

Syllabus
test #1
AON

Suggested reading:

William Ury

Getting to yes

Getting past no

Terms:

- What do we mean by negotiations? Definition: *Flexible process, communication act aiming at agreement between two or more parties*
- *One-parameter negotiation, used car sale*
- *BATNA: Best Alternative to Negotiated Agreement*
- *Negotiating Power*

1. Constituents of the negotiation process:

- content
- process
- relationship

All of them are important usually. However, there are certain types of negotiations when we do not have to care about the relationship because it was and will be non-existent before and after the negotiation. Example: used car sale.

2. WIN-WIN scenarios. Whenever possible a win-win agreement is to be aimed at because it offers more stability. WIN-WIN resolutions usually last longer, and they are also easier to reach.
3. Position bargaining. Source of many failures. Instead of protecting and defending your interest you defend your position in a rather rigid way. Position bargaining may end up in agreements not favourable to any of the negotiating parties.
4. One parameter bargaining. Offer price, Ask price, Highest price of the buyers, lowest price of the seller (threshold) Transaction price.
5. BATNA. The BATNA is not the agreement. It becomes effective when we don't have an agreement. It tells you which non agreement status is the best.
6. Determining the BATNA. Find all the possible alternatives to the agreement. Pick those that are realistic. Choose the best.

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7. In general the BATNA depends on a series of factors, and it is different for the parties. It may not even stay the same during a negotiation. Evaluating and reevaluating your BATNA again and again is crucial.