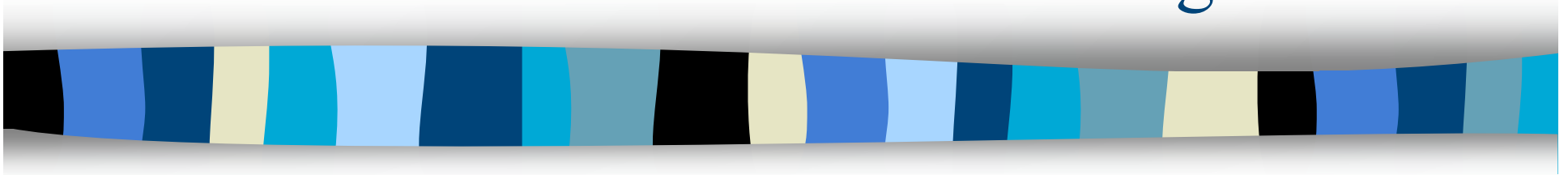


Teaching Hard Bargaining in the Interest-Based Negotiation Course

Confessions of a PON Renegade



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Association of American Law Schools
Annual Meeting 2008

January 5, 2008



Basic Structure of Negotiation

- Preparation
- Initial contacts
- Exchanging information
- Exchanging concessions
- Exchanging commitments



Adversarial Negotiation

- An approach to negotiation
- Doesn't affect the basic structure
- Difference is in strategy and tactics used to implement the approach
 - Emphasis on positions



Adversarial Bargaining: The Basic Strategy

- Preparation: Planning a triumph
 - Power disparities, leverage
 - Aspiration value and Reservation Value (Bottom line)
- Initial Contacts: Goal is to gain upper hand
 - Appear “big”: intimidating, powerful
 - Begin with a firm, extreme position
- Exchanging information:
 - Find out about other, reveal little of your own
- Exchanging concessions
 - Few, small, grudging
- Exchanging commitments
 - Get other side to make commitments that are advantageous to you and/or detrimental to him/her



Professor Reuben's Top 10 Hard Bargaining Tactics

- Water Torture: Extreme Claims Followed By Slow, Small Concessions (includes high-balling, low-balling)
- “Take it or leave it” offers
- The Rush: Deadlines, threats and warnings
- Bidding against yourself
- BATNA bashing
- Personal insults, attacks and feather-ruffling
- Information games (bluffing, puffing, lying)
- Phantom Player: Another offer; someone else to “check” with
- The Red Herring; Bait and Switch
- Good Cop, Bad Cop



Patriot National

Zone of Possible Agreement

Emphasis is on Reservation Values

- A. Fred willing to sell used car for as little as 200 Wilma willing to buy used car for up to 300
- B. Patriot National willing to settle for no more than 300 Mrs. Torrey willing to settle for as little as 250
- C. Patriot National willing to pay as much as 300 Mrs. Torrey willing to settle for no less than 350



Win as Much as You Can

Payoff Rules

4x's: Lose 1 Each
3X's: Lose 1 Each
1Y: Lose 3
2X's: Win 2 Each
2Y's: Lose 2 Each
1X: Win 3
3Y's: Lose 1 Each
4Y's: Win 1 Each



Tit for Tat Reciprocity

■ 1. Be Nice

- Be the first to throw a Y

■ 2. Be provokable

- If other side throws an X, you throw an X

■ 3. Be forgiving

- If they respond to your X with a Y, give them a Y back



What is Trust?

- A state involving expectations about another's actions or motives, especially in situations of ambiguity or uncertainty that involve risk



Interest-Based Negotiation: The Basic Structure

- **Preparation**
 - Focus on interests, joint problem-solving
- **Initial Contact**
 - Establish rapport, cultivate partnership with negotiation counterpart
- **Exchanging Information**
 - Underlying interests, needs, concerns, etc. of both parties
- **Exchanging Concessions**
 - Looking for trade offs based on interests, concerns, etc.
- **Exchanging commitments**
 - In exchange for satisfaction of interests, concerns, etc.

Benefits of Teaching Hard Bargaining

- Better meets student expectations early in the course
 - Nature of negotiation
 - Desire for tricks
- Fosters more critical thinking about negotiation style
 - Encourages students to think in terms of preference, choices, and strategies
 - More rigorous analysis overall
- More intellectually honest
 - Acknowledges that sometimes one does have to engage in hard bargaining
 - Changes my posture toward them
 - Coach, not salesman
- Improves student buy-in to interest-based negotiation
- (Better journals: Mundane consideration, but ...)

