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D.C. Debt Debacle: What Not to Do in High-Stakes Negotiations

July 29, 2011 by Lee E. Miller | 

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The debt-ceiling debacle in Washington serves as a reminder of what can happen if negotiations are handled badly. If the issues they were dealing with were not so serious, I would think that the parties did not actually want to reach an agreement. More likely the parties have chosen to ignore important negotiating principles for the purpose of trying to score political points.

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What lessons can entrepreneurs learn from the mistakes the president and Congress have made? Once parties have come to an impasse, how can they get beyond that and come to an agreement?

The budget talks illustrate two fundamental mistakes that negotiators often make. The first is to think that you can pressure the other side to agree by issuing threats. Threats generally cause the other side to harden their position rather than being seen as caving in. The second is to make proposals that you are forced to back off from because you cannot deliver the other parties who need to agree to them.

Even if you do a better job negotiating than the folks in Washington, you can still run the risk of reaching a standoff at some point. Too often this results in the parties walking away without an agreement. Ordinarily this is a bad outcome for everyone involved. In high-stakes negotiations, it can be ruinous. Here are some tips to help you get beyond an impasse.

- When you have reached a stalemate and things have gotten heated, take a break. Defuse the emotions. Let everyone cool down.
- When you come back, set aside the issue causing the impasse. Talk about other things. Focus on items where you have mutual interests and agreement can be more readily reached. Keeping everyone talking and moving the negotiations in a positive direction builds momentum. As progress is made on other issues, the parties become invested in finding a way to resolve issues that previously seemed unresolvable.
- Allow the other side to change their position without looking like they are giving in. People hate to admit they were wrong. Introducing new information, allowing them to blame someone else, changing approaches or changing your position to incorporate aspects of their proposal can allow the other side to gracefully modify their position.

Sometimes negotiations fail because there really is no agreement that satisfies the needs of all parties. More often, negotiations fail because to reach an agreement one party is made to feel like they have lost. Impasses get resolved when you offer the other party a way to agree that allows them to feel like everyone is a winner.

-- Lee E. Miller, an executive coach and trainer, is the managing director of [NegotiationPlus.com](#) and author of *UP: Influence Power and The U Perspective -- The Art of Getting What You Want (Your Career Doctors Press, 2007)*.

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