Much like when we take a journey, if we know where we want to go, we are better able to prepare, deal effectively with the terrain, and know when we have reached our destination. Similarly, a clear definition of the elements of successful negotiation allows us to better prepare, diagnose, conduct, and review our negotiations. As we have studied and participated in negotiations over the past twenty years, we have found that the following elements are present, in one form or another, in any successful negotiation.

**SEVEN ELEMENTS OF NEGOTIATION**

**Interests** are those needs, aims, hopes, and concerns that one seeks to address in the negotiation. Interests are not positions— the stated demands, or pre-conceived answers that people often bring into a negotiation. Instead, interests are those things that underlie or shape a position (i.e., one's underlying needs, aims, hopes, and concerns).

**Options** are the range of possibilities on which the parties might conceivably reach agreement. They are the possible solutions that meet at least the main interests of the negotiators. Unlike an alternative (see below), something is an option if and only if making it possible would require the agreement of both negotiators.

**Legitimacy** consists of those objective criteria or standards that can be used to determine the fairness of a possible option. External standards of fairness might include laws and regulations, industry standards, past or current practice, some general principle such as reciprocity or precedent, or some kind of objective process such as appealing to the judgment of an impartial third party.

**Commitment** is the option, or package of options, upon which the negotiators ultimately agree. They are the oral or written statements about what each party will or will not do, how, by when, etc.. Note that there are times when a commitment should not be reached, since there are times that the negotiators cannot develop a mutually agreeable solution that is better than what one or both could do “away from the table,” without each other.

**Alternatives** are those things that each negotiator can do, without the other party, to meet his or her interests. Alternatives are not arbitrarily established bottom-lines, but real walk-away possibilities. They may be things the negotiator can do on their own or things they can do by negotiating with a party other than the one currently “at the table.” Each negotiator will have a range of alternatives (including doing nothing, waiting, negotiating with someone else); some may be more realistic than others, and some may better meet one’s interests than others. Nonetheless, one of the alternatives will meet the negotiator's interest better than the rest - this one is the negotiator’s “BATNA” (Best Alternative To a Negotiated Agreement with the party with whom you are currently negotiating). Note that a negotiator should not commit to an agreement that does not satisfy his or her interests better than their BATNA.
Communication relates to how the two negotiators talk with one another. This element, and the next, relate to the process (rather than the substance) of how the negotiation is conducted. Communication in a negotiation involves the effectiveness of inquiry, advocacy, testing assumptions, building understanding, structuring the flow of conversations, etc..

Relationship relates to how the negotiators work and deal with one another. A good working relationship involves, and is built by, developing trust, engaging in joint problem-solving, dealing well with differences, etc..

**Defining Success In Negotiations**

The Seven Elements can be used as a measure of a successful negotiation. A clear definition of success is especially important when we are engaged in complex interactions that may involve multiple parties, numerous issues, long-term relationships, and many other factors both tangible and intangible. In these kinds of negotiations, we define (and measure) a good outcome as one where we have either appropriately resorted to our BATNA, or our agreement:

- is better (meets our interests better) than our best alternative (our BATNA)
- satisfies our interests very well, and theirs at least acceptably
- is value-maximizing, made up of the best of many options invented
- is legitimate, defensible in reference to objective criteria
- consists of a commitment that is clear, operational and durable
- arose out of a process where communication was clear and efficient
- arose out of a process that helped to build a good long-term working relationship

**Preparing to Negotiate**

Each element and each of the above statements of success will bear a different amount of weight (have a different degree of importance) in each negotiation. Nonetheless, each should be considered. If we choose to use these elements to measure success, they lead us to some natural conclusions about how to prepare. For example, if we want to satisfy our and the other party’s interests, we would be wise to consider what those interests might be, before we go into negotiations. If we want to create an agreement that is made up of the best of many options, it would be useful, prior to the negotiation, to brainstorm many possible options. If we want to ensure than our final agreement is legitimate, we should..., and so on.

With this in mind, the “Quick Prep” tool on the following page lays out a set of questions you might run through to effectively prepare for negotiations. Even if you just have a few minutes, considering the answers to these questions will help you.
Quick Prep Tool

Interests
- What are my needs, aims, and concerns? Why?
- How do I prioritize my needs, aims, and concerns?
- What do I think are their needs, aims, and concerns? Why?
- What do I think are any key third parties’ needs, aims, and concerns? Why?

Options
- What possible solutions, or pieces of a solution, might address my and their interests?
- Are there other solutions? Are there ways I can make the ones I have invented even better?
- Going back to the “list” of my, their, and third-party interests, are there any others (even if they are just small pieces of an overall solution)?

Legitimacy
- What standards or criteria might I use with them to determine which options are most defensible?
- Are there any fair processes we might use to judge the appropriateness of certain options?
- Are there any standards, criteria, processes, etc. that would be particularly useful to apply to particular options I have just brainstormed?
- To particularly controversial issues in the negotiation?

Commitment
- What level of authority do I have to reach a commitment?
- What level of authority do I think they have?
- What level of commitment do I think we should strive for in the upcoming meeting (i.e., reach a final commitment, a joint recommendation, a list of options we will each consider more fully before our next meeting, etc.)?

Alternatives
- What are my alternatives? Of these, which is my best (BATNA)?
- What do I think their alternatives are? Of these, which do I think is their best (BATNA)?
- How might I be able to improve mine (i.e., make it more attractive to me and/or more possible for me to resort to)?
- How might I be able to weaken theirs (i.e., make it less attractive to them and/or harder for them to resort to)?

Communication
- What do I want to learn from them? What questions should I ask?
- What messages do I want to convey to them? When and how should I “send” the messages to ensure they are understood in the way I intend them?
- What might be a useful “agenda” for the upcoming meeting?
- Have we had communication breakdowns in the past? If so, why? Based on this, what might I do in the upcoming meeting to (begin to) fix and/or avoid past communication problems?

Relationship
- What kind of working relationship would I like to (continue) to build with them (i.e., what would be the attributes of such a relationship — for example, mutual respect, well-founded trust, consistent joint problem-solving)?
- Based on my goal, what kind of things should I do, and what kinds of things should I make sure to not do, in the upcoming meeting?
- To the extent we have had relationship problems in the past, what has caused them? Based on these causes, what might I do in the upcoming meeting to (begin to) fix and/or avoid these past problems?

Other
- Based on my answers to the above, where do I need to do more thinking or “homework”?
- Is there any internal negotiating, investigating, or clarifying I need to do before going to negotiate?
- Are there any pre-discussions I want to have with the other party before we “begin” negotiations (e.g., about how we should conduct the negotiations, how and/or what we might each prepare ahead of time, etc.)?
GETTING READY

Whether you have five minutes or a couple of hours, we find that it always helps to prepare by running through the “Quick Prep” list of questions. If you only have time to go through them in your mind, that is fine. Of course, it is even better if you can write your answers down, so that you can refer to them as you move from question to question (e.g., look at the listed interests as you invent possible options). As you answer the questions, try to brainstorm – invent without assessing your answers. You can later decide, after inventing as many possibilities as you can, which you think actually make sense, and which you might share within the negotiation. Also keep in mind that while it is crucial that you think about their interests and possible alternatives, you are only going to be able to make your best guess at what those interests and alternatives actually are. These hypotheses, at least about their interests, will need to be tested in the negotiation.

Any amount of time you spend considering these preparation questions will increase your chances of conducting a successful negotiation. However, when you find yourself faced with a more difficult or complicated negotiation, and you have more time to prepare, consider using the attached preparation sheet, alone or with a small group, in advance of the negotiation. The attached “Seven Element Preparation Tool” is a simple and straightforward way to structure and capture your thoughts, and guide you through a systematic and effective preparation session.

As you consider the elements and these preparation tools, please note that they are applicable to preparing for more than just formal negotiations over such things as terms and conditions, scopes and schedules, and the like. They are, in fact, just as applicable to preparing for situations where you must persuade or influence another person to do such things as consider a new idea, a different focus, or an alternative way of doing something. Furthermore, they are just as applicable to internal situations with peers, managers, and reports, as they are to external ones with customers, suppliers, and partners.

The purpose of this memo has been to offer you some advice about, and guidance on, more effectively preparing for negotiations. Of course, nothing can guarantee success in every negotiation. Nor should any guideline be applied blindly in every context. Nonetheless, we believe, every negotiator, no matter what style or strategy he or she might choose for conducting any given negotiation, can strongly benefit from preparation that covers the ground of the Seven Elements.
# CMI® Seven Element Preparation Tool

<table>
<thead>
<tr>
<th>Parties And Issues</th>
<th>Interests</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>The Parties</strong></td>
<td>(List both individual and organizational interests, needs, concerns, hopes and fears)</td>
</tr>
<tr>
<td><em>(You may want to draw a diagram)</em></td>
<td>Ours</td>
</tr>
<tr>
<td></td>
<td>Theirs</td>
</tr>
<tr>
<td></td>
<td>Others’</td>
</tr>
</tbody>
</table>

## Important Issues
*(Subjects that need to be dealt with)*

1. 

2. 

3. 

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## CMI® Seven Element Preparation Tool

<table>
<thead>
<tr>
<th>Options</th>
<th>Legitimacy</th>
</tr>
</thead>
<tbody>
<tr>
<td>(List possible options for each issue or major interest)</td>
<td>(Identify objective standards relevant to any issues or options you have identified)</td>
</tr>
<tr>
<td>Issue #1</td>
<td>Issue #1</td>
</tr>
<tr>
<td>Issue #2</td>
<td>Issue #2</td>
</tr>
<tr>
<td>Issue #3</td>
<td>Issue #3</td>
</tr>
</tbody>
</table>
# CMI® Seven Element Preparation Tool

<table>
<thead>
<tr>
<th>Alternatives</th>
<th>Commitment</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Your Alternatives</strong>&lt;br&gt;<em>(circle your BATNA)</em></td>
<td>Elements of a framework agreement at the end of a negotiation</td>
</tr>
<tr>
<td>Ways to improve</td>
<td></td>
</tr>
<tr>
<td><strong>Their Alternatives</strong>&lt;br&gt;<em>(circle your estimate of their BATNA)</em></td>
<td></td>
</tr>
<tr>
<td>Ways to test or, if appropriate, worsen</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>What authority do you have?</th>
<th></th>
</tr>
</thead>
</table>

| What authority does the other party have? |  |

<table>
<thead>
<tr>
<th>What level of commitment do you want?</th>
<th>This Meeting</th>
<th>Next Meeting(s)</th>
<th>End</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expressing Views?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Generating Options?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Joint Recommendations?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tentative Agreement?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Firm, Signed Deal?</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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### Relationships

<table>
<thead>
<tr>
<th>Currently</th>
<th>Preferred</th>
</tr>
</thead>
</table>

If gap exists, diagnose possible causes.

In light of these causes, what specific steps might you take to change the current relationship to the preferred one?

### Communication

#### Plan the Meeting
- Meeting purpose
- Products or outputs
- People
- Process
  - Opening
  - Agenda
  - Roles of team members
  - Groundrules

#### Plan the Dialogue
- Listen for/Questions to ask
- Talk about/Information to disclose
- Possible communication problems/Possible steps to avoid problems or improve communication
- Assumptions to test