls for moves to *re-set* it more favorably. As we'll show you, a superior setup *plus* the right tactics can yield remarkable results that would be unattainable by purely tactical means, however skillful.

So *3-D Negotiation* is our effort to crystallize this very different set of insights and skills about setup and deal design, *as well as* tactics. These ideas come from the field—where *you* are—but they are scrutinized and tested by a wide range of people with either strong ideas about negotiation, lots of practical experience in the field, or both. Based on these two kinds of testing—“field-testing” and rigorous academic scrutiny—we are confident that 3-D Negotiation can help *you*.

We begin with an overview of the whole approach, “3-D Negotiation in a Nutshell.” After an initial chapter that describes our three dimensions, the next two chapters are intended to get you familiar and comfortable with a couple of key processes:

- Identifying barriers to agreement, and
- Taking action to overcome those barriers.

Based on this “3-D barriers audit,” we'll show you the coordinated moves both *at* and *away from* the table that give you the best shot at overcoming them.

After the “Nutshell” overview, we move to a multi-chapter section on each of our dimensions, moving in *reverse order*: from the third dimension to the second and then the first. This 3-2-1 order tracks how a 3-D Negotiator typically approaches a tough dealmaking situation. The first of these deeper sections shows you how to *get the setup right*, acting away from the table (the third dimension). The next sets of chapters show you how to *design value-creating deals* “on the drawing board” (second dimension) and how to bring them into being “at the table” by *stressing problem-solving tactics* (first dimension).

Our final section demonstrates how to “put it all together” with a deeper look at 3-D strategies in practice. Throughout the overview and more detailed chapters, you will find that we frequently draw on our personal experience and on real cases that we know well to illustrate the practical use of virtually every aspect of our 3-D framework.

You'll also very quickly see a distinctive aspect of 3-D Negotiation: a problem in one dimension may call for a solution in another. By analogy, business people will readily understand that sometimes, the answer to a particular problem comes from a seemingly unrelated realm: for example, an “operations” problem can turn out to be a finance problem, or vice versa. You'll find the equivalent in 3-D Negotiation: if you mainly focus on what to do at the table, you may have too few arrows in your quiver. Pushing harder on your tactics and face-to-face dealings, for example, may not work. It

may even be counterproductive if the underlying problem is a flawed setup, requiring actions away from the table.

If you don't see all three dimensions of negotiation, you may end up stuck as a 1-D player in a 3-D world. *You may never find the right answers to your most important negotiation problems.* But when both eyes open to a wider 3-D view, your success odds go up. If you know where to look, and what you're looking for, you'll often find great agreements and the strategies to make them real. We've written this book to be your guide.

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