Closing the deal: the objective of this stage is to build commitment to the agreement achieved in the previous phase. Both the negotiator and the other party have to assure themselves that they reached a deal they can be happy with, or at least accept.

Implementing the agreement: determining who needs to do what once the agreement is reached. Not uncommonly, parties discover that the agreement is flawed, key points were missed, or the situation has changed and new questions exist. Flaws in moving through the earlier phases arise here, and the deal may have to be reopened or issues settled by mediators, arbitrators, or the courts.

Greenhalgh (2001) argues that this model is largely prescriptive—that is, this is the way people *ought* to negotiate—and he creates a strong case for why this is so. However, examination of negotiators' actual practice shows that they frequently deviate from this model and that one can track differences in their practice according to his or her national culture (see Chapter 16). For example, American negotiators typically view the process more in "win–lose" or distributive terms; they don't do much relationship building or planning, and they move directly to bidding, closing, and implementation. In contrast, Asian negotiators spend a great deal of time on relationship building and then truncate the remaining steps toward the end of the negotiation process.

Having overviewed the fundamental stages of a negotiation, we now turn to describe the planning process for executing that negotiation.

Getting Ready to Implement the Strategy: The Planning Process

The foundation for success in negotiation is not in the game playing or the dramatics. We argue that the primary determinant for success in negotiation is in the planning that takes place prior to the dialogue. Effective planning requires hard work through considering the following points:

1. Define the negotiating goal.
2. Defining the major issues related to achieving the goal.
3. Assembling the issues, ranking their importance, and defining the bargaining mix.
4. Defining the interests.
5. Knowing your alternatives (BATNAs).
6. Knowing your limits, including a resistance point.
7. Analyzing and understanding the other party's goals, issues, and resistance points.
8. Setting one's own targets and opening bids.
9. Assessing the social context of negotiation (for example, who is at the table, who is not at the table but has a strong interest in the negotiation outcomes, and who is observing and critiquing the negotiation).
10. Presenting the issues to the other party: substance and process.

The remainder of this chapter discusses each of these steps in detail (see also a summary of these 10 steps in Table 4.3, that may be used to plan one's own negotiation).

TABLE 4.3 | Negotiation Planning Guide

1. Define the negotiating goal.
2. List the major issues in the negotiation related to achieving the goal.
3. Define their relative importance of each issue, and define the bargaining mix.
4. Define the interests.
5. Define the alternatives (BATNAs).
6. Define your limits, including a resistance point.
7. Describe your understanding of the other party's goals, issues, and resistance points.
8. Set your targets and opening bid.
9. Assess the social context of the negotiation.
10. Outline how you will present the issues to the other party: what to say and how to say it.

The list represents the collective wisdom of several sources,[1] each of which has its own list of key steps that may vary in their order but cover the same basic themes.

Before commencing this discussion, we want to note four things:

- First, we assume that a single planning process can be followed for both a distributive and an integrative process. Although we have highlighted the differences between the two in the last two chapters, we believe that with the exception of the specific tactics negotiators intend to use, and with a selective emphasis on interests and options versus targets and resistance points, one comprehensive planning process can be used for either form of negotiation.
- Second, at this point in the book, we have concentrated on distributive and integrative processes and the differences between them. However, as we note in Chapter 1, there are several structural and contextual factors "beyond" the bargaining table that may also affect the strategizing and planning processes (e.g., whether there are multiple negotiations that need to be "sequenced," how the time limits are managed, the role of cultural differences, and the broader network of relationships among parties at the table and decision makers away from the table (cf. Lax and Sebenius, 2006; Watkins, 2002, 2006). Lax and Sebenius describe this as "setting the table," while Watkins talks about it as "shaping the game." They both point out that while less experienced negotiators primarily focus on strategic and tactical planning for what will take place at the table, more experienced negotiators are more likely to attempt to orchestrate the deal they want by attending to these shaping issues. The broad impact and implications of these structural or contextual elements will be discussed in later chapters.
- Third, we assume that negotiations will be conducted primarily one to one—that is, you and another individual negotiator. This is the simplest model to understand and plan for. However, it is not uncommon for negotiations to have multiple individuals on each side, agents representing negotiators, or multiple groups of parties represented at the table. The dynamics created by extending negotiations to agents and multiple negotiators will be considered further in Chapters 11, 12, and 13.
- Finally, while we describe these steps in a relatively linear fashion, complete and up-to-date planning will require a certain degree of shuttling back and forth between steps to ensure alignment of strategy and plan. For example, information often cannot be obtained and accumulated simply and straightforwardly, and information discovered in some of the later steps may force a negotiator to reconsider and reevaluate earlier steps. As a result, the first iteration through the planning process should be tentative, and the negotiator should be flexible enough to modify and adjust previous steps as new information becomes available.

We will now explore each of the 10 key steps in detail.

1. Defining the Negotiating Goal

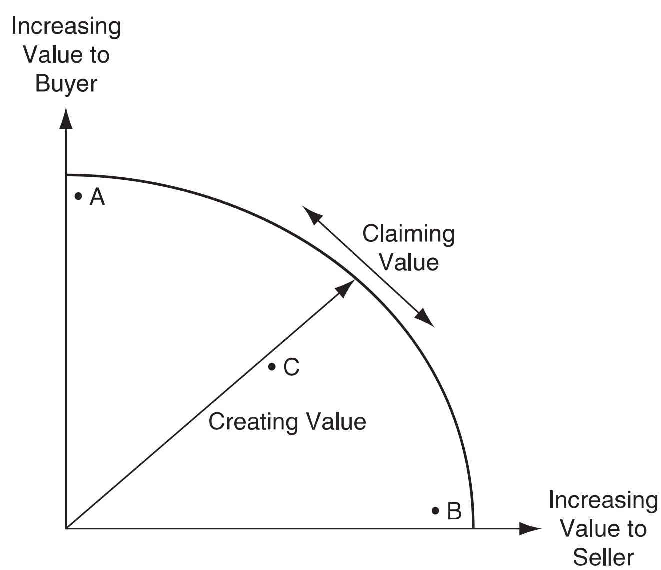
We discussed the importance of negotiation goals in Chapter 1 and again at the beginning of this chapter. We pointed out that goals can be substantive (tangible), psychological (intangible), or procedural (how we get to agreement). Goals can have both direct and indirect effects on the choice of strategy. Knowing one's goal is absolutely the first and most important step in developing a strategy and executing a negotiation.

2. Defining the Major Issue Related to Achieving the Goal

This step itself usually begins with an analysis of what are the key issues to be discussed in the negotiation. Some negotiations may only consist of a single issue—for example, the price of an item, such as the price of a coffee table being purchased at a yard sale or the price of a used car. Other negotiations are more complex. Thus, the purchase of one company by another may include a large number of questions such as price, transfer of inventory, workers who will be retained or laid off, a new headquarters location, and the like.

The number of issues in a negotiation, together with the relationship between the negotiator and the other party, are often the primary determinant of whether one uses a distributive or integrative strategy. Single-issue negotiations tend to dictate distributive negotiations because the only real negotiation issue is the price or "distribution" of that issue. In contrast, multiple-issue negotiations lend themselves more to integrative negotiations because parties can use processes such as logrolling to create issue "packages" that are mutually beneficial. A simple representation of this is presented in Figure 4.4. The vertical axis represents increasingly valuable outcomes for the buyer, and the horizontal axis represents increasingly valuable payoffs to the seller. In a one-issue negotiation, each party is striving to realize as much value for herself or himself as possible. If the buyer dominates, she or he will receive an outcome high on the buyer's axis, which will not be advantageous

FIGURE 4.4 | How Issues Affect the Choice between Distributive and Integrative Strategy



Sources: After Lax and Sebenius, 1986; Raiffa, 1982; Watkins, 2002.