



The Negotiation Academy - Europe The Power to Win More

Getting Trapped in a Negotiation

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Each week on NBC's Deal or No Deal, Howie Mandel asks his contestants the same question "Deal or No Deal?" We sit there anticipating their answer, knowing that many of these contestants will say "No Deal" and risk losing the mysterious banker's most recent offer. These contestants say no once too often and end up settling for a sum significantly less than the banker's last offer. Each of these contestants came to the show with the same goal, going home with the big money, the million dollar grand prize. Instead, they go home with significantly less than they expected.

Why do these contestants behave in such a way? The answer is that they do not have a plan which includes a range of acceptable dollar amounts, which would assist them in evaluating the banker's offer. The same is true in many business negotiations. Sometimes experienced negotiators fall into one or more traps that are set by their opponent in the negotiation. These contestants have fallen into the "Anchor Trap" which was set by Howie Mandel. Many times Howie states to the contestant that they have a chance to win one million dollars. As the game progresses he continually reminds them that the large amounts are still in play. His approach traps them and they forget their initial goal and increase their commitment to the game. This behavior parallels many business negotiations where the negotiator loses sight of their goal and pushes the negotiation too far and loses the opportunity to achieve their initial goal.

So how do you prevent yourself from being trapped in a negotiation? The answer is quite simple, have a plan. In a previous article I mentioned that a successful negotiation is 80% preparation, 20% execution. It is the type of planning that is key to avoiding any of the traps can be set in a negotiation. Prior to entering into a negotiation, you must identify your interests and those of your opponent. You also need to have clear criteria to measure the legitimacy of options posed by either party. In addition, you should have a range of acceptable options. These options are the building blocks of your ZOPA [Zone of Potential Agreement] and provide the boundaries for your decision making process. You need to isolate your BATNAS [Best Alternative to a Negotiated Agreement] and especially your WATNA [Worst Alternative to a Negotiated Agreement]. These will provide the high and low values and help you maintain your focus during the negotiation.

Let's apply this strategy to this most popular game show. Imagine a contestant who arrives at the show with a plan and a range of acceptable dollar amounts that would permit her to say "Deal" and accept the banker's offer. When she receives an offer that is in her ZOPA, especially in her "acceptable" range, she can say yes and know that she is not being trapped. She will not be tempted to continue a quest that is mathematically against her. The odds are with the banker and not with the contestant, so why tempt fate. The same holds true for a business negotiation, we many times push past our goal believing that we could achieve more. We find ourselves backed into a corner and accept an offer significantly less than the original goal. We get trapped into thinking we can get more and go right pass the goals we set out and that were acceptable to our constituents.

These situations have been addressed by Manie Spoelstra in an article titled Negotiation Traps which was published in Mediate.com. The author suggests the following strategies to reduce the impact of the anchor trap. They are as follows:

- Consciously resist the tendency to be imprisoned by the first line of thought that comes to mind
- Keep your mind open long enough to admit new information and opinions than can broaden their frame of reference and generate new solutions
- Spend sufficient time thinking about all facets of a problem before entering a negotiation where the other party introduces its ideas
- Always look for opportunities to use anchors to their your own advantage

So what do we learn from the behaviors of these contestants?

- You could avoid the traps set for you by an opponent by having a clear understanding of the value of your potential deal.

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- Just like the contestant look for support from the audience and their families for their decision, you need to get support from your constituents and your management on what options are acceptable prior to entering into the negotiation.
- You want to be prepared to make the decision on which option to accept and not rely solely on someone else's opinion.
- You need to keep your mind open and be able to recognize when the odds begin to shift against you as the negotiation progresses. Don't fall into the same trap that the contestants do, having anchored in your mind that you are there to win, not to achieve the best deal available and avoid the disappointment of achieving nothing at all.

Applying these strategies to your next negotiation will assist you in avoiding being trapped in a bad deal. Remember, one option that is always open to you is to say "no deal" and walk away. A bad deal has no value for either you or your company.

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