FROM THE IUSTORIA BLOG

The Other Side Without a Mandate: The Most Expensive Chair at the Table Is the Empty One

> *Ninety minutes of negotiation, the other side nodding along — and then comes \"I'll have to run this past...\". At that moment you discover you have shown your cards, for free, to someone who cannot sign anything.*

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16 September 2026 · 11 min read

Ninety minutes of negotiation, the other side nodding along, things moving at last. Then comes the sentence: "I'll just have to run this past...". At that moment you realise you have not been negotiating at all. You have been showing your cards, for free, to someone who cannot sign anything.

The most common defeat, and it goes unrecorded

Say "a lost negotiation" and everyone pictures a bad deal. But the most common defeat at the negotiating table looks different and never shows up in any statistics: **negotiating with someone who cannot decide.** You make your case, put your numbers on the table, reveal what matters to you and what you are willing to give up, and the other side takes all of it home "to discuss". The real decision-maker, whom you have never met, then gets a complete map of your position while you know nothing whatsoever about them. In the next round you face someone who has read you, and you have not read them.

In practice, the person they send is a scout. Companies send one sometimes out of incompetence (whoever happened to be free), sometimes out of convenience, and sometimes on purpose, because a scout is an excellent tactic. A scout gathers information, costs nothing and risks nothing, and anything they promise can be withdrawn the next day with "I'm afraid management didn't approve it". That sentence is a negotiating technique in its own right, by the way. They agree terms with you, let you close the deal in your head, and then come back with "the boss still has to sign off, and he wants ten per cent better". Since you have already settled in your mind, the concession hurts less. This is known as the higher authority gambit, and it is as old as horse trading.

Your defence against both begins before you sit down.

The first question of preparation: who actually decides

When preparing for a negotiation, people focus on arguments. But arguments come third. The first question is: **who on the other side actually makes the decision?** Not on paper, in reality. The director listed in the commercial register is not necessarily the person whose nod everything depends on. That might be a silent shareholder, a finance director, a spouse, a bank, a key customer, or a lawyer the other side trusts implicitly.

Source	What it tells you
Commercial register and collection of deeds	Who signs contracts and accounts, how the company acts
Ownership structure	A sole shareholder-director decides alone; a fragmented structure means your counterpart has to persuade someone
Your own correspondence	Who was copied in when things got difficult
People who trade with the company	What the register does not show — who really has the last word

What your preparation should produce is not the name on the invitation but an answer to one question: *can the person coming to the meeting close a deal on the spot, within the scope we intend to negotiate?* If you do not know, find out. If they cannot, adjust how much you reveal at the table, or postpone the meeting until the right person can attend.

Verifying the mandate in the first five minutes

You can check a counterpart's mandate politely at the table, and you should do it in the first few minutes, not at the end. Here are three ways I put it, none of which offends anyone.

"Before we start: ideally I'd like us to reach an agreement today that can be confirmed straight away. Is there anything you would need to have approved, so we can allow for that from the outset?" It is courteous and constructive, and the answer tells you everything. People who have a mandate are happy to say so. People who do not start to hedge, and hedging is an answer too.

"If we agree the main terms today, who signs for you, and how soon?" A question about signing is more concrete than a question about "agreement", and harder to wriggle out of.

And if you expect the higher authority gambit: "I suggest we establish at the outset the limits within which each of us can agree today. We are in a position to settle the whole matter." That shifts the burden. Either the other side makes the same declaration or admits to a limit, and you decide how much to disclose accordingly.

> IMPORTANT
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> When you find out the other side has no mandate, the negotiation doesn't end; it changes purpose. You stop negotiating with the messenger and use them to send a message to whoever decides.

You talk through the messenger. Give them arguments simple and portable enough to be relayed accurately back at the office, ideally in writing ("so nothing gets lost along the way"), and reveal nothing you would not want landing on the desk of someone you have never met. Keep the numbers for the person who can say yes.

What to do when the mandate is missing: how much to uncover

My rule is this:

I uncover	I do not uncover
Why the status quo is untenable for both sides	My numbers
What awaits the other side if we do not settle	My priorities — what is essential and what is tradeable
What risks their position carries	My time pressures

The three items on the right are exactly what the decision-maker needs to prepare a counter-strategy for the next round.

One more discipline: **no partial concessions to a messenger.** A concession made in a round that cannot end in a deal is a gift. In the next round it becomes the starting point, and you got nothing for it. Concessions are traded only for concessions, and only at a table where someone has the authority to trade.

Your own limited mandate as a shield

Now let us turn it around, because a mandate cuts both ways and you can use the other edge yourself. A limited mandate, declared honestly and in advance, is one of the strongest defensive positions in negotiation.

When I negotiate for a client, I usually have an agreed range within which I can move, and I tell the other side so at the start: "I have authority to settle within a certain range; if we go beyond it, I will have to go back to my client." What that gets me is this: any pressure to concede beyond the range runs up against a structure, which cannot be worn down, rather than against my will, which can. "I'd like to accommodate you, but I can't" is a more bulletproof sentence than "I don't want to." That is precisely why car salesmen "have to call the manager"; they just use it as a trick. Done honestly, it works the same way and holds up over time: a real range, a real client, and a genuine return to the client for a fresh mandate when the negotiation turns up information that justifies one.

For business owners, this leads to advice that sounds paradoxical: **do not negotiate important deals yourself, even when you have the authority to decide everything.** If you can decide everything at the table, you can also lose everything at the table, whether through emotion, fatigue or well-aimed pressure. A negotiator with a set range and an obligation to report back to the principal has a built-in safeguard against snap decisions. In important disputes, that is a reason to bring a lawyer to the meeting even when the legal questions are not difficult. What you are paying for is not knowledge of the statutes but a structure that protects you from your own speed.

From practice

The example is anonymised and generalised. A settlement meeting about a claim in the hundreds of thousands. The other side sent a representative who had clearly come with a single task: to find out what we would accept to walk away. We spotted it within the first few minutes. When we asked whether he could confirm a deal on the spot, his answer was evasive. So we changed approach. No numbers, no priorities. Instead we spent ninety minutes setting out, in detail and on paper, why his principal's position was untenable, and we built the argument so that he could repeat it back at the office. We did not name a single figure. The result came in the next round, at a table with the decision-maker, who by then had received a report from his own man that we had, in substance, written.

What to take away

Before the negotiation, find out who really decides and work on getting that person to the table. At the start, check the mandate politely; the question takes twenty seconds. If the other side has no mandate, talk through the messenger, reveal problems rather than solutions, and concede nothing. And treat your own limited mandate as a shield you chose for yourself rather than as a weakness.

On an opponent who plays by no rules at all, see You don't negotiate with terrorists: the irrational adversary. On parting with a business partner without wrecking the company, Business partnership: how to part ways, and on who actually acts for a company, Articles of association are not a formality.

Profiling the decision-maker (who really decides, what drives them and how to reach them) is the first item in the playbook we build in the War Room.

Heading into a negotiation without knowing who will sit opposite? Finding out beforehand is cheaper than finding out ninety minutes in. Get in touch, or read what the preparation in the War Room involves.

This text is a general commentary, not legal advice; every situation requires its own assessment. The case described is anonymised and generalised; no outcome can be guaranteed in any matter. Law as at August 2026.

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https://www.iustoria.cz/en/blog/the-other-side-without-a-mandate/

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