• **Deciding on the basis of will is costly- involves backing down**
• The case for using objective criteria
  • Principled negotiation produces wise agreements amicably and efficiently by using as a basis of negotiations some independent criteria
  • Functions well for even large groups
  • Reason, not wills, prevail
• Developing objective criteria
  • Criteria should be independent of will, legitimate, and practical
  • Fair standards
  • Fair procedures
• Negotiating with objective criteria
  • Frame each issue as a joint search for objective criteria
  • Reason and be open to reason Never make things a matter of principle
  • Never yield to pressure- Right makes might
“It’s Company Policy”
Insurance Adjuster
We have studied your case and we have decided the policy applies. That means you’re entitled to a settlement of $6,000.

That’s how much we decided the car was worth.

How much are you asking for?

$8,000! That’s too much!

OK, I’ll offer you $7,000. That’s the highest I can go. Company policy.

Look, $7,000 is all you’ll get. Take it or leave it.

OK, Mr. Griffith, I’ve got an ad here in today’s paper offering an ’89 Taurus for $6,800.

49,000. Why?

Let me see…$450.

No.

$125.

Tom
I see. How did you reach that figure?

I understand, but what standard did you use to determine that amount? Do you know where I can buy a comparable car for that much?

Whatever I’m entitled to under the policy. I found a secondhand car just like it for $7,700. Adding the sales and excise tax, it would come to about $8,000.

I’m not asking for $8,000 or $6,000 or even $10,000, but for fair compensation. Do you agree that it’s only fair that I get enough to replace the car?

How does the company figure that?

$7,000 may be fair. I don’t know. I certainly understand your position if you’re bound by company policy. But unless you can state why that amount is what I’m entitled to, I think I’ll do better in court. Why don’t we study the matter and talk again? Is Wednesday at 11 a good time to talk?

I see. What does it say about mileage?

Because mine had only 25,000 miles. How many dollars does that increase the worth in your book?

Assuming the $6,800 as one possible base, that brings the figure to $7,250. Does it say anything about a radio?

How much extra for that in your book?