

THE POWER OF ALTERNATIVES: WHY YOU SHOULD NEVER LEAVE THE OFFICE WITHOUT A BATNA!

May 2017

Negotiation

Everyone knows the importance of planning in advance of a negotiation to ensure that we are as prepared as possible to get the result that we want. But do you know what is the single most effective way to dilute or remove the other party's power in a negotiation? It may surprise you to hear that it is having an alternative, otherwise known as a 'BATNA' - a Best Alternative To a Negotiated Agreement.

There are many different levels of BATNAs - from having an alternative to the entire deal to having individual alternatives for elements of what is being negotiated.

To put it more simply, imagine a friend is trying to buy a car and has set a price that he or she will not go beyond. Your friend has also decided that if the salesperson refuses to meet their price then they will go and buy another car from a different seller. That is a clear example of a deal BATNA.

Let's take this a little further. Imagine that within the negotiations, your friend has also decided to try to secure a good trade in price for his or her old car. He or she has made up their mind that if they don't get the right offer, then they will take it out of the deal and sell their old car separately. This is an example of having individual BATNAs for different elements of the deal.

As with all good negotiation preparation, BATNAs should always be worked up in advance and you need to ensure that you have developed them for as many parts of the negotiation as possible, including for the whole deal itself. It is not simply a case of going through the motions - the alternatives must be real and you must be fully prepared to follow them or they will lack potency.

Having alternatives "up your sleeve" also has a positive impact on your own performance during a negotiation. It builds confidence and self-esteem and can give you the courage to push harder during a negotiation. As an example, imagine you are in desperate need of a job and have just been offered one. You are likely to feel relieved and thankful for the offer, however, these emotions are likely to weaken your resolve when it comes to asking for

more money or better terms. Most likely, you will accept the job exactly as it is offered. However, how would the situation change if you had two separate, but equally as attractive, offers on the table at the same time? You now have an alternative and the power of this can give you the courage to try asking for a higher salary from one or even both prospective employers, putting the power firmly in your court.

Many times I have heard people saying that "there is no BATNA for this situation". That simply isn't true. There will always be a BATNA but you just might have to think creatively to figure out what it is. You might also have to remove any emotional attachment that you have to a particular outcome to help you find your alternative.

So, we now know how the power of alternatives work from our perspective but what about from the other side of the negotiation table? I have a friend who is a car salesman. He has described watching people closely for visible signs that they are ready to buy a particular car. Cleverly he will reinforce this by helping the prospective buyer see themselves owning, driving and enjoying the car. This is a salesperson's dream! Once an individual has formed an emotional attachment to buying something then, in their minds, they have already ruled out any alternatives. It is this that gives the salesperson the power. All that is then required is for the salesperson to make the customer feel that they are getting a great deal as the emotional attachment will do the rest.

TEN POTENTIAL BATNAS

Finding a BATNA is not necessarily easy and you may need to consider alternative scenarios that you would prefer not to go with. This is where negotiators must choose between securing a great negotiation outcome or agreeing to the terms as set out to get the precise thing on which they have set their heart. There is a place for both approaches in negotiations so using the power of alternatives is a choice that we have depending upon what we want.

There are many potential BATNAs and, as I have said earlier, it requires a bit of creative thinking to find them. Talking through different scenarios with colleagues or

friends and family could help with this process. As a starter, below is a list of ten potential alternatives you could consider:

1. Walking away from the entire deal.
2. Going to an alternative supplier.
3. Buying a different product or service.
4. Delaying the negotiation or deal.
5. Changing the specifications.
6. Removing a component from the deal.
7. Changing the person with whom we are negotiating.
8. Maintaining the status quo and keeping the current arrangements.
9. Negotiating with another part of the organisation or going above the person with whom you are negotiating.
10. Any alternatives found within category strategies (if the organisation has adopted Category Management).

Every experienced negotiator will have developed his or her BATNA before negotiating a deal so it's important to realise that the other party will be doing this too. Good planning means that you need to try to anticipate the other party's potential BATNA in advance and identify how best you might respond.

It has been suggested that the ultimate power in a negotiation is the difference in the alternatives. For example, if the other party's alternative is to lower price and settle for less but you are prepared to walk away, then you have greater power.

Developing BATNAs is an essential part of negotiation planning and one that requires avoiding emotional attachment. Being creative to develop alternatives can be enormously powerful, so remember, make sure you never leave the office without a BATNA!

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