

**NEGOTIATION CONSULTING:  
A 10-ELEMENT TOOLBOX FOR MANAGERS**

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**NEGOTIATION CONSULTING:**

## **A 10-ELEMENT TOOLBOX FOR MANAGERS**

Over the past couple of decades, a clear niche has been cleared in the consulting industry for professionals offering organizations and managers their negotiation expertise – as consultants, coaches and trainers. Focusing on the role of the consultant, the rise of the external expert has not changed one fundamental fact: Most intra- and inter-organizational negotiation processes are carried out *without* the assistance of external experts. Some high-level or high-profile negotiations might be seen to warrant a contract with an external consultant. Still, the great majority of negotiation processes (at least – volume-wise) are carried out, as they always have been – by line-employees and low-level managers, working without the benefit of a consultant guiding them.

That is not to say that negotiators do not seek assistance in mapping, planning, conducting and debriefing their negotiation processes. However, it is not the external expert to whom they turn for help. Instead, they continue to turn –as they have always turned – to their peers to share their experience, and to their managers to provide wisdom and guidance.

The manager plays the role of an internal negotiation consultant, all the time. If a salesperson runs into difficulty in closing a deal – in general or in a specific instance – their manager has always been their source of guidance. Call center employees often consult with their superiors – and not only as a result of “I want to speak with your boss”. Junior car salespeople ask their boss’ advice not just as a ruse – but in order to improve their own performance. Line employees’ perception of their manager is often that he or

she has risen to where they are as a result of having been there, and done that, in the trenches, successfully – and as a result, they see their managers as a source of valuable input.

Is the manager, in fact, equipped to play this role? The answer is, of course, ‘sometimes’. This depends not only on whether the manager is, in reality, skillful at negotiation – but also on how talented they are at breaking down just *why* they are successful, at naming the elements and dynamics playing out in their subordinate’s negotiation process, and at making astute and empowering suggestions aimed at improving their performance.

These are not simple challenges. Managers, skilled as they may be at negotiating their own deals, may not be able to articulate the thought and action processes that bring this success about. Negotiation often seems to be, a blur of many things happening at once; the key to a negotiation’s success or failure, though, lie in a negotiator’s ability to identify and name discrete elements needing attending to, reinforcement or fixing. Only after these critical elements have been identified, can managers apply their own experience and knowledge in making suggestions on addressing them – and require a language for helping their employee work through ideas that might be helpful in doing so.

The model presented below aims to help managers with this process. It provides a list of elements that are at play in every negotiation process, no matter what is on the table: a million-dollar deal, relations between two employees or the type of coffee purchased for

the office. This list of elements should inform the structure of a consultation between a negotiator and his or her manager. In addition to providing an agenda for the conversation, the model provides a language through which the manager can discuss the negotiation with the employee. It provides a list of questions which managers can employ, in their attempts to help their negotiator work describe, analyze and work through the negotiation under discussion.

Of course, their manager's knowledge and skills notwithstanding, any employee faces three major obstacles along the road to consulting with their manager: Corporate culture, manager accessibility, and the employee's own image management, all affect the degree to which the manager is viewed, and utilized, as a source of negotiation input. Having a useful and structured model in their toolbox can help managers feel more confident in, and comfortable with, conducting consultation conversations – to the degree that they will be inviting towards them, or even initiate them. This will affect corporate culture, demonstrate their availability and willingness to engage with subordinates on this issue and decrease any stigma related to an employee needing help from the boss.

Let's take a look at the model, adopting the perspective of the manager-as-negotiation-consultant role:

## **The 10 elements of negotiation:**

**When** is this model helpful?

The model is useful for counseling negotiators at all stages of a negotiation process. It can be used as a preparation tool, as a 'taking stock' tool in the middle of a process, for crisis management when a negotiation seems about to unravel and for post-process debrief and learning. The toolbox remains the same; only the questions need to adapt their tense and thrust.

**How** is this model meant to be applied?

- 1) Note that this is a toolbox for discussing a negotiation process as a whole, and for breaking it down into discrete elements. It is not a sequential set of instructions, laid out as a recipe ('Start with this, do that, stir it around, wait 45 minutes and cook')
- 2) When using the questions given here as examples try to ask them not only regarding your negotiator's point of view but as a tool to understanding where the other party to the negotiation is coming from – and what it might take to move them towards you.

**What** should managers focus on in helping their subordinates tackle negotiation issues?

Below are 10 elements they might look at. Each element is briefly explained, and then supplemented with a list of questions managers can use to develop discussion around them. The order in which they are dealt with is not crucial. You may note that they tend

to run from intake (how the negotiation is or appears to be now) to output (how do we envision and affect the outcome), giving the order they are in now a certain logical and temporal rationale. However – if a negotiator is drawn to discussing a certain element right off the bat, you might decide to flow with them, as this might be an indicator of the critical element in this negotiation.

1) Parties:

Every negotiation includes two or more parties. Understanding the way parties are comprised, how they affect one another and who is present at the table, is sometimes the key to understanding a negotiation's dynamics. Negotiators tend to get drawn in to focusing on their at-the-table opposite; a consulting manager can help them consider a bigger picture and cast their net wider.

*Who is involved in the negotiation? What do we know about them, on a personal and professional level? Who are they reporting to – and what do we know about **them**?*

*Who **should** be involved? Are we talking to the right people? Do our opposites have decision making authority?*

*Who is affected by the negotiation, despite their absence from the table? Are they affecting the way the negotiation is developing? Can they be mobilized and used to affect our opposite's considerations?*

2) Issues:

People come to negotiation in order to discuss something, or multiple somethings. They don't always formulate exactly what this is before hand, and rarely do both parties arrive at the same formulation. The framing of issues, as well as the decision on sequencing them in conversation, can be critical. So too can be awareness to the fact that sometimes those issues that are **withheld** from the table are those that are setting the tone for the negotiation around the addressed issues. Managers can help negotiators consider these issues before arriving at the table, or identify them as sticking-points in an ongoing process.

*What are the negotiated issues? What has each party come to discuss? Are parties in agreement about the list of issues? Do they frame them in the same way, or does a difference in wording of framing indicate a disagreement about the agenda? How might each issue be framed in a way that is most beneficial to our side, without raising the other party's ire?*

*Are **all** the issues on the table? Are there 'untouchable' issues that both parties are tacitly agreeing not to raise explicitly?*

*What order are issues being discussed in? Is this conducive to reaching agreement, or leading to early impasse?*

### 3) Perceptions and expectations

Parties arrive at the table with two sets of impressions, which affect everything that goes on during the negotiation:

Perceptions – a party's assumptions regarding the other person and their character, their own character and justifications, their own power and the other's.

Expectations – a party's often unspoken assumptions regarding what the process will look like and how it will unfold, and what the bottom line will be.

Of course, rarely do parties have the same perceptions and/or expectations in any given case, and the intrusion of reality when they realize things are not playing out according to script often leads to escalation spirals. Throughout their discussion of the negotiation, managers need to help negotiators work through and recognize expectations and perceptions from objective facts or absolute truths.

*How do you perceive the facts? How do you think the other party perceives them?*

*How do you perceive yourself, and what are your perceptions of the other party?*

*How do you think they perceive you, and themselves?*

*What is your estimation of your own power in the situation? How does this compare with your estimation of the other's power? How do you think this estimation might look, conducted on the other side of the table?*

*What are your expectations regarding the process? Quick, or protracted?*

*Friendly, or fraught with animosity?*



*What are your expectations regarding outcome? Do you think agreement will be reached? Do you expect the other will give in on issues you view as critical?*

4) Relationship

Relationship is a huge issue in negotiation, one that is difficult to capture in just a few lines. However, it is helpful to think of it as an ongoing process in which there might be past, present and future elements, and parties need to recognize these, assign them value and prioritize amongst them. At the table, it is easy to focus on the at-the-table dynamics, or to fall into the trap of sacrificing too much in order to maintain a vague relationship. A good manager will help their negotiator do the math in a proactive and clear manner.

*Do you have a past relationship with the opposite party? If so – how would you classify it: Is it a good relationship? A bad relationship? A civil relationship? A working relationship?*

*How is the present, at-the table relationship? Is the nature of the conversation businesslike, productive, amiable, or partner-like? Or is it competitive, contentious, or aggressive? How is this making you feel?*

*Is there likely to be a future relationship, such as in the case of return clients or ongoing business relations? How valuable is the future connection? Is it valuable enough to warrant some degree of concession in the current relationship – or is that a trap we need to steer clear of?*

## 5) Communication

Another huge issue in negotiation, which might be simplified to a few key issues: Clarity, information and strategic cues. Communication needs to be clear enough for us to get our core messages across, and to understand the other's core messages. It might be beneficial to have enhanced communication, conducive to sharing information, discussing ideas and interests openly. Finally, the way communication is conducted gives insights into the other's strategic game plan. Aggressive communication will often be an indicator of a competitive approach, whereas friendly, open communication might be an indicator of a cooperative approach or of trustworthiness. Then again – they may not. Being able to consider these issues with the benefit of a bit of distance from the table is a valuable service the manager can provide the negotiator with. Sometimes, it might be possible to bring the manager a bit closer to the table to look at the actual communication process – such as by showing him or her a recent exchange of emails.

*How is information transferred? Are conversations taking place face-to-face, on the phone, or by email? Is the medium affecting the process positively, or posing challenges to it?*

*Are both parties speaking the same languages, on all levels? How can we **improve** understanding?*

*Are parties sharing information openly, or is there a sense that you are trying to squeeze water from a rock in order to learn more from the other party?*

*What is your feeling about the other's strategic mind-set, based on his or her communication? Are they out to grind you into the ground, or are they out to work together with you?*

#### 6) Issues and Interests

Two related concepts in negotiations have to do with the relationship between what we are out to get, and what we are asking the other party for. This is not meant in the sense of haggling or bargaining (“I’m out to get \$500, so I’ll ask for \$1,000 to leave me some wiggle-room”), but rather in the sense that there is usually a huge difference between our real motivations, and their external presentations. We ask our opposite for \$500 per widget, but our motivations really lie in other directions: meeting our bottom line, feeling good about ourselves, announcing dividends, keeping our jobs etc. Receiving \$500 per widget might be one way to do this – it certainly isn’t the only way. Unfortunately, we often lose track of this – and so does the other. Parties forget to check if the other party might have something of value that is not included on the \$0-500 continuum; they also sometimes wind up with compromise agreements that seem to be an achievement – but in reality do not satisfy the real underlying interests that should have been guiding the negotiator. A manager can help their negotiator keep on

track by constantly keeping their interests clear and in mind, and exploring whether they and the opposite party may have some interests in common that might do the negotiation a world of good.

When the negotiation focuses only on positions, such as in a gloves-off, bashing-out-a-price haggling process, managers can help negotiators make real assessments about the other party's abilities and ultimatums, leading to better decision-making that the at-the-table, high-pressure situation allows for.

*What do you hope to achieve through this negotiation? Why is it important to you, and what does achieving your goals allow you to do? What do you think the other party would answer to these questions?*

*What demands have you made to the other party? Are you certain that these demands, if agreed to, would satisfy the needs you described? What demands has the other made of you?*

*Based on your understanding of both sides' interests, might there be some out of the box solution that does not require either of you to make impossible concessions from the demands you have made of each other?*

*Might there be some completely different way to satisfy the needs you detailed? What about the other's needs? Might there be some way to satisfy them without making costly concessions?*

## 7) Options

Options are the spectrum of possible agreements between the parties. They are those outcomes of this negotiation which rely can manifest if both parties say 'yes' to them. There is no possibility of achieving them unilaterally. Managers can help negotiators identify a wider range of options which satisfy their interests. They can also help them consider in a more balanced way options proposed by the other party which while, although they might be at odds with your negotiator's expectations and discounted simply because they are the other's ideas, might actually satisfy their interests.

*What offers have you made to the other party? What offers do you plan to make?*

*What offers have you received from the other party? Do you expect to receive different offers?*

*Have you considered whether the other party's offers might actually meet your interests? Can you think of ways in which you might build a counterproposal upon their own offers, rather than trying to force your own through?*

#### 8) Standards

While there is no law dictating what a party must or must not agree to in negotiation, there are certain standards, or objective assessments, that carry weight. These standards help us in our efforts at persuasion. For example, a car dealership offering your firm vehicles can ask for the sky, but if you ask them why you should pay more than book value (a standard supported by market practice and my evaluator credibility) your argument carries persuasive weight. To a somewhat lesser extent, your follow up argument that they should give you a

bulk discount (a standard that might be based on market practice) also works in your favor. If they would point out that car dealers never gave a bulk discount for under thirty vehicles and you were ordering twelve, this, too would also be a standard-based argument (supported by market practice and precedent), Managers might be able to help negotiators think of standards working in their favor, and to avoid them getting misled by incorrect or inexact standards proposed by the other party (e.g., the opposite might say that nobody gives a discount for under thirty unit, but the manager knows that another firm was given a discount for fifteen units).

*Can you support what you're asking for (your position) in terms of an objective measure?*

*Is your position supported by an external evaluation of some sort (e.g., book value, expert assessor, market value and practice, etc.?)*

*Does the law, or any other form of legal or industry regulation, support your position?*

*What standards is the other party raising in order to support their position? How can you differentiate between the standard and this specific case, in order to downgrade the compelling power of their standard – in your eyes, and their own?*

## 9) Alternatives

Alternatives are our backup plans – they are those things we can do, on our own, should the negotiation fail to conclude in agreement. These are things we can do unilaterally, without our opposite’s consent or agreement. For example: Should the negotiations for purchasing the vehicles fall through, we can negotiate with a different dealership, stick with the old cars for another year, but all of our employees bicycles, etc. It pays to take a good hard look at our best alternative, and ask ourselves whether this would indeed serve as an acceptable backup plan. If the answer is yes, then we need to compare it to whatever deal is currently being offered on the table. If our best alternative seems to be better than the deal we are being offered, we should either hold out for more, or walk away. We might also choose to display our alternative and invite our opposites to do better. Managers can help negotiators in proper assessment of their alternatives. These have a tendency to look rosy when we want to leave the table, and to look unappealing when negotiation dynamics have us really wanting to seal a deal at the table. They can also help negotiators assess whether – and when – to discuss alternatives they have with the other party. Finally, they can also use the benefit of distance-from-the-table to help their negotiator realistically consider what the opposites alternatives might look like, affecting their behavior at the table.

*Are you desperate, for any particular reason, to reach agreement? Why?*

*What will happen to you if agreement is not reached, in this negotiation?*

*What will you proactively do, should this negotiation end with no agreement?*

*What alternatives will you pursue?*

*How attractive are those alternatives, and which of them would seem to be the most attractive?*

*Is that best alternative tangible, and can it realistically be obtained? Or is it more of a pipe-dream which gives you comfort to consider now, as this negotiation seems to be going down the drain?*

*Would your best alternative be better for you than whatever is being discussed on the table now? Do you think that the offers in the negotiation might improve to a rate that they would be better than the alternative? Or would it be best to end the negotiation now and invest your effort in making the alternative our main focus and plan?*

*Do you think that flashing your alternatives at the other party might make them improve their offers in order to compete with it? Or – do you think this tactic might backfire? When do you think would be a good time to do this, and how might you frame it, in order to achieve concessions on their part, rather than a walk-out or an ultimatum?*

## 10) Agreement

This is the goal and main product of the negotiation. However, it is not an ends in itself – it is a means, or an instrument. No deal is better than a bad deal, and there is often a price to pay for a rushed close.

*When moving towards closing, make one last check:*



*Does this agreement satisfy our interests? Is it better than our alternatives? Might we be able to come up with some pie-expanding option to make it more beneficial to us?*

*Do we think the agreement is sustainable? Will the other comply? What is the degree of risk involved – and what might be the costs of non-compliance?*

*Is any particular format necessary for the agreement itself (i.e., oral, written, court ordered, witnessed, etc.)? Should others be involved in its final formulation (e.g., higher authority, legal counsel, etc.)?*

## **Conclusion**

Managers are a knowledgeable and convenient source of negotiation guidance for their teams. No matter what the context of the negotiation is, a grasp of negotiation elements and language to discuss them in is necessary in order to transfer this wisdom to negotiators. The 10 element toolkit discussed in this piece will hopefully go some of the distance in bridging between managers' experience and expertise and their negotiators' need for guidance.