

How to Get Your Price (Chapter 9) + How to Identify Black Swans (Chapter 10)

Main Point: Bargaining is a component of negotiation. Prepare for it using the Ackerman model.

Types of Negotiators

- Analyst: methodical and diligent; minimize mistakes; hypersensitive to reciprocity. Time = preparation
 - Tools to Use: Label as much of the interaction as possible. Allow plenty of silence. Use data.
 - Tips for You: smile when you speak to avoid cutting yourself off from your single biggest source of data – your counterpart.
- Accommodator: focus on building rapport, seek win-win, lacking in preparedness. Time = relationship
 - Tools to Use: Use calibrated questions to turn their talk into action.
 - Tips for You: be likeable but express your objections.
- Assertive: direct and candid, getting it done is more important than getting it right, needs mutual respect. Time = money
 - Tools to Use: Focus on what they have to say before trying to make your point. Use mirrors, calibrated questions, labels and summaries.
 - Tips for You: Intentionally soften your tone.

Ackerman Bargaining for Negotiating Price

- Set your target price.
- Plan your offers.
 - Buyer: 65% → 85% → 95% → 100%
 - Seller: 135% → 115% → 105% → 100%
- At final offer, add non-monetary item to show you're at your limit.

Other Tips for Bargaining

- Use an accusations audit to pre-empt the first offer to take the edge off:
 - *You're going to think I haven't done my homework.*
 - *You're going to feel insulted by my offer.*
 - *I'm embarrassed to tell you my offer.*
- Use tactical empathy:
 - Find ways of creating space between Yes and No to get them to counter before you increase your offer.
 - Use precise, non-round, odd numbers.

How to Identify Black Swans

- There are 3 in every negotiation. Unknown unknowns.
- Every negotiation is new – don't let old patterns and outcomes blind you.
- Always ask yourself: Why are they communicating and what are they communicating right now?

Black Swans are leverage multipliers.

- Positive leverage: the ability to give someone what they want
- Negative leverage: the ability to hurt someone
- Normative leverage: using your counterpart's norms to bring them around

Black Swans live beyond the negotiating table.

- Review everything you hear. Double check what you heard is what they intended.
- Use back up listeners if you can.
- Compare notes with other team members.
- Label the message behind the words.

Black Swans hide behind crazy.

- Crazy = ill-informed, constrained, hidden agendas

Black Swans need to be seen with your own eyes.

- Get face time with your counterpart.
- Observe unguarded moments: first few minutes, last few minutes, interruptions.
- When something does not make sense – dig in!

ACTION STEP: Create your negotiation one-sheet.