



## Negotiation & Influencing People

“In business as in life, you don’t get what you deserve, you get what you negotiate”

**Master negotiators don’t shackle themselves with rigid plans. Instead, they arm themselves with the right knowledge and skills to become strategically agile.**

**This workbook will give you the confidence to do this too.**

**Since everyday of your life involves some kind of negotiating, it’s well worth your time to do so.**

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# THE PRINCIPLES OF NEGOTIATION



## TWO CHEFS AND AN ORANGE

There's an old story about two chefs fighting over one orange. Both chefs needed the orange for their recipes and as time was running out, they decided to negotiate a compromise.

The chefs grabbed one of the kitchen knives and split the orange in half, and each went to his corner to finish preparing his meal.

One chef squeezed the juice ready to make a sauce but he didn't have quite enough.

The other chef grated the peel to include in his cake. He too didn't have enough.

But what more could he have done?

The solution may seem obvious to you now; both chefs would have been better off if they had peeled the orange and simply taken the part they needed.

Instead, the chefs had focused on each other's position (the what) and not on each other's interest (the why).

In a negotiation, it is important to be able to distinguish between positions and interests - both yours and the parties' with whom you are negotiating.

Depending on which one you decide to focus on will affect your negotiation style and influence the outcomes.

In the story, the chefs made three big negotiation mistakes:

1. They both assumed they wanted the same thing.
2. They both took up 'positions'.
3. They didn't ask questions.

### TAKEAWAY

It's always good to ask yourself why you want what you want. This will help you get a better understanding of what your real goals are and could open up better deals for you.

# NEGOTIATION POWER PRINCIPLES

Before you try to negotiate anything, even every day things, take some time to think about these principles:

## **KNOW WHAT IS IMPORTANT TO YOU**

What are your goals and objectives? What is the ideal outcome? Know this both for the overall negotiation and for each conversation. E.g. If you have a meeting, what is your goal, purpose, and ideal outcome? Plan this out before the meeting. Make sure your conversation is intentional and purposeful.

What are your goals? .....  
What is the ideal outcome? .....

## **KNOW WHAT IS IMPORTANT TO THEM**

It's critical to understand where the other side is coming from, what's important to them. This allows you to understand areas of wiggle room. What's important to you may not be important to the other party and vice versa. They don't need to know that.

What is important to them? .....

## **ASK QUESTIONS AND LISTEN WITH EMPATHY**

You cannot understand what is important without asking and listening. Get as much information as you can -- from influencers, decision-makers, champions, Executive Assistants, your spouse, kids, etc. When you ask a question, close your mouth and shut your lips. Listen to the response. Try to probe for underlying issues.

## **UNDERSTAND YOUR LIMIT**

When push comes to shove, do you know your walking away point? The last thing you need to do is negotiate--and win--a bad deal. Sometimes it's better to walk away.  
What is my walking away point? .....

## **OBJECTIONS ARE NATURAL**

Before a deal is closed, objections often rise to the surface. These are natural and common. Be prepared. Beforehand, think through what they might be and come up with answers.

What might they object to? .....

## **MOVE FORWARD**

Always try to advance the conversation/negotiation further along. Don't leave a conversation without a next step/meeting scheduled. Don't go backwards.

These are all things you can exercise on a regular basis, even during the course of "normal" life, as life is littered with opportunities for negotiation.

# TAKEAWAYS

**WHEN NEGOTIATING WITH SOMEONE,  
THINK OF EACH OTHER AS PARTNERS IN  
NEGOTIATION RATHER THAN AS ADVERSARIES**

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**BEFORE YOU SEARCH FOR SOLUTIONS, UNDERSTAND  
BOTH PARTIES UNDERLYING INTERESTS**

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**ALWAYS FIND OBJECTIVE CRITERIA TO  
BASE YOUR DECISION ON**

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**WHEN NEGOTIATING, OUTLINE OPTIONS BEFORE  
YOU SEARCH FOR SOLUTIONS**

**NOTES**

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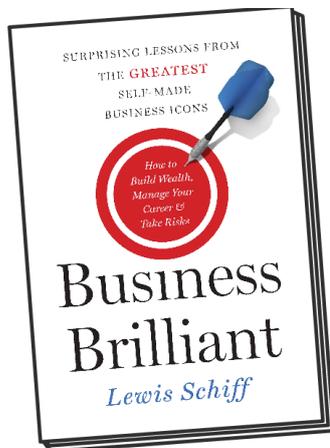
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# WIN-WIN IS A LOSER!



In Lewis Schiff's bestselling book 'Business Brilliant' – he explains why win-win is a loser.

Win-win negotiations, only work when both members of the negotiation are buying into that concept.

His research found that very successful people are not interested in whether the other party in a negotiation either wins or loses, their eye is always on the prize.

This concept is difficult for most people, as empathy makes us care too much about the concerns of the other person or party.

Lewis found that amongst the thousands of self-made millionaires he surveyed, they didn't have that same level of concern about the other party.



In fact – 9 out of 10 of the survey respondents agreed that it's important to exploit the weakness of others when negotiating.



Only 1 in 4 of the middle class survey respondents felt the same.

If that seems a little cold – it's because experienced negotiators have learned that the other party will be trying to do just the same.

To that effect, really successful negotiators don't care if you win or lose – they only care if they win.

# NEGOTIATION WINNING FORMULA

The good news is there is a simple three stage formula you can use to rewire your brain and become a successful negotiator.

One of the great authors in this area called Michael Donaldson, calls it:

- WISH**
- WANT**
- WALK**

Wish, Want, Walk, is an easy to remember, effective system for negotiation.

In a nutshell, this method will create a mind-set that will make you more prepared, allow you to listen better, allow you to respond appropriately, and make you more confident. Being confident is the bedrock of any successful negotiation.

When approaching any negotiation, even if it is in your personal life, you need to think through these three points:

**Wish:** Your Wish is your goal, your dream result.

**Want:** Your Want is where you think the negotiation will end up according to external marketplace forces. It is where the vast majority of deals are closed.

**Walk:** Your Walk is the point at which you will walk away from a deal because it is simply not worth it. It is the point at which you lose money or lose pride or lose status or feel as though you lost and therefore won't do the deal.

Think of a recent negotiation or a situation you feel you will need to negotiate in the near future, e.g. a work deadline, buying a new car or agreeing a pay rise.

Write it down: .....

Now let's go through the three steps of wish, want, walk.

## **WISH**

This is the fun part. This is where you let your mind soar. Don't limit yourself to what's possible or probable. By doing this you will uncover the "true value", to you, of whatever is under negotiation. You can put any value you want on your product, service, or company. Figuring out how to justify your Wish comes later. Right now you are making your Wish. No one is going to value you and your services higher than you do:

What's my wish? .....

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**WANT**

Let's face it, most of the time the negotiation is going to end up where the marketplace dictates. No matter who is negotiating the deal, no matter what style of negotiation is used, no matter how much rehearsal goes on, the market is king.

The Want is more of a range than a number, but understanding the Want requires a lot of information. You need to know the marketplace or you will have no solid basis for predicting where the deal will close.

For example, if you are buying a new car, that car will have a price range based on model, age, condition etc.

For the WANT, you need to research as much as you can. In our car example, you'd find out what other similar models are selling for, when the new model is going to be released, if the shop offers cash discount etc.

What are the wants? .....

**WALK**

This is what really gives you negotiating power and you need to know your Walk Away point before you enter into negotiations. Setting this Walk Away point goes against nature because most of us do not want to start preparing for negotiation by thinking about the possibility that the negotiation will not succeed. But this is one of the first things you should do.

The reason is simple. The other side would not be negotiating with you unless you had something they wanted. They may want it a little or they may want it a lot, but they want it or they wouldn't be there. With your Walk Away point defined, you have decided before you start the negotiation that you will not give up the things they want unless they make it worth your while and you have decided exactly what that means. They can yell and scream and threaten and cajole, but they are not getting what they want unless they meet a certain threshold price. That's power.

Take our car example, if you know what your bottom price is, you can walk away from the deal if the Salesman is not willing to meet your demands.

What is my walk point? .....

Everyone has a personal style for negotiating. But it isn't the style that matters, it's the preparation and the confidence. Knowing your Wish-Want-Walk will prepare you for the negotiation and allow you to more successfully get what you wish for.



# PREPARATION

**“By failing to prepare, you are preparing to fail”**

If you want to start negotiations in a winning position, you must prepare. Never attend a negotiation unprepared. You must gather all the information you can, and study your data closely. Learn about both the people you’ll deal with as well as the specific context of the negotiation.

By investing time in studying the details and preparing thoroughly, you help to create a positive setting where both sides feel comfortable.

You can use this NEGOTIATION PREPERATION FORM to help you:

## Part 1 – Interests & Resources

<b>My Interests</b> (list your interests)	<b>Their Interests</b> (list your preliminary thoughts about their interests)	<b>My Resources &amp; Capabilities</b> (list what you can bring to the table)	<b>Their Resources &amp; Capabilities</b> (list what they might bring to the table)

## Part 2 – Value Creating Options

(considering interests, including time preferences and risk tolerances, resources, capabilities, and predictions, identify some possible value-creating options)

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## Part 3 – Alternatives

### My Alternatives

(list what you can do to meet your interests if you walk away)

### Their Alternatives

(list what they can do to meet their interests if they walk away)

Circle your best alternative (BATNA)

Circle their best alternative (BATNA)

**Part 4 - Communication**

**Information to Learn**

(what do you need to learn from the other side to better understand their perspective? What questions will you ask?)

**Information to Convey**

(what's your perspective? How can you assert that perspective effectively? What do you want the other side to know by the end of the negotiation?)

**Part 5 - Legitimacy**

List the norms, standards, or criteria that might be relevant in this negotiation

E.g.

What is your aspirational outcome – best case outcome?

What is your target outcome – most likely achievable?

What is your walk away point – when will you leave the table?

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## Part 6 - Relationship & Commitment

### Relationship

(How would you describe the existing culture? Any problems to address? How can you improve negotiation?)

### Commitment

(What level of agreement do you hope to achieve? What is a list of follow up tasks? An agreement to meet again?)



### TAKEAWAY

To negotiate well, you have to be well-prepared.

# SILENCE — A POWER TACTIC IN NEGOTIATIONS

Successful negotiation means tapping into the many sources of power at your disposal. One negotiating super power people don't use enough is the 'power of silence'. There's no better way to test the other person's confidence than by using silence. People have an innate need to keep conversations going, and so, silence makes most people feel uncomfortable.

Silence begs a response.

When the other person makes a proposal or offer they expect you to respond: to counter or accept. The reaction to your silence is telling.

## The Silence Challenge

Imagine you're in a negotiation with a supplier and you're trying to convince them you should get a discount. You've been ordering from them for years and have recently increased your order size.

You have presented your case but an uneasy silence has developed. Which of the following would you do and in what order?

1. Go over your argument again
2. Ask the supplier a question
3. Stress that you have other suppliers you can use
4. Smile and say nothing
5. Excuse yourself for a comfort break for a couple of minutes

List your response order:



# THE SILENCE CONTEST

Silence contests are good if you start them, but not so good if the other side starts them. The tricky thing about a silence contest initiated by the other side is that they don't announce, "OK, I'm going to start a silence contest." It's just that they say something or ask a question and then there is silence. The silence continues and it continues and before you know it, there is a silence contest going on.

You need to watch for this and decide how you are going to react. Some people say that the first person to talk loses. But if you buy into that idea, it puts huge pressure on you to win the silence contest, perhaps even at the expense of more important things in the negotiation.

Instead, as soon as you recognise that the other side has started a silence contest, try going into denial.

Say something like:

"now that I've had a chance to think about that",  
or "well, that's an interesting idea and here is what I propose,"

It sends the message that you just had a thoughtful moment rather than a silence contest.

You can do the same thing if you start the silence contest and it isn't working and the other person is not talking. That way, you can deny that you was even using the silence contest tactic.



## TAKEAWAY

"Silence is one of the hardest arguments to refute"

# ACTION PLAN

KEY SKILLS (WHAT ARE THE KEY SKILLS YOU HAVE LEARNT DURING THIS COURSE)

WHAT WILL YOU DO DIFFERENTLY IN THE WORKPLACE?

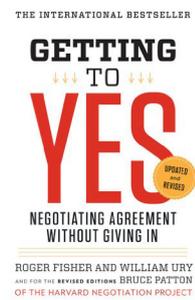
WHAT OBSTACLES MIGHT GET IN THE WAY OF YOU ACHIEVING THIS?

WHAT, OR WHO MAY HELP YOU OVERCOME THESE BARRIERS?



# SUGGESTED READING

If you would like more detailed explanations or additional advice on the topic of negotiation and influencing people we'd recommend the following literature:



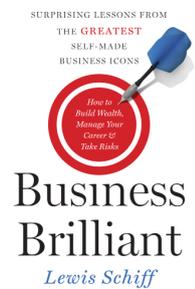
## GETTING TO YES

Roger Fisher, William Ury & Bruce Patton



## YOU CAN NEGOTIATE ANYTHING

Herb Cohen



## BUSINESS BRILLIANT

Lewis Schiff

This workbook was produced by:

