

# POWER NEGOTIATING WORKSHOP

*by Roger Dawson*

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# INTRODUCTION

*The Secrets of Power Negotiating* and this guidebook, *Power Negotiating Workshop*, are designed to help you sharpen your negotiating skills so you will always be able to get the best deal possible—whether you're buying a new or used car, negotiating with your boss for a promotion or raise, or negotiating a wage and benefits package with a union that represents thousands of workers.

Once you learn and apply the tactics, strategies, gambits, and counter-gambits found here, you will:

- Be more at ease in any negotiating situation.
- Recognize when certain ploys are being used against you and know how to counter them.
- Understand the basic forms of power and how each may impact on the negotiations.
- Discover the benchmarks of a Win-Win negotiation.
- And much, much more!

The ultimate value of the knowledge you'll gain from the audiocassettes and this guidebook depends on how many negotiating concepts you adopt and apply, both in your business and your personal affairs. Visualize yourself implementing many of the ideas and making them pay off for you.

Good luck with *Power Negotiating Workshop*. You're certain to find it interesting, informative, and fun.



# THE FACTS ABOUT NEGOTIATING

Negotiating is an artform. It instills its possessor with a great power. And if you know how to do it correctly—if you know how to structure negotiations so that others get what they want, *and* you get what *you* want—you will be a lot more successful in life. Not only that, but a great deal of the pressure, stress, and friction will be removed from your life.

You can really get anything you want in life if you realize these **five underlying facts about negotiating**:

- You are negotiating *all the time*.
- Anything you want is presently owned or controlled by someone else.
- There are predictable responses to strategic maneuvers or gambits in negotiating.
- There are three critical factors to every negotiation: *the understanding of power, the information factor, and the time element*.
- People are different and have different personality styles that you must account for in negotiating.

There are **three simple rules** to follow when striving for **Win-Win negotiations**:

- Do you narrow negotiations down to one issue? When you do, there can only be a winner and a loser. Broaden the scope of negotiations. Take into account all the elements and piece together those elements like a jigsaw puzzle until both sides are satisfied and can win.
- Never assume you know what the other party wants. Get to know the person, rather than the business or the prospective deal.
- Understand that people are different and have different perspectives on the negotiations. Never assume that money is the bottom line.

## QUESTIONS FOR REFLECTION

1. Name several things that you want, but have not viewed as things you can get through negotiating.


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2. Think about a time when you were negotiating and violated at least one of the three rules listed above. Which rule(s) did you break? What could you have done differently?

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3. Are there any aspects of Win-Win negotiating that leave you skeptical? What are they and why?

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4. Think of a situation in which you knew what they other person wanted—and were wrong. What could you have done—and can you do in the future—to be more aware of another person's perspective?

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5. Do you have a tendency to focus on a single issue when negotiating? How might you change that?

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6. Is price the most important thing to you in negotiations? List other important factors you should learn to consider in the future.

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**SIDE  
2**

**THREE STAGES IN NEGOTIATION**

To become a good negotiator, you must recognize the distinct stages of negotiating and be willing to take the time to follow through with each one. All three stages are fundamentally important to the success of any negotiation.

The **three stages of every negotiation** are:

- Establish criteria (for both your side and theirs).
- Get information about the other side; you can never know too much.
- Reach for compromise; try to meet on some common ground—a Win-Win situation.

There are **five requirements to become a good negotiator**:

- Understand that negotiating is always a two-way affair.
- desire to acquire the skills of negotiating.
- Understand how the different principles and gambits affect negotiating.
- Be willing to practice.
- Desire to create Win-Win situations.

**QUESTIONS FOR REFLECTION**

1. For each of the three stages of negotiating, detail your most recent experiences. Where did you have success? Where did you encounter difficulty? What can you do to avoid similar difficulty in the future?

a. Establish criteria

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b. Get information about the other side

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c. reach for compromise

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2. What is your biggest problem with negotiating? Write out completely what it is, why you might feel the way you do, and then make a promise to yourself to face it the very next time you find yourself in a negotiation. Use a separate sheet of paper if necessary.

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3. On a scale of 1–5 (1 being the lowest, 5 the highest), rate how much of the following you currently possess. Answer as honestly as possible. remember, your answer will reflect where you are now, not where you hope to be one day.

a. Understanding and awareness of the “two-way-street” aspect of negotiating.

1—2—3—4—5

b. Desire to acquire the skills of negotiating.

1—2—3—4—5

c. Understanding the principles and gambits of effective negotiating.

1—2—3—4—5

d. Willingness to practice.

1—2—3—4—5

e. Desire to create Win-Win situations.

1—2—3—4—5

**SIDE  
3**

**TACTICS AND COUNTER TACTICS OF NEGOTIATING**

There are very specific gambits or tactics that are used in the negotiating process. A few of these may seem quite ruthless to you, but it is important that you are aware of them because others may attempt to use them against you. Even if you never feel comfortable using these tactics yourself, you must know how to defend against them.

**Tactics of Negotiating:**

- **Nibbling**—Since directly after the initial agreement the opposition is most vulnerable, some things are more easily achieved later in a negotiation; introducing a demand early may mean it will be bargained out or traded off.
- **Hot Potato**—Someone wants to pass their problem to you.
- **Higher Authority**—Always have an unidentified entity behind you that has the authority to make a decision.
- **Set-Aside Gambit**—Put an issue on hold, find agreement on little issues to create momentum, then return to any major impasse issues.
- **Mediator**—Bring in a third party to mediate, someone who must be perceived as neutral.

**QUESTIONS FOR REFLECTION**

1. In the space provided below, recall a negotiating situation in which, had you used the nibbling technique, the negotiations may have gone more smoothly.

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2. When was the last time someone tried to drop a hot potato in your lap during a negotiation? What might you have done to avoid being burned?


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3. Who are the higher authorities on whom you might say that the outcome of a negotiation depends?

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4. Recount a negotiation situation from your own experience during which the set-aside gambit would have helped you achieve further success.

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5. What are your experiences with mediators—are they helpful and productive or counterproductive? Have there been situations during which you feel that a mediator would have been an asset?

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**SIDE  
4**

**MORE TACTICS OF NEGOTIATING**

The following are more tactics of negotiating that can help you get what you want.

- **Good Guy/Bad Guy**—Two people working together, one friendly, the other threatening.
- **Never Take the First Offer**—Always go through the negotiating process and make the other side feel they’ve won something; you won’t feel satisfied if you don’t try for a better deal.
- **Feel, Felt, Found**—Because arguing creates confrontational negotiation, agreeing up front by using phrases like, *“I understand how you feel, many others have felt the same way, however, we have always found...”*
- **Smart/Dumb**—Dumb is smart and smart is dumb. Play dumb and don’t give yourself away; the other side will be kept off guard and will try to help you.
- **Call Girl**—The value of services always diminishes rapidly after the services have been performed; any time you make a concession, ask for a trade-off immediately.
- **Walk Away**—Communicate to the other side your willingness to walk away; when you pass the point of walking away, you have lost the negotiation.

**QUESTIONS FOR REFLECTION**

1. Create a scenario in which the good guy/bad guy might work in an upcoming negotiation.

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2. Recall a time when you accepted the first offer made. What happened? How did you feel then? How do you feel in retrospect?

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3. Come up with several alternative phrases that will help you to use the feel, felt, found technique.

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4. Have you ever played dumb in a negotiation? What happened? If you haven't, can you think of ways in past negotiations that it might have worked?

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5. How can the call girl principle work in your own negotiations?

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6. Are you willing to walk away from a negotiation? What are your feelings or concerns? What do you believe the consequences of walking away would be? have you ever walked away from a negotiation? How did you feel?

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**SIDE  
5**

**MORE TACTICS OF NEGOTIATING**

Here are even more tactics that will help you in your negotiations.

- **Flinching**—Visibly react any time a proposal is made to you.
- **Trade-Off Principle**—Any time you’re asked for a concession in a negotiation, automatically ask for something in return.
- **Vise Technique**—Squeeze people into concession or better performance with the simple phrase, *“You’ll have to do better than that.”*
- **Power of the Printed Word**—People believe what they see in writing.
- **Withdraw Offer Principle**—To close a negotiation, withdraw an offer you’ve already made by retreating to a previous position, explaining that offer is unavailable because you made a mistake or because a higher authority intervened.
- **Easy Acceptance**—Use an unusual way of braking down the price to make it seem that the amount is insignificant, i.e., cents per day or dollars per mile.

**QUESTIONS FOR REFLECTION**

1. What are your initial reactions to the flinching technique?

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2. Think of a negotiating situation during which you could have used the flinching technique.

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3. Recount a negotiation during which you could have used the trade-off principle to your advantage.

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4. In what situations might you be able to use the vise technique, i.e., use the statement, *"You'll have to do better than that"*?

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5. Recall a negotiating situation during which bad feelings on the other side might have been smoothed over had you used the easy Acceptance technique.

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6. What are some alternate ways in which you can restate your price or offer so it more closely follows the funny money technique?

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**SIDE  
6**

**STILL MORE TACTICS**

Further negotiating techniques and tactics include:

- **Decoy Technique**—Take the other person’s attention away from the real issue.
- **Red Herring**—A refinement of the decoy technique; create an issue in the negotiations that will subsequently be used to trade off for a real issue.
- **Puppy Dog Close**—Have a potential buyer use the product for a time, getting the person emotionally involved with it, and making it difficult for the person not to go ahead with the purchase.
- **Reluctant Buyer**—Feign disinterest in making a deal, no matter how high your enthusiasm.
- **Want-It-All Philosophy**—In your initial negotiations, always ask for more than you expect to get.
- **Splitting the Difference**—Always encourage the other person to split the difference between what you want and what they’re willing to give.

**Remember:** Always maintain perspective when you’re negotiating. Do not get so carried away with the thought of getting an extra nickel or dime that you lose sight of the key issues in the negotiation.

**QUESTIONS FOR REFLECTION**

1. Recall a negotiation that might have gone better had you employed the decoy and/or red herring techniques.

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2. In what ways might the puppy dog close work for you?

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3. Describe a situation during which a negotiation might have gone better had you played the reluctant buyer.

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4. What is your reaction to the want-it-all philosophy? Do you feel yourself capable of asking for more than you expect to get? How will you decide what to ask for?

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5. Give an example from your own negotiating experience when you and your negotiating partner made the mistake of offering to split the difference.

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**SIDE**  
**7**

**POWER : UNDERSTANDING IT AND GAINING IT**

The first of three critical elements in every negotiation is power. In fact, it may be the single most important element. In any negotiation, one person is in control and one person is being controlled.

There are **eight elements of power**:

- **Legitimate Power**—Comes with a title or position.
- **Reward Power**—When you perceive that someone has the ability to reward you, they have power over you.
- **Punishment Power**—When you perceive that someone has the ability to punish, intimidate or embarrass you, they have power over you.
- **Reverent Power**—Goes to anyone with a consistent set of values.
- **Charismatic Power**—Difficult to analyze or explain, this power is based entirely on strength of personality.
- **Expertise Power**—When you project to people that you have a little more knowledge or expertise than they do in a particular area, you develop power over them.
- **Situation Power**—When people have very little latitude in the way they do their jobs, they have power over you.
- **Information Power**—Sharing information forms a bond; withholding information intimidates; both of these gives power.

**QUESTIONS FOR REFLECTION**

For each of the eight elements of power, rate yourself on a scale of 1–5 (1 being the lowest, 5 the highest) for each, and then list two people you know who possess each of the elements.

1. Legitimate Power

1—2—3—4—5

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2. Reward Power

1—2—3—4—5

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3. Punishment Power

1—2—3—4—5

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4. Reverent Power

1—2—3—4—5

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5. Charismatic Power

1—2—3—4—5

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6. Expertise Power

1—2—3—4—5

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7. Situation Power

1—2—3—4—5

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8. Information Power

1—2—3—4—5

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**SIDE  
8**

**MANAGING TIME AND INFORMATION**

Another of the three elements of negotiation is information. Whatever side has the most information usually controls a negotiation.

Here are **techniques to use in order to get information:**

- Ask open-ended—who, what, when, where and why—questions.
- Keep repeating a question.
- Question other people who have done business with the person with whom you’re negotiating.
- Bring an expert along with you.
- Select the location for information gathering carefully.
- Shop around.

By questioning judiciously, you should try to find out as much as you possibly can about the hidden agenda of the person with whom you are negotiating. Try to understand where he or she is coming from and what he or she is trying to achieve.

Finally, don’t forget that time is always critical in negotiations. The person under the most time pressure usually does worse in the negotiations. The rule is that 80% of the concessions come in the last 20% of the time available to negotiate. Flexibility—and concessions—come with time pressure.

**QUESTIONS FOR REFLECTION**

1. Think of a negotiation in which you are currently involved or will soon be involved and create open-ended, information-gathering questions using the words provided below.

a. Who

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b. What

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c. Where

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d. When

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e. Why

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2. Again thinking of your current or upcoming negotiation, what people or organizations who have done business with your negotiating counterpart might you contact in order to gather further information on him, her, or the organization?

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3. Who are experts you might potentially bring with you to the negotiations?

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4. What are the possible locations for your negotiations? Put an asterisk(\*) next to the very best potential site.

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**SIDE  
9**

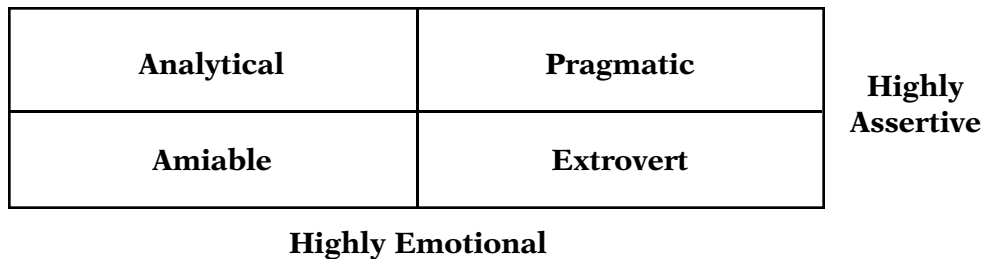
**PERSONALITY TYPES**

For success in negotiating and in your personal relationships, it is critical that you understand your own personality style and the styles of those with whom you deal. And you must learn to adapt what you're doing to the different personality styles of people as they relate to your own style.

There are four basic personality types:

- **Pragmatic**—A bottom-line, time-management type, pragmatics are the kind of people who evaluate something based on how much useful information can be gotten from it; pragmatics are doers.
- **Extrovert**—Very emotional and easily inspired, extroverts, seeking to have a good time, often allow excitement to take precedence over careful thought.
- **Amiable**—Interested in the feelings of other people, amiables do not like high pressure or wildly emotional presentations.
- **Analytical**—Hooked on data and detail, analyticals love to seek the causes of things and want the facts of a problem before trying to solve it.

The following diagram helps you visualize the four personality types in relation to levels of assertiveness and emotional make-up.



**QUESTIONS FOR REFLECTION**

1. What personality type are you? Give evidence.

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2. With what personality styles do you have the easiest time and with what personality styles do you have the most trouble?

Easy

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Difficult

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3. What can you do differently to deal more effectively with the personality styles that currently give you the most trouble?

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4. Beneath each of the personality types, list as many people you deal with as possible with the corresponding personality.

**Pragmatic**

**Extrovert**

**Amiable**

**Analytical**

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## SIDE 10

# PERSONALITY TYPES II

To continue becoming acquainted with the four personality types, it is important to know how each type interacts with the others and how each typically negotiates.

### Interaction with Others

- **Pragmatic**—The pragmatic gets along least well with the amiable, who the pragmatic thinks is too emotional and slow in making decisions. The pragmatic is turned off by too much enthusiasm, thinking it is phony. To get along with the pragmatic, demonstrate a concern for practical issues, time and the bottom line. Change the pragmatic's fixed position through logic.
- **Extrovert**—Extroverts have the most problems with analyticals—they believe analyticals are too mired in detail, unemotional, and very slow to act. Take time with the extrovert to talk about his or her family or other interests. Persuade the extrovert to tone down the motivational rhetoric so the other parties can reach their own conclusions.
- **Analytical**—Analyticals get along least well with extroverts, whom they find shallow and unconcerned with the facts. In dealing with them, give analyticals the facts they crave. Help them see that they have to deal with people, not just principles, facts, or the system.
- **Amiable**—Amiables are suspicious of the hard sell, and get along least with pragmatics, whom they think are unfeeling. Since amiables most want agreement, show them that much progress has been made and encourage them to promote their original good ideas. Don't pressure them. Let them see you have concern for the interests of the people involved in the situation.

### Negotiating Style

- **Pragmatic**—In negotiations, pragmatics become street fighters. They are in the negotiations to get what they want. They are sure there must be winners and losers, and they want to be winners. They fight hard and see little justification for concessions. Their main fault in negotiations is the tendency to stubbornly hold a fixed position.
- **Extrovert**—The extrovert becomes a den mother in a negotiation. den mothers are so enthusiastic about their project they lose sight of the fact that others are not as enthusiastic. the extrovert's fault is a tendency to ignore the feelings of the others in a negotiation.
- **Analytical**—The analytical is by nature an executive—very rigid in approaching a negotiation. Analyticals are reluctant to be flexible. While extroverts are loose on detail, analyticals are precise. they are concerned with the principle underlying any issue. their fault is inflexibility.
- **Amiable**—The amiable is the opposite of the pragmatic in negotiations—amiables become pacifiers. Their goal is not to win the negotiation, but to keep everyone happy. They dread high pressure encounters and long for a solution, even one that does not meet their requirements. the amiable is too easily swayed.

## QUESTIONS FOR REFLECTION

Recount negotiating situations during which you dealt with each of the personality types. How did each go? Did you react in the best possible manner given the personality type? Given your new knowledge, what might you have done to have dealt with each type in a more successful manner?

### 1. Pragmatic

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### 2. Extrovert

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### 3. Analytical

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### 4. Amiable

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## SIDE II

# BODY LANGUAGE

A tremendous amount of our communication is non-verbal. Body language is so important, in fact, that negotiations should never be done over the phone. You must see what your negotiating partner is doing face-to-face.

Here are some common signals of body language:

- **Blinks**—rapid blinking indicates the person is exaggerating, tense (or very alert), lying, or feels uncomfortable with what he or she is saying.
- **Handshake**—Overly friendly handshakes may mean they want something from you. A damp palm is the sign of nervousness; watch to see who wipes his hand to shake yours.
- **Smoking**—Smoking indicates a person is relaxed and ready to move from conversation to begin the negotiations. If the other side hesitates to smoke, it may be because they feel they are in trouble; continue small talk until they are comfortable.
- **Coat Buttons**—An unbuttoned coat is the sign of being relaxed and comfortable in the situation.
- **Head Tilt**—A person whose head is upright and who is looking straight at you is probably not paying attention. A slight tilt of the head, particularly if the hand is on the chin, is a sign of good attention.
- **Hand to Head**—Stroking the chin or knuckles folded under the chin indicates interest. The chin in the palm is a sign of boredom. Stroking the nose is a sign of lying or exaggeration, while touching the bridge of the nose is a sign of concentration. A tug of the ear indicates the other wants to hear more. Scratching the top of the head indicates unease. A hand placed on the back of the neck is almost always a sure sign of annoyance.
- **Hands**—Finger drumming indicates impatience. Wringing the hands indicates severe strain. Steepling (touching the tips of the fingers) indicates supreme confidence. When a man brings his hands to his chest, it indicates openness and sincerity. When a woman does it, it indicates shock or protectiveness.
- **Glasses**—Looking over the glasses indicates disbelief or disapproval. Someone who repeatedly cleans his or her glasses wants more time to think. If a person lays his or her glasses on the table, he or she is no longer listening.
- **Space**—Within one and a half feet is the intimate zone—don't intrude on this space in negotiation. One and a half to four feet is the personal zone. Four to seven feet is the social zone.



## QUESTIONS FOR REFLECTION

1. Based on your new knowledge, and after analyzing the way you often respond in negotiations, what elements of body language do you frequently display—and what do they mean?

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2. Think back on a recent negotiation and list as many body language signals as you can remember that your negotiating partner displayed.

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3. How might you employ the limitations and uses of each proxemic zones to your negotiating advantage?

- a. Intimate

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- b. Personal

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- c. Social

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**SIDE  
12**

**HIDDEN MEANINGS IN CONVERSATION**

When negotiating, you must look for the hidden meanings in what other people are saying. Very often, what is left out of a speech or conversation is just as meaningful as what is said. Further, you must be skillful in not giving away your own hidden meanings.

The following list highlights expressions and words that indicate hidden meanings in conversations.

- **Expressions meaning the opposite**—Sometimes people say things when they really mean the opposite.
- **Throwaways**—Expressions that at face value indicate a casual reference, but in fact precede a momentous announcement.
- **Legitimizers**—Expressions used to legitimize a statement that is not completely true.
- **Justifiers**—Expressions that lay the foundation for failure.
- **Erasers**—Words that erase everything that came before them in conversation.
- **Deceptions**—Statements immediately preceding an eraser that means the opposite of what is stated.
- **Preparers**—Clauses that get you ready for the speaker's request.
- **Trial Balloons**—Sentences that indicate the speaker has already made up his or her mind and wants your opinion on it.
- **Sense Orientation**—Expressions and words directed at a speaker's dominant sense.

**QUESTIONS FOR REFLECTION**

For each of the kinds of hidden meanings, come up with two examples that you either have used in the past or can use in the future.

1. Expression meaning the opposite


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2. Legitimizers

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3. Justifiers

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4. Erasers

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5. Deceptions

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6. Preparers

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7. Trial Balloons

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8. Sense Orientation

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