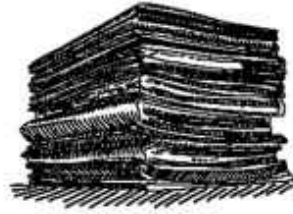




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MEDIATORS ARE BROUGHT INTO NEGOTIATIONS AND DISPUTES TO AVOID LITIGATION. MEDIATION CAN OFTEN BE THE MOST FAVORABLE AND COST-EFFECTIVE CHOICE.



KNOWING WHAT THE OTHER PARTY WANTS IS JUST AS IMPORTANT AS KNOWING WHAT YOU WANT.

# NEGOTIATING

FROM PLANNING YOUR STRATEGY TO FINDING A COMMON GROUND, AN ESSENTIAL GUIDE TO THE ART OF NEGOTIATING

# 101

A  
CRASH COURSE  
IN  
NEGOTIATION

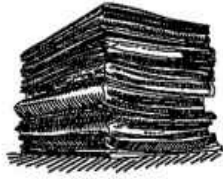


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PETER SANDER, MBA



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# 101

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PETER SANDER, MBA

ADAMS MEDIA  
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## **Dedication**

Negotiating professionals, which includes most of you, far outnumber professional negotiators. It is mainly to you that I dedicate this book.



# INTRODUCTION

Like most people, you work for a living. You run a small business. Or you're a position player in a larger one. Or you're employed in a nonprofit or public agency. Or perhaps you're not part of the work force at all.

Sooner or later (most likely sooner) you will need or want *something* from someone else. That someone else might be another individual, another organization, or an individual or organization inside or outside your business or organization. As for what you need or what, it could be a new hire, a labor deal, a supply of raw material, a professional consultation, financial advice, or even a meeting room. You need something from someone, and it's important.

That something may be large or it may be small. Now you have to meet with someone to obtain it. Since resources are precious, you have to try to get the best deal. You'll have to do a little "give and take" to get the best value for your money, the best value for your time, the best value for whatever resources you have to offer.

You have to *negotiate*.

It *sounds* scary. We hear of tense, drawn-out negotiations about labor agreements or peace talks to stop wars. The very idea of being on stage with such high stakes in the balance would scare most of us to death.

Fortunately most of our negotiations in real life are smaller and less critical—but still important. A meeting or two, even a phone call or exchange of emails might do it. In today's ever-faster business world, rapid-fire technology tools accelerate the speed of negotiations.

But however brief the negotiations, and no matter what you're negotiating for, you still need to know what you're doing. You want a deal that meets your needs, one that creates the value you seek without giving away the store.

That's where *Negotiating 101* comes in. This book gives you the basic tools, skills, defenses, and processes to become a more confident and effective negotiator—whether it's your full-time job or something you do once in a while, and whether it's for a \$10 million contract at work or the use of the family car with your teenage boys.

The same principles apply.

## THE MAIN IDEA(S)

*Negotiating 101* covers the main ideas, strategies, tactics, responses, and skills to help you through any kind of negotiation with any counterparty, anywhere. The underlying principles and themes of negotiation you'll see throughout the book include:

- *Negotiating is everywhere.* You negotiate while at work, at home, even during leisure activities. You may negotiate contracts for jetliners, for cleaning services, or with your kids for dinnertime; these are all negotiations. They differ in size and scope only, but not the basics.
- *Negotiating may be your profession, but more likely it is part of your profession.* A few of us negotiate for a living. The rest of us—a vast majority—must negotiate to get the rest of our jobs done.
- *Win-win is the way.* When both sides win and meet some of their goals, musts, and wants from the negotiation, then the process goes faster, easier, and usually comes out better for everyone. When one side plays to win it all at the other's expense, it creates short-term pain and damages the long-term relationship.
- *Negotiations should be “fast, friendly, and effective.”* This favorite phrase should describe most interactions in your business or organization—negotiations and customer relationships in particular. “FFE” works better, takes less time, and produces lasting results and loyalty.
- *The counterparty is not the enemy.* When the counterparty is perceived as the enemy, the negotiation becomes much more negative, antagonistic, personal, and about ego. When you treat someone like an enemy, they do the same, and the win-win mentality is gone forever. I use the term *counterparty*—not *opponent* or *adversary* or similar terms—throughout the book.
- *Negotiations should be for the long term.* At the end of the day, negotiation is about reputation (yours) and relationship (with the counterparty). Doubtless you're going to have to do this again somewhere down the road, and likely with the same counterparty.

## HOW THIS BOOK IS ORGANIZED

*Negotiating 101* breaks down into six major topics, or parts:

1. Negotiation basics, including the definition and importance of negotiation, are covered in Chapters 1 and 2.
2. Preparation, the “lifeblood of negotiation,” is discussed in Chapter 3. The topics covered include but are not limited to research, knowing your counterparties, preparing for the venue, agendas, and visualizing the negotiation from start to finish.
3. Chapters 4 through 6 cover negotiating styles, strategies, tactics, ploys, verbal and nonverbal language, and defenses—both of the prepared beforehand and spontaneous on-stage varieties.
4. Common negotiating pitfalls and how to avoid them are covered in Chapter 7, while using or defending against high-pressure negotiating tactics is the subject of Chapter 8.
5. Chapters 9 and 10 explain how to close and finalize a negotiation. Major elements of creating a contract are also covered.
6. Chapter 11 concludes the book by reinforcing the importance of learning from every negotiation and using it to enhance both your reputation and your long-term relationship, be it with your counterparties or your coworkers and managers.

In the immortal, implied words of most of us who have done it:  
*Negotiate well and prosper!*

# Chapter 1

## The Negotiating Imperative

So you think you don't ever have to negotiate? Life just moves forward. In business, negotiating is someone else's job, right? For you, it's just a "discussion." And when you get home from work and have issues to settle with your family, that's just a discussion, too. Right?

Hardly. No matter what you do in today's fast-paced business (and personal) world, every day you'll encounter things you need or want. Not just things, but also behaviors and actions. Discuss them? Yes, it starts with that. But you're not just discussing—you're working out a deal. You're working out an *agreement*.

That agreement can be in the interest of your own individual achievement, your workgroup's achievement, or your organization's achievement as a whole. You want to go get it. That requires negotiation. Especially if you have to give up something—and the other party has to give up something—to reach an agreement.

At its roots, negotiation is the art and science—the process—of getting what you want. This chapter describes further what negotiation is (and isn't), how it fits into today's business and organizational context, and what is (and isn't) new about negotiation today.

# WHAT DO WE MEAN BY NEGOTIATION?

## What Negotiation Is, What It Means, and Why

Say you run a video production business: Filmographic Productions. Through that business you make some of the best video “shorts” in town. You make excellent local commercials, short training and awareness pieces for business and nonprofit entities, and occasionally some cinema-quality shots for movie producers.

You have two employees and an array of contractors who help out from time to time. You hire actors. Occasionally you hire outside editors. But when someone asks you about your negotiating skills, you laugh. “I don’t negotiate,” you proclaim.

Think again.

You *do* negotiate. You negotiate with customers over deals and gigs. You negotiate with contractors and employees over duties and price. You negotiate with a landlord. You negotiate with sellers and renters of equipment. You negotiate for the use of props and places to shoot. You negotiate with local police departments to close roads and run traffic breaks. You negotiate for studio time.

You probably spend more time negotiating than shooting film.

You need negotiating skills.

Now suppose, instead of running your own production business, you’re an admin specialist at a large company. Your boss and department members you support do most of the “outside” negotiating with customers and suppliers—your job is to support them.

Think you don’t need negotiating skills? You bet you do. You have to negotiate for people’s time. You have to negotiate for meeting rooms. You have to negotiate with the nighttime janitor to make sure meeting notes aren’t erased from the conference room whiteboard. You have to negotiate for your own vacation time and perhaps for your salary and other forms of compensation.

You must negotiate and negotiate well. Not just to perform the duties of the job, but also to avoid losing control of what’s going on in your work. A

large part of your job is about negotiation. You do it all the time.

And when you log off and go home? Think the negotiating stops there? Hardly. You have to negotiate with the young ones to get their homework done and to be home in time for dinner. You have to negotiate with your partner over everything from who does the dishes to larger decisions like where you're taking the family for vacation next time around.

These examples just touch on negotiations within your inner world—your workplace, your home, your family. The spectrum widens considerably when you consider the negotiations necessary to buy something big or to get your furnace fixed or to get the best deal on a cellular plan.

Every one of us negotiates every day. Not necessarily from sunup to sundown—but a lot. It's an unavoidable feature of today's life.

## NEGOTIATION, DEFINED

I always like to begin coverage on an important topic, in this case negotiation, by defining the term itself and giving some insight into what it is and what it isn't. So here are some popular definitions, including one of my own, for the word *negotiation*. I've also made some comments about each:

- *Negotiation is a discussion aimed at reaching an agreement* (Oxford Dictionaries). This is the simplest and most straightforward definition I could find. End result: an “agreement.” Process: a “discussion.” The definition captures the basics and is a good place to start, but it doesn't tell us much about the discussion or the agreement.
- *Negotiation is a dialogue between two or more people or parties intended to reach a beneficial outcome* (Wikipedia). Here we get a little more “color” on both the discussion and the agreement. The discussion is between two or more parties; the agreement is a “beneficial outcome.” Of course that raises the question, “Beneficial to whom?” I'll come back to that topic, but cutting to the chase for a moment—beneficial to *both* parties (win-win) is usually best.
- *Negotiation is a give and take process between two or more parties, each with its own aims, needs, and viewpoints* (Business Dictionary). Still better. I like “give and take.” That's what we do in the discussion—give on some points in order to take on others, back and forth, back and forth, until a satisfactory agreement, hopefully for both parties, is

reached. I like the enhanced description of the parties and their interests—each with its own “aims, needs, and viewpoints.” True.

- *Negotiation is about having a give and take discussion with other parties, often with opposing interests, to get something important that you want or need or to achieve a goal* (my definition). My somewhat more labored definition covers a lot of ground: “give and take discussion” and “other parties with opposing interests.” I added “to get something important”—I feel that this is an important pretext, for it is seldom worth the energy to negotiate for something that *isn't* important (a “tempest in a teapot”)—yet it seems that people are disposed to do it all the time! Don't waste time; negotiate when it counts. The outcome should be something you want or need, or to achieve a goal. You should not negotiate for negotiating's sake—again a common downfall. Negotiate smart, not just often!

# THE OTHER SIDE OF THE COIN

## What Negotiation *Isn't*

Quite often the best way to understand what something *is* is to understand what it *isn't*. In that light it's worth taking a minute to list out a few "isn'ts" about negotiation.

When we hear the word *negotiation*, we might conjure up negative images based on past events. Maybe we recall news broadcasts filled with venomous stories and diatribes about adversarial, ugly, and even vicious negotiations between archrivals. One story might have been about a union pitted against management to end or avert a strike; another story might have been about a negotiation for the release of a hostage. Regardless, stories like these don't exactly make us want to get involved in negotiating something. In fact, most of us would probably wish to distance ourselves as much as possible.

But not all negotiations are venomous, and certainly not all are high-stakes affairs on behalf of unions or hostages or other combative groups. Most negotiations are far tamer than what might occur in these situations.

With that in mind, a well-planned, well-executed negotiation *is not* any of the following:

- *Not a confrontation.* Yes, the two sides may have different views, goals, wants, or needs. But the discussion of those factors should be calm, civil, and factual—not an "I win, you lose" confrontation.
- *Not an argument.* Same idea. Both of you have something to gain from the negotiation.
- *Not a disagreement.* However, the negotiation may play a role in settling a disagreement.
- *Not a shouting match.* Again, peace carries the day. Negotiation brings both sides together rather than driving them apart.
- *Not a win-lose proposition (in most cases).* A win-lose mentality may create more advantage today but loses in the long run as you alienate your counterparty.



A good negotiation is a peaceful, thought-out effort to reach an agreement on something important through well-prepared and executed negotiating skills, strategies, and tactics.

## **Negotiation—Fear Not!**

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Because of the perceived confrontational nature of negotiation, many people shy away from it as they would from confrontation itself. Such a fear is natural. But just as the natural fear of public speaking can be overcome, there are ways to overcome the fear of negotiation and even channel that fear into energy to be successful!

Successful public speakers will tell you that the best way to overcome fear in speaking is preparation. Know your stuff, be prepared for the unexpected, and boost your confidence through knowledge. It works every time for speakers, and the same principles apply for negotiators. Be prepared. With enough preparation, no one (your business adversary, your employee, or your teenager) will be able to trip you up.

As John F. Kennedy said in his 1961 presidential inauguration address: “Let us never negotiate out of fear. But let us never fear to negotiate.”

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# NEGOTIATION AND THE FAST TRACK IN BUSINESS

**Speed Now More Than Ever**

Negotiation is all around us—no matter who you are in the business world—and as noted above, it doesn't stop when you come home from work. Although the primary focus of this book is to help you become a more effective business negotiator, it is always worth keeping in mind that negotiations happen all the time outside of work, and that the same skills and strategies apply.

Negotiation is a basic part of life; this is the reality of today's fast-paced world. Although some might think that the negotiation involved with a project takes away time from managing it, in fact negotiating is *part of* managing the project. For most projects tackled in today's commercial world, negotiation is an increasingly vital part of the process. Why? Let's look into it.

## THE NEED FOR SPEED

All this negotiating has to be done faster than ever before. These days, business, technology, and products all move at a blinding speed. So does your competition, and if you don't keep up with them, you'll be left behind. In the case of the video production company I discussed earlier, you'll get a very narrow window of time to negotiate the deal and a limited time to put the production together. You can't spend all your time negotiating. You must get the negotiations done quickly so that you can move on to producing the new product. Your client has tight deadlines to meet, after all. If negotiations bog down, your clients will begin to look elsewhere and your competition will "get the worm" first!

For this reason most negotiations must occur very quickly—quicker than ever before. Often they are tucked into odd moments of the day as executives and employees tap relentlessly on their smartphones. These days, there is often no time to hold face-to-face meetings with the players

involved. Some part, if not all, of the negotiations will probably be done by email, phone, instant messaging (IM), or even text.

The goal of every negotiation is to get what you need or want as quickly as possible so that you and your organization can move forward without delays. However, even at this accelerated pace, you must beware of harmful concessions or oversights—or of missing the boat completely. The price of being slow is high; the price of negotiating poorly can be even higher.

The tactics you employ come from an assortment of traditional negotiating techniques, all sped up to accomplish what ideally is a win-win. But even when the negotiation has been concluded and the terms agreed upon, you're not done. Even when running in fast mode, it's important to come away with what you want, while also preserving a long-term relationship with the other party. Why? Because your hope is that you'll be working with these same people in the future.

## **Why So Fast Today?**

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There can be no doubt that in today's world, the speed of business has increased. This isn't just a result of texting, IM, or other communications media.

The changes in the speed of business are a reflection of structural changes in the nature of business and commerce itself. Whereas twenty or thirty years ago it might have taken a long time—several years, possibly—for a product to go from prototype to market, companies today bring products to market far more quickly. Business must respond to a rapidly changing customer base, one that's plugged into the Internet and gets its information at the speed of light. The computer and connectivity technology developed in the late twentieth century has come home to roost, and propels a never-ending wave of innovation and new information.

This creates a snowball effect. Fast requires fast, and pretty soon, everybody is trying to eke out the slightest competitive advantage before the competition gets there. "Publish or perish" is a long-standing epigram in the academic world, and it applies to commercial industry as well. Companies must produce competitive products more swiftly. To maintain their place in the industry, they must go faster, and to go faster, they must *negotiate* faster. It happens everywhere.

So what does that mean for you as a businessperson? You must go faster, too. You must negotiate faster; and you must get it done in a fast, friendly, and effective manner.

If you don't negotiate "fast, friendly, and effective," it only slows down your business later on down the road.

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# NEGOTIATION AND NEW TECHNOLOGY

## Everything Is Faster

The advent of new technology and connectivity has enabled us to communicate more quickly and more effectively than ever before. If you don't use the latest technology devices to negotiate or do business in general, you're likely to be left out of the loop. Technology influences the negotiating playbook in other ways, too, as it:

1. *Enables fast and real-time research.* Technology allows us to instantly look up facts. We can research competitive products and prices, sales channels, product performance, peer reviews, legal or regulatory requirements, market research, and a host of other factors pertinent to a negotiation at the blink of an eye. You can use these research tools in advance and on the day of the show. Have the facts—and know where to get the facts you don't bring with you. Being prepared is not only easier and more important than ever, it is *expected*.
2. *Requires shorter learning curves.* Along with the acquisition of facts, technology devices enable negotiation participants to become experts faster. Not only should you use technology to quickly get up to speed on all the fine points of your negotiation you should also expect that the negotiators on the other side of the table have done the same.
3. *Demands learning how to use new tools.* If you conduct face-to-face negotiation, you'll find that today's technologies are typically well integrated into most negotiation rooms or workplaces. Additionally, they are excellent tools for sharing visuals or documents if you're negotiating remotely. Learn how to use these tools; otherwise your counterparty will have an edge.

## Even Facebook Can Help

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As strange as it may seem, even such social media sites as Facebook or LinkedIn can help you with a negotiation if used properly. For instance, you can learn more about your counterparty. Even discovering just a few personal tidbits, such as an obvious interest in water skiing, can give you a platform to break the ice and establish rapport.