THE STRATEGIC TIMES · EDITORS CHOICE

The Manager as Negotiator

David Lax and James Sebenius, The Free Press, 1986

Why the best negotiators grow the pie before they start splitting it.

The big idea

Lax and Sebenius argued that every negotiation involves two things at once: creating value, by finding a deal that's bigger for both sides, and claiming value, by getting your share of it. Most people jump straight to claiming. The best negotiators spend time creating first.

The famous example

The tension at the heart of every negotiation.

CREATING VALUE

Grow the pie

Find more for both sides

CLAIMING VALUE

Split the pie

Get your share

They called the tension between the two the negotiator's dilemma: being open helps create value, but it can leave you exposed when it's time to claim it.

Why it matters

In pricing, being open about how a price is built can feel risky, but it's often what moves a customer from "how much discount?" to "how do we make this work?"

Featured in

Cards on the Table: The Business Case for Pricing Transparency

Read the original

Lax, D. A. & Sebenius, J. K. (1986). *The Manager as Negotiator: Bargaining for Cooperation and Competitive Gain*. New York: The Free Press.

The Strategic Times

Summary by The Strategic Times

thestrategictimes.com