

**THE TRUTH  
ABOUT**

# NEGOTIATIONS

“Crack the code,  
and use it with  
anyone at any time...”

Leigh Thompson

Author of the best-selling *The Mind and Heart of the Negotiator*

## **Praise for *The Truth About Negotiations***

*“All too often, we think of single-issue negotiations that by their nature become zero sum. This book expands our thinking and puts as much effort into creating value and expanding the pie as we dedicate to getting our fair share of value or dividing the pie. A great read for anyone involved in negotiating.”*

**Anthony Santiago, Vice President,  
Global Sourcing & Supplier Management,  
Bristol-Myers Squibb**

*“The 53 Truths provide incredible insight into the art and science of negotiating. This is a must read for sales professionals but is equally beneficial to all those who wish to be better negotiators.”*

**Chris Weber, Vice President,  
West Region Enterprise,  
Microsoft Corporation**

*“A superbly presented summary of practical tools and techniques for negotiating in all types of situations, and creating win-win solutions that result in enduring business relationships. Provides substantiated evidence of what works successfully—and pitfalls to avoid—in the game of negotiation.”*

**Russell D’Souza, International Credit Manager,  
Hallmark Cards, Inc.**

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 You spend more time negotiating than you do driving to work each day. Most of us take our driving seriously: We've studied, practiced, and taken a driving test. We have a license, insurance, a car, and a fancy navigation system; we know the rules of the road, and we hope that people who disobey those rules will get pulled over and ticketed. These investments mean that we don't sit up at night worrying about how we are going to drive ourselves to work. We have the equipment, we know what we are doing, and we get there. We feel ready, prepared.

Going to negotiation every day should be the same way. Yet, if you are like most people, you spend countless hours fretting about upcoming negotiations. "What should I say?" "Should I open first or no?" "What do I do if they don't accept my offer?" and so on.

This book is about how to make sure you are prepared and ready to negotiate on the roughest of terrain, with the most daunting road conditions.

The need to negotiate can happen at any time—sometimes once a day, and sometimes more than once a day. Any time you cannot reach your goals without the cooperation of someone else, you are propelled headlong into negotiation. You may not be engaged in a hostage negotiation, or striking a deal for millions of dollars worth of a product or service for a company, but the importance of arriving at a point where you and the other party both feel you win is as vital to your peace, sanity, and productiveness. For example, if your goal is to eat dinner in peace and your young child is demanding that you fix a toy or play a game, you must negotiate.

If your goal is to sell your house and upgrade to a nicer house with a heftier mortgage, you must negotiate with your penny-pinching spouse, who may not be up for the move. You sometimes are thrown into negotiations when you least expect it—such as when somebody has the nerve to claim what you thought was yours. Imagine that a coworker announces he or she wants to "reconsider" the project responsibilities that you thought you both already agreed to. Or your neighbor claims it is your job to repair a fence that fell down after a freak thunderstorm.



The simple question I ask in this book is: “*Are you ready to negotiate at the drop of a hat?*” If your answer is anything but “Yes, certainly,” then please read on. One false move in negotiations of major importance, such as salary negotiations, house buying, and car buying can have a dramatic negative consequence on your economic welfare for years to come. Given that your quality of life is affected by your ability to bring home the bacon as well as eat it in quiet dignity, knowing how to negotiate in the corporate world and in the kitchen is essential for peace of mind and retirement.

This book does three things: First, it provides a game plan that works in any negotiation situation. I dispel the faulty belief that negotiations in boardrooms or real estate deals are fundamentally different from salary negotiations, school and community negotiation...and, yes, negotiations with spouses and kids. Chances are, if you are great at making real estate deals, then you also will be great at negotiating with a caterer for your local charity’s fund-raiser.

Second, this book focuses on the two key tasks of any negotiation: how to create win-win deals by leveraging information carefully collected from the other party, and how to effectively lay claim to part of the win-win goldmine.


Finally, this book talks about how to handle less-than-perfect situations, such as when you make a threat (that you did not really mean), how to establish trust with someone you don’t trust, how to walk away at the right time, and negotiating with people you don’t really like, and at the other end of the spectrum, who you love very much.

Negotiation may sound daunting, but if you are informed, practiced, and prepared, even you can do it. And that’s the truth.

TRUTH

1

If you have only one hour  
to prepare...

 Negotiation does not just occur in used car lots, boardrooms, or lawyers' offices. You negotiate every day: with your spouse to split up household tasks, with your colleagues regarding who will take a client's call, with your young kids to determine the best time for bed. Any time meeting your goals requires the cooperation of others, you must negotiate.

Sometimes you have significant time to prepare for a negotiation. But other times you get blindsided: You get a call from an old friend with a "hot" business opportunity. Or you receive a disturbing email from a colleague claiming resources you believe to be yours. Or your nanny or assistant threatens to leave unless you give her a raise and a three-week vacation. In all these situations, you may feel there's no time to prepare for negotiation.

But even if you've got only an hour—or just moments—to prepare, there are several crucial steps you have to take.

1. Identify your key goals.
2. Brainstorm your options.
3. Plan your opening move.

## **Get in touch with your goals**

Negotiators are often quick to stake out a position. A position is a demand, such as, "I want a bonus check!" The danger in stating a position is that it can lead the other party to stake out a position, such as, "No way; I'm not paying you a bonus!"

Conversely, negotiators who move past positions to focus on their interests usually achieve their goals. A real goal reflects a negotiator's interests and answers the "why" question. Take the case of two colleagues negotiating who gets the more spacious office in a suite. It would be easy for both colleagues to say, "I want the bigger office." That is a demand. If the colleagues articulate why they desire the bigger office, they are getting closer to stating their goals. For example, one colleague might want the larger office because it would allow her to have team meetings that are currently impossible to schedule in

Any time meeting your goals requires the cooperation of others, you must negotiate.

a conference room, and she is under pressure to deliver on a deadline. The other colleague might want the office to impress important clients.

People's demands may be incompatible, but their goals might be compatible or at least complementary. For example, if the two colleagues articulate their goals, they might create an arrangement in which they share the big office, reserving it for meetings with clients.

People's demands may be incompatible, but their goals might be compatible or at least complementary.

### **Brainstorm your options**

Negotiations do not always end in mutual settlement. A colleague may pull rank to acquire the big office; the nanny may quit; the company may not take your offer. So you need to face the thorny question of what you would do in the absence of agreement. In short, what are your alternative courses of action? Most people have tunnel vision when it comes to their alternative courses of action in a negotiation. They are so focused on their demands that they can't see all the different paths through the forest. Identify your options using the four fundamental rules of brainstorming.<sup>1</sup>

- Suspend your initial judgment and just list all options that come to mind, even outlandish ones.
- Strive for quantity—often, a good idea emerges from several silly-sounding ones.
- Reserve judgment and evaluation until later.
- Mix, match, and combine different options.

### **Plan your opening move**

Your opening offer should clearly articulate your goal and suggest how to reach it. (“I would like the corner office because my client load is highest in the office, and my team is unable to fit in the current space.”) You don't need to blurt out your opening offer the moment you meet with the other party. But, at some point, after you exchange pleasantries or perhaps even after the other party places something on the table, it will be your turn to anchor the negotiation.

Your opening offer should represent the ideal situation for you. State it clearly, but do not position your offer as a demand. One direct but nondemanding way of doing this is, “In the spirit of getting the discussion started, I’ve mapped out a set of terms that works for me....” Or “I want to respect your time, so I have prepared a proposal that I would like to get your reaction to....”

Be firm on your interests but flexible on how to achieve them. Don’t make take-it-or-leave-it demands. If you are feeling demanding or indignant before the negotiation, rehearse an opening that you might present to someone you care about (such as your spouse or friend)—even if you don’t particularly care about the other party. The danger of making insulting, take-it-or-leave-it offers is that most people will opt to leave it.

