



# Sharpening Your Skills: Negotiation

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*Sharpening Your Skills dives into the HBS Working Knowledge archives to bring together articles on ways to improve your business skills.*

## Questions to be answered:

- How can I negotiate more skillfully and confidently?
- How can I negotiate in an uncertain environment?
- Do negotiation dynamics change in a family business?
- What's the strategic way to make concessions?

### How can I negotiate more skillfully and confidently?

#### [Negotiating in Three Dimensions](#)

"Negotiation is increasingly a way of life for effective managers," say HBS professor **James Sebenius** and colleague David Lax. Their new book, *3-D Negotiation*, describes how you can shape important deals through tactics, deal design, and set-up, and why three dimensions are more powerful than one.

Key concepts include:

- Three-D negotiation comprises tactics, deal design, and set-up. Their use depends on the nature of the barriers you face.
- A 3-D strategy is an aligned combination of set-up moves that occur away from the table, deal design moves, and tactics at the table, all designed to overcome the barriers you've identified.
- The best response to a barrier in one dimension may be moves within other dimensions.

### How can I negotiate in an uncertain environment?

#### [Negotiating When the Rules Suddenly Change](#)

Following the adoption of a collective bargaining agreement in 2005, National Hockey League GMs had one month to absorb the new rules and put a team together. How to best negotiate in an uncertain environment? **Michael Wheeler** advises looking to military science for winning strategies.

Key concepts include:

- Traditional negotiation theory says little about crafting strategy in highly dynamic markets-but the military knows all about strategy and uncertainty.
- Make an informed bet on how you think events will unfold, but also identify the greatest threats to success.

- Prepare to make good decisions on the fly.
- Situational awareness and the ability to learn as you go are critical.

## Do negotiation dynamics change in a family business?

### Five Steps to Better Family Negotiations

Family relationships are complicated, even more so when your uncle, mother, or daughter is your business partner. Harvard Business School's **John A. Davis** and **Deepak Malhotra** outline 5 ways to analyze and improve dealmaking and dispute resolution while protecting family ties. As they write, family negotiations are difficult yet also contain built-in advantages.

Key concepts include:

- Compared to managers in other businesses, managers running a family business are faced with additional complexity in negotiations because of personal relationships and family history.
- Negotiators who negotiate multiple issues simultaneously are more easily able to recognize value-creating tradeoffs.
- Effective negotiators get past stated positions (what a party demands) and understand the underlying interests (why the party wants what it demands).

## What's the strategic way to make concessions?

### Four Strategies for Making Concessions

"Concessions are often necessary in negotiation," says HBS professor **Deepak Malhotra**. "But they often go unappreciated and unreciprocated." Here he explains four strategies for building good will and reciprocity.

Key concepts include:

- Concessions are often necessary in negotiation, but often go unappreciated and unreciprocated. Make sure others acknowledge your gestures of goodwill and reciprocate in kind.
- Four strategies for building good will and reciprocity are to label your concessions and make them salient to the other party, demand and define reciprocity, make contingent concessions, and make concessions in installments.
- Effective negotiators ensure not only that their own concessions are reciprocated but also that they acknowledge and reciprocate the concessions of others.



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