Your Place or Mine?

Deciding Where to Negotiate

Everyone knows the three rules of real estate: “Location! Location! Location!” When it comes to making deals, choosing the right place to negotiate can be just as important. The location you select can dramatically affect the process and, ultimately, the end result. Site selection is therefore an important tactical decision that you will need to make in many negotiations.

An example of the importance of place in a negotiation was the 1989 summit meeting between US President George H. W. Bush and the Soviet leader Mikhail Gorbachev. That meeting did not take place in the United States, the Soviet Union, or the territory of any other country. Rather, the two leaders planned to meet alternately on two ships, the Soviet cruiser Slava and the USS Belknap, both anchored in the Mediterranean off the coast of Malta. The shipboard meetings were perhaps unconventional, but the choice of that setting was certainly not a casual response to the question, “Your place, or mine?” Instead it was a deliberate choice influenced by both practical and symbolic diplomatic considerations.

In negotiations, the answer to the question “Your place or mine?” is never automatic. It requires careful study of the negotiation in which you are about to engage. Parties sometimes negotiate long and hard about where they will meet long before they sit down to discuss what they will negotiate. Negotiating partners located in the same town must decide whose office is most appropriate for their talks. Because of the significant costs involved, the question of where to meet becomes even more critical for negotiators from different cities, regions, or nations.

J. W. Salacuse, Negotiating Life
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When deciding on a site, you have four basic options: your place, their place, some other place, or no place. Let's consider the advantages and disadvantages of each option.

**Negotiating at Your Place**

Like athletes seeking the home field advantage, most people prefer to negotiate on their own territory. Meeting at your office or in your home offers many potential benefits. First, you gain the advantage of familiarity with the negotiating environment. You know where everything is located, from telephones and restrooms to reliable secretarial services and secure areas for private consultation. Your opponents, on the other hand, run the risk of unfamiliarity and even culture shock. If they are visiting from abroad, they may even have to cope with unfamiliar foods, strange customs, and a foreign language.

Negotiating at home also allows you to control the environment, including the selection and arrangement of the meeting room, seating of participants at the bargaining table, and the nature and timing of hospitality and social events. Negotiators with the home field advantage often make use of this power. As noted in Chapter 10, Northwest Airlines, for example, structured various elements of its 1992 negotiations with KLM—from the prenegotiation dinner to the shape of the negotiating table—to give the Dutch airline equal status and allay its sensitivities about being a much smaller partner in any alliance.

Playing host gives you the opportunity to impress the other team with your or your organization's resources. It also allows you easy access to your experts for advice and to superiors for authorization and consultation. For example, if the other side asks for special payment terms in a business negotiation, you can obtain a quick yes or no from your financial vice president down the hall. If the quote on reflooring your kitchen seems high, you can go into the other room to consult with your spouse. And if you need to persuade someone to accept the terms of the deal—whether your finance department or your significant other—you are in a much better position to twist arms in person than you would be via telephone or email.

Negotiating at home is usually cheaper, eliminating travel costs and saving time. Whereas host negotiators can usually continue to handle other job demands while participating in talks, a visiting negotiator cannot do the same. For negotiations that take time, such as closing a business deal, negotiating at home also spares you the pressures of being away from your family, friends, and daily routines. The longer you're away, after all, the stronger your desire to reach an agreement and return home. For these