

THE INTERESTS, NOT POSITIONS METHOD OF NEGOTIATING¹

INTRODUCTION

Life is far easier when people have the sense to see things our way. In the real world, however, capital planning, corporate borrowing, annual budgeting, and priority setting all tend to require that people from different organisations - or even our own people with a different point of view - find satisfactory means to reach agreement.

For many decision-makers, annual obligations like business plan reviews and budget approvals tend to coincide with increased levels of stress and anxiety. We are well-prepared for the substance to be decided; it's the process that is so unsettling. It can be troublesome if the short-term objective of minimizing conflict gets in the way of developing and achieving long-range goals. Interest-based negotiation techniques can help us focus our energy on the process and guide that process towards yielding a satisfactory result.

Most negotiations are repeat performances. We tend to deal with the same bankers, suppliers, clients, directors, managers, etc., for a long time. It is important to recognise and give proper weight to the context in which a negotiation is taking place; if it is within an on-going relationship, the significance of that relationship must be considered.

WHY INTERESTS AND NOT POSITIONS?

Since most negotiations are with the same group of people, it is human nature to characterise that these people represent: they are “greedy” or “helpful”; they “represent the bank” or “they want to win”.

In themselves, these characterisations are not catastrophic in any negotiation, but they do cloak the other person in a “position” which you need to argue against. What happens then is that negotiations follow a path of being “against” a position. For example, in negotiating against a “greedy” person the preparation is based around what you can keep away from them. Where the other side “wants to win” negotiations develop a competitive streak.

Clearly, while someone may have a position (eg “I must have a budgetary increase”) they also have an interest behind that position (“I need the budgetary increase because I am about to launch a new product”).

The INP Model is based around moving away from the position to understand the Interest. Once we know in the above example that they need a budgetary increase because they are to launch a new product, negotiation can be based around discussions

¹ This article does not constitute “advice”. Care should be taken when applying the principles espoused and should not be done without consulting your financial and legal advisers. It is important to realise that individual and specific circumstances will need to be taken into account and accordingly the writer is not to be held responsible for any actions taken as a result of this article.

such as risk and return and value for money rather than a quantum increase in the budget.

There may be more than one way of skinning a cat.

THE 6 STEP INP MODEL OF NEGOTIATION

We can take positive steps to prepare for the decision-making process and we can monitor our own behaviour - and that of other participants -- as the process goes forward. By following a few common sense rules we can reduce conflict and turn it into cooperation and reach solutions that really work for all the participants.

1. Separate the people from the problem.

Religion teaches us to hate the sin not the sinner. If we view the problem as that which needs to be resolved rather than viewing someone holding a contrary viewpoint as a person to be defeated, the odds of a successful collaboration increase.

One specific technique that can work is to change the shape of the table rather than sitting opposite your 'opponents'. Arrange the seating so that all the parties are sitting together facing a flip chart or blackboard where the problem is presented. That makes it clear that all the participants are facing the problem together, that instead of it being 'us' against 'them', it is a case of 'all of us' against 'it'.

2. Distinguish between interests and positions.

The classic story to illustrate this describes two sisters fighting over the only orange in the family larder. Each sister must have the entire orange for herself, any less is impossible. A wise parent asks each of the girls (in private) why she wants the orange. One explains she wants to drink the juice; the other wants to use the rind to cook a pudding.

What each sister wants is her *position*, why she wants it is her *interest*. In this case, the simple solution is to give the cook the rind after the juice has been squeezed for the thirsty sister - thus meeting the interests of both.

When preparing for a negotiation, or after it has begun, don't just ask "What do they want?" It is also important to ask, "Why do they want it?"

It is equally important - and often more difficult - to ask the same questions about your own views. Many successful negotiators find they will be more successful if they focus on understanding their interests as they enter discussions.

If they stop themselves from starting out with a perfect package, the ideas of others may actually improve their final result.

Negotiators who arrive with a complete package can create real problems. Modifications to their ideas might be taken personally, they may be stubborn, and reaching a satisfactory resolution is made more difficult.

3. Consider your BATNA (Best Alternative To a Negotiated Agreement).

If you do not reach an agreement with the other, does that really make things worse for you?

If you are negotiating to sell your car and receive an offer \$1,000 under your asking price, what is your BATNA? You can refuse to sell it and wait for another offer; you can sell it to the next highest bidder who has agreed you can keep the CD Player from it. The answer depends on *your* interests and why you wanted to sell the car in the first place. If your interest is to sell the car to pay off your loan, then you have no use of the CD Player and it may be your BATNA to accept an offer \$1,000 under the asking price.

There's an old American country & western song about playing poker that summarizes the concept of BATNA: "You have to know when to hold and know when to fold." If you know and accept your BATNA, you know when you can simply turn your back on the negotiations. But it is important not to ignore the other party's BATNA. The relative strength of each party's BATNA will determine the balance of power each can exercise.

- The INP (Interests Not Positions) Model of negotiations**

 1. **Separate the people from the problem**
 2. **Distinguish between Interests and Positions**
 3. **Consider your BATNA (Best Alternative To a Negotiated Agreement)**
 4. **Silence is Golden**
 5. **Pursue fairness**
 6. **Only one person can get angry at a time**