A Really Good Deal

THERE'S SOMETHING MAGICAL about world-class talent. "Who was that masked man?" someone invariably asked as the Lone Ranger rode out of town. "How did he do that?" we say, astonished by a Tiger Woods, an Ian McKellen, or a Yo-Yo Ma. A great negotiator provokes the same amazement—a Henry Clay or a George Mitchell who finds an agreement where nobody thought one could be, a Metternich who plays a weak hand extraordinarily well, an unsung lawyer with an uncanny knack for keeping her clients out of court. Most of us have had the bewildering experience of entering a negotiation with a clear agenda and what we thought were four aces—and walking out empty-handed. Who was that masked man?

Quite possibly he was a devoted reader of HBR. This month we bring you the third in a trilogy of articles about negotiation, which have been masterminded by James Sebenius of Harvard Business School. The first, "Six Habits of Merely Effective Negotiators" (April 2001), describes negotiators' most common failings. If you're a top-notch negotiator, you learn to understand your counterpart's interests at least as well as your own. Then you can shape the deal so that the other person, acting for her own benefit, chooses what works for you. The second piece of the trio was published in February. "Negotiating the Spirit of the Deal" (with coauthors Ron Fortgang and David Lax, consultants at Lax Sebenius, a negotiation-strategy firm) shows that the best negotiators take as much care clarifying each others' expectations as they do crafting the fine points of an agreement—for even the best-drawn contract will quickly fail if the parties haven't understood the spirit as well as the letter of the deal.

This month Lax and Sebenius unveil the subtlest and most powerful skill of master negotiators in "3-D Negotiation: Playing the Whole Game." The three-dimensional negotiator is expert not only at playing the game but at creating the right game in the first place. Like a general who maneuvers before the battle so that his troops will occupy high ground when combat begins, a master negotiator works to define a problem in such a way that the solution is almost certain to favor him. That's easier said than done, of course, but 3-D negotiation is explicitly practical, offering specific, useful ways to read the terrain of a negotiation and put yourself in the best position to exploit its features.

Not long after "Negotiating the Spirit of the Deal" appeared in these pages, Jim Sebenius received an e-mail from a reader. This CEO had had a thorny bargaining session coming up. As he left for the meeting, he stuck a copy of February's HBR into his briefcase, hoping the article would persuade the other guy to step back from squabbling over details and figure out what they were trying to accomplish in the first place. Into his counterpart's office he went—only to discover a copy of the same issue on the other executive's desk. They made the deal.

There are two lessons in that story. First, this stuff works. Second, you'd better read it now, because the other guy is reading it, too.