

# Negotiation Worksheet

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1. Begin by ask these questions:

- What type of negotiation is this? Is your relationship with the other party more or less important than the terms of the final deal—is this a mutual or transactional relationship? Is this creative problem solving? Is there a finite pie to be divided?
- What are your goals for the negotiation? Does it make sense to list your goals out in a formal document such as a request for proposal (RFP), specification, or description of your needs?
- What are your best and worst outcomes? Be as quantitative possible; this may require some research. Check your numbers with friends and experts.
- Is there a way to turn this negotiation into an auction, literally or figuratively? Have you prematurely focused on one candidate—are there other contenders? Can you negotiate with more than one party at the same time to create competitive bids?
- How sure are you about the information you have? Are there aspects of the negotiation that you might not understand fully?
- What does the other side want?
- What can you say about their motivations, ideology, organization, and trust level before you walk into the negotiation sessions?
- What do you know about their flexibility? What can they give up without hurting themselves?
- How does the timeline affect you and your counterpart? Is one party more pressured by time?
- What are the process and the product of the negotiation? Will it be a contract? Who will provide the first draft? How will it be reviewed? What is the timeline?
- How can you value the object of negotiation? Is there a market for it? Are there comparable negotiations which have taken place recently? Is there a value which can be calculated based on cost of manufacturing plus profit, future payment stream, or other financial/accounting technique? Does success in this deal allow you other opportunities in the future? If you were forced to make the first offer, what would it be?

Think about which of these questions are pivotal for the negotiation you plan to conduct, and which questions can be ignored.

2. Write your negotiation plays: Like in professional sports, negotiation can employ preset plays to move the negotiation in a favorable direction. Ideally, you would like to go into the negotiation with a *lot of plays* so that you are ready, regardless of what direction things go.

- Questions: What do you want to know that your counterpart might be willing to answer? Example: “How soon do you plan to make a purchasing decision?”
- Observations: Observations are similar to questions, but you provide information to test your counterpart. Example: “This looks like it might be the first of several similar purchases in the next year.”
- Defenses: What might be the painful or controversial topics that could come up in the negotiation? How will you handle those topics if they emerge? Example: What do you

plan to say if your counterpart points out that your company is much smaller than the competition?

- Offenses: Where do you feel strong? What can you say to establish your position. Example: “Our machine is better than our competition’s—we can show you how it will streamline your workflows.” Offense generally comes last—you want to understand your counterpart first, before you start talking. If this is a sales negotiation, presumably your company has put together a marketing strategy that thoroughly prepares your offense.

What you are trying to uncover with your plays is the internal workings of your counterpart’s organization—things that they might be reluctant to tell you directly, like:

- Motivation: Why are they involved in this negotiation? What do they hope to gain? What are their needs and desires? What is the cost to them if they do not complete this deal? What is their best alternative?
- Principles: Do they have certain standards, requirements, or relationships which cannot be violated or which (when provided in the final agreement) make a particular type of deal more attractive?
- Organization: Who is their decision maker? Who are their stakeholders? Is everyone aligned on their side—or are their conflicts?
- Trust: Do they have reason to either trust or distrust you? If there is distrust, can performance guarantees help get a deal done? How about you, do you have distrust of them? Do you need to include certain protections in the final deal?

Your questions and observations are targeted at these topics, but probably need to be somewhat oblique and indirect if you want answers, and if you want the other party to remain comfortable. Your goal is to keep the conversation flowing, like two neighbors having a casual conversation.

3. Summarize what you have learned and review it with a trusted counselor (person familiar with your industry or situation) before walking into your first bargaining session.