

# THE EXCHANGE

This issue's featured subject is "Negotiations."

## MOVES AND COUNTER-MOVES

Many people are intimidated in negotiations because they don't understand the rules of the game. The truth is there are no set rules. While each negotiation is different, there are some tactics that are rather predictable. Imagine that a negotiation is like a chess game. Think of these tactics as moves. Below are some frequently used moves and counter moves:

- **Flinch** is a common move in negotiations. This is when one person reacts visibly to a proposal. They may jerk, drop their pen, throw their jaw open or throw up their hands. Notice that they will not say much. They hope you will sweeten the pot by giving concessions. The counter is **Common Cents**. Reduce the discussion to the smallest factor. For instance, if you are discussing price, you can reduce it to how much it will cost per day.
- **Higher Authority** is when the person tells you they must report to the team or a committee before making a decision. This may be true or it may be a stall. The counter is **VIP**. Make the individual feel like a Very Important Person. A response might be, "As manager of this project, I bet the board will listen to your recommendations. How supportive are you of this proposal?"
- **Get the Split** is when the person you are negotiating with encourages you to split the difference. They may say, "We are so close. You are asking for one thousand and we are able to do eight hundred..." Of course, they are hoping that you will suggest you compromise to nine hundred. Be careful.



Once that offer is made, they could come back with, "You're offering 900. That really is close. I would hate for a mere 100 to keep us from making this deal." The counter is **Pull Back**. Introduce a new concern that you can concede for the difference.

- **Feel Felt Found** is a move used when you have an objection. The person may say, "I know just how you *feel*. Others have *felt* the same way at first. But they *found* that..." The counter is **What Where When**. Loosen the personal bond by getting the facts.
- **Baker's Dozen** is a move to get a little more after the yes. The theory is that people are so relieved to have made a decision that they will agree to minor concessions immediately following their decision. The counter is **Kind Cutoff**. This is where you stop them from asking for further concessions by telling them no, or by asking them for something extra. You might respond, "I guess that is okay, but I would need XYZ from you, of course."

At TLC, we do not encourage the use of moves. We do encourage our clients to be aware of them and to be prepared to handle them. Treat the other person as a partner rather than an opponent in a chess game, and you will most likely feel more comfortable with the process and the result of the negotiation.

## What Our Clients Are Saying

"I have been going through a lot of changes lately evaluating how I handle situations and also have been reading the book your company provided: Talk Is Not Cheap. I have set some goals for myself and wanted to thank you for being a big part of the decisions I have made."

John Kellerman, Atlanta GA



## FEBRUARY 2002

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### LOOKING AHEAD:

- ◆ The March issue of The Exchange will focus on Mentoring.

### LOOKING BACK:

- ◆ For previous editions of The Exchange, go to our [back issues](#).
- ◆ Re-read the [04/2001](#) edition: **Difficult Communications**.

**Unless both sides win, no agreement can be permanent.**

*Jimmy Carter*



Deliberate with caution but act with decision; and yield with graciousness or oppose with firmness.

Charles Hole

#### Quick Tips:

- Be aware of your body language. Sit back and relax!
- Know what you have to have and what you can give up.
- Do your homework and know as much as possible about the situation.



To learn more about it, click here!

## TIPS FOR EFFECTIVE NEGOTIATING

By Ben Cairns, M.A.



For the fifty-four percent of the population that is introverted, just the mention of "negotiation" can be threatening. It is easy to think of negotiating for a new car or a contract as confrontational. Even when you are negotiating with

someone who is very nice and polite, it is important to remember that people foremost negotiate for their own best interest. Here are some tips to help you be a more effective and successful negotiator:

- **Know exactly what you want or need.** This gives you a specific measure of what success looks like. Your whole approach depends on what you need out of a negotiation.
- **Do your homework.** Get background information about who you will be dealing with. What are their wants, needs, motivators, and pressure points? Knowing these things will reduce your stress and give you a strategic advantage.
- **Get the other side to commit to a position first.** You do not actually know what is acceptable to them, so you may be surprised where they will start. You will almost certainly counter down from their initial offer, so the first position sets the upper (or lower) limit.
- **Ask for more than you expect to get.** If you are the seller, it is easier to negotiate down from your starting point than it is to negotiate back up. The converse is true for the buyer. By asking for more, you just might get more than you expected! Be sure to confirm agreements as you go and write them down so you know what you agreed to.
- **Avoid giving too much information.** Some people talk more when they are nervous and give away some of their advantage by sharing too much about their needs and weaknesses. Relax and reduce the pressure on yourself by using the Public and Private Plans (read *Talk is NOT Cheap* for details!).
- **Get information before you give information.** With all other things being equal, the person with the most information has the advantage. Gain the upper hand by

exploring the other person's position before you reveal your own. Ask the right questions to get the right information. (See the article on "*The Art of Questions.*")

- **Handle rebuttals and rejection by getting all of their reasons and rationale before responding or countering.** The other person may share all the reasons they do not want to agree to something where they may be less forthcoming if you argue with the first thing they say. Get all of the reasons first, then you'll know how to proceed.
- **Time is Power.** The more time that passes in a negotiation, the more likely both sides are to make concessions. According to master negotiator Roger Dawson, eighty percent of concessions are made in the last twenty percent of a negotiation. The person who is more time-constrained is in a low power position. Do not let the other side know what your time constraints are.
- **Recognize the behavior styles of the other negotiators and adapt your communication accordingly.** Extroverts want less information and will make decisions faster. They will also pressure you to make concessions faster. Introverts will need more information and a slower pace of discussion. Task-oriented communicators will be direct and possibly confrontational. People-oriented communicators want you to like them and may give you indirect rejection.
- **Be aware of the impressions that you give off with your body language, vocal attributes, timing, and other behaviors.** Be relaxed, calm, and confident. The other side will be looking for signs of nervousness or desperation. If you are calm, they will not be as able to identify your pressure points.
- **Be prepared to walk away.** Recognize the point where the deal is no longer to your advantage. No matter how much time and effort you have expended, adding a bad deal on top of it won't save you anything.
- **Go for a "Win-Win."** Even when negotiation is competitive or adversarial, you'll get more in the long run by forging win-win solutions whenever you can.



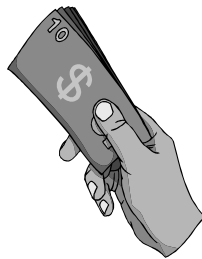
## A NEGOTIATING "TIP"

The word "tip" in our everyday language has two common meanings: a percentage of money given to a person for service or a useful tidbit of information.

Regarding the first definition of "tip," how does the word relate to waiters, skycaps, people who deliver, etc.? Surprisingly, "tip" really isn't a word, but an acronym that stands for "to insure promptness." It started in English inns and taverns as a way of motivating the poorly paid to move faster.

As for the second meaning of the word, and considering most of us are in the business of providing services, following are some "tips" for business negotiations.

When you negotiate, obtain information such as what the other side is willing to compromise and what their time constraints are. When discussions are going back and forth, give them some incentive or motivation to agree with you or see your point. Initially you might feel like you are giving too much, but you will get more in the long run. So when negotiating, remember to be a big tipper!



## FEATURED SERVICE: RETREAT FOR WOMEN



TLC offers two more weekend retreats for women! April 5-7 and April 12-14 are the dates to choose from. The retreat will help participants recognize, share, and learn from the wisdom they have acquired. They will also leave feeling relaxed, confident, and excited about life.

The setting is scenic and reflective Spring Creek Retreat. To view the location, go to [www.springcreekretreat.com](http://www.springcreekretreat.com).

The cost is \$295 for one attendee or \$275 each when a friend attends with you. Fee includes lodging, food, and all retreat sessions and materials. Reserve your weekend now! Call 1-888-232-2873.

## ASK THE EXPERTS



**Dear TLC,**

In a new project that I am responsible for, I will be getting prices from vendors. This makes me uncomfortable as I want to get the best price, yet I don't like to haggle. Suggestions?  
No Games

**Dear No,**

Define what you want. Get several prices from different sources. Make sure you are comparing similar features and services. Get a team to review the Requests for Proposals. If you like one provider better, yet his/her price is too high, ask an open question such as, "How can you meet my budget requirements?"

### Recommended further reading for negotiators:

*Secrets of Power Negotiating*,  
by Roger Dawson

*The Art of Negotiating*,  
by Gerard I. Nierenberg

*You Can Negotiate Anything*,  
by Herb Cohen

## COMMON CURE



For a few months, we will communicate some common solutions or "cures" for everyday hassles. Let us know if you like this feature and send us some of your own cures!

Cure for headaches: Take a lime, cut it in half and rub it on your forehead. The throbbing will go away!



**Allowing your opponent in a transaction to walk away with his dignity, his humor, and his hearing intact, and a pretty good deal in his pocket, is the right way to do business.**

*John Rutledge*

**Remember...**

- The key factors of negotiation are information, time, and influence.
- Be comfortable with pauses during negotiations.



Many things are lost for want of asking.

*George Herbert*

Opportunity doesn't necessarily knock on the door, it may be leaning against the wall waiting to be noticed.

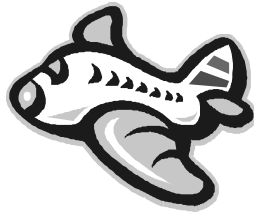
*Anonymous*

Entrepreneurs are simply those who understand that there is little difference between obstacle and opportunity and are able to turn both to their advantage.

*Victor Kiam*

## THE ART OF QUESTIONS

By Vincent Ivan Phipps, B.S.



Last spring I was in a group of about 90 passengers delayed in an airport. We were tired, hungry, frustrated, and just wanted to go home. People were called individually to the ticket counter to

discuss their destination options. I observed the first few people attempt negotiations by asking negative, closed questions such as: "Is it not true that for all this hassle I get a free meal?" or "Because you all messed up my flight home, can I be reimbursed half the price of my tickets?" The ticket attendant was very nice and for each person, she answered a confident, "Yes Ma'am," or "Yes Sir."

I watched as each person walked away satisfied with a look of triumph as if to say, "Step aside and make way, for I am the Master Negotiator!" I decided to practice what our company preaches. Instead of yelling or asking for only one thing, I asked an open question: "Considering the unfortunate delay in my travels from your airline, what compensations am I entitled to?" Notice I asked what compensations, plural!

The airline representative apologized and said, "Sir, we can give you a complimentary meal and a round trip ticket anywhere we fly." Although I was grateful, I was not finished. I asked, "O.K. that sounds great, what else?" She then said, "Well, I can also give you additional flyer miles and upgrade you to a first-class business seat, but that's all I can do." I then responded with a StopProbe, "So let me make sure I have it correctly. I will receive a \$20.00 meal voucher, double flyer miles, one round trip ticket to any of your destinations, and an upgrade on this flight, is that correct?"

The airline was willing to offer more than what the other passengers had requested. Since they asked closed questions: "can I, may I, will you, do I get a..." it made it easy for the attendant to just say "yes." When each person received a yes, they left. They also left some benefits on the counter.

Good negotiating is often referred to as an art. By mastering the jargon, using good vocal tones and body language, having good people skills, and demonstrating in-depth product knowledge, a good negotiator can have the other side see his/her point of view and have them agreeing that his/her proposed way is the best approach. Whether negotiating a deal on a new car or selling your company's services, asking the right questions is an art. Here are some tips that can help you get your desired outcome.

### Ask open questions to:

- **Establish trust.** Consider the other side as your partner. Ask "what" or "how" questions to show your efforts in achieving a "win-win." For example: "What can my company do to reassure you that you and your department are making the right decisions?" or "How can our company assist your team in providing services that will benefit everyone in your department?"
- **Get information.** Ask, listen, pause, then answer. Before offering too much, get as much information as possible to make the best decision. For example, "If I agree to purchase, what positive changes can I expect from my computer system over the next 30 days?" or "If I buy this today how will my employees benefit?"

### Ask closed questions to:

- **Ensure understanding.** Reduce confusion by being clear. Poor negotiations and misunderstandings are often the result of saying yes too soon or by not saying no soon enough! Use specific questions that ensure clarity. For example: "This price includes shipping, assembly, a \$100.00 rebate, and a 5-year warranty. Is that correct?"
- **Confirm commitments.** At the conclusion of a negotiation make sure both parties are in agreement. "So what I am hearing is that if I can meet your budget and increase sales by at least 15% over the next quarter, you are willing to sign, right?"

Bottom line, in any negotiation, each side wants to win. By asking the right questions at the right time, you are better equipped to get what you need because you have understanding and commitment; no questions about it!

## CEO CORNER: "REMEMBER BOTH SIDES NEED TO WIN"

By Beverly Inman-Ebel

This past summer I had the opportunity to be the lead negotiator for a multi-million dollar contract between two organizations. The organization I represented felt they were in a bind. All of their files were in the other party's possession without a signed contract. While they had to sign a contract, there were seven items in the contract that concerned their Board of Directors.

I met with representatives from their board, prioritized their concerns, and determined what they could give up and what they had to have. Before we met with the President of the other organization, I reminded them of three things: 1) Remember he is in a bind also, 2) Refrain from saying yes too quickly, and 3) Since we're both going to win, have some fun! I can still see the look of total confusion on their faces when I suggested this would be a pleasurable experience!

When we entered the ice-cold conference room and the President had beads of perspiration on his forehead, my confidence soared. I started with the hardest item, knowing we would set it aside for later, after a brief discussion. The next six concessions went easily and I was concerned that one of the board members would shout for joy. We went back to the first item and I re-stated where the two sides were. Then I paused. I knew I would not be the next to speak. I had given him plenty of time to think about the solution by starting with this need at the beginning of the session.

The President made a suggestion that was

exactly what the Board of Directors had to have. They did a wonderful job of hesitating before agreeing. I assured him that wasn't what they wanted, but since he had met all the other concessions, it was only fair to meet him in the middle. His smile of relief and self-confidence made me want to give everybody a big hug. Both sides left feeling very good about themselves and the other party.

What a high it is to win, especially when you know the other side is celebrating also. Remember in negotiation, as in life, nothing is free. If you win at all costs, you will pay later. While we may not be settling multi-million dollar contracts daily, we do negotiate every day, whether it is who will take out the trash, or which department at work will be responsible for what tasks. Knowing you do it routinely can build your confidence.

The rest of the story, as Paul Harvey would say, is that the President of the other organization was so pleased with the contract settlement that he gave another concession after the agreement without being asked. Six months after the contract, both parties are working very well together.

Know what you want. Know what you need. Know what you can give up. Listen. Observe. Negotiate. Ensure both sides win. Live your dreams!



**The secret of negotiation is to harmonize the real interests of the parties concerned.**

*Francois de Callieres*

**Without the element of uncertainty, the bringing off of even the greatest business triumph would be a dull, routine, and eminently unsatisfying affair.**

*J. Paul Getty*

**TLC, Talk Listen  
Communicate, LLC**

842 S Germantown Road  
Chattanooga, TN 37412

Phone: 423-622-8255  
Fax: 423-624-4365  
1-888-BECAUSE

Email: [tlc@talklisten.com](mailto:tlc@talklisten.com)  
[www.talklisten.com](http://www.talklisten.com)

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