



# 6 PRINCIPLES TO... Negotiate ANYTHING™



with  
**Ed  
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# **PARTICIPANT GUIDE**

## **PREVIEW**

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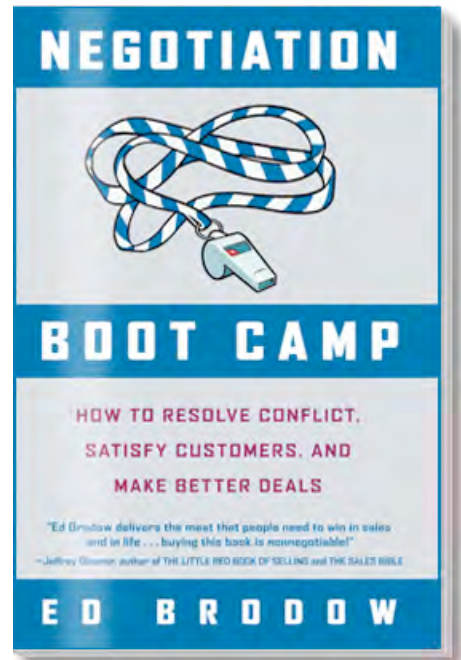
***Negotiation Boot Camp: How to Resolve Conflict, Satisfy Customers, and Make Better Deals***  
by Ed Brodow

**Hardcover:** Doubleday Currency

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As follow-up to this program, it is recommended that each participant receive a copy of ***Negotiation Boot Camp***.

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PREVIEW

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# Introduction

Negotiation can be a powerful tool for relating to other people and dealing with conflict. Each and every day of your life, in your business and personal interactions, you are forced to negotiate constantly.

You negotiate with yourself over what time you should get out of bed; with your spouse over what to have for breakfast; with your kids over doing the chores; with the highway patrolman who says that you were speeding on the way to work; with your boss over management objectives; with subordinates over the quality of their job performance; and on and on, it never ends. Negotiation is all about getting your needs met.

People who have mastered the art of negotiation have a much easier time on this planet. Their needs are addressed in a positive way. They are not intimidated by confrontation. Yet for many of us, negotiating remains a challenge because we have never really learned the ABC's of bargaining and making deals. So we try to avoid the unavoidable. But life won't allow you the luxury of opting out of negotiating for yourself. Yet there is good news: It isn't particularly difficult once you understand the basic concepts.

For the purposes of this video-based training program, I have distilled everything I know about the art of negotiation into Six Core Principles. Following these principles will help you to get what you need and want from other people, and to have more control over your life. Assimilate these six principles and the universe will smile at you.

## This video-based program will show you how to:

**Improve your negotiation consciousness** – by being assertive and learning the correct way to challenge other people's assumptions.

**Ask the right questions** before you negotiate, so you are prepared when the negotiation begins.

**Present your position with authority** – so the other negotiator will be intimidated by you, and not the other way around.

**Have confidence in yourself** so that your interactions with others will be more productive and more enjoyable.

# Learning Objectives

## **By the end of the program, you will be able to:**

- Ask for all the things you need and obtain the cooperation of others in obtaining them.
- Prepare yourself for an upcoming negotiation by knowing the questions to ask in advance.
- Listen effectively so that the other negotiator will reveal their secrets.
- Take your time so you make fewer mistakes.
- Obtain more concessions from the other negotiator than you ever thought possible.
- Communicate that you are not desperate and that you have viable options.
- Feel confident throughout the negotiation process.

# Session Agenda

## 2-hour session

Introduction	10 minutes
View the video program and Discuss	50 minutes
Negotiation Role-Play	25 minutes
Discuss Role-Play	15 minutes
Commitment to Action	10 minutes
Session Debrief/Questions	10 minutes

## 4-hour session

Introduction and Overview	20 minutes
Discussion: What We Don't Like About Negotiating	20 minutes
View DVD and Discuss	50 minutes
Negotiation Quotient and Discussion	30 minutes
Break	15 minutes
Negotiation Role-Play	30 minutes
Discuss Role-Play	30 minutes
Commitment to Action	30 minutes
Session Debrief/Questions	15 minutes

# What is Negotiation?

***Negotiation is the process of overcoming obstacles in order to reach agreement.***

The purpose of negotiation is to reach agreement. What is the primary obstacle? The difference between your position and my position. Human beings invented negotiation to stop us from physically harming each other (or worse) when our respective positions appear to be incompatible.

In a negotiation, there is also an important difference between your need and your stated position. Your need is what you must get in order to solve a problem or fulfill an opportunity. Your position, on the other hand, is what you say you want. Occasionally, a negotiator may put forth a position that asks for more than she truly needs. Satisfaction occurs when the need is met, not when a position is satisfied. In a negotiation, instead of being sidetracked by positions, it is essential to focus on the other negotiator's needs. The person you are negotiating with will be satisfied when their needs are met, not necessarily if their position is reached.



# Negotiation Consciousness

We've all heard the phrase "Everything is negotiable." In the world of negotiation, that is literally true. Negotiation consciousness is the mindset of people who make deals. A person with high negotiation consciousness is assertive in stating what he wants and challenges everything. In particular, you must be willing to challenge the other side's positions.

Having the guts to speak up is called assertiveness. Being assertive means asking for what you want and refusing to take NO for an answer. Here are four Assertiveness Training Tips:

## **Tip #1: Ask for what you want.**

If you don't ask, you won't usually get your needs met. Practice asking for things, negotiate at the supermarket, the clothing store, the furniture store. The more you practice, the more it will become second nature.

## **Tip #2: Eliminate negative self-talk.**

Our minds are full of self-doubt that limits our ability to be assertive, by telling us what we can't do, what we're not supposed to want. The antidote to such self-doubt is self-awareness. Each time you are aware of a negative thought, replace it with a positive one. If you hear yourself saying, "They'll never say yes," try substituting, "If I ask for what I want I have a good chance of getting it." The more aware you are of your thoughts, the easier it will be to replace them with positive ones.

## **Tip #3: Practice expressing your feelings without anxiety or anger.**

When you fail to express your legitimate feelings, you are relinquishing your power to the other person. Let people know what you want in a non-threatening way by practicing "I" statements. For example, instead of saying, "You shouldn't do that," try substituting, "I don't feel comfortable when you do that." When you use an "I" statement, you are taking responsibility for your feelings as opposed to attacking the other person.

## **Tip #4: Learn to say NO.**

People overstep our boundaries all the time. They try to bully us into giving them what they want. But others can't bully or intimidate you if you are comfortable saying NO. Set limits and boundaries, and don't allow other people to cross them. If you are the kind of person who typically says YES as a first response, you can fight that urge by giving yourself time before you respond. Try saying, "Let me get back to you on that," instead of saying yes automatically.

**Remember:** There is a difference between being *assertive* and being *aggressive*. You are being assertive when you take care of your own interests while maintaining respect for the interests of others. When you pursue your own interests without regard for other people, you are aggressive. Try to be assertive, not aggressive, in your relationships with others.



# Setting Targets

Before you enter a negotiation, it helps to set specific targets. Three types of targets provide a road map for your upcoming negotiation.

## Target Number **1**: The Maximum

The *maximum* position is the best you could possibly do in the negotiation. For example, in a salary negotiation, what is the absolute most your employer will pay? If you know the company is prepared to pay as much as \$100,000, you would be doing yourself a major disservice by asking for only \$75,000.

## Target Number **2**: Your Goal – What you hope to get

Your goal in a negotiation is the result you will be satisfied with. This is not necessarily the maximum (for we all *want* to achieve the maximum position, no matter how much of a long shot it may be), but what you will be content with. In some cases, you will not want to settle for anything less than the maximum, but most of the time your goal will realistically be something lower. For example, if your house is for sale at \$350,000, which is the maximum, but you will be satisfied if it sells for \$320,000, then \$320,000 is your goal. You might be willing to settle for less than your goal, but only under pressure.

## Target Number **3**: Your Bottom Line (Minimum)

Your Bottom Line is the worst outcome you will accept under pressure. You may not be totally satisfied with the Bottom Line, but it is preferable to walking away. Once you know your Bottom Line, you won't be goaded or tricked into an unacceptable outcome. If your house is offered at \$250,000 and your goal is to get \$220,000, your Bottom Line may be \$200,000, which is what you will accept if the house has not sold after three months. For anything less than \$200,000, you'll refuse to sell, and the house will stay on the market.

# The Six Core Principles

## Principle #1: Aim High

Negotiators are optimists. They aim high. Aiming high means expecting to be successful in the negotiation. Nothing is more demoralizing than aiming low and settling for a mediocre outcome, then discovering that the other side was desperate to make the deal and would have done better.

### ***When you aim high:***

- It will become a self-fulfilling prophecy.
- You will lower the expectations of the other side. (If you aim *low*, you will raise their expectations.)
- By aiming for more than what you will be satisfied with, you can make concessions and still hit your goal. And there is always the possibility that you will achieve the Maximum.

A friend of mine in Carmel, California, applied this principle when she bought her oceanfront home. At the time, the house was on the market for two million dollars. She offered 1.2 million, figuring she had everything to gain and nothing to lose. It paid off. The seller accepted.

### ***In your next negotiation, open high:***

- If you are on the buying side, offer less than you are willing to pay.
- If you are on the selling side, ask for more than you are willing to accept.

## Principle #2: Do Your Homework

**Negotiators are detectives.** They ask questions and gather information. Use the strategy of “The Other”: Focus on the other negotiator and how they view the negotiation.

The **key question** in every negotiation is:

***“What’s the pressure on the other side?”***

When you focus on your own limitations, you miss the big picture. You may as well give up. If you are negotiating with a tough opponent, the question is not, “How can I convince him to do what I want when he is so important?” The question is, “What does he stand to lose if he does not make this deal?” He may have a lot of resources at his disposal, but his power is still limited by his need or desire to come to an agreement.

Your negotiation power derives in part from the pressures on the other person. Even if she appears nonchalant during the negotiation, she inevitably has certain worries and concerns. It’s your job to be a detective and root these out.

If you discover that the other side is under pressure, look for ways to exploit that pressure in order to achieve a better result for yourself.

## Principle #3: Listen

Many conflicts can be resolved easily if we learn how to listen. The problem is that we are often so busy making sure that people hear what we have to say that we forget to listen. Yet all successful negotiators are good listeners. To be a good listener: (1) follow the 70/30 rule, and (2) ask open-ended questions.

### The 70/30 Rule

The most important rule for being a good listener is: Always let the other person do most of the talking. This is a simple matter of mathematics. I call it the 70/30 Rule: Listen 70 percent of the time and talk 30 percent of the time.

This is revolutionary in our culture because we have been taught just the opposite. In years of English classes, we are taught to express ourselves, orally and in writing. We are told that successful people are people who can get their ideas across, and that it is important to express not only our ideas, but our feelings as well. No one impressed upon us the importance of listening, much less taught us how to do it.

If you want to change all that, you must reverse the order of things. Instead of doing most of the talking, do most of the listening. Just shut up! It works. And the best part is the effect it has on the other person. We all love people willing to listen to us talk about our favorite subject, ourselves. From now on, think of yourself as a detective whose job is to extract information from other people. Let them talk.

### The Interviewer's Art: Asking Questions

What if the other person doesn't feel like talking? That is where the art of asking questions comes into play. Questions get people talking. Think of yourself as an interviewer – Oprah, or my personal favorite, Detective Columbo. They listen and ask open-ended questions.

### Open-Ended Questions

Open-ended questions are those that **can't** be answered with a simple **yes or no**.

*“How could we do this?”*

*“What do you think about that idea?”*

*“How do you feel about that suggestion?”*

The opposite is the closed-ended question, which can be answered with a simple yes or a no. It leaves you with little more information than you had when you began.

To answer an open-ended question, the other person must give the question some thought and then provide a detailed response. Remember, your objective is to get the other party to talk more, in order to encourage them to offer up as much information as possible. Open-ended questions encourage the other person to talk about their needs, desires, fears, strategies, and so on.

**Remember:** People are more likely to do what you want them to when given the opportunity to talk about themselves.

## Principle #4: Be Patient

***Impatience is the American disease.*** As we are inundated with more and more information, we get more and more impatient. The MTV generation just wants to get its information as quickly as possible. In negotiation, this can be fatal.

There are two reasons why you should **take your time**:

**1. *Whoever is more patient is in the driver's seat.*** Being patient will force the other side to give in as their anxiety rises.

**2.** If you slow down, ***you'll make fewer mistakes.***

The next time you buy a new car, try spending some time in the showroom talking with the salesperson. Then go home and process the information you received. Come back a few days later and repeat the process. If the salesperson has not made quota, or if the dealership needs the sale, you will probably receive a more generous offer.

Anyone who has negotiated in Asia, the Middle East, or South America will tell you that people in these cultures look at time differently than people do in North America and Europe. The Japanese, for example, typically take much more time when they negotiate, a strategy that pays off when dealing with Americans who are in a hurry.

There is an old saying, "*Marry in haste, repent in leisure.*" The same is true of negotiation. "*Negotiate in haste, repent in leisure.*"

## Principle #5: Always Get Something In Return

***Negotiation is all about give and take.*** Concessions are an integral part of the negotiating process. Ironically, what you give up is not as important as how you give it up. The most important rule for making concessions is: Whenever you give something away, always get something in return.

Another way of saying this is, never make unilateral concessions. If you do, it is as though you are negotiating against yourself. When you give something away without requiring the other side to reciprocate, they will feel they are entitled to your concession, and won't be satisfied until you give up even more. When you ask for something in return, you lower the other side's expectations. They will be less likely to ask you for more.

So the next time you make a concession, tie a string to it: *"I will do this if you do that."* And make it clear that if they don't agree to do that, you are not obligated to do this.

People are more likely to do something for you when you have done something for them. Psychologically, the best time to request a concession is right after you have given one.

***Remember:*** When people get something for nothing, they appreciate it less, and they may be inclined to ask for more. When someone asks you for a concession, make them earn it by asking for something in return.



## Principle #6: Always Be Willing to Walk Away

I call this **Brodow's Law: *Always be willing to walk away.*** If you want the deal too badly, you lose your ability to say no. Don't place yourself in a position where you accept a less than satisfactory outcome, just to close a deal.

When making a major purchase, such as a car or a house, it often pays not to negotiate. A friend once called to confess that she had just purchased a car for more than the sticker price. Why? *"I just wanted it so badly,"* she said. She thought it was the perfect car, and it never occurred to her that she might have saved several thousand dollars and been equally satisfied by purchasing a different model, a different color, or a different make of car.

Some people see the house they've always wanted and go gaga. *"This is my dream house. I will pay anything to get it."* To avoid this kind of mistake, you must be willing to say, *"If I can't buy this house at a price that I can live with, I will find another dream house."*

Let me make this clear: I am not saying that you should always walk away from a negotiation. But if you don't even consider the option of walking away, you may be inclined to cave in to the other side's demands simply to make a deal.

The way to avoid being desperate in a negotiation is to have alternatives. If you are not desperate – if you recognize that you have other options – the other negotiator will sense your inner strength. Your willingness to walk away is one of the greatest bargaining chips you have.

**Being willing to walk away can foster a favorable outcome in and of itself. Here's how:**

### ***1. Walking away may force the other side to soften their position.***

If they are under pressure to make the deal, your willingness to walk away can result in immediate concessions.

### ***2. Your willingness to walk away demonstrates your commitment.***

Savvy negotiators are always testing you to see how committed you are to your position. In order to convince them, you may have to resort to strong measures – including walking out.

### ***3. Walking away can help them sell your position to their boss.***

They may have to justify their concessions to someone higher up on the food chain. Now they can tell the boss, "See, we had to make those concessions or they would have walked away from the deal." Buyers need to justify a greater expenditure, and sellers must have a good reason for lowering their price.

# Your Negotiation Quotient

Rate yourself on each of the Six Principles:

	<u>Excellent</u>				<u>Needs Work</u>
1. Aim High	5	4	3	2	1
2. Do Your Homework	5	4	3	2	1
3. Listen	5	4	3	2	1
4. Be Patient	5	4	3	2	1
5. Always Get Something In Return	5	4	3	2	1
6. Always Be Willing to Walk Away	5	4	3	2	1

# Negotiation Role-Play

The Course Leader will provide you with instructions about the negotiation role-play. Although it is just an exercise, it contains all the elements of a real-world negotiation. Treat it with the same degree of seriousness that you would in real life.

After the negotiation, the Leader will conduct a discussion about the outcomes.

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# Commitment to Action

What active steps will I take to implement each of the six core principles:

1. Aim high:

2. Do your homework:

3. Listen:

4. Be patient:

5. Always get something in return:

6. Always be willing to walk away:

PREVIEW

# Quick Review

*Negotiation is the process of overcoming obstacles in order to reach agreement.*

**Negotiation Consciousness:** Be assertive and challenge everything.

## Assertiveness Training Tips:

1. Ask for what you want.
2. Eliminate negative self-talk.
3. Practice expressing your feelings without anxiety or anger.
4. Learn to say NO.

## The Three Negotiation Targets:

1. Maximum.
2. What you'd like to get – your goal.
3. Minimum (Bottom Line).

## The Six Core Principles:

1. Aim high.
2. Do your homework.
3. Listen.
4. Be patient.
5. Always get something in return.
6. Always be willing to walk away.

# About Ed Brodow



Ed Brodow is an internationally renowned expert on the art of negotiation. SEC Chairman Harvey Pitt dubbed Ed the “King of Negotiators.” Forbes Magazine agreed, ranking Ed as one of the nation’s leading dealmakers along with Senator George Mitchell and Citigroup CEO Sanford Weill.

Ed is the best-selling author of four books including *Negotiation Boot Camp: How to Resolve Conflict, Satisfy Customers, and Make Better Deals* (Doubleday) and *Beating the Success Trap: Negotiating for the Life You Really Want and the Rewards You*

*Deserve* (HarperCollins).

For nearly two decades, Ed Brodow’s Negotiation Boot Camp® seminars have sharpened the deal-making skills of thousands of executives from senior management, sales, purchasing, legal, customer service, contracts, marketing, engineering, insurance, and other business world competencies. His impressive client list includes Microsoft, Goldman Sachs, The Hartford, Starbucks, Johnson & Johnson, Learjet, American Express, Raytheon, Cisco Systems, Philips, Symantec, Hyatt, Baker Hughes, IBM, ConAgra, KPMG Peat Marwick, Kimberly-Clark, Philip Morris, Quest Diagnostics, Seagate, The Gap, Revlon, 3M, Zurich Insurance, Mobil Oil, the IRS, and the Pentagon.

As a keynote speaker, Ed has enthralled more than 1,000 audiences in Paris, Athens, Tokyo, Bogota, Sao Paulo, Toronto, and New York with his charismatic stage presence, infectious humor, and practical ideas on negotiation and success. A nationally recognized television personality, he has appeared as negotiation guru on PBS, ABC National News, Fox News, Inside Edition, and Fortune Business Report. His two-hour PBS negotiation special garnered rave reviews. Followed by hidden TV cameras in New York, Boston, and San Francisco, Ed proved to American consumers that they have the power to negotiate better deals in department stores and retail malls.

Ed Brodow’s innovative negotiating strategies have been showcased in *The Washington Post*, *The Los Angeles Times*, *The Wall Street Journal*, *Entrepreneur*, *Business Week*, *Smart Money*, *Forbes*, and *Selling Power*. A true “Renaissance Man,” Ed has been a corporate sales executive (IBM, Litton Industries), US Marine Corps officer, novelist, and Hollywood movie actor with starring roles opposite Jessica Lange, Ron Howard, and Christopher Reeve. A veteran member of Screen Actors Guild, he lives in Monterey, California. Ed’s website is [www.brodow.com](http://www.brodow.com).

# Appendix: Mapping Out Your Next Negotiation

## 1. What Are Your Targets?

- Determine Your Maximum Position: The best outcome you think you could possibly attain in the negotiation.
- Set Your Goal: The result you'd be satisfied to achieve in this negotiation.
- Determine Your Minimum Position (Bottom Line): The worst outcome you will accept in order to make a deal. Anything short of this and you will walk away.

## 2. What are your needs, i.e, what problem(s) do you need to solve?

## 3. What are your options? Do you have a Plan B?

## 4. What concessions are you willing to make?

## 5. What pressure is there on the other side to make a deal?

## 6. How can you help the other side to feel satisfied – without giving away too much?

## 7. What is your opening position?

## 8. Where should the negotiation be held?

## 9. How many people should be present?

## 10. What interests do both sides have in common?

## 11. What options exist for mutual satisfaction?



# For more information...

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