Abstract. Win-win negotiation strategies work well in many, but not all, situations. This paper identifies issues that favor integrative (win-win) and distributive (win-lose) negotiations and discusses negotiation strategies that are appropriate in different situations. The following section presents a framework for discussing integrative and distributive bargaining. The second section discusses negotiating strategies in win-win and win-lose negotiations. The third section presents factors that facilitate or hinder win-win negotiations. The final section provides a framework for negotiations.

A Framework for Negotiations. There are five fundamental styles of managing conflict. They are:

- **Contending (Competing):** We try to convince the other party to accept a position that favors only our own interests. This approach requires persuasion, manipulation, concealment of our true position, and the use of threats and pressure tactics.

- **Accommodating (Yielding):** We focus on the other party’s needs rather than our own. Accommodating may be used to end negotiations, to leave the other party completely satisfied so we can ask for something later, or because the issues are much more important to the other party than to us.

- **Compromising (Splitting the Difference):** Both parties view the issue in fixed-sum terms and settle differences by each getting a piece of the pie.

- **Collaborating (Problem Solving):** Both parties work together to maximize the joint outcome. Problems are defined in terms of shared goals and interests. The parties work together to invent options that meet both of their needs in an optimal manner.

- **Avoiding (Inaction):** The negotiator neither pushes for his/her own objectives nor shows concern for the other’s objectives. The other party will be able to do what he/she wants (if not dependent on you for some action) - or will be frustrated (if dependent on you for some action). Avoiding is used when a negotiator fears conflict, when issues are seen as insignificant, or he/she wants to stall or delay negotiations.

Two issues provide an understanding of the approach a negotiator will take to managing conflict. They are the degree of concern for their own outcome and the degree of concern for the other party’s outcome.

- **Concern for Own Outcome.** Two issues affect the degree of concern a negotiator will have for his/her outcome. They are (a) the importance of the outcome to the negotiator and (b) whether the negotiator is representing others. If the outcome is important and/or the negotiator is representing other parties, then he/she is likely to have high concern for their own outcome. This is especially true if outcome importance is high and/or the
A negotiator is in a weak position relative to his/her constituency. When concern for their own outcome is high, negotiators are more likely to assume a style (contending or collaborating) that will achieve that outcome. Conversely, the negotiator’s concern for his/her own outcome may be lower when the importance is lower and/or the individual is negotiating on his/her own behalf.

**Concern for the Other’s Outcome.** Negotiators are likely to be concerned for the other party’s outcome because of strategic or personal reasons. Strategic reasons are pursued when negotiators cannot achieve their goals without considering what the other party wants. In this scenario, the negotiator will try not to push the other party past their resistance point, keep them in the negotiations, reduce their distrust, and shape their perceptions and behavior in order to achieve their own goals.

Personal reasons include liking the other party, recognizing that the other party’s unhappiness can make life unpleasant, and deriving satisfaction from the other party’s success. In this situation, the negotiator’s behavior may contribute to positive feelings but have no significant impact on outcomes.

The Dual Concern Model, shown as Exhibit 1, puts the five styles of managing conflict and the two degrees of concern into perspective.

### Exhibit 1 THE DUAL CONCERN MODEL

<table>
<thead>
<tr>
<th>HIGH DEGREE OF CONCERN FOR OWN OUTCOMES</th>
<th>LOW DEGREE OF CONCERN FOR OTHER’S OUTCOMES</th>
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<tbody>
<tr>
<td>Contending</td>
<td>Collaborating</td>
</tr>
<tr>
<td>Compromising</td>
<td></td>
</tr>
<tr>
<td>Avoiding</td>
<td>Accommodating</td>
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**Win-Win and Win-Lose Negotiation Strategies.** Exhibit 2 presents the range of strategies that are likely in win-win negotiations. Both parties can neglect the conflict (avoiding), settle for less than the maximum (compromise), or try to optimize the outcome (collaborating). Most win-win negotiations will be a blend of avoiding, compromising, and collaborating because the range of issues negotiated will vary in importance to the parties.
Avoiding is an appropriate negotiation strategy in win-win negotiations when neither party is concerned about the outcome. Here minimum effort should be spent reaching an agreement. Compromising is appropriate when it has been determined by both parties that the issue is genuinely fixed-sum, and that further efforts to invent options that optimize the joint outcome will be fruitless.

Finally, collaborative bargaining has the potential to create options that will help all parties to achieve their objectives. Collaborative bargaining is likely to occur when the negotiators have identified a common goal or objective, all parties have faith in their problem solving ability, there is motivation and commitment to work together, there is mutual trust and clear communication, and both parties believe the other party’s position is valid.

A major opportunity in win-win negotiations is in moving the process towards collaboration on...
all issues where there is a potential to create options that help both parties achieve (or exceed) their goals. This means that all parties must be willing to look below the surface to understand their, and the other parties,’ needs and goals. If this does not happen then the likelihood of collaborative negotiations is slight. Four steps that move negotiations toward collaboration are summarized as follows:

1. Understand your, and the other party’s, needs and objectives.
2. Create a free flow of information. This means that all parties must be candid and willing to listen to others objectively.
3. Emphasize the commonalities and minimize the differences between (or among) the parties. Here individual goals need to be integrated with collective goals.
4. Search for alternatives that meet the goals and objectives of all parties.

Exhibit 3 presents the range of strategies that are likely in win-lose negotiations. The strategies for managing conflict (contending, compromising, accommodating) will be functions of (a) the relative importance of the various issues to the negotiating parties and (b) the relative power of the negotiating parties.

Exhibit 3: DISTRIBUTIVE (WIN-LOSE) NEGOTIATIONS
Negotiators should recognize that when the conditions integrative bargaining are not met (common goal or objective, faith in problem solving ability, motivation to work together, mutual trust, clear communication, and validity of the other party’s position) then distributive negotiation strategies should be used. A win-win strategy will be vulnerable when the other party is using a win-lose strategy. This is because the openness of integrative bargaining can easily be manipulated by win-lose negotiators.

**Facilitating and Hindering Win-Win Negotiations.** At least five issues facilitate win-win (integrative) bargaining. They are:

1. A faith in one’s problem solving ability.
2. A belief in the validity of one’s position and the other’s perspective.
3. Motivation and commitment by both parties to work together.
4. Mutual trust by both parties of each other.
5. Clear and accurate communication by both parties.

All five of these issues must be present to have meaningful win-win negotiations.

The following four issues hinder win-win negotiations. If any of them are present the likelihood of integrative negotiations fades.

1. An unsatisfactory past relationship between (or among) the parties.
2. A belief that the issue (or issues) can only be resolved distributively.
3. The “mixed-motive” of most negotiators (where both parties want to achieve their goals and maintain an ongoing relationship with the other party) makes it difficult for pure integrative negotiations to occur.
4. Win-win negotiators are vulnerable to the tactics of win-lose negotiators. This means that many will hesitate to lower their barriers first.

**A Framework for Negotiations.** The following summarizes an eight-step framework that is useful for planning and conducting negotiations. This framework works well for integrative or distributive negotiations. However, it is important to understand which approach the environment favors.

1. Analyze the other party’s proposal in depth.
2. Establish your objectives clearly and in writing.
3. Formulate your positions on the various issues. Consider your objectives and
then determine your optimistic, target, and worst case positions for each issue. The first three steps are similar when preparing for integrative or distributive negotiations.

4. Analyze the other party’s positions and estimate their optimistic, target, and worst case positions for each issue. You might want to graph the range of possible negotiations for each issue as shown in Exhibit 4. If bargaining is likely to be distributive, then the range of probable negotiations is likely to be rigid. However, if negotiations are likely to be integrative, the probable range of negotiations may increase or decrease, as options are identified or as previous issues evolve.

5. Based on the previous analysis, define and organize the issues. Be able to justify and sell your point of view. In integrative negotiations be prepared to discuss how issues will benefit both parties. In distributive negotiations be able to defend your perspective. In both integrative and distributive negotiations be able to support your point of view with solid data or information.

<table>
<thead>
<tr>
<th>Exhibit 4</th>
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<tbody>
<tr>
<td>RANGE OF NEGOTIATIONS: ISSUE A</td>
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<table>
<thead>
<tr>
<th>Your Optimistic Position</th>
<th>Your Target Position</th>
<th>Your Worst Case Position</th>
</tr>
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<tbody>
<tr>
<td>No</td>
<td>Probable Range of</td>
<td>No</td>
</tr>
<tr>
<td>Negotiations</td>
<td>Negotiations</td>
<td>Negotiations</td>
</tr>
<tr>
<td>Their Worst Case Position</td>
<td>Their Target Position</td>
<td>Their Optimistic Position</td>
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</tbody>
</table>

6. Developing strategies. Strategies will vary between integrative and distributive bargaining. Strategies that would be more likely to be used in win-win bargaining will focus on leveraging mutual trust. They may include orchestrating the issues (major issues first, most troublesome issues first, least troublesome issues first) so that the final accord builds on a foundation. In win-lose negotiations strategies would focus on your optimistic position or revealing no position.

7. Selecting a negotiating team. Who will be on the team, who the team leader will be, and the role of each team member should be give considerable thought. Decisions regarding the composition and preparation of the team should consider whether negotiations are likely to be integrative or distributive.

8. Develop an Agenda. In all types of negotiations, the agenda should cover the issues to be discussed, meeting logistics, and who should participate. Prior agreement on an agenda gives both parties to a negotiation time to prepare and think through their positions. Agendas are important in both negotiation scenarios.
Conclusion. While the discussion presented in this paper discusses win-win (integrative) and win-lose (distributive) bargaining as separate issues, negotiations usually occur along a continuum that ranges from nearly pure win-win to nearly pure win-lose. The challenge facing supply chain professionals is identifying the context for a specific negotiation situation and then developing a strategy that is effective. An understanding of approaches for managing conflict, together with an understanding of the level of concern for your own and the other’s outcome (and an understanding of the other party’s concern for their own and your outcome), provides a framework for developing effective negotiation strategies.

In most bargaining situations the actual strategy will be a blend of approaches which evolves during the negotiation process. For example, initial discussions could be distributive, with broader issues being negotiated within a relative integrative framework, and some final details being negotiated win-win (where each party is flexible) and other final details negotiated win-lose (where one or the other party has specific needs).