



PREPARING FOR NEGOTIATION: PLANNING AND PREPARING FOR YOUR DISCUSSION

At age 70, Marisol did not expect to be attempting to learn the ins and outs of farming in the Northern Great Plains from her home in South Carolina. But that's just what she found herself doing after receiving word that her aunt Donna had left her 3,000 acres of crop ground in central Montana.

Donna and Marisol had not been overly close, and the news came as a surprise. Marisol knew just a few pieces of the story of the Montana farmland. Donna had farmed the land with her husband until his death several years ago when she decided she'd rather just lease it out to Ralph, a farmer with a large operation based nearby who was always looking to expand his acreage.

There are a couple features of the arrangement that Marisol would like to change. Ralph and Donna had a handshake lease and Marisol would like that lease to be in writing. Marisol has also researched average lease rates for the county and the state and knows that the rate Ralph is paying is substantially below average.

She would like to have a discussion with Ralph to address her concerns. But she is finding herself quite anxious about that discussion. She knows little about Ralph but knows he is a large acreage producer with a lot of farming experience. But her own experience as a research librarian has helped her gather information on farming, leases, and negotiation itself. She feels that setting some guidelines for their discussion in advance will help her to feel more comfortable, more adeptly share her perspective, and gain information with which she and Ralph can build a solid lease agreement.

Marisol believes it is time to begin thinking about planning the actual discussion, after taking time to work through the questions explored in "Negotiation in Agriculture: Questions to Answer Before Meeting" on her own. An informal pre-negotiation dialogue can help increase comfort by setting appropriate expectations and making the actual conversation more efficient.

Preparing to Negotiate

The more time you dedicate to preparing and planning for a negotiation meeting, the better your final outcome will be. Planning for the negotiation meeting is one of the most important aspects of a negotiation. Poor planning can result in allowing the other party to take more concessions than you were willing to give, among other things.

Prepare for the meeting by learning about the person or group who you will be negotiating with. In particular, find out about issues that can influence the other party's outcome. Learn about financial issues that can affect the outcome of a negotiation, like payment terms and budgets, and about the information you still need before you can begin negotiating.

You will also need to give some thought to your own objectives, as well as the objectives of the other party. Your objective for the negotiation is the agreement you wish to achieve. To reach your goal you likely will



need to learn more about the other party's goals and the outcomes they may be willing to accept. You will also need to be prepared to provide information to the other party. Make sure to give some thought to what information you are willing to reveal to the other party.

Think about any concessions you might be willing to make, the item or terms you are willing to give up, or possible compromises you would consider. You may want to estimate the cost of each concession ahead of the meeting, perhaps even attempting to value the cost of concessions to the other party and any aspects that are non-negotiable. Plan to negotiate on the least-important issues first. Negotiating on the less-significant issues first can give you more time to focus on concessions of greater value.

It is also helpful to prepare a meeting agenda, listing the negotiation topics in the order you and the other party will consider them, and place time limits on each item, if necessary. In addition, include the location of the negotiation meeting and the names of the participants.

The following may help to organize your thoughts and plans for the first negotiation meeting:

A. Plan the meeting logistics

Decide who will negotiate, how many individuals will be present, and what will be the roles of each. Important logistical questions include:

- How will the meeting take place? Some negotiations mean a face-to-face meeting but in other circumstances may be a phone call, series of emails, or video chat.
- Where will the meetings take place? If the meeting is face-to-face, it may be useful to meet in a neutral





location like a café. In other cases, it might be helpful to meet at a location important to the topic being discussed, like the piece of property in the example. If meeting face-to-face is not feasible, it may still be helpful to think about where you'll be when you take the call or are writing to the other party. Being in a quiet space where you won't be disturbed and aren't distracted by other matters at hand can be helpful.

- If applicable, who is responsible for expenses? If, for example, one party travels to meet the other, it may be reasonable to split the costs of those travel expenses.
- Is there a need for a neutral, third-party to be present? If so, how will one be selected?

B. Set goals and create ambiance

The purpose of a pre-negotiation dialogue is not just to determine how the negotiation should take place, but also what should be negotiated. There may be a great many things both parties wish to change, but it might



make sense to narrow down the list or otherwise limit what will be considered within the first meeting. Not everything needs to be negotiated immediately, and by slowing down and taking the time to listen and understand selected issues in the first meeting, trust can be built that may yield easier and more fruitful conversations in the future. One goal should be to avoid engaging in competitive tactics that get in the way of working together. Instead, try to establish a tone of openness and safety with the goal of creating joint value.

C. Share interests

Selectively share your visions for the future. Let the other party know what is important to you, what your concerns are, and what you really want. See *Negotiation in Agriculture: Questions to Answer Before Meeting* for prompts to assist in asking and answering these questions. Open the door for the others involved in the negotiation to do the same. Try to reframe the issues to solvable problems by asking the question, “How can we... while at the same time...?” See *Negotiation in Agriculture: Understanding Frames and Reframing* for more on reframing.

D. Agree on a process

Agree on the rules and procedures that will govern the process with all the parties of the negotiation. Particularly in high-stakes decisions, it will be important to spend the time to arrive at a set of rules. You might go so far as to codify the process rules into a memorandum of agreement or charter. In other circumstances, an informal set of rules or plans may be more appropriate. For example, setting a time and duration of a phone call or video chat, or explicitly stating that time is required before making a decision—e.g. no agreement will be signed less than 24 hours following any meeting. Or, in some cases, it may be wise to limit the time allowed to come to a decision—e.g. parties must respond within 72 hours.

Marisol emails Ralph to let him know she would like to meet with him over phone or video chat. She lets him know what she would like to discuss on this call—getting the lease in writing. She asks questions to learn what Ralph’s interests are regarding the property and if there is anything else he might like to bring up in their discussion. She decides to learn more before bringing up the issue of the lower-than-average lease rate.

RESOURCES:

Fuller, K.B. and J.P. Hewlett. “Preparing for Negotiation: Questions to Answer Before Meeting.” *Negotiation in Agriculture* | Western Extension Committee. [Negotiation.FarmManagement.org](https://www.negotiation.farmmanagement.org). May, 2020.

Hewlett, J.P. and K.B. Fuller. “Negotiation in Agriculture: Understanding Frames and Reframing.” *Negotiation in Agriculture* | Western Extension Committee. [Negotiation.FarmManagement.org](https://www.negotiation.farmmanagement.org). May, 2020.

Negotiation in Agriculture | Western Extension Committee. [Negotiation.FarmManagement.org](https://www.negotiation.farmmanagement.org).

Richards-Gustafson, F. “How to Plan a Negotiation Meeting.” *Chron.com*. <https://smallbusiness.chron.com/plan-negotiation-meeting-25531.html>. Accessed June, 2020.

Smutko, S. *Negotiation Skills in Natural Resources Management*. Collaboration Program in Natural Resources. The Ruckelshaus Institute | University of Wyoming. 2016.

Negotiation in Agriculture offers a series of guides and other educational materials to assist those involved in agricultural operations find solutions where perspectives differ. Settings may include a diverse range of situations: working out the terms of a lease, establishing an agreement for a crop-share, or resolving a point of contention. Negotiation in Agriculture is a joint effort of the Western Extension Committee, an association of Extension professionals in the 13 western states.

For more information see: [Negotiation.FarmManagement.org](https://www.negotiation.farmmanagement.org).



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