

CBI's Mutual Gains Approach to Negotiation



The Mutual Gains Approach to negotiation (MGA) is a framework for improving negotiation results. MGA is based on experimental findings and hundreds of real-world cases. At the core of the MGA are four steps for negotiating better outcomes while protecting relationships and reputation. A central tenet of the approach, and the robust theory that underlies it, is that a vast majority of negotiations in the real world involve parties who have more than one goal or concern in mind and more than one issue that can be addressed in the agreement they reach. The model allows parties to improve their chances of creating an agreement superior to existing alternatives.

The Mutual Gains Approach model's four steps are:

▶ 1. Prepare

Prepare by understanding interests and alternatives.

- Clarify your mandate and define your team
- Estimate Best Alternative to Negotiated Agreements (BATNA)—yours and theirs
- Know your own interests and think about their interests
- Improve your BATNA (if possible)
- Prepare to suggest mutually beneficial options

▶ 2. Create Value

Create value by inventing without committing.

- Suspend criticism
- Invent without committing
- Generate options that exploit differences
- Bundle options into multiple packages

▶ 3. Distribute Value

Find objective criteria that all parties can use to justify their “fair share” of the value created.

- Behave in ways that build trust
- Identify standards/criteria for dividing value that all sides can support
- Keep at least two packages in play
- Use neutrals to suggest possible distributions

▶ 4. Follow Through

Follow through by imagining future challenges and their solutions.

- Design nearly self-enforcing agreements
- Specify mechanisms to deal with “predictable surprises”
- Agree on monitoring arrangements, including metrics
- Keep working to improve relationships

- ▶ Working across the globe on a wide range of complex public and private issues.

Prepare

▶ Negotiation Coaching/Training for Fortune 500 Healthcare Company

When a Fortune 500 Healthcare Company needed help with complex negotiations preparation, CBI partnered with PriceSpective LLC to develop and deliver highly tailored training and coaching. CBI interviewed leaders to understand their negotiating contexts and challenges; trained participants in the Mutual Gains Approach to negotiation; coached participants in mock negotiations with counterparts; and provided analytically powerful tools for analyzing stakeholders' interests. Participants were well prepared for their upcoming negotiations, and company leaders reported improved negotiation outcomes.



Create Value

▶ Negotiating Community Agreements in the Niger Delta

CBI designed and facilitated the re-negotiation of community agreements between Chevron Nigeria Ltd., and its stakeholders in the contentious Niger Delta. The aim was to understand shared and differing priorities on key issues in ways that generated innovative solutions. Negotiation followed a unique and empowering CBI-led participatory stakeholder assessment of the previous agreements. CBI's approach marked a significant departure from previous efforts — taking less time, and improving relationships.



Distribute Value

▶ Assessment and Negotiated Rulemaking Facilitation for Bureau of Indian Education

CBI conducted a stakeholder assessment for the Department of the Interior (DOI) to clarify interests and outline potential challenges that a rulemaking committee, examining school facilities serving Native American children (called for in the 2001 No Child Left Behind Act), might encounter. CBI's assessment helped to uncover major challenges and to address sensitive issues around legitimacy, diversity, and trust. CBI developed a responsive draft work plan and at DOI's request convened and facilitated the committee, which submitted a report to the DOI and Congress.



Follow Through

Implementing Strategic Priorities for the United Nations Development Group

In 2010, CBI facilitated agreement among 33 UN development agencies on a first-ever set of strategic priorities for inter-agency collaboration. CBI has helped the UNDG follow through by facilitating alignment of agency policies and procedures, building leaders' collaboration skills, and documenting joint efforts to deliver high-value development results.

▶ LEARN MORE

Visit www.cbi.org for MGA resources, CBI case studies, and more.