



Negotiation Map Out Terms

Background Information: The history of past agreements with the counterpart, and information about their company. Why you are negotiating this agreement. Goals to achieve. The big picture.

Core Issues: All essential issues, such as price, volume, warranty, etc. All issues should be on the table, though some are more important than others.

Long-Term & What-If Issues: Any potential obstacles, problems, or issues that might arise in the future (not meeting volume projections, raw materials shortages, change in personnel, change in technology, etc.).

Your Stakeholders: Everyone that will be affected by the negotiation in your organization, such as operations, engineers, sales, shipping coordinators, buyers, invoice generators, etc.

Issues & Interests: The true interests affecting this agreement. (We must have it by Tuesday, we care most about pricing and less about volume or length of contract, we need to own the Intellectual Property, etc.).

Background Check – Your Counterpart: Specific information about the counterpart. Their negotiation style and leverage, who advises them, common affiliations you have. Who are their stakeholders?

BAM: Best Agreement to Make; your opening offer. It should be as assertive as possible, without becoming aggressive. You can defend an assertive offer, as it is possible, while not necessarily probable. An aggressive offer is not possible even given all the variables.

Target: A satisfying outcome, given the balance of leverage between both parties.

Final Offer: The least favorable agreement that is better than no agreement at all. It is better than any other alternatives, but not very profitable. You only agree to this offer because of a weak Plan B or not having a great deal of leverage.

Plan B: Your alternatives if you are not able to achieve your Final Offer.