SEVEN ELEMENTS OF NEGOTIATION

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1. Alternatives

- Possibilities that each party has if an agreement is not reached

- Parties should not agree to anything that is worse than their BATNA

BATNA: Best Alternative to a Negotiated Agreement

(>L)

2. Interests

- This is what lies underneath POSITIONS (DEMANDS)

- Reasons for demanding something

- Includes the parties' concerns, needs, desires, hopes and fears

(>L)

3. Options

- Full range of possibilities on which parties might reach agreement

- All options should be "put on the table"

- Best agreement exploits all potential mutual gain

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4. Legitimacy

- Refers to perceived fairness or objective rationale of an agreement

- Good if based on external benchmarks, criteria or principles, NOT just the will of one party

- External standards of fairness include laws, regulations, industry standards, current practice, a general principle such as reciprocity, etc.

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5. Commitments

- Oral or written statements about what a party will or won't do

- Can be made during negotiations or may be encoded in a formal agreement

- The best agreements have well-planned, well-crafted, and, if possible, verifiable promises

- Agreements should also be practical, durable and well-understood by those who must carry them out

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6. Communication

- Quality of communication depends on mutual understanding and process efficiency

- High quality communications carry the same meanings for senders and receivers, even if they might disagree

- High quality communications are efficient (whether agreements are reached or negotiations are discontinued)

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7. Relationship

- Important negotiations tend to be with people or institutions with whom we have negotiated before and will do so again

- Strong working relationships help parties deal with differences and seize opportunities

- Transactions should improve, not damage, the parties' ability to work together again

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Issue for dialogue:

National Gov't to persuade local governor to fully implement procurement law.

My interests	Their interests			