

Mindset & Tactical Empathy	<ul style="list-style-type: none"> • Get over your aversion to negotiating. Negotiation is not a battle; it is a process of discovery. • Creative solutions are almost always preceded by some degree of risk, annoyance, confusion, and conflict. • Maintain self-control and emotional regulation. Don't deny your emotions or ignore those of others; identify & influence them. • Anger reduces your cognitive resources which leads to bad concessions. • A "no deal" is better than a bad deal. • Recognize others are neither fully rational nor completely selfish; they want to feel safe, and to feel in control, to be understood, and to be accepted. View your relationship with your counterpart as therapeutic. • Early on, make the other person and what they have to say your sole & all-encompassing focus so that you can create an atmosphere of unconditional positive regard, trust, & safety. Work to calm people down, establish rapport, elicit needs, and build empathy • Discern between people's wants (aspirations) and needs (the bare minimum for a deal – monetarily, emotionally, etc.) • Hold & continuously update multiple hypotheses – about the situation, about the counterpart's wants, etc. • Don't commit to assumptions; instead, view them as hypotheses to be rigorously tested • Prepare extensively AND use your skills to reveal inevitable surprises; remain open emotionally open to all possibilities • Tactical empathy is understanding the feelings and mindset of your counterpart; it is not agreeing with them. It is understanding why their actions make sense to them and what might move them. • Do not approach negotiation thinking your counterpart thinks the same way you do • Rather than confronting or defeating, coax & co-opt your counterpart into suggesting the solution himself/herself • View your counterpart as your partner rather than your adversary
Calibrated Questions	<p>Definition:</p> <p>An open-ended question designed to do one or more of the following:</p> <ul style="list-style-type: none"> • Give your counterpart the illusion of control so that they reveal information • Remove aggression by gently saying "No" instead counteroffering or directly confronting them, for example, by stating your counterpart's offer is unattractive • Educate your counterpart on what the problem is rather than telling them what it is • Insinuate your counterpart is being dishonest or unfair • Introduce ideas or requests without sounding pushy

- Imply that you want what your counterpart wants and need their help to overcome the problem / find a viable solution

Considerations:

- Optimally **begin with “How...?” or “What...?”**
- Only start with “Why..?” when the defensiveness such a question creates supports the change you are trying to get your counterpart to see/make. For instance, to flip your counterpart to your side, ask “Why would you ever do business with me?”
- **Your delivery must convey that you are genuinely asking for help**
- When you are verbally assaulted, do not counterattack; instead, disarm your counterpart by asking a calibrated question
- Be ready to execute follow-up labels in response to their answers to your calibrated questions

Example(s):

- To gently say no:
 - “**How am I supposed to do that?**”
 - “What do you want me to do?”
 - “How would you like me to proceed?”
 - “How is that worthwhile?”
 - “How does that affect things?”
 - “How does this fit into what the objective is?”
 - “What do you hope to achieve by ...” (instead of “You can’t ...”)
- In response to no:
 - “What about this does not work for you?”
 - “What would you need to make it work?”
- To provide the illusion of control
 - “How can we solve this problem?”
 - “How can I help to make this better for us?”
 - “What happens if you do nothing?” or “What does doing nothing cost you?”
 - “How does making this deal resonate with what your company prides itself on?”
 - “How does this look to you?” or “What about this works for you? (instead of “Does this look like something you would like?”)
- To unearth deal killing issues:
 - “What is the biggest challenge you face?” (use at the beginning of nearly every negotiation)
 - “What’s the core issue here?”
 - “What is it that brought us into this situation?”
 - “What are we up against here?”
 - “What’s the objective?”
 - “What are we trying to accomplish here?”
 - “What about this is important to you?”
- To identify behind the table deal killers:

	<ul style="list-style-type: none"> ○ "How does this affect the rest of your team?" ○ "How on board are the people not on this call?" ○ "What do your colleagues see as their main challenges in this area?"
Mirroring & Listening	<p>Definition: Mirroring is repeating the last critical (one to) three words of what someone has just said to:</p> <ul style="list-style-type: none"> • Buy time • Insinuate similarity which creates bonding & empathy • Encourage your counterpart to reveal their strategy <p>Considerations:</p> <ul style="list-style-type: none"> • The intention behind most mirrors should be, "Please help me understand" so you will typically end on an up-inflection • For variety, prepend "I'm sorry, ... to your mirror" • In order to discover truth and subtext, be a hyper-attentive listener to (a) verbal = what is said (b) para-verbal = how it's said (c) non-verbal • Do not (automatically) take what other people say literally • Use encouragers such as "yes," "OK," "uh-huh," or "I see," albeit sparingly & genuinely • Listen for consciously or subconsciously loopholes and ambiguities that people are likely to exploit later • No matter how much research you have done, ask yourself "Why are they communicating what they are communicating right now?" • In order to listen fully, strive to negotiate face-to-face. Pay special attention during unguarded moments including the first few minutes, interruptions/breaks, and the last few moments <p>Example(s):</p> <ul style="list-style-type: none"> • Them: "Let's make two copies of all the paperwork." You: "I'm sorry, two copies?"
Accusation Audit & Dynamic Agreement	<p>Definition: Sharing all the worst things your counterpart could say about you (before they do) to clear barriers to agreement</p> <p>Considerations:</p> <ul style="list-style-type: none"> • Imagine yourself in your counterpart's situation • At the end of the accusation audit, ask for input <p>Example(s):</p> <ul style="list-style-type: none"> • "You may feel like we have treated you unfairly... What else do you feel is important to add to this?" • "I've got a lousy proposition for you. (pause for counterparty to say 'go on') By the time we get off the phone, you're going to think I'm a lousy businessperson."
Personal pronouns	<p>Definition: The use of we/they versus I/me</p>

	<p>Considerations:</p> <ul style="list-style-type: none"> More important people make themselves sound less important by using we/they instead of I/me. Avoid the word “I” since it gets people’s guard up
Labeling	<p>Definition:</p> <p>Acknowledging/validating your counterpart’s emotions to:</p> <ul style="list-style-type: none"> Diffuse (or defuse) negative emotions Reinforce positive emotions Invite your counterpart to reveal himself/herself <p>Considerations:</p> <ul style="list-style-type: none"> Labels can be phrased as statements or questions; employ softening words like “perhaps,” “maybe,” “I think,” or “It seems.” Labels typically begin with (a) “It seems like you value/don’t value/are reluctant to...” (b) “It sounds like...” (c) “It looks like...” You can also intentionally mislabel a person’s emotions or desires Labels can be observations, veiled accusations, or genuine flattery After you have thrown out a label, be quiet & listen <p>Example(s):</p> <ul style="list-style-type: none"> “It all seems so tragically unfair; I can new see why sound so angry.” “It seems that you feel my bill is unjustified.” “It seems like you are the type of person who prides himself on the way he does business — rightfully so — and has a knack for not only expanding the pie but making the ship run more efficiently.” “It seems you don’t want to be known as a person who reneges on agreements.”
Summaries, Yes, No, & “That’s Right”	<p>Definition:</p> <ul style="list-style-type: none"> Three kinds of yes’s <ul style="list-style-type: none"> Counterfeit: Counterparty plans on saying no but is using yes as an escape or to get an edge Confirmation: an innocent affirmation Commitment: a true agreement Summary = paraphrase (meaning) + a label (emotions) <p>Considerations:</p> <ul style="list-style-type: none"> Use summaries to trigger a “That’s right,” instead of “Yes,” at every stage of a negotiation Pushing for “yes” just angers the other side. “Maybe” is often worthless. “No” is valuable since it always alters the conversation “You’re right” is a disaster “I’ll try” is a disaster; it means “I plan to fail” Avoid questions that can be answered by “yes” or with tiny pieces of information.

	<p>Example(s):</p> <ul style="list-style-type: none"> Instead of “No,” use “Your offer is very generous, I’m sorry, that just doesn’t work for me.” Or “I’m sorry but I’m afraid I just can’t do that.” Reword your “yes” oriented questions into “no” oriented questions --- Instead of saying “Would you like to do this?”, say “Are you against doing this?”
Deadlines & Patience	<ul style="list-style-type: none"> Deadlines make people (including you) rush and do impulsive things that are against their best interests. Good negotiators resist this urge and take advantage of it in others. Patience is a formidable weapon. Find opportunities to slow things down (esp. when things get intense) Deadlines are almost never ironclad Share your deadline since hiding it dramatically increases the risk of an impasse Punching back is a last resort. Before you go there, suggest a timeout to deescalate the situation
Black Swans & Leverage	<p>Definition:</p> <ul style="list-style-type: none"> Black swans = Information regarding an “unknown unknown” that can lead to dramatic breakthroughs in the negotiation, esp. by shifting leverage Positive leverage = your ability to provide or withhold things your counterpart wants Negative leverage = your ability to make your counterpart suffer <p>Considerations:</p> <ul style="list-style-type: none"> Hypothesis: Each side in an negotiation has at least three Black Swans You should always be aware of which side, at any given moment, feels they have the most to lose if negotiations collapse Normative leverage, a type of negative leverage, is using the other party’s values, norms, or standards to advance your position. <p>Examples:</p> <ul style="list-style-type: none"> Negative leverage: “If you don’t fulfill your commitment, I will destroy your reputation.”
Tone of voice	<ul style="list-style-type: none"> Late-night FM DJ voice = the voice of calm and reason; deep, soft, slow, reassuring, and ending with down-inflections. Use selectively to make a point. Positive/playful voice = easygoing & good natured. Use this voice most of the time. A smile on your face will come through in your voice. Direct & assertive voice = use this rarely Verbal pace – by speaking slowly and clearly, you convey that you are in control
Loss aversion & the certainty effect	<p>Definition:</p> <ul style="list-style-type: none"> Loss aversion = People will take greater risks to avoid losses than to achieve gains. Certainty effect = people are drawn to sure things over probabilities, even when the probability is a better choice

	<p>Considerations:</p> <ul style="list-style-type: none"> • Frame your offer in such a way that not accepting it feels like a concrete loss • Use “not lose” instead of “keep” <p>Example(s):</p> <ul style="list-style-type: none"> • “I wanted to bring this opportunity to you before I took it to someone else.”
Offers & Anchors	<ul style="list-style-type: none"> • Let your counterparty make the first offer unless you have exceptionally strong information about the market value; this will provide you with valuable information. However, protect yourself from being anchored by premeditating your own goal and by viewing their offer as outrageous. • Experienced negotiators often lead with a ridiculous offer, an extreme anchor. Note that anchoring too high interferes with collaboration. • For your first counter-offer (or offer), offer a range, expecting buyers to focus on the lower end (and sellers to focus on the higher end) • Negotiate non-monetary terms, especially things that are asymmetrically important (i.e. important to them but not to you). This can be done proactively as a “conciliatory gesture” to create reciprocity. • Pivot to non-monetary terms in response to heated price negotiation. For example, <ul style="list-style-type: none"> ○ “Let’s put price off to the side for a moment and talk about what would make this a good deal.” ○ “What else would you be able to offer to make that a good price for me?” • When you talk numbers, use odd ones since 0s feel temporary (ex: \$1.99 instead of \$2.00) • Never compromise since it leads to sub-optimal solutions.
Fairness	<ul style="list-style-type: none"> • The most powerful word in negotiations is “Fair” • People comply with negotiations if they feel they have been treated fairly • Employ the idea of fairness to nudge your counterpart • There are three ways the word “Fair” is used: <ul style="list-style-type: none"> ○ Judo: To manipulate & destabilize the other side. Ex: “We just want what’s fair.” If used on you, respond with, “OK, I apologize. Let’s stop everything and go back to where I started ○ treating you unfairly and we’ll fix it.” ○ Accusatory: Label you as dense or dishonest. Ex: “We’ve given you a fair offer.” ○ Constructive: Ex: “I want you to feel like you are being treated fairly at all times. So please stop me at any time if you feel I’m being unfair, and we’ll address it .”
Guarantee execution	<ul style="list-style-type: none"> • Your job as a negotiator is to get to an agreement that can be implemented and to make sure it happens

	<ul style="list-style-type: none"> • “Yes” is nothing without “How” • When implementation happens by committee, the support of that committee is key – even if you are dealing with the CEO. You always have to identify and unearth their motivations even if they are not directly involved. That can be easy as asking a few calibrated questions, like <ul style="list-style-type: none"> ◦ “How does this affect the rest of your team?” ◦ “How on board are the people not on this call?” ◦ “What do your colleagues see as their main challenges in this area?” • To seal the deal, strive to get your counterpart to say yes three times <ul style="list-style-type: none"> ◦ 1: initial commitment ◦ 2: Answering “That’s right” to your summary ◦ 3: Answers to: “How will we know we are on track?” and “How will be address things if we find we are off track?” • The best phrase is “That was brilliant” since people are more likely to implement when it is their idea
Communication styles	<p>Seek to treat others in the way they (not you) want to be treated. As negotiators, you and your counterpart fall into one of three broad categories:</p> <ol style="list-style-type: none"> 1. Accommodators <ul style="list-style-type: none"> • Desire relationship building, especially through free-flowing, continuous exchange of information 2. Assertives <ul style="list-style-type: none"> • Want to be heard • In a rush since ‘time is money’ • Blunt assertion is counterproductive most of the time 3. Analysts <ul style="list-style-type: none"> • Methodical, diligent, reserved, and not in a rush • Hypersensitive to reciprocity
Ackerman Model	<ol style="list-style-type: none"> 1. Set your target price (your goal). 2. Set your first offer at 65 percent of your target price. 3. Calculate three raises of decreasing increments (to 85, 95, and 100 percent). 4. Use lots of empathy and different ways of saying “No” to get the other side to counter before you increase your offer 5. When calculating the final amount, use precise, non-round numbers like, \$37,893 rather than \$38,000. It gives the number credibility and weight. 6. On your final number, throw in a nonmonetary item (that they probably don’t want) to show you’re at your limit.
Pre-negotiation one-sheet	<p>Before going into a negotiation, prepare a negotiation one sheet (but don’t script the negotiation since flexibility is critical)</p> <ol style="list-style-type: none"> 1. The Goal <ul style="list-style-type: none"> • Think through the best & worse case scenarios but only write down the specific, optimistic but reasonable goal that represents the best case.

	<ul style="list-style-type: none"> • Writing down your worst-case outcome, your BATNA (best alternative to a negotiated agreement) trick you into aiming low <p>2. Summary</p> <ul style="list-style-type: none"> • Write out the known facts that have led up to this negotiation in a way that your counterpart would respond with “That’s right.” • Why are you there? What do you want? What do they want? Why? <p>3. Labels & accusation audit</p> <ul style="list-style-type: none"> • Prepare an accusation audit in the form of labels your counterpart would levy on you. Then, role-play them so you are prepared to respond. • Similarly, prepare a set of labels to use on your counterpart. <p>4. Calibrated questions</p> <ul style="list-style-type: none"> • Prepare three to five calibrated questions to reveal value to you and your counterpart and identify and overcome potential deal killers. <p>5. Noncash offers</p> <ul style="list-style-type: none"> • Prepare a list of noncash items possessed by your counterpart that would be valuable • Ask yourself: What could they give that would almost get us to do it for free?
Additional concepts & tips	<ul style="list-style-type: none"> • No communication is always a bad sign • Open calls with “Is now a bad time to talk?” instead of “Is this a good time to talk?” • Restart a stalled deal with a one-line email: “Have you given up on this project?” or “Have you given up on settling this amicably?” or “Have you given up on finalizing this deal this year?” • Increasing specificity (of what, who, when, and how) on threats indicates getting close to real consequences. • Use an apology with the person’s first name to seed more warmth. For example, “I’m sorry Robert.” • Remember that your reputation precedes you, for better or for worse • A change in negotiators almost always signals the other side means to take a harder line • There is always a team on the other side. If you are not influencing those behind the table, you are vulnerable. • On average, liars use more words, more complex sentences, and more third-person pronouns than truth tellers • Use your name to humanize yourself. Ex: “How much is the ‘Chris’ discount?” • Deliver threats without anger. For example, “I’m sorry, that just doesn’t work for me.” • Use “... because...” - People respond favorably to requests made in a reasonable tone of voice and followed by a because reason (even if the reason isn’t great)

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| | <ul style="list-style-type: none">• Negotiation skills are perishable (so continually hone them)• The most dangerous negotiation is one you don't know you are in.• There can be great power in deference. People love when someone does not have to be deferential but does anyway. It works on subordinates, peers, and superiors. |
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