

Interest-Based Negotiation

Pre-Course Reading

Power vs. Interest

Traditional bargaining is often about relative power and willingness to use it against each other, often at the expense of a better agreement or relationship; however Interest-Based Negotiation (IBN) has proven its effectiveness in multi-party settings. This reading assignment introduces the basic concepts associated with Interest-Based Negotiation.

The Orange



To illustrate the difference between positions and interests, here is a simple story. Once there was an orange and two people who sat together, fighting over this orange. “I want this orange!” “No, it’s my orange, I want it!” They both wanted this lovely orange, and were convinced that they just had to have it. “Hey, I bought this orange!” “I would rather throw it away than give it to you!” “If you don’t give me the orange, I am not going to give you the sandwich that you want!” Their conversation saddened both of them, but neither would give in. They went on and on. Finally, their stalemate broke when one declared “There is one fair way to take care of this, you know.” The other relented “Yeah, yeah, I know. Just like Solomon, we can cut it in half.”

And so that's just what they did. A few days later, they ran into each other. After exchanging hellos, one asked “Hey, why did you want that orange the other day?” Surprised by the question, the other responded “Well, obviously, I wanted it to make some orange juice!” This wasn’t so obvious to the other who exclaimed “Oh, my goodness! If only I had known. I only needed the rind to make marmalade. We could have both had what we really wanted!” They both just shook their heads. Being so head-strong had cost them both an opportunity.

Perhaps you can recall making an assumption like this. Ineffective communication often costs us what we really want, and sometimes prevents us from getting what we truly need.

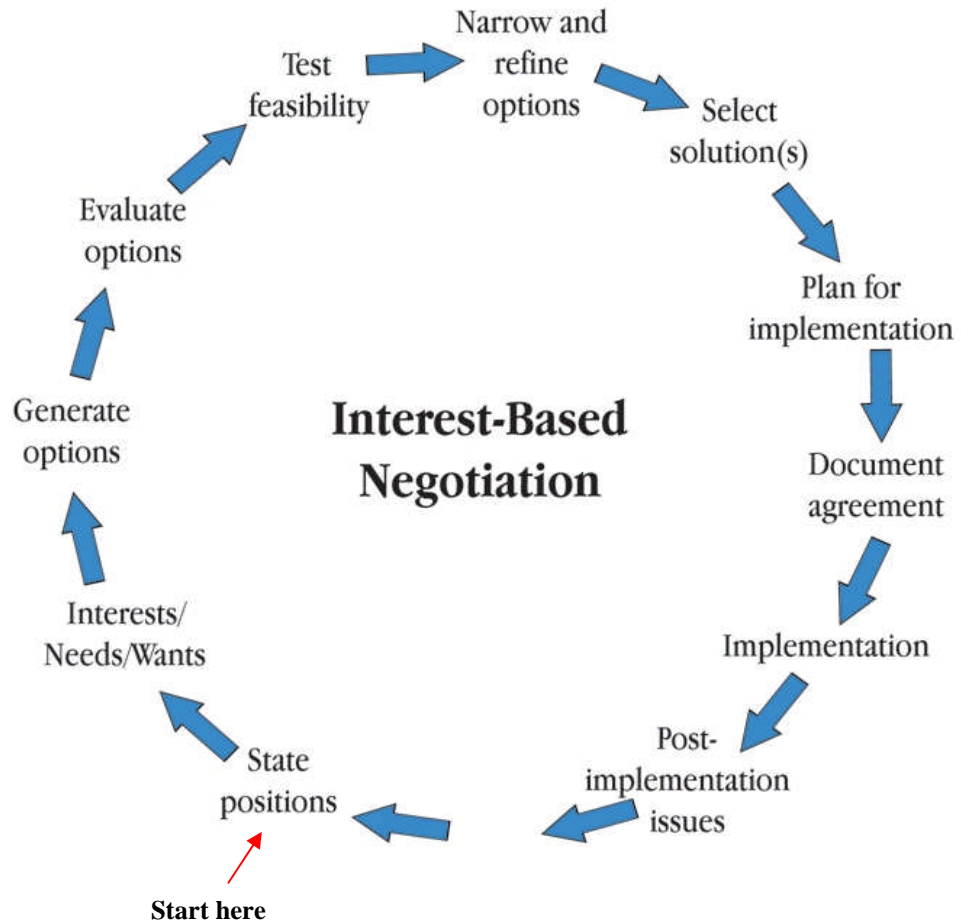
Interest Based Negotiation

Overview

Integration

The benefits of group decision-making have been widely publicized: better thinking, better “buy-in,” better decisions all around... There is no substitute for the wisdom that results from a successful integration of divergent points of view. Successful group decision-making requires a group to take advantage of the full range of experience and skills that reside in its membership.

Sam Kaner, 1996



The need to integrate everyone’s point of view is at the core of multi-party negotiation.

Fundamentals

Human premise Interest-Based Negotiation (IBN) is based on a simple premise: negotiation takes place between people. It uses a cooperative approach and promotes the idea that all parties must come away having gained something. The process of interest-based negotiation includes: joint problem-solving, expanding options, mutual benefit, efficiency and durability.

Enabling joint problem solving IBN enables negotiators and leaders to become joint problem-solvers by offering an opportunity to address the collision of conflicting interests in a proactive manner that can lead to better outcomes for all parties involved.

Uncovering creative options IBN provides a way to address the challenge of multiple interests and the need to develop broader, more creative options to address a multiplicity of needs and mandates within the same negotiation context.

Possibility of mutual gains IBN assumes that mutual gains are possible, that costs or sacrifices can be minimized or shared, that solutions that satisfy mutual interests are more durable, and that parties can help each other achieve better outcomes for all than are currently available.

Value-added efficiencies IBN assumes that value is added and efficiencies can be realized through this analytic process.

Durability IBN assumes that solutions designed together will endure.

Core Principles of Interest-Based Negotiation

**Prepare
BATNA**

Prepare carefully to negotiate and understand your BATNA (Best Alternative to a Negotiated Agreement).

**Differentiate &
focus**

Seek to separate the people from the problem and focus on future outcomes and not the past.



Expand possibilities

Create value by making the “pie” larger.

Focus on interests

Focus negotiation on interests and not positions (which are generally more rigid and do not offer the opportunity for creative thinking.)

Brainstorm ideas

Jointly generate creative options; waiting to analyze each until after the option development process is complete.

Create criteria together

Establish joint criteria together and using them to evaluate the options generated. Strive to satisfy the needs of all parties, and hold back on the wants of individuals.



Agree on standards

Creating jointly agreed standards for how to divide the “pie.”

Jointly agree on next steps

Jointly establishing necessary post-agreement activities, building in flexibility for changing circumstances and how to deal with disputes that may arise during implementation.



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Core Principles of Interest-Based Negotiation, Continued

Recommended reading Fisher, Roger and William Ury. *Getting to Yes: Negotiating Agreement Without Giving In*. New York, NY: Penguin Books, 1991.

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Credits & Contributions This material is part of a multi-party negotiation course originally developed by Cherie Shanteau and Gail Brooks for the U.S. Institute for Environmental Conflict Resolution. Kirk Emerson, Larry Fisher, Jen Johnson, Sarah Palmer, and Diana Wilkinson also assisted in developing this material.
