**Video Title:** The Harvard Negotiation Method

**Video URL:** <https://www.youtube.com/watch?v=5bAbKnzEipM>

**Run Time:** 9:33

**Source:** Ali Terai/YouTube

**Close Caption Available:** Yes

In this video, Ali Terai presents seven key steps to negotiation and deal making that he learned from studying Strategic Negotiation at Harvard Law School. In so doing, he presents a wide variety of ideas about negotiation that are covered at various places in Chapters 4 and 5 of the textbook. Terai says that negotiation is a meta life skill that is needed in a wide variety of situations. The lessons contained in this video can be used in all aspects of life including work and personal relationships.

*Step 1: Know the key players.* You will most likely need to conduct research about the interests, position, and experiences of your counterparts.

*Step 2: Know that the key players want.* You will probably have to ask questions to know what they perceive to be the highest value possible outcomes for them in the negotiation at hand.

*Step 3: Grow the pie.* The possible outcomes of what is being negotiated can usually be expanded, such as adding a service contract to the purchase of equipment.

*Step 4: Know when to walk away.* If you cannot unlock value in the negotiation, you should walk away because there is no sense in negotiating when you will not receive anything of value.

*Step 5: Define the Zone of Possible Agreement.*  The zone of possible agreement is also referred to as the bargaining zone, or setting limits to the most you will offer or the least you will accept. The zone of possible agreement also defines how much value is contained in the pie. The bigger the zone of agreement the better, making it advantageous to widen the zone, such as receiving more funding for the deal from the home office.

*Step 6: Always aim for a win-win outcome.* The bigger the pie, the greater the possibility that both sides can walk away from negotiation with something of value. Win-win outcomes emphasize creating value for both sides and creating value.

*Step 7: Make concessions.* Concessions are a natural part of negotiation and create value. Concessions also play the key role of making the other side feel good. For example, a person purchasing a $150,000 sports vehicle might feel better if the sales rep through in a one-year subscription to satellite radio as a concession. Concessions are also useful in making both sides feel good.

 According to this course in strategic negotiation, do not worry about messing up one negotiation. We cannot attain a good result every time, and you will learn from the experience of a failed negotiation.

*Questions for Thought and Discussion*

1. “Know the key players” is certainly sound advice, but how might it be implemented?

2. How would you “Know what the key players want”?

3. How would a negotiator who is on the purchasing end know what is outside his or her own Zone of Possible Agreement?

4. Suggest a method that you think would be useful in attaining a win-win outcome to negotiation.

5. Ali Terai, has apparently learned a good deal from his course about negotiations at Harvard Law School. Yet how suitable would the clothing he wears in this video be for conducting a negotiation in a corporate setting?