

THE
DIRTY
TRICKS

OF DISCOVER AND
MASTER THE
RULES OF NEGOTIATION

NEGOTIATING

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INTRODUCTION

You negotiate more often than you think. Whether you are a businessman, politician, musician or marketing manager, you probably negotiate every day without realizing it. We negotiate every time we have a conversation and opinions differ, positions diverge or interests are in conflict. We negotiate every time we need the other party to make a decision.

We notice this every time there is a meeting and discussion. Whenever we have opposing opinions with other people and need to come to an agreement, negotiation kicks in.

We are negotiating more and more but that does not necessarily mean that everyone can pull it off easily or properly. Negotiation is one of the most difficult skills there is.

For one, it requires being committed to the goals you want to achieve. This calls for resolute behavior, which means acting confident, making clear demands or proposals, setting boundaries, and having nerves of steel.

Moreover, both parties need each other. Both are dependent on each other to reach an agreement. This requires paying attention to the relationship with the other party and showing a degree of sensitivity and understanding to their needs and interests.

At the same time you have to closely monitor the actual content of the topics being discussed. For example, is all the relevant knowledge available, is there anything missing, are the facts and figures correct, are the proposals in the proceedings practically feasible? What are the consequences of

this outcome? This requires a rational approach: analyzing, being objective, taking time for deliberation, and exploring alternatives.

For the negotiator, the demands are almost impossible. He has to juggle: he has an assignment or an objective, while at the same time he also needs to cooperate, and keep a level head. This is often so difficult that many negotiators only focus on their own position. That's understandable, but it's also dangerous: for an optimal result the negotiator needs to focus on the counterparty as well.

The successful negotiator continuously takes into account the interests of the counterparty. What's his approach? What are the written and unwritten rules that are being applied?

What kind of people are on the other side of the table? Do they take into account the relationship between both parties or are they only interested in what's in it for them? Do they interact or do they keep a distance? Do they act as equals or do they try to dominate the talks? Does it feel like there is a degree of mutual openness and willingness to reach a goal? Or does distrust prevail, and are they playing games and using tricks?

As if the negotiator doesn't have enough to keep tabs on, he also has to take into account the needs of the party he represents. Are their demands reasonable? The negotiator constantly needs to verify whether he has full support of his own party when negotiating a deal.

Fortunately, in the last few decades many strategies have

been developed for negotiators. The following will be valuable to anyone who has to negotiate. They complement each other and can be used simultaneously.

DO'S AND DON'TS

For most negotiators, these are the basic rules of thumb for negotiation. The negotiation process can best be described as applying basic rules and tactical moves. By using these do's and don'ts, a negotiator will be successful:

- Think more about interests than specific targets.
- Allow plenty of time for exchanging information.
- Negotiate multiple issues simultaneously.
- Ask for more than you expect to get.
- Never accept the first offer.
- Take initiative.
- Be tough on content, soft on relationship.
- Taking the interests of the other party into account is not a sign of weakness.
- Explore alternatives.
- Don't turn negotiation into a debating event.
- Making concessions is part of the game.
- Wait as long as possible before making a concession.
- Ask for something in return for a concession.
- Don't be afraid to suspend a negotiation.
- Deadlocks are part of negotiating.
- Meet informally outside the meeting room.

THE PROCESS APPROACH

In this approach, the negotiation is presented as a process with several phases. Each phase has its own dynamics and rules, and requires different behavior from the negotiator. If the negotiator doesn't know these phases and their rules, it can go disastrously wrong.

A sales employee of an event agency negotiates with the manager of a conference center on the price of promotional stands, the number of square feet, catering, promotional activities and deadline for cancellation. Their initial proposals are far apart. The assertive sales employee is not up for a long discussion and offers what he considers to be a reasonable proposition: "Let's cut to the chase, we both know how this works and where it's going. Let's meet in the middle? Do we have a deal?"

To his surprise, the manager responds in a less cooperative manner. "I'm glad you're up for making concessions, because that's a luxury I can't afford. I can't meet in the middle."

The sales employee is taken back. What now? He's already handed over all his bargaining chips.

The salesperson was naive and too eager to cut a deal. He went from the opening phase - with a first exchange of positions - and jumped directly to offering a deal. That's going to cost him considerably.

Negotiations need time and have the following phases:

- *Preparation*: internal and external inventory, determine interests, objectives and strategy;
- *Opening*: formulating positions, interests, visions, principles, and objectives;
- *Discussion*: discussing arguments, getting to know what the other party really wants, determine priorities;
- *Exploring proposals*: entertaining alternatives;
- *Bargaining*: giving concessions back and forth;
- *Deadlock*: stalemate is part of negotiation;
- *Compromise*: building bridges to settle the final points, adding pressure and closing the deal.

PRINCIPLED NEGOTIATION

One of the world's most renowned methods of negotiation is called principled negotiation. It was designed by R. Fisher, W. Ury, and B. Patton of the Harvard Negotiation Project. This method presupposes that the negotiator must foremost be reasonable, and has to abide by a number of principles in order to be the most effective.

Two members of a local little league discuss remodeling the clubhouse. The president wants the clubhouse to be enlarged considerably, while the treasurer only wants it to be slightly modernized and to have a larger patio. What started as a friendly discussion gradually turns into a heated debate in which neither party is willing to give an inch. "I want a fifty foot extension to the backside leading out to the patio. I also think there should be a barbeque facility as

well.” The president adds, “The plastic doors and window frames also need to be replaced with wooden ones.”

The treasurer replies irritated: “Absolutely not. Do you have any idea how much they cost? And that barbecue is definitely not going to happen. People hardly ever use the barbeque, and then it has to meet the safety requirements by the fire department.”

The president is annoyed by the treasurer’s remarks and takes it personally. He replies: “Your thinking is short-sighted. You are only thinking from the perspective of treasurer. We need people on the board who can think for the whole of the association.”

Now the treasurer is really upset: “What are you saying, I’m not professional? If we follow your lead, the association will go bankrupt. If there is anyone thinking about interests of the association, then it’s me!”

Now the president in turn is really upset. He retorts: “I won’t let the future of the little league association be dictated by a two-bit accountant. That extension and barbeque pit is coming, hell or high water!” The treasurer pushes back his chair and stands up. He yells back: “You might be able to get your way as director of your company, but in our association we decide important matters like this democratically.”

What started as a discussion about substance turned into an emotionally charged conflict. How can the board members of the local little league get out of this mess? Both have taken positions, exchanged insults, and are now angry at each other. This situation can be rescued with principled negotiation.

Separate people from problems

People have emotions. And certainly during negotiations, emotions can get the upper hand. Negotiators can get emotionally involved and experience the arguments of the other party as personal attacks. Negotiators will then fight each other instead of working on the problem that needs to be solved. In these situations, negotiators need to redirect their focus on substance. Smart negotiators address the problem working shoulder to shoulder, instead of back to back. In doing so, negotiators create a productive environment for negotiation.

Negotiate interests, not positions

Many negotiators pay close attention to standpoints and requirements. It is wiser, however, to focus on the interests and motives that lie behind the positions. By asking the *how* and *why* questions behind demands and requirements, negotiators will find out what the real needs and desires of the other party are. This will increase the number of possible solutions. Usually there are several possibilities to serve someone's interests and desires than the specific proposal that someone has put on the table.

Think of possibilities and solutions

As negotiator, don't look for solutions right away. Take time to explore the various possibilities with the other party.

This way negotiators let the other party know that they are not only interested in their own position but also in those of the other party. Separate creating possibilities from selecting solutions.

Use objective criteria to get to a decision

Don't let the decision be influenced by pressure, manipulation, or subjective judgment. Base it on objective criteria. Objective criteria should be reasonable and independent of the desires of both parties. Objective criteria are rational, based on procedures, legislation, market value, comparable situations, equality, reciprocity, percentage criteria, industry standards, scientific judgment, mathematical criteria, and precedents.

The president realizes that after a stalemate, negotiations have been suspended for too long. He needs to reopen the discussion. He doesn't want to make the same mistake and decides to use principled negotiation techniques. Now they have cooled down, it's time for them to return to the negotiation table.

The president resumes talks: "We're not getting any further this way, but you and I both want what's best for our club. We just think differently about getting there. I see that we both have the best interests of the club at heart. Our differences should not get in the way of reaching a good solution."

The president acknowledges the treasurer's good intentions and creates the right mood to resume discussions.

“I understand that you are against extending the building. Can you tell me why? Because I want to know your reasoning behind it.”

The chairman does not argue with the opposing position of the treasurer. He wants to know his interests or motives behind his standpoint. By asking, they might find common ground.

The concerned treasurer says: “I’m worried about the costs of the remodeling will bring. Will we still be able to pay for two new trainers?” He adds, “In our current financial situation, we can just barely get by.”

The president responds: “I see our league grow significantly within the next five years. With the housing development in the neighborhood with many young families, I don’t want a run-down little league clubhouse. It should be a place where people can comfortably sit and enjoy themselves.”

The president doesn’t immediately suggest a new proposal but first wants to find out what the costs for both options will include.

“Let’s first explore our options. We’ll write the different proposals on a flipchart. Lets define the criteria that our proposal has to meet. What are important criteria for you?”

“I think that the interest should not increase our budget. With the additional interest costs, we have to increase our turnover.” The president agrees and then adds his own criteria: “I think our clubhouse should be up to standards with other clubhouses.”

Throughout the rest of the talks, the two men have determined both criteria to be an important basis for reaching a possible solution. With this approach, both members of the board of the little league association have made it less personal. They now know each other's motives and interests, and can jointly opt for a solution that takes both parties' interests into account because they have recognized each other's interests together.

THE DILEMMA APPROACH

According to the negotiation theory of Willem Masterbroek, Dutch professor emeritus of Organizational Culture and Communication, there are four activities involved in negotiation that are directly related to four basic dilemmas:

Substance: how tough or soft am I going to be in reaching my goals and requirements?

You are at the negotiation table to achieve results. It usually involves interests, objectives, policies, standards, and proposals. How firm are you going to be in order to achieve them? Are you taking a tough position or opting for a soft approach?

Power: how tough or soft are you going to act during the negotiations?

If you want your opponent to take you seriously, then the power

difference should not be too great. Both parties should realize that they need each other. Yet, most likely the other will try to test your strength. Do not let the other party take advantage of you, and ensure that the other party doesn't have an edge on you. This will immediately instigate fighting behavior from the other side, which will not improve the negotiations.

Approach: how willing, jovial, distant, hostile should I act?

Negotiation benefits from a certain degree of cooperative behavior. Respect and understanding for the other party and their interests contribute to a good negotiating environment. A hostile approach will result in distrust and irritation, and can impede negotiations significantly.

Procedure: how active and interested in the other party do I want to come across during the negotiation? Or should I act more passive and laidback?

Increasing procedural flexibility adds to the boundaries of negotiation. However, this requires that the negotiator be assertive and interested in gathering information. He has to be flexible when inquiring about the other parties underlying interests and motives, and asking many questions. He has to put a real effort in finding alternative solutions. When a negotiator is cautious, it may come across as disinterest, especially when he is not concerned about the other party, or willing to explore different options.

The inexperienced negotiator cannot differentiate between the four activities. He either applies the tough, top dog approach or the soft one. He combines championing his goals with dominant behavior, and repeats his arguments. Or he drops his demands because he wants to keep the mood at the negotiation table pleasant. A negotiator is more effective when he can differentiate between the four activities. By detaching himself from his own pursuits and maintaining a friendly atmosphere at the negotiation table, he can explore other options.

THE DIRTY TRICKS OF NEGOTIATING

Being reciprocal and finding common interests is key in all negotiation. A negotiator should always strive for a win-win situation. This is a noble cause but in practice it sometimes falls to the wayside because the other party pursues only his own interests. While the negotiator follows a proven strategy, the other party uses a dirty trick.

This is not a theoretical book with a recipe for winning every negotiation. This is a pragmatic book, in which the reader will find out the *do's* and *don'ts* of negotiation. In my practice as a professional negotiator and adviser to negotiators my experience is that you must stick to the rules, but also be aware of the unwritten ones. In this book I will discuss both the written and the unwritten rules, the dirty tricks, so the reader will know which pitfalls to avoid when negotiating with someone who has a hidden agenda. This book will help the reader recognize the most common dirty tricks so that they can be properly dealt with.

Are you up for negotiations in which you collaborate to achieve a goal that is beneficial to both parties? First, make sure you know what a dirty trick looks like before you get left holding the empty bag.