

BARE KNUCKLE NEGOTIATING
KNOCKOUT NEGOTIATION TACTICS THEY
WON'T TEACH YOU AT BUSINESS SCHOOL

SIMON HAZELDINE

LEANMARKETING™
★ P R E S S ★

First Published In Great Britain 2006
by Lean Marketing Press
www.BookShaker.com

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Typeset in Trebuchet

*For my son Thomas who is already a very good "ghosteyater."
Tom - selling and negotiation will help you to get everything on
your list of dreams.*

*For my wife Karen who is one of the toughest negotiator
I have ever met - and I should know!*

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Preface

*"In business, you don't get what you deserve,
you get what you negotiate."*

Chester L. Karrass

Welcome To The jungle!

It's a tough world out there - and it's getting tougher! Modern commercial life is very challenging with tens of thousands of businesses going to the wall every year. Businesses that do survive are finding that their profit margins are being squeezed, new customers are becoming harder to find, and more and more competitors are moving into their overcrowded market place.

Extensive consolidation is happening in most industry sectors as more and more local companies are swallowed up by national or even international giants. This consolidation is also happening on a global scale, with international companies swallowing international companies to form huge global multi-national corporations.

The consumer is more switched on than they ever have been before. They take advantage of tough conditions by driving hard bargains and are increasingly utilising the internet to compare and contrast pricing. When all of these factors are combined it all gets very worrying. It's rather disturbing, isn't it?

However, I didn't write this book to comfort the disturbed. On the contrary, I wrote this book to disturb the comfortable. This book is designed to be a wake up call for business people everywhere, whether working in a large organisation or running a one-man band. You have got to wake up and get real!

The tough conditions are here to stay. It's no good hoping that things will get better. They won't. Or at least they won't unless you do something about it. Keeping your fingers crossed and hoping for the best is not an effective survival strategy. If things are tough (and they are) then the only answer is that *you* need to toughen up. You need to continually improve and enhance your business and your business skills.

If you think about it for a moment, everything (in the material sense) that you want is currently owned or controlled by someone else.

The money that you want to flow into your business is currently owned by someone else.

The property that you want as your dream home is currently owned by someone else.

The equipment and services that you need to support your business are currently owned by someone else.

Therefore it is logical that you should spend some time to make sure you are able to get the things that you want from the people that control them, isn't it? That would be plain common sense. Unfortunately what is common *sense* is rarely common *practice*.

There are two vital things you must be able to do to prosper in business, and indeed life in general:

1. You must be able to convince people to take certain actions
2. You must be able to agree favourable terms for the actions to take place

In plain English these two vital things are:

1. Selling
2. Negotiating

Selling is all about convincing people to take certain actions - usually to purchase a product or service or to enter into some form of arrangement or agreement with you.

Negotiation is about agreeing the terms upon which the purchase, arrangement or agreement will take place.

If I can be blunt - my favoured approach - people who cannot successfully sell or negotiate are going to (metaphorically) have their legs taken out from under them by the people who can.

So for that reason I have written this book, "Bare Knuckle Negotiating", and its companion, "Bare Knuckle Selling". Both of these hard hitting volumes (pun intended) are designed to give you

an unfair advantage over the competition. This advantage is the ability to successfully get what you want.

You must be able to sell and you must be able to negotiate. Where negotiation is concerned it doesn't matter if you are negotiating real estate purchases, attempting to save money on a new car, providing products or services to your customer's at a profit margin that allows your business to prosper or hammering a better deal from your suppliers. "Bare Knuckle Negotiating" will spill the beans on what it takes to negotiate better deals.

While "Bare Knuckle Negotiating" has been thoroughly and extensively researched it has not been dreamt up in an ivory tower. Everything you will read has been thoroughly tested and proven to work in real life negotiation situations where real money (very often my own) was at stake. These real life experiences of closing millions of pounds worth of deals have been blended with cutting edge research into the practices of world class negotiators to create the "Bare Knuckle Negotiating" process.

May I congratulate you on your decision to study the art and science of negotiation. It is a vital life skill and your decision to master it may prove to be one of the best decisions you have ever made.

Good Luck and Good Negotiating!

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Negotiation Step 1: Preparation

"The more you sweat in training, the less you bleed in battle."

Martial Arts Maxim

The martial arts maxim above could be paraphrased to say, the more you plan and prepare for a negotiation the better the result. Even though you may not experience actual blood loss, if you don't plan and prepare well enough, you may very well experience some pain! It is unlikely to be physical pain but it could perhaps be the pain of losing money or profit.

Preparing Stage I: Negotiation Objectives - What Do You Want To Achieve?

"Start out with an ideal and end up with a deal."

Karl Albrecht

Research into negotiation has frequently demonstrated that negotiators with a clear idea of what they want to achieve are far more likely to achieve the result they want. By contrast negotiators who enter into a negotiation with a weak idea of what they want to achieve will fare far worse.

In my book "Bare Knuckle Selling" I discuss the importance of setting what I call SMASH objectives. This process is perfect for setting your negotiation objectives.

By following the SMASH process, your planning and preparation will be off to a good start!

The mnemonic S.M.A.S.H. stands for:

SPECIFIC - MEASURED - ACHIEVEABLE - STRETCHING - HOLISTIC

SPECIFIC

It is important to know specifically what it is that you want. Your negotiation objective(s) must be stated in the positive: What you *do* want rather than what you *do not* want

Research demonstrates that explicit, specific and numerical (where appropriate) objectives are more effective in facilitating behavioural change. If you want to see improvements in your negotiation ability, then you must set specific and measurable goals.

You do not go shopping in a supermarket by making a list of all the things you *don't* want. You make a list of the things you *do* want to get. Do the same when setting your negotiation objectives. It is understood that the unconscious (everything you are not thinking about with your conscious mind at this moment) cannot process negative commands. In order to think of something you do not want, you have to think and focus your attention upon that very thing.

It is also theorised that the information flows into the unconscious mind almost instantly, whereas the conscious mind will take a few seconds longer to process something. So by the time your conscious mind has processed your goal to stop doing something (e.g. smoking) your unconscious mind has already processed the concept of smoking in order to make sense of the goal. Your unconscious mind is now focused on the very thing that you wanted to stop doing!

The "specific" step defines the result you want in a clear and unambiguous way.

MEASURED

How will you know when you have achieved your goal?

What will it look, sound, feel, (even taste and smell) like?

If, for example, you set a negotiation objective to "get a discount" and someone gave you a £1 discount on a £1 million order would you have achieved your goal? Exactly how much discount does "get a discount" represent?

Create a sensory-rich, specific goal. The more sensory specific data you can include, the more your brain has to lock onto.

It can also be helpful to set specific dates by which you will achieve your negotiation objectives. These dates will provide a reminder and create a sense of positive urgency. However, do not allow these dates to become a handicap by putting yourself under unnecessary pressure.

The “measurable” step provides clear success criteria.

ACHIEVEABLE

Is the achievement of your negotiation objective realistic for your circumstances and those of the other party?

The objective you wish to achieve has to be realistic. That is, it is possible for both parties to fulfil their responsibilities. I am a firm believer in setting ambitious targets (see below), however, can the person you are negotiating with deliver? And can you deliver? A deal that one or both parties can't deliver on isn't a deal at all!

The “achievable” step provides “can do” motivation.

STRETCHING

Is your negotiation objective challenging enough?

Research demonstrates that specific and challenging goals lead to a higher level of performance than easy goals.

There is a direct relationship between goal difficulty and task performance. The more difficult a goal, the better the performance.

While care should be taken to ensure that your negotiation objectives are challenging and not unrealistic (as described above), laboratory based studies have shown positive relationships between goal difficulty and performance, even in the case of unattainable goals!

In negotiations people will tend to underestimate what can be achieved; they set their sights too low. Be bold and set stretching objectives.

The “stretching” step provides the inspiration to become bolder and more ambitious in your negotiations.

HOLISTIC

Will the achievement of your negotiation objective(s) be good for the other party and for you?

It is very important that your negotiation objective has considered the potential needs of the other party as well as the benefit to you. Far too many negotiators only have their own objectives in mind.

If the achievement of your negotiation objective will benefit the other party then you stand the greatest chance of achieving it. It needs to be holistic for both parties concerned.

The “holistic” step provides a good win/win outcome for the negotiation.

Preparing Stage 2: Power Analysis

“You can get much farther with a kind word and a gun than you can with a kind word alone.”

Al Capone

It is not unknown for power to go to negotiator’s heads. The thought of “crushing your enemies and burning their villages” Conan The Barbarian style, can get the primal male testosterone flowing. However, the role and use of power in negotiation will tend to be more subtle than nailing your opponent to the floor.

The pages of history are littered with power-crazed negotiators who savaged another party in a negotiation only to discover that they had actually shot themselves in the foot. Power is vitally important in negotiation and it is vital that you include it as part of your preparation.

In the early days of my sales career I was fortunate to be taken under the wing of a very experienced sales manager, Peter, who had extensive experience of negotiation. After having received a promotion I found myself working for Peter looking after a number of wholesale distributors who supplied a range of products to independent retail outlets.

I had not been in my new job for very long, when I paid my first visit to one of the larger wholesale distributors I was responsible for. My contact, a man called George, decided to take advantage of

the arrival of a new wet-behind-the-ears salesperson and proceeded to savage me for an hour or so! George bluntly informed me that they knew they were a big and important customer, they sold lots of our products and if we didn't give him an additional 20% discount then he was going to send his sales force out, remove our products from his customers and stop distributing our products entirely. I had the sense not to agree to anything there and then and sought advice from my sales manager Peter.

Peter listened to me explain what had transpired and asked me to arrange a further appointment with the customer which *he* would attend. I arranged the meeting and Peter arranged to meet me several hours before the appointment so that we could plan and prepare.

On the day of the meeting I met Peter and we discussed our approach. I told him I was very concerned that the customer would remove our products from his customer and de-list our products entirely. I pointed out that they were a large customer and if we lost their business we would lose a huge amount of sales. The customer concerned sold approximately 10,000 units of our products each year and to lose that would be catastrophic! I also said that I knew that giving them the 20% discount George was demanding would impact our bottom line substantially. I told Peter that I felt trapped between a rock and a hard place!

Peter listened carefully to me and then after I had finished, smiled broadly. I looked quizzically at him and he smiled even more! Peter said, "Relax! We haven't done our planning and preparation yet. How many units of our product does George sell each year?"

"About 10,000," I replied.

"Okay, how much of his business does that 10,000 units represent?"

"From what the previous salesperson told me at least 20 to 25 percent of his turnover."

"Okay", Peter said, "So our products account for up to 25% of his turnover. So if he de-lists them he'll have to replace that turnover with other products, won't he? Now we know that we give a competitive discount already, so he isn't going to make a huge amount of extra margin even if he could switch his customers over to other products. He isn't going to benefit very much is he? In

addition the reason his customers stock our products is because they sell well. We have several of the market leading brands. Why on earth would one of his customer's take out a market leading brand and replace it with something inferior?"

"But what if he instructs his sales-force to target our products for removal?" I asked.

"Well that's an interesting point. Firstly, we know that his customers stock our products because they are successful. So George's customers are going to take some convincing. I also know that his sales team are Okay but they aren't superb. Do you know what the maximum percentage of any supplier's products that I have ever seen a wholesaler's sales force be able to de-list?" I shook my head.

"About 15 to 20 percent and that takes quite a long time to do. You can't do it overnight. Can you imagine how hard it is to convince a satisfied customer to remove a product that is successful? Why on earth would he do it? So if we take the worst case scenario we could lose, at most, 2,000 units per year. If he stops selling our products entirely he is going to damage his business hugely, because competing wholesalers would be all over his customer base snapping up the business on our products."

As I thought about this I felt better. At worst we stood to lose 20% of our current business, not 100% as threatened.

"But Peter it's still 2,000 units!" I exclaimed.

Peter chuckled, "Simon, we aren't going to just sit there and let George do it. You know that and more importantly, he knows that. You have already established an excellent relationship with Bob over at County Wholesalers. He phoned me up to say how impressed he was with your approach and that he is very keen to drive sales of our brands. He wants to sell more of our products so that he can reduce his reliance upon his biggest supplier. He is highly motivated to work with us. And there's no love lost between Bob and George - they are fierce competitors. If George wants to play hard then we will support Bob to take sales of our products away from him. Bob told me if we give him some incentive support for his sales force then he is willing to sign up to increasing sales by 5,000 units this year. You aren't going to lose any sales on your ledger - they are

going to grow!” Peter was now laughing at the look of surprise on my face. I had just had my first lesson in negotiation planning.

Peter and I spent the rest of the time discussing our strategy in the meeting. “They’ll probably be mob-handed,” predicted Peter, “If they are it probably shows that they are worried about the meeting.” Peter was right, knowing that Peter was attending George had arranged for two more directors from his company to join the meeting.

Peter’s final comment before we went into the meeting was to say, “If I step on your foot under the table, shut up and leave it to me.” I was about to witness a master of negotiation in action.

For about half an hour I negotiated with George and the other directors, with Peter remaining largely silent, allowing me to take the lead. His presence along with the planning and preparation had boosted my confidence. As I refused to give in to George’s demands, he began to issue more and more threats. Finally, he said that the meeting was finished and that he was going to immediately phone all of his sales force personally and instruct them to de-list our brands. Peter stood on my foot under the table. As arranged, I stopped talking.

Peter stood up, put his briefcase down in the middle of George’s desk, opened it, put the paperwork he had been holding into it, closed the briefcase and extended his hand across the desk to George.

“George, it’s a pity that you feel that way. I was hoping that we would be able to settle this matter in a manner that was beneficial to both of us. I will ask Simon to make arrangements to close your account with us by the end of the week.” Then he stood there with his hand extended across the desk waiting for George to shake it.

For several long seconds there was silence. Then George, realising that his bluff had been called, flushed and said “Er... er... er... I... er... I... didn’t... er... mean... to... er... for it to get... er... this... er... far Peter!”

Peter smiled, “Okay George,” he said as he sat down, “Shall we have a sensible conversation now?”

Peter and I left the meeting having agreed that George could have a small increase in discount. However he could only have it in return for a significant increase in sales of our products. And the discount would be paid retrospectively at the end of the year on the condition that George achieved the sales targets we had negotiated. George got what he wanted and we got what we wanted. And I had learned some very powerful lessons about the role of power in negotiation!

So, what is power? My dictionary defines it as, “the ability to do or act”, “influence or authority” and “an influential person, group or organisation”. In a negotiation power is an elusive concept because its sources are diverse and numerous. I like to think that in a negotiation power gives one party an advantage of some sort over the other party. If you have an advantage you are usually able to conclude the negotiation closer to your ideal position than the other party’s.

When I am teaching people about power in negotiation they get uncomfortable. The concept seems to unsettle some people, as though if we are pursuing a win/win approach that discussing power seems in some way crude or unethical.

The fact of the matter is that power matters in negotiation. It matters a lot! So let us explore some of the sources of power that may exist in a negotiation.

The power of size

The large number of spam emails arriving in my inbox week after week offering devices to increase the size of my manhood show that people know that size is important! I occasionally get paranoid that I am the only person receiving this type of email! And when my wife started to forward them onto me I really got worried!

Seriously though, the relative size or scale of the two parties in relation to each other is one source of power. For example, the smaller company supplying the large company. Other examples would be a company with a dominant or monopoly position. Questions to consider include:

- What percentage of their business are you?
- What percentage of your business are they?

- What is the relative position of the competition (both theirs and yours)?

The power of the current market situation

The current context that the negotiation is taking place within is another source of power. For example in the property market people will describe it as “a seller’s market” or “a buyer’s market”.

Market conditions may also result in scarcity of a product or resource - in which case prices will tend to rise, or a surplus - where prices will tend to fall. A person with a warehouse crammed full of goods will approach a negotiation differently to a person who can’t get enough products to meet a growing demand.

The power of knowledge and information

The more you know the more power you tend to have. The more you understand the market, consumer behaviour, your competition, and the other parties involved, the more you are better able to negotiate a favourable solution.

The power of time

Time is often a factor in negotiations. If one party has a need to meet an earlier deadline than the other party then this will affect the power balance. Recently I was negotiating a new car purchase on behalf of my Father. I ascertained (from wandering around the showroom and peering into the sales office when on-one was looking) that the end of September was the end of not only a sales month, but the end of a sales quarter. The very useful graph on the wall of the office (thanks for the information guys!) showed me that the sales team were a bit behind. Armed with this knowledge I was able to encourage the salesperson concerned to drop his price if we closed the deal before the end of the month. I knew that he needed some sales before the end of September. My father wanted a new car but we could have waited to purchase it. This helped tip the power balance in our direction and as a result we got a better deal.

The power of brands

If you are involved in negotiations that concern branded products then the power of the brands involved has an impact. If you are buying watches you are probably less likely to be able to haggle when buying a Rolex than you are when buying some run-of-the-mill

watch. Branded products tend to command higher prices and higher margins for their manufacturers than non-branded.

The power of reputation

Some negotiators gain a reputation for being tough and ruthless. They can use this reputation to leverage an advantage in negotiations. When faced with the prospect of negotiating with such people, less experienced negotiators may feel that they are at a disadvantage.

The legendary entrepreneur Mark “The Shark” McCormack, who has been dubbed “the most powerful man in sport”, says the following in his book “What They Don’t Teach You At Harvard Business School”:

“I have heard or read on more than several occasions that I am a ‘tough’ or ‘hard nosed’ negotiator. It’s probably not a bad reputation to have precede me - people expect me to ask big numbers - but I prefer to think of myself as an effective negotiator, rather than as a tough one.”

So although Mr McCormack prefers to focus on his effectiveness as a negotiator he isn’t oblivious to the advantage his reputation bestows upon him!

The power of status and title

In a similar vein to the power of reputation, inexperienced negotiators can allow themselves to become intimidated at negotiating with “the managing director” or “the vice president”. The wise negotiator makes sure they are immune to the perceived status of the person they are negotiating with. I have it on good authority that even CEOs, Presidents and Royalty go to the toilet in a similar manner to the rest of us mere mortals. Perhaps imagining the managing director sitting on the toilet prior to entering a negotiation with him may lessen the perceived power his title gives him. I only hope he remembers to wash *his* hands before shaking yours.

The power of location

All good military strategists know that geography is a major factor that influences victory or defeat. This concept is well established. Ancient Chinese wisdom tells of thirty six secret stratagems of

which one is to “Lure The Tiger Out Of The Mountains”. In a military situation, luring the tiger out of the mountain means to draw your enemy out of his favourable natural conditions in order to make him more vulnerable to attack.

While we do not wish to *attack* the other party in a negotiation, we do need to be conscious of the power of location. People will tend to feel most confident in their own homes, in their own office or on their own territory.

Therefore, it is important to be aware of the potential influence of where you are negotiating on the negotiation. If at all possible, negotiate on your home ground or in a neutral location. This will give you a psychological advantage. If this is not possible, and you do have to negotiate at a customer’s office, for example, then be aware that the other party may be feeling more confident, and make sure that you don’t allow this to impact negatively upon how *you* are feeling. I have negotiated countless successful deals in customer’s offices. Having an awareness of the various psychological factors affecting perceptions of power can in many cases neutralise their effect upon you. Later I will explore a number of underhand tactics or “power plays” that people may use to intimidate you. Having an awareness of these, and recognising them for what they are, will prevent you from being affected by them.

The two most important things you need to understand about power in negotiations

The first important thing you need to understand about power and negotiation - the thing you need to keep in mind - is that *power is all in the mind!* Feeling powerful makes it possible for you to *be* powerful!

We will view a negotiation through our perceptions. Our perceptions of the power balance between ourselves and the other party affect how we approach and conduct the negotiation.

The important thing to realise is that our perceptions are subjective. The amount of power we feel we do or do not have is entirely in our mind and in the mind of the other party in the negotiation. While I strongly recommend that you undertake an objective review of the power balance (or at least as objective a review as possible by a subjective human being) as part of the

planning and preparation process, the fact remains that your subjective perception is far more important than the “objective” situation itself. If you believe you have the power then you have the power!

It is for this reason that some negotiators will indulge in various displays of power in an attempt to intimidate the other party. I will explore these tactics in detail later so that if someone attempts to use them against you then you can diffuse their impact by recognising them for what they are.

The second important thing to understand about power in negotiation is that you can enhance your power, and reduce the other party’s power by planning and preparing correctly.

You can improve your perceptions of the power balance by planning and preparing for it. Some sources of power can be influenced and some cannot. You need to understand the difference between the two. By including power in your planning and preparing you gain a solid understanding of the factors involved and more importantly what to do about them.

Some of the questions you may like to consider are:

- Where does my power lie?
- Where does the other party’s power lie?
- Where does the balance of power lie?
- What do I need to do?
 - What can I do to communicate my power?
 - What information do I need to communicate to the other party to demonstrate my power?
 - What information do I need to keep under wraps that might expose my weaknesses?
 - How can I reduce the impact of their strengths?
 - How will I handle the power of their strengths if they communicate them during the negotiation?

- What information can I gather before or during the negotiation to understand any areas of weakness the other party may have?
- How can I make use of these weaknesses during the negotiation?

Imagine that I am about to enter into a negotiation to agree a lucrative contract to provide selling and negotiation training to a company (let's call them Big Company Inc.) with a large sales force. The customer concerned likes what I have to offer (I have successfully sold him on the idea) and now we are to hopefully agree terms.

Notice the difference between my thought processes in these two contrasting examples:

1. Simon: "I am really going to have to be competitive with my pricing! Big Company Inc. are huge! There are over one thousand people in the sales force. Every single sales training company in Europe is after their business. I bet my competition will cut prices to the bone to get this contract. The buyer will have ten or more proposals on his desk. I'm going to be lucky to land this deal - I'm going to halve my usual day rate for this one because it's just so huge! They are even wheeling in the Vice President of Sales to negotiate. I've heard he's a real tough negotiator. This is going to be nasty!"
2. Simon: "I know I am not going to be offering the cheapest price. I never do. Big Company Inc. may be a large organisation and I am keen to get this contract, but I will only be able to do a good job for them if they are prepared to pay a good price. I fully expect a number of people will be trying to secure this contract. However from my research I know that most of them just haven't got what Big Company Inc. need. I am going to make sure that both parties get good value out of this agreement. It's interesting that the Vice President is attending. They must be taking my proposal very seriously. He wouldn't be attending unless they wanted to do this deal. I've heard he's a tough negotiator. That's good; we will be able to settle a robust agreement that's right for both of us."

Now notice the differences between these two contrasting thought processes from Big Company Inc.:

1. Big Company Inc: "If we don't get our sales training problem sorted out then we are going to be in big trouble. The last idiots we employed were next to useless. Their sales and negotiation training was so old fashioned it hacked off almost all the sales force. I'm so glad Jim the Vice President is coming to help me out - this one's going to be tough. E3 Group appears to be the only company who really understand what we want. I've heard Simon Hazeldine is one of the toughest, meanest negotiators on the planet. I mean he's even written a book called "Bare Knuckle Negotiating" - that tells you how hard he's going to be! He's going to take us to the cleaners. Bloody consultants! They bleed you dry. I have got to get this problem sorted or my neck is on the block. This is going to get expensive!"
2. Big Company Inc: "I like the look of the E3 Group proposal. It looks like it's what we need to solve our sales training problem. If we can agree some terms that suit both parties then E3 Group will get a significant contract and we get quality training. I've arranged for Jim the Vice President to attend so that we can get this deal closed as soon as possible. It's going to be fascinating. I've read Simon Hazeldine's book on negotiating and I know we will be in for a good meeting. We don't want to sign a deal to train our people with someone who can't negotiate a good deal for themselves! We want our sales and negotiation training to be the best, so we need the best. I am confident we can negotiate a deal that delivers high value for everyone involved."

If you compare and contrast the thought processes I am sure that you can see that in each case thought process number one is unlikely to lead to a successful deal! The negotiators are almost giving up before they even start! The second thought process will lead to a far more realistic and resourceful state of mind.

*“Let us never negotiate out of fear,
but let us never fear to negotiate.”*

John F Kennedy

My karate Sensei used to tell me that the Japanese Samurai believed there were four ways of thinking that could result in you losing a fight:

- 1) Overestimating your own ability
- 2) Underestimating your own ability
- 3) Overestimating your opponent
- 4) Underestimating your opponent

If the Japanese Samurai got it wrong they might have lost several pints of blood and the odd limb. Thankfully none of our negotiations will have such consequences! However, learn from the Samurai and if you get in a balanced mental state where you are not over confident or lacking in confidence then you will maximise your chances of success.

By understanding the role of power in negotiation and by planning correctly you will negotiate deals and agreements that are robust, successful and lucrative.

Preparing Stage 3: Shopping Lists

If you want to have an efficient and effective shopping trip at your local supermarket then you need to compile a shopping list. If you don't have a list then you may end up walking out of the store missing several important items that you need. You may also end up with a number of items that you really don't need but that just seemed like a good idea at the time.

When preparing for a negotiation you need to prepare your negotiation shopping list. This is a list of the things you want to get out of the negotiation.

Sometimes, when I introduce this concept to people, they think that having a list will restrict their ability to respond to opportunities as they arise. “Isn't it better just to go with the flow?”

I am a strong advocate of being flexible and taking advantage of opportunities as they arise. This is good negotiation practice. As is making sure that you get what you want from the negotiation. In the hurly burly of a negotiation you don't want to miss out on any things that are important to you. This is where the discipline of shopping lists comes in. Have a list *and* stay flexible *and* be ready to take advantages of opportunities that arise. Compiling a negotiation shopping list is an essential part of negotiation preparation.

It is also very important to consider what is on the other party's shopping list. What are they looking for? How similar is their list to yours? How different is their list to yours?



It is important to differentiate between what someone genuinely *needs* from a negotiation and what they are initially *demanding*. As we will see when we explore "opening positions" later, it is good practice to aim high. So be prepared to do some work exploring what they other party is realistically looking to achieve.

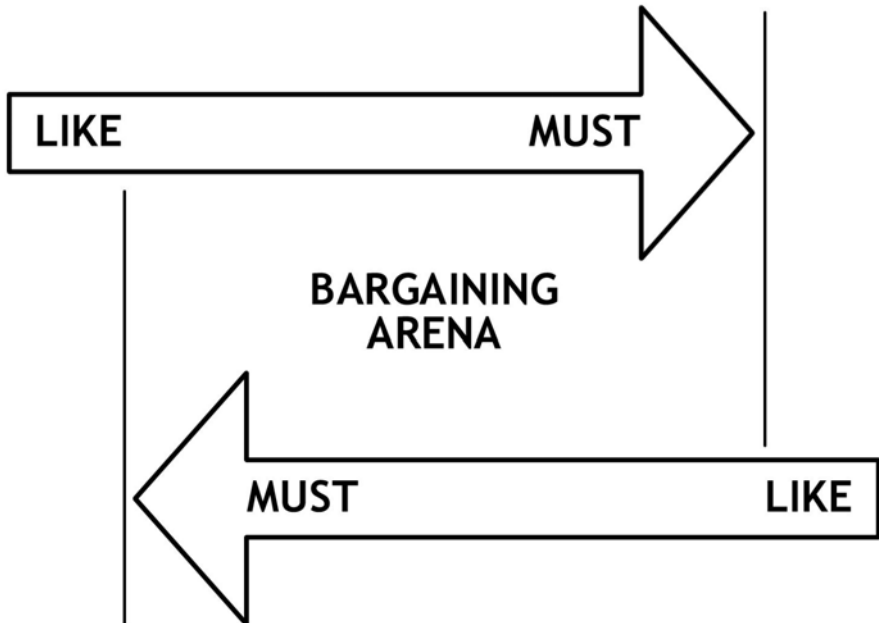
Items on each party's respective shopping lists will become the key areas about which the negotiation will take place.

Preparing Stage 4: Bargaining Arena

The shopping list exercise will help you to understand what you and the other party are looking to gain from the negotiation. This process will also allow you to identify areas of common interest.

The collaborative, win/win approach to negotiation means that you want to produce only winners. Both parties must benefit. In order to do this you must identify and focus upon areas of common interest.

It is good negotiation practice to focus and expand upon common ground. If you can focus on areas of agreement then this sets a positive backdrop for creatively exploring ways to reconcile any areas of disagreement.



The term “bargaining arena” describes the areas in a negotiation where there is overlap between the two party’s positions. A useful way to define it is to use the LIM process.

LIM stands for Like, Intend, Must. A parts of your negotiation preparation you need to understand your Like, Intends and Musts.

About The Author



Simon Hazeldine demonstrates his mental focus by walking barefoot over a twenty foot bed of razor sharp broken glass!

Simon Hazeldine MSc, FInstSMM

"...a hard hitting speaker who will give you a wake up call that you'll never forget!"

Simon Hazeldine is a recognised expert in the fields of:

- The Psychology of Performance
- The Psychology of Influence
- Selling and Negotiation

Simon writes a monthly column on the psychology of performance in four national magazines and is the author of:

"Bare Knuckle Selling", "Bare Knuckle Negotiation", "The Winner's Edge: Psychological Strategies for Exceptional Performance" and a series of eight psychological training guides for martial artists and sportspeople.

Simon works internationally as a speaker, trainer, coach and facilitator in the areas of performance, leadership, sales, negotiation and influential

communication.

His "High Performance Coaching Skills", "Group Training Techniques" and "Negotiation Skills" programmes are currently being used in 28 countries around the world.

Simon has a Masters Degree in the psychology and management of performance. In addition he is Certified as a Master Practitioner and Trainer of NLP, and is a Fellow of the Institute of Sales and Marketing Management.

Simon has extensive experience in sales both in the UK and abroad and has been responsible for numerous client accounts each worth in excess of £20 million in sales. Prior to his career as a trainer and speaker Simon provided event security and personal protection services to celebrities in the television and music industry.

Simon Hazeldine's acclaimed keynote speeches include:

"How To Raise Your Game", "How To Get What You Want By Being Selfish and Unreasonable", "Are You Tough Enough? - The 7 Secrets of Mental Toughness", "How To Find Your Customers G-Spot", "How To Hurt Your Competitors Using Bare Knuckle Selling"

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