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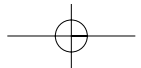
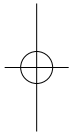
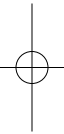
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“There they go again, the ‘Guerrilla Guys,’ showing us how to beat the odds, use our smaller size to our advantage, and more than anything, win with class . . . and for the benefit of ALL concerned.”

—**Bob Burg**
Author, *Endless Referrals: Network Your Everyday Contacts Into Sales*

“You guys are amazing! Another book chock-full of usable ideas that can be put to work immediately. Thanks!”

—**Scott Friedman, CSP**



Guerrilla Negotiating

*UNCONVENTIONAL WEAPONS AND TACTICS
TO GET WHAT YOU WANT*

JAY CONRAD LEVINSON

MARK S. A. SMITH

ORVEL RAY WILSON, CSP

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*This book is dedicated to our children,
who taught us what relentless negotiating means.
And we're still proud of how they've turned out.*

Acknowledgments

To all of our audience members and clients. Their tough questions drive us to find new and innovative answers. They are the source of our stories. They are the reason we write books.

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Preface

■ WHAT DO WE MEAN BY “GUERRILLA”?

When it comes to negotiating, the sale of a condominium or computer or corporate jet is an obvious example. But the vast majority of negotiations are more subtle, more pernicious. You are negotiating constantly with almost everyone you meet, for time, for resources, for space on the subway. You negotiate with your spouse over which movie you'll watch, and with your teenagers over car keys and curfews. You negotiate with lenders and laundries, as well as with lawyers. We can tell you one thing for certain: These people do not have your best interests in mind.

No one today can survive in business without understanding two things: first, that negotiating is an integral part of living, and second, that the quality of your negotiating determines the quality of your life.

■ IT'S NOT FAIR

You are not paranoid. They really *are* out to get you. Vendors from Asia to Austria to Argentina are attacking your markets, competing on price, and claiming superiority. They use every possible trick to turn your customers, take your profits, and tear down your business.

Customers are more demanding than ever before. Consumers no longer settle for shoddy quality or unresponsive service. They have more choices than ever, and you have to be

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positively *exceptional* to maintain their loyalty. To win the business in today's brutal battlefield, you must become a guerrilla.

■ WHAT'S A GUERRILLA?

Just as a lightly armed, fast-moving band of ragtags can paralyze an army, the business guerrilla can rapidly deploy business weapons and psychological tactics to gain an unfair advantage over their counterpart. Just like freedom-fighting guerrillas, you rely on *information* and *surprise* to gain a tactical advantage.

Guerrilla Negotiating^{®1} is not so much a collection of techniques as it is an attitude, an approach, a philosophy of doing business. Guerrillas build a constituency of dedicated followers by consistently maintaining the highest standards of quality, service, and business principles. The guerrilla looks beyond the commission to the greater good. They often do the very *last* thing their competitors, or even their *customers*, expect. They tell the truth at all times, at all costs.

Guerrillas rely on *time*, *energy*, and *imagination* instead of the brute force of a big-budget marketing campaign or an army of salespeople. These are the three arenas where no one can outspend you.

The most powerful weapon in your negotiating arsenal is your own *passion* about what you're doing. The guerrilla has a good word for everyone, and never complains.

■ SET HIGH STANDARDS

To ensure that decisions and dealings will stand the test of time, guerrilla managers apply the litmus test of *fair-care-share*. Is it *fair* to all concerned? Do I really *care* about these people, and have I demonstrated my caring? Have I done my *share*, and a little bit more? Remember the mountaineer's motto, "Leave the campsite cleaner than you found it, and always leave some wood for the next fire." Follow these principles consistently and you can't go wrong.

¹ Guerrilla Negotiating is a registered trademark of The Guerrilla Group, Inc.

Introduction

It's a jungle out there. Buyers are using dirty tricks to get you to lower your prices. Customers tell you that they can find what you're selling cheaper. You're getting pressure from your boss to increase profits. The bank wants to raise your interest rate. Your employees want more money. Governments keep changing the rules. Global competition nips at your heels—and they don't have to obey the same laws that you do. It's an unfair world. Scary thought, isn't it?

■ WANT TO LEVEL THE PLAYING FIELD?

What if you suddenly discovered that you could read minds? Imagine the advantage that would give you as an entrepreneur, manager, or salesperson. What if you could detect, in *advance*, how much they're willing to pay, how much they need to charge, or how much they're willing to settle for, before opening your negotiation? You would be dangerous.

What advantage would you gain if you had written proof of their position before starting?

What would happen if you could sell your products at prices *higher* than your competition?

What could you do if you understood the unconscious motivations of the Generation X kids who work for you, or the Boomers you report to, or the Matures who hold the purse strings?

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How astounded would they be if you could answer their objections before they're even raised?

What if you could determine the outcome and write the contract before you made your presentation?

How would you feel if you could eliminate the fear, frustration, and financial losses of a failed negotiation?

Think about it. Haven't you ever wished that you could eliminate the conflict with your spouse, your teenagers, or your IRS auditor?

What if, when the odds are against you, you could level the playing field?

You hold in your hands the ideas and tactics you need to gain a fair advantage in an unfair world. Read on and you'll do *more* than level the playing field.

■ IGNORANCE IS EXPENSIVE

When you don't understand how to negotiate, every transaction is a crapshoot, and you may be taken for all you've got. You might try a tactic you've seen used in the movies. You might experiment with an approach you've heard your grandfather talk about. You'll probably feel stressed and you may panic, making an unwise move.

When you use guerrilla negotiating, your technique becomes invisible. You're able to look beyond today and see the implications of your decisions over the long haul. You can focus on what you want and how to get it, without worrying about which tactic to use and if it will work or not. You'll come to agreement quickly and without panicking.

■ SUCCESSFUL NEGOTIATION MEANS PREPARATION

Going into a negotiation without full armament is begging to be taken. Two-thirds of this book is about filling your arsenal with unconventional weapons and advanced tactics. Knowing how to deal with conflict and discomfort is the key to your negotiating success. And in this book, we'll prepare you to do so. The actual negotiating process is covered in the last third.

■ BEWARE OF THE OUTRAGEOUS

In our seminars all around the world, we've talked to tens of thousands of salespeople, working with thousands of different companies representing hundreds of industries. We've collected their favorite tactics, ideas, and war stories, and compiled them for you here.

Some of the ideas in this book are revealed here for the first time. We haven't taught them to anyone outside of our clients who've paid tens of thousands of dollars to learn them. Some of these are ideas you already know, and we'll ask you to think about them in a new way. Some of these ideas are things you used to do, and we'll remind you of how powerful they once were. Many of these ideas are new, and when you choose to use them, they will make you as successful as you wish to be. Some of these ideas are elegantly simple, and their simplicity may make you suspicious. Don't be. Often the most obvious yields the most impact.

You may judge some of our suggestions outrageous, outlandish, or even out-of-bounds, but we never advocate anything dishonest, dishonorable, or dangerous. Here's the deal: We will accept the risk of being controversial if you'll accept responsibility for selecting what's appropriate for yourself, your industry, and your customers. What works for one situation may not work for another. Practices that are considered acceptable in real estate may be unsuitable for selling industrial chemicals. Never run the risk of tarnishing your reputation. It's up to you to choose the weapons and tactics that will work for you.

Guerrillas deploy as many of these weapons and tactics as possible. Our job is to help you discover ways to improve your negotiation skills. You may disagree with our advice, but either way we've made you think. If you think your way is better, you're probably right. There is no *one* right way to approach negotiation. What works for you, works for you.

■ KNOW THE FUTURE IN ADVANCE

Can you keep a secret? The authors' families have a long history of psychic ability, and we can assure you that it's not magic, or evil, or sinister, although some people may wish to make it

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appear so. It's a natural skill that anyone can develop. The only reason most people aren't psychic is that they don't practice enough. This book shows you how to develop your skills to out-think, outmaneuver, and outsell any adversary.

Decades of experience have taught us how to apply these skills to business, and whether you are selling goods or services, buying a house or car, big ticket or small, this book gives you an advantage. This book puts you in control.

There are actually three ways to be psychic. Having well-developed intuition helps. Or you can use language that makes you *appear* to read minds, or even foretell the future. Or you can use modern research techniques to gather information with the skill of a private detective. In this book you'll learn how to use all three to gain a fair advantage over your unfair opponents.

■ KNOW THE LAW

This book isn't written to give you legal advice. Rules and regulations may limit what you can say and do in a negotiation. Government antitrust laws prevent you from discussing certain items with certain competitors. State and local legislation may impose other restrictions. Your company may have another set of standards. Ask your legal counsel and your corporate leaders what's not acceptable in a negotiation. Get regular updates for your protection.

1 Chapter

Why Negotiate?

You negotiate all the time. It's unavoidable. Most things are negotiable, and when you don't have the tools and skills to negotiate, you're not maximizing your opportunities. Your negotiation ability determines your income, who works with you, and how you'll grow your company. How well you negotiate will determine what kind of car you drive, where you'll go on vacation, and which schools your children will attend. How surprised would you be to discover that you *can* get what you want and have the other party be happy, too?

Decide to become a skilled negotiator and practice constantly: at the market, in business, with your friends and colleagues.

■ 25 REASONS TO NEGOTIATE AND WHY SOME PEOPLE DON'T

Many people think that negotiation means dickering over some trinket at a flea market. They think that if they're haggling, they're being chintzy. These attitudes create a barrier to getting what they want, and what they deserve. Change your view of negotiating and you'll get more and can give more.

Here are 25 reasons to negotiate, and some of the most common mistakes people make when negotiating.¹

¹ Rutherford, Dr. Robert D., *The 25 Most Common Mistakes Made in Negotiating . . . and What YOU Can Do About Them*. Boulder, CO: Rutherford Group, 1998.

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1. You Can and Should Negotiate

Have you ever failed to negotiate even though it was likely that you could have gotten what you wanted? How often have you seen others do the same? Most people are intimidated by negotiation. Think about it. Perhaps you've never been trained in the basics of negotiation. Or if you have some training, perhaps you feel that you don't have enough experience. Possibly you don't feel comfortable with some of the tactics you've read about, so you avoid negotiating.

Looking back at those situations, ask yourself, "Who won as a result?" The likely answer is "nobody." Most negotiations are not won or lost at the bargaining table. They are lost before they start, because the parties never *get* to the bargaining table.

Guerrillas are always ready, willing, and able to negotiate. They know that their careers, their lifestyle, and the health of their business depend on it.

2. There Is a Bigger Pie

It's natural to assume that negotiating is a zero-sum game, that your gain is someone else's loss. But this is seldom the case. Too often, both parties enter a negotiation with preconceived notions about what is available to be divided. If you are willing to expand your thinking, explore options, and discuss alternatives, then you will discover greater possibilities for everyone.

Break through this barrier by asking, "On what basis am I making my assumptions?" and "What evidence do I have that there is a fixed pie, with nothing else available?"

In the negotiation, ask questions like, "Would you consider . . . ?" or "What would happen if we were to . . . ?" or "What would it be like if . . . ?"

Consider this. We often see something only after someone has pointed it out, then we're struck by the blinding flash of the obvious. This is particularly true in the negotiating arena. Guerrillas take the initiative to be observant and creative. They gain the advantage by looking for possibilities for *mutual* gain that have gone unexplored. They are always thinking, "How else could we do this?"

3. Don't Define Winning as Beating the Other Guy

This concept comes out of the war model of negotiating. Someone conquers, someone is conquered. In the new millenium, *coopetition* (cooperative competition) is king. In many situations, the only way you can get what you want is to give your counterpart what they want. That means a collaborative, cooperative effort at mutual problem solving.

By definition, a successful negotiation is one in which *both* parties are satisfied with the outcome. Unfortunately, we all know people who see negotiation as a contest that they *must* win. They cling to the preconception that negotiation requires a certain kind of toughness. They demonstrate their mettle by adopting a hard line and conceding little or nothing to their opponents. This adversarial approach starts arguments, elicits retaliation, and leaves ill feelings. In virtually every case, the aggrieved party will find ways to get even by whatever sabotage or subterfuge they can manage, even if they can't get ahead.

Although there are times when it may be perfectly appropriate to be uncompromising, if you're preoccupied with winning at all costs, you may lose the opportunity to create a more mutually satisfying outcome.

Guerrillas strive for an acceptable outcome for *both* parties, knowing that in this small world, what goes around, comes around.

4. The Other Party Will Give You What You Want

How many times have you thought to yourself, "Oh, they'd *never* agree to that . . ."? How do you know? Is your belief based on an understanding of the facts, or on your own limited expectations? Check out your assumptions. Ask for more. More time, more money, more space, more help. Ask someone else. Ask again. Ask, "What would have to happen in order to make this work for you?" Ask, "If you can't do that, what *can* you do?" If you are not willing to ask for more, then you must be willing to settle for less.

Guerrillas know what they want and they ask for it.

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5. You Have Just as Much Power as the Other Guy

Power takes many forms. It can be positional, as in the case of an elected official, or it can be technical, based on special training or education, as in the case of an attorney. It can even be personal; some people are powerful simply by virtue of their charisma. Power ultimately means the ability to influence others. Too often, negotiators attribute more power to their counterpart than they actually have. The result is a weakening of your own position.

When it comes to power, what you *think* is what you *get*. You probably have far more power than you imagine. In fact, when you think you have power, you do—even if you actually don't. And when you have power, but don't think you do, then you don't.

Guerrillas evaluate the power of their counterpart. Here's how:

Do Your Homework

Gather information about your opponents, their strengths and weaknesses, their aims and goals, their styles of negotiating, and their options.

Understand Yourself

Give yourself full credit for your own strengths and weaknesses. Decide which alternative you'll choose if the negotiation doesn't go your way. Nothing gives you more power in a negotiation than having an array of well thought-out options.

Evaluate the Other Parties' Options

They may not be as attractive as you think. They wouldn't be negotiating with you unless they thought there was something to gain.

Consider the Alternative

What's your best alternative outside negotiating? You may have an attractive alternative available without giving up anything.

6. The Other Party Isn't the Enemy

Too often, people approach a negotiation with an adversarial attitude. They set out to beat their counterpart and may become more preoccupied with winning than with getting a favorable

outcome. In some cases, this attitude may be appropriate, even necessary, but those situations are rare. It is almost impossible to gain a mutually acceptable agreement when an us-versus-them atmosphere prevails. This almost always leads to an escalation of emotions, hostility, and conflict. The result is almost certain deadlock.

Guerrillas approach the negotiation from another angle. Physically go over to their side. Instead of sitting across from them at the table, put your chairs in a semicircle facing a flip chart and brainstorm options. Schedule the next meeting at their offices instead of your own.

7. Negotiating Creates Confidence, a Positive Self-Image, a Sense of Self-Worth

A common mistake is to have low self-esteem concerning your ability to negotiate. Like anything else, negotiation is a learned skill that can be developed and improved with training and practice. Your confidence increases with every negotiation you conduct. Your counterpart's agreement increases your self-image and personal value. If you see yourself as a powerless victim, unworthy of respect, then it's likely you will behave as an unworthy negotiator.

You may be responding to past conditioning that taught it's rude to ask for things, that you're being selfish or greedy. Or you might believe that if you get what you want, that others will somehow be deprived. You might fall into the this-is-too-good-to-be-true trap. Perhaps you believe that negotiation is only for specialists like lawyers or union stewards. Or perhaps you believe that negotiating is for tough guys who sit in boardrooms and smoke cigars. All of these assumptions can undermine your self-image and destroy your confidence.

Guerrillas know that they can be just as good at negotiating as a sports agent. With the ideas in this book, you can be even more effective.

Shortly after he received his license, Orvel's 16-year-old son was involved in a minor traffic accident. There was a major snowstorm, and the streets were icy and slick. While making a turn, he lost control, skidded across traffic, and was struck by another car. The officer on the scene gave him a ticket for driving at a speed unsafe for the conditions.

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When his day in court came, he decided to challenge the charge. He asked the city attorney for copies of the evidence, including the accident report, and the report from the investigating officer. Even though the report showed that the accident was clearly his fault, and without the help of an attorney, he successfully negotiated the charge down from unsafe speed (a four-point violation) to defective headlight (a one-point violation). And he's just a kid!

8. Don't Let Your Ego Get in the Way of a Successful Negotiation

Sometimes we are our own worst enemies. You put yourself at a disadvantage when you are overly concerned about what others will think about you. When negotiating, you're not only working to solve a problem, but you're also dealing with people's feelings, emotions, and fears. It's costly when one spends valuable time and energy attempting to save face or trying to look okay. It can happen when one party sees granting a concession as a personal attack.

The guerrilla's strategy is to separate the people from the problem. They are hard on the problem, but easy on the people. Be considerate and empathetic. Use qualifiers like, "I realize that this isn't your fault, but . . ." or, "This may be beyond the span of your control, but . . ."

A negotiation is no place to show off your cleverness. If you appear to win at someone else's expense, it's likely they'll sabotage you in the end.

9. Prepare Properly

Preparing for your negotiation will help you improve the quality of your planning. Even if you don't end up at the bargaining table, you'll have a complete plan of action for your project. To succeed, you must bring as many issues under your control as possible. There are already too many unknown quantities in a negotiation, so give yourself every possible advantage by controlling as many as you can.

Here's how guerrillas prepare:

Know Your Boundaries

Set limits on your most optimistic expectation and your most pessimistic acceptable settlement.

Know What You Intend to Get

This is particularly crucial when the matters to be negotiated are complex and cannot be reduced to a single price or goal.

Know Your Rationale

Be prepared to justify every request. If you offer a particular price or set of terms, why should your counterpart agree? Why is it beneficial? If you can't answer these questions, you have no basis for your position.

10. Set Priorities on Demands, Needs, and Wants

Negotiating is a give-and-take process. This exchange requires that you establish priorities about what you want to gain and what you are willing to give up. When you are clear about the purpose of the negotiation, you can develop a hierarchy of demands.

Guerrillas rank order their objectives before starting the negotiation. Your first list is your *must gets*. If these demands are not met, then you are better off saying "no." Your second list is your *intend to gets*, which are not quite as crucial, but will often determine your degree of satisfaction with the outcome. The third list is your *nice to gets*, and when all goes well, you'll get some or all of these. They have value, but are not really crucial to the negotiation. Putting your demands or goals into these categories enhances your negotiating power.

11. Establish the "Rules of the Game" in Advance

One of the most common mistakes is to assume that you are only negotiating the *agreement* (price, terms, or compensation) without consideration for the *process*.

Guerrillas establish the rules up front. How are you going to negotiate? Who speaks for which side? How much authority do the respective parties have? What happens if you become deadlocked? How binding are the terms? Where will the venue be?

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On whose turf will the negotiation take place? How you negotiate the rules of the game may radically affect the outcome. Remember that the *process* is a negotiable item. Deal with it before it becomes a disadvantage for you.

12. Establish Enough Trust to Negotiate Successfully

Trust is critical to your success. Someone who doesn't trust you will act more negatively and more cautiously toward you. This creates a barrier that can impede or even derail your negotiation. When your counterpart doesn't trust you, it's virtually impossible to arrive at a mutually beneficial agreement. They will spend unproductive time and energy to protect themselves from being exploited.

Guerrillas build trust between the parties to effect mutual gain. Ask yourself, "Why would my counterpart mistrust me?" Can this mistrust be overcome to gain an acceptable agreement?

An atmosphere of trust can be built in several ways:

Past Performance

Do you have a reputation for doing what you say you will do? Bring proof in letters of agreement, testimonials, and referrals.

Flexibility

Flexibility demonstrates a willingness to be open and receptive to meet the needs of others. Illustrate flexibility in your availability. Explore options for the location of the discussion.

Disclosure

Negotiation requires a willingness to risk open, direct communication. When appropriate, take the chance that your counterpart will not take advantage of your frankness.

Negotiated Recourse

You may need to sign a nondisclosure agreement, a warranty contract, put up a bond, put money into escrow, or agree to a penalty clause if you don't perform. Offering such commitments early in the process facilitates a more trusting and more productive negotiation.

Ask

“What would I need to do to build enough trust for us to continue? How can I demonstrate my good faith?”

13. Set Negotiating Expectations and Aspirations

In the negotiations—and in life—you don’t always get what you want, but you almost always get what you expect. Expectations play an influential role in any negotiation. Guerrillas set high expectations. When you’re optimistic about the outcome, your counterpart will be optimistic as well. You’ll substantially increase the odds that you both will be satisfied with the outcome.

14. Manage the Other Person’s Expectations

You are responsible for managing *two* sets of expectations: yours, and your counterpart’s. All disappointment is the result of violated expectations. If your counterpart is unhappy with the outcome, it’s because of unmet expectations.

Guerrillas create an advantage by outlining what both parties can expect to achieve in the negotiation. Start by conveying a realistic picture of your expectations to your counterpart, and then outline a conservative picture of what they can expect to achieve. If the end result exceeds their expectations, they will be delighted, even astounded.

15. Defend and Value Concessions

Negotiation can be viewed as a series of trade-offs and compromises. You give and take concessions in order to reach an agreement. Make every concession count. What you have to offer has value, or you wouldn’t be negotiating.

Create an advantage in any negotiation by following this fundamental guerrilla principle: Never concede *anything* without asking for *something, anything*, in return. Make every concession conditional, and obligate your counterpart to offer something in exchange. The condition *defends* the concession. If you do not require a reciprocal concession, then your concession will be perceived to have little or no value.

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Guerrillas create a negotiating advantage by offering a small concession, then asking for a *large* concession in exchange. Although the likely response will be “no,” it establishes value for you, and you are much more likely to reach a favorable outcome.

16. Require Reciprocal Concessions

Look at it this way: A concession is not a gift. The only reason to offer a concession is to get something in exchange. Perhaps your counterpart has nothing of apparent value to exchange. Guerrillas reserve the right to *withdraw* the concession, or to request an unspecified concession in the future.

17. Your Concessions Have Value

You might think your concession is mundane. To paraphrase the old saw, your trash is their treasure. An important strategy in guerrilla negotiating is to offer concessions that have little value to you, but have high value to your counterpart. Evaluate what you have to offer from your counterpart’s point of view.

Let’s say that you are interviewing a perspective employee, and negotiating the starting salary. Your firm has much more to offer than just a paycheck. This job may also be an opportunity for the candidate to gain experience, get special training, work with sophisticated equipment, work in a casual environment, or work flexible hours. You may be able to offer health insurance, day care, a company car, or the opportunity to travel. The entire *package* determines the true value of the job.

For example, that old reel mower that’s been sitting in your garage for years may be useless to you, especially since you bought your new riding yard tractor. But for an urban homeowner who has only a tiny patch of lawn to maintain, it may be just the right tool for the job. No noise to bother the neighbors, no fumes, no engine repairs, no gas or oil, and it hangs up out of the way on the garage wall. All he has to do is *push* it.

18. Know What You Want in Exchange for a Concession

There will be times when you're not sure what they have to offer, or what they might be willing to give, or what you will need later on. Get a clear picture of why you are negotiating, and review your goals and objectives.

If necessary, call a time-out. Guerrillas gain the advantage by saying, "I will do this for you, *if* you will do this for me in return." At a minimum, be clear that your counterpart owes you one. This tactic can create problems. How *much* do they owe? When? These questions open the possibility for further negotiation, and may later erode your position. Fix the worth of the concession in advance to preempt these problems.

19. Manage Damaging Information

"We've got a bunch in stock," volunteers the sales rep. After that statement, the price is going down. If the rep had first established how many the customer wanted, then that information would be valuable. "Well, the good news is that we have enough in stock to meet your needs."

Information is one of the guerrilla's secret weapons, so be careful when and how much you disclose to your counterpart. Some legal proceedings require full disclosure by both sides, but most negotiations aren't that formal. To arrive at an outcome, both parties must exchange *enough* information to arrive at a settlement. But you're not required not tell the *whole* story. You are not under oath to tell the whole truth at the outset.

When shopping for a used piano, Orvel Ray answered a newspaper ad. The piano was a beautiful upright in a massive walnut cabinet. The seller was asking \$1,000, and it would have been a bargain at that price, but Orvel had received a \$700 tax refund, and had set this windfall as the limit that he could afford to invest. He searched for a negotiating advantage.

He was able to deduce several facts from the surroundings. The finished basement where the piano sat also contained a set of drums, and an upright acoustic bass stood in the corner. Obviously the seller was a serious musician, and probably played jazz. There had to be a compelling reason for selling such a beautiful instrument.

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Orvel asked the first, obvious question, “Are you buying a new piano?”

The seller hesitated. “Well, I don’t know yet. See, we’re moving to North Carolina, and it would be very expensive to ship this piano clear across the country.”

“Did they say how much extra it would cost?” Orvel queried.

“They said an extra \$300 or so.”

“When do you have to decide?”

“The packers are coming this afternoon.”

Now Orvel knew where the seller was vulnerable. He could ship the piano cross-country, or sell it for \$700 and still break even. Or he could hold out for his asking price and take his chances. “Here’s what I can do: I can give you \$700 in cash, right now,” Orvel said as he took seven \$100 bills out of his pocket and spread them on the keyboard. “And I can have a truck and three of my friends here to move it *out of your way* by noon today.”

The seller hesitated, then picked up the money. “Well, I suppose that would work. I can always buy a new piano when we get settled.”

Orvel left before the seller could reconsider. By the time the group returned with the truck, the seller had received three other offers at his asking price, but because he had accepted the cash, he had to tell them that the piano had already been sold.

If the seller had not *volunteered* the information about the packers coming that afternoon, Orvel may not have been able to negotiate the price.

20. Be Flexible in Your Negotiation Position

A common mistake is to take a position and then cast it in concrete. “I want \$200,000 for this house, and I won’t settle for a penny less.” Insisting on a particular position precludes other, potentially advantageous options.

It’s often said, “You can name your price if I can name my terms.”

Guerrillas gain the advantage by exploring other possibilities that may be of value instead insisting on their price. You may make more profit on the financing than on the sale.

21. Confront the Other Party When Appropriate

Your counterpart in the negotiation may be less than honest, or may be using dirty tricks, or may simply have bad information. In these cases, a failure to confront these issues seriously jeopardizes the negotiation. You may feel uncomfortable confronting them because you've been taught that it's selfish or impolite to point out another person's mistake or unfair practice. But do not confuse your need to be liked with the need to be respected.

Here's how the guerrilla gains the advantage:

Do Your Homework

There's no substitute for knowing as much as possible in advance.

Accept the Inevitable

Negotiation is almost always a confrontational process. View this as a positive part of the challenge.

Rehearse Scenarios

What's the worst that could happen if you were to confront your counterpart? What would you do if that happened? Role-play possible outcomes.

Divide and Conquer

Take on only one part of the confrontation at a time. Use the Colombo approach: "Just one more thing . . . ?"

22. Avoid the "Sympathy Trap"

Of course you want to be seen as a good person—kind, generous, and sympathetic. But a negotiation is not social work; it is not charity. You are negotiating to reach a mutually advantageous outcome. It's your responsibility to look after your own best interests. Others in your organization are depending on you.

When guerrillas find themselves feeling sorry for their counterpart, they ask themselves, "Whose problem is this?" You will discover that although it may indeed be an unfortunate situation, it is not *your* problem. Ask yourself, "At what cost am I being sympathetic? Is it worth the price?"

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23. Empathize with the Other Party

One of the most effective ways to understand *what* your counterpart wants, and *why* they want it, is to develop the skill of empathy. You gain an advantage in negotiating by putting yourself in their position. That doesn't necessarily mean that you *agree* with their position. Just that you *understand* and *appreciate* their situation.

Gain an advantage by using the guerrilla-negotiating phrase, "*I understand.*" This phrase can have many meanings. It can mean "I agree," or it can mean, "I see what you mean," or it can mean, "Enough, already, you've made your point." It can even mean, "I think you're an idiot, but I'm not going to comment on that right now." You understand.

Use "I understand," instead of "I disagree," as in, "I understand that you feel your price is justified, *and* I can only pay . . ." then present your counteroffer.

You can also develop empathy by practicing *role reversal*. Outline the negotiating situation, then take the position of your counterpart. Rehearse with a colleague.

24. Develop Strong Rationales for Your Demands

The proper construction of demands is critical to the success of any negotiation. "That's what I want," while valid, is seldom a persuasive position.

Always state a *rationale* when making a request in a negotiation. It's easy to forget. Developing a rationale requires time, energy, understanding, and planning. You may feel that you're giving up your power when you defend, explain, and justify every demand you are making. Chances are your counterpart isn't thinking about your situation. They won't see things from your point of view unless you justify your position. The rationale is what defends the demand, and gives it weight and value.

Guerrillas use the magic word *because*. "This is important to me because . . ." This is particularly effective when combined with the word *need*. "I *need* a six-month lease *because* I'm going to school." Read more about creating influence in Chapter 4.

Never present your rationale from your counterpart's point of view. Present it from your own point of view. This protects the rationale from being sabotaged, or hijacked. If you build your rationale on what you *think* is important to your counter-

part, and you're wrong, then the rationale loses much if not all of its value.

25. Search for Options

Guerrilla negotiators are often able to get what they want, while at the same time, meeting the needs of others. Seldom is there only one right answer. Although flexibility is often mistakenly equated with being indecisive, inconsistent, or weak, it is one of the guerrilla's most potent weapons.

Develop your flexibility by being open to testing a new idea, following through on a suggestion, or considering alternatives. To meet these various needs, the guerrilla often has to shift gears, and suspend or abandon a particular line of negotiation in favor of an entirely different strategy. Recognize when you and your counterpart are deadlocked on a particular issue; offer to "put that item aside for now" and continue. Often, when you revisit the issue later, it seems much less important in the larger scheme of things.

■ WHAT YOU CAN GIVE AND GET

Here is a list of things you can negotiate in your favor or concede to their favor.

► Price

- Shipping charges
- Guaranteed prices
- Partial shipments
- Delayed payment
- Financing terms
- Extended warranty
- Guaranteed upgrade
- Free upgrades
- Free trial period
- Return privileges
- Waived restocking charges

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- > Duties paid or waived
- > Taxes paid or waived
- > No setup charges
- > Free installation
- > Two for one
- > Samples
- > Free software
- > Reduced interest rates
- > Waived service fees
- > Payment of a premium
- > Future discounts
- > Waived security deposit
- > Trade-ins
- > Free change orders

> **Delivery**

- > Multiple release points
- > On-site stocking
- > Early delivery
- > Loaners
- > Customs clearance brokering
- > Favorable positioning
- > Extended deadline

> **Quality**

- > Upgrades
- > Guaranteed trade-in

> **Consumables**

- > Paid utilities
- > Spare parts
- > Maintenance

- Fuel
- Supplies
- Raw materials

- **Support**
 - Extra documentation
 - User training
 - On-site support
 - Maintenance training
 - Temporary help
 - International support
 - Toll-free support line

- **Add-ons**
 - Accessories

- **Comfort Factors**
 - Free accommodations
 - Free meals
 - Free drinks
 - Free coffee
 - Free cleaning
 - Free transportation
 - Free uniforms
 - Free laundry service
 - Free phone calls

- **Business Help**
 - Marketing assistance
 - Co-op advertising money
 - Consulting

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- > Database exchange
- > Free follow-up visits
- > Personal benefits
- > Referrals

> Intangibles

- > Future favors
- > Introductions
- > More time
- > Information
- > Priority status

■ WHEN YOU SHOULDN'T NEGOTIATE

There are times when you should avoid negotiating. In these situations, stand your ground and you'll come out ahead.

> When You'd Lose the Farm

If you're in a situation where you could lose everything, choose other options rather than negotiate.

> When You're Sold Out

When you're running at capacity, don't deal. Raise your prices instead.

> When the Demands Are Unethical

Don't negotiate if your counterpart asks for something that you cannot support because it's illegal, unethical, or morally inappropriate. When your character or your reputation is compromised, you lose in the long run.

> When You Don't Care

If you have no stake in the outcome, don't negotiate. You have everything to lose and nothing to gain.

► **When You Don't Have Time**

When you're pressed for time, you may choose not to negotiate. If the time pressure works against you, you'll make mistakes, and you may fail to consider the implications of your concessions. When under the gun, you'll settle for less than you could otherwise get.

► **When They Act in Bad Faith**

Stop the negotiation when your counterpart shows signs of acting in bad faith. If you can't trust their negotiating, you can't trust their agreement. In this case, negotiation is of little or no value. Stick to your guns and cover your position, or discredit them.

► **When Waiting Would Improve Your Position**

Perhaps you'll have a new technology available soon. Maybe your financial situation will improve. Another opportunity may present itself. If the odds are good that you'll gain ground with a delay, wait.

► **When You're Not Prepared**

If you don't prepare, you'll think of all your best questions, responses, and concessions on the way home. Gathering your reconnaissance and rehearsing the negotiation will pay off handsomely. If you're not ready, just say "no."

► **Better to Beg Forgiveness**

A number of years ago, the Boulder Jaycees approached the city Parks Department to build a small playground next to the city-owned baseball diamonds. Many of these Jaycees played league softball, and were concerned about their children dodging traffic on the adjacent busy street. The Parks Department quickly agreed to their request. In fact, the city had already planned to build just such a playground—in five years.

The Jaycees asked the city planner for a copy of the site plan, and left the meeting feeling somewhat disappointed. At

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the next Jaycee meeting, they decided to adopt the playground as a project, and try to negotiate to accelerate the city's timetable. One member, who ran a landscape company, volunteered to do the excavation. Another, who managed a lumberyard, offered to donate the fencing. And so it went. Over the next four weeks, material, equipment, and manpower were quietly mobilized. In a single weekend, using all volunteer labor, these Jaycees built the playground, exactly to city spec, and on Monday morning, called the Parks office to come out and inspect it.

"That's impossible," they were told. "It will take several weeks just to get the necessary permits." When the laughter finally subsided, the Jaycee explained, "Of course it's possible. It's already been done—just five years ahead of schedule."