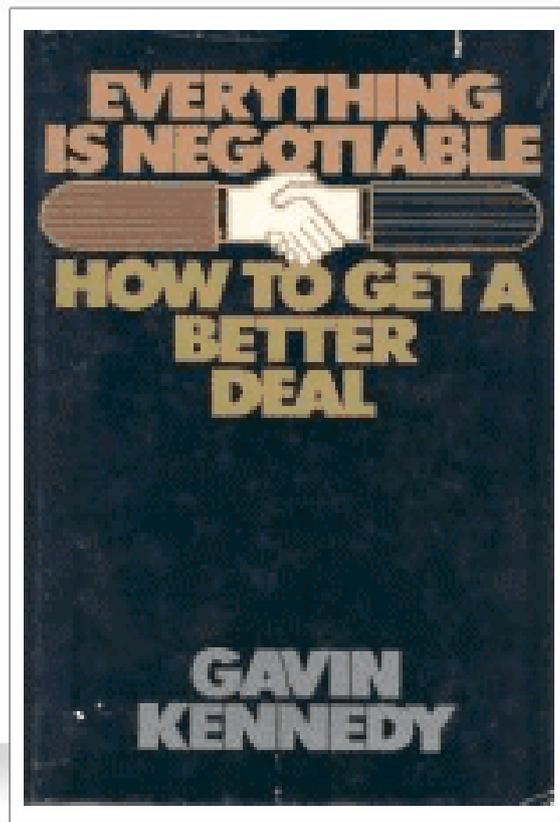


How To Negotiate and Win

# EVERYTHING IS NEGOTIABLE



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# **EVERYTHING IS NEGOTIABLE**

## **How To Negotiate and Win**

### **MAIN IDEA**

Everything is negotiable.

If you automatically assume this until circumstances prove otherwise, you'll be amazed at the bargains you can strike - even in unexpected areas. When you assume that anything is unnegotiable, simply because the other party has not yet indicated a willingness to negotiate, you are missing huge opportunities to make better deals for yourself, for the company you work for and for the people you buy things from.

Negotiation is the simple process of structuring a business transaction in such a way that everyone involved gains the most. There is always a better deal waiting in the wings. Habitually look for those better deals and your business affairs will flourish.

## **Introduction - How to Survive the Recession**

### Main Idea

Always assume everything is negotiable and you will be amazed at the bargains you will be able to strike. Even more surprising is the fact that the people you deal with will often come up with a deal that is also better for them when you are prepared to negotiate rather than settle for the first terms mentioned. The key is not in the actual negotiating, but in your approach to the negotiations.

Never be intimidated into thinking something is not negotiable. The more prestigious the other party, the more susceptible they are to negotiability. Negotiating as a technique can be applied across cultural barriers to any size business dealing, large or small. In life, almost everybody negotiates about almost everything - so much so that most people hardly think about what they are doing.

In practice, negotiating is a messy, sometimes chaotic exercise. People lose their train of thought, have interruptions, have other worries crowding their thoughts and suffer from emotional outbursts. The trick is to identify the underlying patterns inherent in the process as a whole, and to improve your judgment and experience in these specific areas.

### **1. The worst thing you can do to a negotiator**

#### Main Idea

The worst thing you can do to any negotiator is accept his first offer.

#### Supporting Ideas

People like to get bargains, and expect to work for a deal. When you accept the first price offered, you make the other person miserable simply because they have no idea of what your final price could have been. They may secretly think that the price they opened with (and which was accepted) was too high, and that if they had opened with a price much lower, you may have sold for a lower price.

Acceptance of a first offer leaves room for doubt about what other offer might have been accepted if that had been tried first.

If you are selling something, you can offset the accept first offer reply by using an add-on technique. You may say, "The normal charge for my services are \$1,000 per day". If this is accepted, you then say, "But as you require....., I will need an additional \$500 for these things, plus..." If your first offer met with a price objection, you can use this technique in reverse to take off parts of the service to get back to an expenditure level they feel comfortable with.

Negotiators expect to negotiate. They feel cheated and miserable if someone doesn't recognize this fact and accepts the first offer they make. Accepting a first offer undermines confidence in both the deal and themselves. So do a favor for any business person you negotiate with and refuse to accept their first offer. Make them work for the sale. If nothing else, you may also be amazed at the bargains you can secure - simply

by asking for them.

## **2. Why you can't negotiate a grievance**

### Main Idea

Never just bluntly state a grievance. Negotiate a remedy. It is never the other party's feelings that need to be sorted out - your own interests need your full attention. Focus on the issue that has made you complain in the first place, and the structure of a remedy rather than concentrating on being as abrasive and insulting as possible. It's much more productive over the long term.

### Supporting Ideas

Most people are experts at complaining and insulting at the expense of getting to the real key issue - structuring a remedy that fills the requirements of all interested parties.

In other words, put aside the opportunity to let sarcasm run riot and take the initiative by suggesting a remedy that will sort out the situation. Invest more energy into framing a suitable remedy than you do into composing a witty speech about their competence. In the long run, you'll come out ahead.

When anything goes wrong, concentrate on the issue at hand by suggesting a realistic remedy rather than entering into a verbal free-for-all that entertains but achieves nothing.

At the very least, your constructive complaining should include a suggested remedy that you have thought out. The other party can then focus on the viability of the remedy rather than replying in kind to your insults. Much more productive in the long run.

## **3. The negotiator's most useful questions**

### Main Idea

When negotiating in any business field in which you have little or no experience or expertise, ask lots of questions starting with "What if..." and keep asking them until you are satisfied that everything is covered.

### Supporting Ideas

Any offer that you "can't refuse" is more likely to be one that you should think very carefully about than any other offer. Never allow "luck" to take care of your interests. For example, if someone offers you big money for something you value lightly, you should never assume they are crazy and take the first offer they make. Rather, assume that you may be naive and start asking questions. Keep asking questions until you understand why they have set that value on your product or service.

When you continue to ask those "what if" questions, the wider implications of the deal come into sharper focus. The time to be concerned about the fine print is before the deal is signed, not afterwards.

In any large deal, there are a vast array of "what if" questions that should be examined in detail before anything is signed to protect the interests of all parties. In addition, asking these questions often creates a number of negotiation variables that may later prove to be quite useful. So never be shy in asking this type of question, and continuing to ask these questions for as long as you like. You never know what facts you will turn up that may prove worthwhile.

#### **4. The negotiator's dilemma**

##### Main Idea

Most negotiators tend to take the entire process personally, and really believe they are the only party who worries whether or not they are striking the best possible deal. In reality, however, every side in the negotiating procedure is facing the same self-doubts in their quest to strike the best possible terms. The essential question is one of uncertainty - have you reached the best possible business arrangement?

##### Supporting Ideas

You can prepare yourself for a negotiation by knowing your business better than your rivals, but that will still not resolve the dilemma. There are three particular questions every negotiator anguishes over;

1. Where to open? What starting price do you offer that is not so low that the other person considers you are not serious, and is not so high that it is still less than they are actually willing to pay. In the final analysis, the price of anything is simply determined as that price which the buyer is willing to pay and the seller is prepared to accept.
2. When and how far to move? In other words, is the other guy hesitating to make us drop our opening price, or is he testing our resolve to stick to the offer as it stands? Your lack of knowledge of the other person is offset by their lack of knowledge of your situation. If you resist their offer to move the price, are you being candid or are you bluffing?
3. How long do you hang on? Have you reached a point where time spent haggling on this deal could more profitably be spent generating new prospects? Time is a great pressure on negotiations on both sides of the table.

The key factor is not that these issues arise - they should be anticipated as an integral part of any negotiation. Just knowing these pressures will exist should, to some degree, relieve some of the effects. Knowing that everyone faces the same dilemmas should help further, and should give a proper perspective. The three dilemmas can't be avoided, and form an integral part of negotiating.

In reality, you never know the answers to all three questions until after the negotiations are finished. Sometimes you don't ever find out the answers. How much time should be spent on negotiations is quite often never obvious until after the time has been spent.

## 5. The myth of goodwill-conceding

### Main Idea

In negotiating, goodwill is not contagious. Experience suggests that being liberal in making concessions is the least effective way to get the other person to make concessions on their part.

### Supporting Ideas

There are two common trains of thought relating to goodwill concessions;

1. It softens them up for the deal to be made. In reality, research has shown in numerous studies that a goodwill concession has exactly the opposite effect - it makes the other party take a tougher stance as they expect your goodwill concession shows you had a large margin to begin with. They then sharpen the pencil, and start trying to find other areas to cut you back on.
2. It is a good note to start negotiations with, or in effect, an ice-breaker. If you feel the need to make a concession to start the negotiations, why doesn't the other guy feel the same need? Rather than starting negotiations, you have begun by revealing that your stated position is open to downwards movement.

Of all the possible ways to begin any negotiation, the idea of starting by making some sort of concession is the weakest opening imaginable. Invariably, it produces the exact opposite of the result originally intended.

## 6. In Praise of Mother Hubbard

### Main Idea

Always shock them with your opening offer.

### Supporting Ideas

A cardinal negotiating rule is to shock them with your opening offer. Never start with any offer that is close to where you want to settle. Leave yourself room to negotiate.

Why does this work so well?

1. When you start with a shock offer, it forces the other guy to reconsider his expectations about the current value of that item. His expectations are always influenced by your opening offer, and more often than not, an extreme opening offer will alter his expectations in a direction that will favor you.
2. The only guideline is that your toughest possible opening offer must be credible by some line of logic. The most commonly used ploy here (when buying) is to state that you are unable to afford to go any higher for one of any number of reasons - that you have no authority, no budget, etc.

Often your effectiveness in striking a good deal lies in convincing the seller that, like Mother Hubbard's cupboards, your bank account is fairly bare and that you simply

cannot afford to pay any more under any circumstances. They must come to you if they want to do a deal.

Opening is a risky business. The only smart approach lies in leaving yourself enough room to move if you have to during later stages of the process. Even if a shock opening offer is not accepted, you will be no worse off than if you had opened at around the final price anyway. It is an "everything to gain and little to lose" type of proposition.

The opening bid is the most decisive moment in the entire negotiation to influence expectations. Don't miss a chance to move the balance of power in your favor with a shock opening offer.

## **7. Why O.N.O. is a no no**

### Main Idea

There is no rational reason that supports the common practice of advertising anything with a price followed by "O.N.O." - or near offer. The simple fact of writing ONO weakens your position as the seller by immediately indicating you expect to settle for less. You have no idea of the buyer's motivations, and the likelihood that they need to complete the deal that day. By including O.N.O., you are compelling the buyer to offer less, even if he thought your original price was entirely fair.

### Supporting Ideas

Adding O.N.O. weakens your bargaining position in a number of ways. You imply you are willing to take less irrespective of the circumstances of the buyer. You also convey that you have no confidence that your asking price is reasonable. It also indicates an amateur approach to salesmanship, assuming that you and not the other person is under some kind of pressure to complete the transaction.

A sales transaction is an entirely arbitrary process. Even the commonly used terminology is arbitrary. For example, "low" and "high" are relative terms, not absolutes. Similarly, the definition of a "bargain" is also open to definition in one of any number of ways. (For example, you can compare a price with the price of a new unit, or with what you expected to pay or with what a friend paid for his recently. Any one of these definitions can be used to declare anything a bargain at the price).

Keep in mind that the seller is not the only one who is under pressure to do the deal. The buyer also faces some pressure to show a result for the time invested in searching out a bargain. He has no way of telling what the pressure is like on you, but he will feel it just as much as you will.

The final point about ONO is that it is an open invitation for people to haggle. Their natural inclination is to either accept the original price or walk away. Therefore, by encouraging them to start looking for issues over which you can negotiate, you once again end up weakening your own position. There are no rational reasons why you should ever use ONO in any advertising.

## **8. The Law of the Yukon**

### Main Idea

Toughness in negotiating pays the big dividends.

### Supporting Ideas

Surprisingly, when one party to a negotiation takes a tough stance, almost invariably the other party takes a soft position rather than a strong stance. This is the complete opposite of the commonly held theory that taking a tough stance increases the chances of a deadlock. In reality, a tough negotiating position only marginally affects the chances of a deadlock, and the increased margin from the successful deals will more than compensate.

Tough negotiators have high expectations. Once a shock opening position is announced, they stick to their guns, prepared to risk a deadlock in the name of achieving the best possible result for their company. This toughness carries through to concessions - if any are made, they are at best small and infrequent. Tough negotiators take more than they give, and are less concerned with the possibility of a deadlock than they are with the terms of the deal being structured.

Tough negotiators have the ability to walk away from any deal which offers unsatisfactory terms. It is obvious that seven negotiations that result in five deals at \$10,000 are better than seven deals at \$7,000. The main concern of tough negotiators is that the deal is close to their expectations and is not a deal for the sake of it.

## **9. The Negotiator's Most Useful Two-Letter Word**

### Main Idea

The most useful two-letter word in the negotiator's vocabulary is IF. Nothing should ever be given away in a negotiation without some movement by the other party.

### Supporting Ideas

Negotiating is not the art of commercial conceding. Negotiation is the process of structuring a transaction which both parties have to agree to, and which either party have the option of turning down. Negotiating means to structure a joint decision on the most favorable possible terms to yourself.

Therefore, trade-offs in one area must be offset by an advantage in another area. This is realistic and achievable because both parties attach different relative values to different aspects of the transaction. The trick is to structure an agreement that meets the requirements of both parties.

From this perspective, you should never concede anything without getting something back for it, and preferably more than you conceded in the first place. It's give and take, but there are no reasons why you have to give the same amount that you take.

By using the word "if" on all your movements, you send the signal to the other party that you are willing to move as long as they are. It also protects the integrity of your original

position, and provides the best possible platform for a successful conclusion.

The most important guiding principle of negotiating is to preface all your propositions and concessions with the word IF:

- If you drop the price by 20 percent, I can sign an order right away.
- If you pay the freight charges, I can dispatch the plans by express courier.
- If you are prepared to place an order today, I can meet that price.

Using the word "if" protects the integrity of your proposals. It also sends the signal that for every concession you make, you expect something in return. This is the fine art of negotiating as opposed to the mindless practice of making endless concessions.

Get into the habit of using IF every time you make a proposal and the other guy will eventually get the message;

The if part tells him the price of the offer. The offer part tells him what he is getting for the price.

## **10. Who Has The Power?**

### Main Idea

In any negotiation, before you start ask who is doing the buying and who is doing the selling?

Power is the very essence of any negotiation, but the incredible fact is that power is subjective - it consists solely in the thoughts of both parties to any negotiation. That is, a negotiator's personal (and subjective) perception is more important than any external objective circumstances.

### Supporting Ideas

When negotiating, you have to discern whether your opponent's apparent position reflects the true state of the balance of power between yourself and them, or whether it is just a tactical stance on their part to convince you to change your perceptions.

To put it simply, if you believe they have the upper hand, then they do. If you believe you have the upper hand, you do. The trick is to separate the theatrical props from the genuine article when evaluating the balance of power.

There are so many variables that can affect the business operations of both the buyer and the seller that it is impossible to reduce the relative abilities to do a deal to an empirical formula. It is the perceptions of both parties to the transaction that counts.

You can never be sure whether you are correctly interpreting the balance of power in any negotiation. The smart strategy is to always assume you hold all the cards that matter, and proceed to deal from a position of strength. You'll be surprised at the difference making this simple decision will make to all your future negotiations.

Above all, have sufficient confidence in your price that whenever it is challenged, your

first reaction is not to automatically capitulate. Instead, you should be prepared to stand firm on your prices as stated. If a buyer does not test to see how firm you are on your price, he is not doing his job (and he won't remain a buyer for very long).

## **11. If You Haven't Got A Principal - Invent One**

### Main Idea

In any negotiation, the seller is trying to ascertain the maximum that the buyer is willing to pay without disclosing the minimum he is prepared to accept for that item. A good way to find these boundaries is to invent a third party to act as a mandate. That is, you introduce another party who has given you firm instructions on what to get out of the transaction. You can then test the waters without totally immersing yourself.

For example, you can open the negotiating by saying;

- "My brother told me no to pay more than \$150."
- "My accountant said I must not accept less than \$300."

You can now test the waters without actually making an offer yourself. Depending on the reaction from the other person, you can then get some idea of their price.

### Supporting Ideas

By acting as an agent rather than the decision maker, you distance yourself from the tough positions you want to take. Your principal can be real or imaginary, depending on the situation. It gives you the chance to distance yourself from the negotiations, and to test the outer envelope of the deal you are structuring.

You may even be better off to use an agent. This is true in situations where the market is unknown to you, and the stakes are high. The problem is to get a good agent - someone who will work for you rather than expecting you to do the work for them. The very best agents are always in high demand. As a rule of thumb, hire an agent who suggests going for a deal well above what you would have settled for. If the agent suggests a price roughly where you had set it, why do you need him?

## **12. There Ain't No Such Thing As A Fixed Price**

### Main Idea

Why do stores put prices on their goods, when they run regular sales at reduced prices to prove how much margin they had in their prices in the first place? Simply because the vast majority of people pay the fixed price without even thinking about what they are doing.

The first thing you should do is challenge the price. Ask whether there is a discount for cash, or what kind of discount you'll receive if you structure the deal another way. Depending on the goods involved, this may include delivery and installation charges, warranties, extended payment terms, special prices for display models, discounts for multiple purchases, purchasing along with another product, etc. There are literally

hundreds of different ways to structure any sales transaction.

As a general rule, you have to talk with managers to reach someone with the authority to make a deal. You should be expecting this ploy, and be mentally prepared for it rather than feeling slightly intimidated.

Start by asking for a discount for cash. Then look for ways to change the structure of the deal including;

- Delivery and/or installation
- Parts and labor warranty
- Sale of a used demonstration model
- Price for more than one unit to be purchased
- Price if bundled with some other product
- Price if a guarantee of other future business is included (by yourself or including others)
- Will accessories be thrown in for free?
- A 30 day test period, free of charge
- Take last year's stock at a discount
- Referrals to other people that you know
- A discount on training charges if we travel to your site rather than have your people come to us
- A discount for ordering now with delivery when it is actually needed
- A discount for using us as a reference point for more sales later on
- A discount for the fact that it is a new or unproven product

### **13. The Walls Of Jericho**

#### Main Idea

You should enter every negotiation with the attitude that the other party is going to challenge your price as being too high. Many faint-hearted negotiators freeze up when their prices are challenged, and would rather change their price than risk a deadlock.

#### Supporting Ideas

Inexperienced negotiators also fall into the trap of allowing a 1-percent discount on their price without even bothering to calculate the longer-term actual cost of that discount. This makes employing this type of negotiator an expensive exercise for the company.

You should always expect a price challenge, and be prepared to fight back without provoking a deadlock. You do that by focusing on other aspects of the total package outside of the price. A price war has only one ultimate conclusion - the least successful companies are driven out of the marketplace. There will be no money available to improve the service offered to customers, and they will eventually be forced to an inferior service if you crumble on your prices.

Price resistance is most often simply one way to get you to make concessions. Buyers try it to see how firm you are on your pricing. They realize that if they told you that your prices were lower than everyone else's, they are inviting you to raise your prices.

## 14. Don't Change The Price, Change The Package!

### Main Idea

Never change the price of your service or goods. If someone wants to pay a different price, you need to structure a different package for them.

### Supporting Ideas

If you concede on price, you are opening the door to pressure for concessions on everything else as well - credit terms, shipping costs, etc. Therefore, it is essential that you hold your price line without losing the possibility of a deal. You do that by varying the terms of the total package. There is no such thing as a fixed package, simply because different buyers put different values on different elements of the package as a whole.

Buyers are not purchasing your goods or services - they are buying the benefits they will gain from owning the goods or services you offer. These benefits may be tangible, intangible, specific to one person or generally applicable. This is the essence of package negotiations.

The price of any particular object is simply what somebody is prepared to pay and what somebody else is prepared to sell for. This leaves a lot of room for conjecture. Therefore, your first step, when challenged on price, is to ask "Why do you feel this price is too high?"

Some of the reasons people may challenge your prices can include;

1. They are testing to see how firm you are on pricing. If you respond by price-cutting, they have saved their money simply by asking. They will keep pressing to see if they can save more.
2. They may genuinely believe you are ripping them off. If you drop your price, you are confirming their fears.
3. They may hate spending money. These people know the price of something, but not it's true value. Dropping your price does not increase it's value in their eyes.
4. They may not be able to afford the deal in it's present form, and you have to restructure it differently to suit them.
5. They may be using you to bargain with your competition.
6. They may be looking for a way to back out of a deal without losing face.

Few deals are decided solely on price. Therefore, your response to any price challenge should be based on the approach that for this package there is one price, but for another price there is another package. You use the other variables to protect your price.

Most people are surprised at how many negotiable variables there are in any business transaction. You should never assume that any factor is a sacred cow that can never be

varied. You should be able to sit down and write out a long list of variables that can all form part of your business negotiations. You'll be amazed at how many factors you have given away in the past without even thinking about them.

You need to educate the other party that if they want to change the price, they are going to have to vary the package. Everything is negotiable. Look at any price challenge as a signal that something is wrong with the present package, and that some of the variables need to be adjusted.

It all begins and ends with the attitude of the negotiator. If he expects price to be a major stumbling block, he will crumble whenever anyone brings up that subject. However, if he already knows how to effectively handle a price challenge by varying the total package, he is on the right track.

## **15. All That Glitters Isn't Gold**

### Main Idea

Always look at the trappings of corporate wealth for exactly what they are - an effort to intimidate you into underselling your goods and services. There is no other reason for all the glitz and glamour.

### Supporting Ideas

In effect, it's a mild form of a con. Everyone knows that the successful have high living standards with a conspicuous display of wealth. Therefore, most people think anyone with high living standards is successful. And if companies are making enough money to have that kind of building, they must be good.

In reality, all the corporate trappings are simply theatre. They exist solely to intimidate you into a submissive attitude when you come to do business with that company. Intimidation through props is hard to combat, especially when they are using the very props that you one day hope to own and use yourself.

You can never judge the quality of someone by the possessions they have around them. If you mention to them how impressed you are by their props and trappings, you have lost the upper hand. The best approach is to make no references whatsoever to their facilities or toys.

You can also fight back when kept waiting in a reception area for an appointment. Try getting a snooze, or asking their receptionist to ring ahead and reschedule your next appointment. Or even read a book that you have bought yourself rather than their magazines or annual report. The object is to avoid being intimidated from asking for your true price by the display of possessions.

## **16. On Being Russian-Fronted**

### Main Idea

Threats and sanctions are a popular negotiating tactic. They may be used to break a

deadlock, or as part of the negotiating process itself. As a negotiating tool, they should be avoided at all costs. In reality, threats are totally unproductive to business negotiations in general.

#### Supporting Ideas

The basis of any threat is intimidation. Threats can be of the compliance nature (do this or else) or deterrence (do anything else but that). Threats have an effect on the longer-term climate of any business association.

Threats, in general, depend on the objective and subjective abilities of each party to;

1. Carry out the threat.
2. Follow through by making sure the effects of the threat are felt.

If the other party has the power to make a threat and your position is so weak, why are they bothering to negotiate with you at all? Often some rational and clear-headed thought will reveal your position is not as weak as you may at first glance have thought. In practice, having a threat used against you does not necessarily mean you are trapped cold. Identify the room you have to maneuver, and look for ways to expand your breathing space.

Remember, in any business transaction, you still have the option to take your business elsewhere. When a large-scale threat is used over a small-scale matter, there is a certain loss of future business credibility. More often than not, a threat tends to provoke a retaliatory counter-threat rather than immediate compliance.

The most devastating counter to any threat is to imply that it doesn't concern you at all whether they follow through on their threat or not. They are then left to decide whether you are bluffing, and whether the outcome will be worth their time and effort and expenses.

In negotiating, the best way to protect yourself from the risk of threats lies in structuring your business so that you never become entirely dependent on one supplier, customer or other party.

## **17. The Lazarus Shuffle**

#### Main Idea

The Lazarus shuffle is an attitude towards deadlocks rather than an actual prescription. It has the aim of separating the actual issues under dispute from the emotional tensions that they have inadvertently become inter-twined with. It means moving towards a resolution of the key issues rather than dwelling on the social rights and wrongs of the issue at hand.

#### Supporting Ideas

The most confusing thing about negotiations is that they are carried out by humans, who bring their prejudices and preferences to the negotiating table in addition to all other factors. The Lazarus shuffle consists of the following steps;

1. The first step is to avoid making definitive statements of taking firm, unalterable positions.
2. Next, open the lines of communication between the parties. Rather than making statements designed to "score points", look for ways for both sides of the negotiation to come to understand where the other party is coming from, and in which areas their requirements differ. The emphasis should be on examining the problem at hand rather than coming up with creative insults. It means discussing how something should be done rather than why it wasn't done that way in the past. This examination will require questions between the parties to open up the dialogue. The questions should be open, non-antagonistic and focused on the issue at hand rather than the personalities involved.
3. Now get the parties to agree to what the next step should be to progress towards resolving the negotiation. This may involve setting an agenda, a procedure for adjudicating the issues, a proposed Heads of Agreement or any other suitable format. Alternatively, a set of criteria may be chosen against which all proposed solutions will be gauged.
4. Make a judgment call on whether or not the negotiated outcome will be better than the alternative means that are available to get a decision. If the outcome is much more attractive than the showdown, persist with this course of action. If not, consider giving up and moving on to something more productive. Sooner or later you are going to have to accept the fact that you can't win them all. The trick is to keep getting into a position where you have a realistic chance to win them as you go along.

## **18. Gambits, Ploys & Tactics**

### Main Idea

The one, sure thing about negotiating is that sooner or later, someone is going to teach you a new twist. Everything literally is negotiable, and you will soon see numerous tactics, gambits or ploys which invariably are used to alter your opponent's perceptions of the strength of either his position or your position.

### Supporting Ideas

Some of the more common tactics include;

1. Death by a thousand exceptions. Frequently used by the Civil Service to block unfriendly legislation. They look for the anomalies in the proposed solution to a problem, and the more anomalies they can find the less credible that solution appears.
2. No authority. Usually used to good effect to claw back some of the earlier concessions that had been given away. A provisional deal is made, subject to the approval of some higher authority. Invariably, that authority will not agree to the package as originally submitted. You can guard against this ploy by not giving everything away in your original offer, so you still have room to maneuver when they come back.

3. Linking. This requires two separate issues to be considered together, so that trade-offs in one area would be compensated by gains in another area. Has advantages and disadvantages for both sides. Excellent for making progress in wide ranging or complex situations. Usually ineffective where one party or the other feels particularly strongly about particular issues.
4. Public stances. Taking a public stand on your position lends credibility to the fact that you are meaning to stick to that position. Has the disadvantage that if you change your position, you lose face and credibility. In reality, however, negotiation through the media is a minefield and should be avoided.
5. Peanuts. The other guy keeps introducing a minor item and asks you to include it in the deal. You have to stay awake and make sure you are trading peanuts for increased value. Look at them from his point of view before you calculate what it is worth to you. The more he values the peanuts, the more leverage you have available to use if required.
6. Salami. The negotiation is approached a slice at a time, to gradually shift the benefits to their side before the other person notices what is happening. Your best defense is to tie conditions to each slice of salami they take - so they realize there is no such thing as something for nothing.
7. Walk-outs. Effective once, but a waste of time if overused.
8. Adjournments. Gives your competition a chance to go in and finish the deal, or make offers that can be used against you. Adjournments also create an expectation that progress will be made next time you meet, or you lose credibility.
9. Concession close. You offer a small, specific concession on condition that the deal be concluded post-haste.
10. Summarize close. You summarize how far you have moved already from your original position, and ask for the decision.
11. Last stands or final offers. Usually used by inexperienced negotiators at the wrong time. Can only be used if you prefer not to do a deal on any other terms than those already given.
12. The "Oh, dear!" close. The other party comes back with heart rending news that unbeknown to them, their circumstances have changed and they can't do the deal at the original price but at a slightly higher price.
13. The "Split the difference" close. They come back and say an unforeseen circumstance has arisen, and in fairness they offer to split the difference with you. Respond by offering to split it 80-20 in your favor, pointing out along the way that it is their fault.
14. The "yes, but" close. They will agree but will bring up a problem in one minor clause. If you give on that point, they will try another until you call a halt.
15. The "Gimme a kiss" close. They will bring up all they have personally done to get the

deal structured, and present their concessions as a personal favor.

Two final points are;

1. The best way to handle a long negotiation is to write down what you have agreed upon each day and where your understanding is at. That way you can chart the progress, and neither party can later claim to have been ignorant of the progress thus far.
2. If you'd like a good way to make progress, try using this phrase ; "Suppose, for the sake of argument, and without committing either of us to anything definite, we were to consider re-opening what is a settled question for us. Would you be prepared to..."

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