Flexibility and Timing Are Critical in Negotiations

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She wouldn’t budge. Despite our concerted efforts to illustrate the unreasonableness of her position, she had dug in her heels.

Or so we were told.

The negotiation? The purchase of a house.

The participants? The seller, the seller’s real estate agent, the potential buyer (me) and my agent.

The sticking point? Some significant repairs to the pool identified during the 10-day home-inspection period.

So what did I do? I dug in my heels, too. I felt my purchase offer – which the seller had accepted prior to the inspection period – included a fully functioning, self-cleaning pool.

Plus, despite the seller’s claims to the contrary, I was convinced the repairs were needed. The independent pool inspection company was told up front they would not get any potential repair work. So they had no incentive to do anything other than point out whatever repairs truly were needed.

Yet, the seller wouldn’t budge. It looked like this might sink the whole deal. After all, we held two inflexible positions, and a firm deadline approached.

We reached a deal.

How? Our real estate agents agreed to pay for the pool repair out of their commissions.

What negotiation lessons can we learn from this?

First, there were three negotiations here initially? and we needed to strategize for each. In addition to the buyer-seller negotiation, both the buyer and seller were independently negotiating with their respective real estate agents.

The real estate agents wanted to close the sale, collect their commissions and move on to new clients. They didn’t want to start all over. The more our agents wanted us to close, the more leverage for us in our negotiation with our respective agents.

I exercised this leverage by telling my agent of my inflexibility on this point. She was to tell the seller’s agent, who would then tell the seller.

The seller then apparently did the same on her end.

As a result, my agent? as I expected, but on her own initiative? negotiated a deal with the seller’s agent to pay for the pool repair. (This was the fourth negotiation.)

The second lesson here involves each side’s inflexibility. Both the seller and the buyer wanted the other principal and their agents to perceive their inflexibility on the pool repair point.

This is risky if no other realistic option exists. If no one moves, the deal likely blows up.
If someone moves, that person loses credibility—a critical element in any negotiation.

On the other hand, if you communicate flexibility, the other side likely will recognize it and dig in—accurately figuring you’ll concede.

My recommendation? Use words or phrases that appear to communicate inflexibility, but still leave you an out. Avoid words like “bottom line” and “final offer.”

Instead, use a phrase like “this is fair because?” and add an independent, objective justification for your position. The justification will provide the principled basis for your perceived inflexibility. Yet, you can still move and maintain your credibility if given a good reason.

Finally, note that the pool repair negotiation—and our agents’ offer to pick up the cost—took place near the end of the overall house purchase negotiation. The dynamics at this stage of the negotiation are different than during other stages.

Oftentimes, the participants by then have invested significant time and energy in the result. In effect, they’ve become somewhat committed—maybe even over-committed—to an agreement.

Psychologically, our desire to reach an agreement increases the longer the negotiation lasts. This occurs even though the inherent value of the agreement to us does not necessarily improve based on our time spent negotiating.

Understand this dynamic. It should factor into our concession behavior as negotiations near their conclusion. Undoubtedly, this factor influenced our real estate agents’ agreement to cover the pool’s repair.

I still live in this house and my pool looks great. That’s good. After all, I paid for a fully functioning, self-cleaning pool. Fortunately for the seller and for me, so did our real estate agents.

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