



# Never Split the Difference

Negotiating as if your life depended on it

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with Tahl Raz

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## // SUMMARY

After a stint policing the rough streets of Kansas City, Missouri, Chris Voss joined the FBI, where his career as a kidnapping negotiator brought him face-to-face with bank robbers, gang leaders and terrorists. Never Splith the Difference takes you inside his world of high-stakes negotiations, revealing the nine key principles that helped Voss and his colleagues succeed when it mattered the most – when people’s livews were at stake. Tooted in the real-life experiences of an intelligence professional at the top of his game, Never Split the Difference will give you the competitive edge in any discussion.

# HIGHLIGHTS

## CHAPTER 1 : THE NEW RULES

The open-ended question :

- ❖ Buys you time, gives your counterpart the illusion of control.
- ❖ How he would solve my problems.
- ❖ Make them negotiate with themselves.
- ❖ It's a passive-aggressive approach. Ask the same 3 or 4 open-ended questions over and over again. They get worn out answering and give you what you want.

### Getting to Yes Approach from Fisher and Ury's:

- 1) Separate the person – the emotion – from the problem.
- 2) Don't get wrapped up in the other side's position (what they're asking for) but instead focus on their interests (why they're asking for it) so that you can find what they really want.
- 3) Work cooperatively to generate win-win options.
- 4) Establish mutually agreed-upon standards for evaluating those possible solutions.

Feeling is a form of thinking.

### Cognitive Bias: We have more than 150.

- ❖ Framing Effect: People respond differently to the same choice depending on how it is framed.  
Ex: 10% raise. People place greater value on moving from 90% to 100% (probability to certainty) than from 45 to 55%.
- ❖ Prospect Theory: We take unwarranted risks in the face of uncertain losses.
- ❖ Loss Aversion: We are more likely to act to avert a loss than to achieve an equal gain.

## 2 Systems of Thoughts:

- ▶ Our animal mind: fast, instinctive and emotional.

Has more influence, it guides and steer our rational thoughts.  
Inchoate beliefs, feelings and impressions.  
Deliberates the choices of system 2.

- ▶ Slow, deliberative and logical.

Rationalize what the system 1 thinks.

Focus on System 1 (animal, emotional and irrational) to develop your negotiating skills. You need

simple psychological tactics and strategies to calm people down, establish rapport, gain trust, elicit the verbalization of needs, and persuade the other guy of your empathy.

It all starts with the universally applicable premise that people want to be understood and accepted.

Listening demonstrates empathy.

Research shows that when individuals feel listened to they:

- ❖ Listen to themselves more carefully and to openly evaluate and clarify their own thoughts and feelings.
- ❖ Become less defensive and oppositional and more willing to listen to other points of view, which gets them to a calm and logical places where they become problem solvers.

Tactical Empathy: Listening as a martial art. It is not passive, it is the most active thing you can do.

## CHAPTER 2: BE A MIRROR

Too often people find it easier to stick with what they believe. Using what they've heard or their own biases, they often make assumptions about others even before meeting them. They even ignore their own perceptions to make them conform to foregone conclusions.

The less important someone makes himself, the more important he probably is (and vice versa).

- ❖ Calm the schizophrenic

It's not easy to listen. We are easily distracted, engage in selective listening, hearing only what we want, our minds acting on a cognitive bias for consistency rather than truth.

Most people approach a negotiation so preoccupied by the arguments that support their position that they are unable to listen attentively. Voices in their own head are overwhelming them:

When they are not talking, they're thinking about their arguments, and when they're talking, they're making their arguments.

*Everyone just listen to the voice in their head.*

“ Instead of prioritizing your argument, make your sole and all-encompassing focus on the other person and what they have to say. You'll make them feel safe. The voices in their head will begin to quiet down. ”

The goal is to identify what your counterparts actually need and get them feeling safe enough to talk and talk and talk some more about what they want.

It begins with listening, making it about the other people, validating their emotions, and creating enough trust and safety for a real conversation to begin.

#### ❖ Slow.It.Down.

If you're too much in a hurry, people can feel as if they're not being heard.

#### ❖ The Voice.

It's how we are, not what we say. Our general demeanor and delivery.

We should be using most of the time the positive/playful voice. The key is to relax and smile while you're talking.

The calming one is the late-night FM DJ voice.

#### ❖ Mirroring

We copy each other to comfort each other. It can be done with speech patterns, body languages, vocabulary, tempo and tone of voice. We are rarely aware of it.

Principle: We fear what's different and are drawn to what's similar.

➔ Repeat the last 3 words (or the critical 3 words) of what someone just said.

Then leave a bit of silence in order for it to be effective.

2 more effective method of creating a connection with strangers: Mirroring & Positive reinforcement.

### How to confront

Mirroring gives you the ability to disagree without being disagreeable.

- 1) Use the late-night FM DJ voice.
- 2) Start with "I'm sorry..."
- 3) Mirror
- 4) Silence. At least 4 seconds, to let the mirror work its magic. Don't worry, the other party will fill it.
- 5) Repeat.

The goal is to uncover as much information as possible.

## CHAPTER 3: DON'T FEEL THEIR PAIN, LABEL IT

Warning: A lot of classic deal makers will think your approach is softheaded and weak. Think Hillary Clinton.

Tactical empathy: Think from another person's point of view while they are talking with that person and quickly assess what is driving them.

Empathy is not about being nice or agreeing with the other side. It's about understanding them, the position they're in, why their actions make sense (to them) and what might move them.

The supreme art of war – Sun Tzu: To subdue the enemy without fighting.

### Labeling

Validating someone's emotion by acknowledging it.

- 1) Spot the feelings.
- 2) Turn them into words.
- 3) Very calmly and respectfully repeat their emotions back to them.
- 4) Silence. Let it sink.

Don't use "I" because it gets people's guard up. It says you're more interested in yourself.

Don't say "I'm hearing..." but "It sounds like" "It seems like", "It looks like"...

### Accusation Audit

Before saying what you have to say, do an accusation audit of yourself. List the worst things that the other party could say about you and say them before the other person can.

## CHAPTER 4: BEWARE "YES" – MASTER "NO"

### Start with NO

No starts the negotiation, not the end of it.

Having said no, the other party has protected himself, so he can relax and more easily consider the possibilities.

- ▶ "No" is often a decision, frequently temporary, to maintain status quo. Change is scary and "No" provides a little protection from the scariness.
- ▶ People will fight you to the death to preserve their right to say "No", so give them that right and the negotiating environment becomes more constructive and collaborative almost immediately.
- ▶ People need to feel in control. Preserve a person's autonomy by clearly giving them permission to say "No" to your ideas.
- ▶ Once they said no, other party can really look at your proposal. It gives you time to elaborate or pivot in order to convince.

### 3 kinds of "Yes"

- Counterfeit
- Confirmation
- Commitment

### Getting to "No"

You need to persuade them from their perspective, not yours. But how? Start with their most basic wants. You can't control others' decisions, but you can influence them by inhabiting their world and seeing and hearing exactly what they want.

Everyone you meet is driven by 2 primal urges: feel safe and secure & feel in control. The word "No" gives them the feeling of safety and control. So get there by asking for "No".

- ▶ **Talking to somebody who is just not listening:** Mislable one of their emotion or desire. Say something you know is wrong. That forces them to listen and makes them comfortable correcting you.
- ▶ **Ask what they don't want.** "What would you say "no" to?"
- ▶ **By email: don't be ignored.** Provoke an answer (and a "no") by emailing this one-sentence email "Have you given up on this project?". Works with all cultures!
- ▶ **Turn question to get a "no".** "Is now a bad time to talk?" is better than "Do you have a few minutes to talk?"
- ▶ If you can't get to "No", you are in front of indecisive, confused or people with a hidden agenda. Walk away. **No "no" means no go.**

Negotiate in their world. Persuasion is about the other party convincing themselves that the solution you want is their own idea.

## CHAPTER 5: TRIGGER THE 2 WORDS THAT IMMEDIATELY TRANSFORM ANY NEGOCIATION

Create the epiphany to get to the "That's right".

"You're right" is a disaster. He agreed in theory, but he didn't own the conclusion.

Most of us develop a habit of hiding who we really are and what we really think, instead calibrating our words to gain approval but disclosing little.

Before you convince them to see what you're trying to accomplish, you have to say the things to them that will get them to say "that's right". This will rarely come at the beginning of a negotiation.

How to trigger "That's right":

- 1) **Effective Pauses**. Silence is powerful.
- 2) **Minimal Encouragers**. Besides silence, use Yes, Ok, Uh-huh or I see.
- 3) **Mirroring**. Rather than argue.
- 4) **Labeling**. Give the feeling a name and identify how he felt.
- 5) **Paraphrase**. Repeat in your own words to show you really understand.
- 6) **Summarize**. Paraphrasing + labeling = summary. Listen and repeat the "world according to him". The only possible response to a good summary is "that's right".

Getting to "that's right" means you truly understand their dreams and feeling. Their world. It creates unconditional positive regard. **Mental and behavioral change become possible.**

## CHAPTER 6: BEND THEIR REALITY

### Deadlines: Make time your ally

Time is one of the most crucial variables in any negotiation. And its sharper cousin, the deadline, are the screw that pressures every deal to a conclusion. To get a good deal, **resist this urge to rush** and take advantage of it in others. The mantra to resist: **"No deal is better than a bad deal"**.

Vague threat where time isn't specified occurs in early stage of negotiation.

When threats become more specific at specified time, it indicates that you are getting closer to real consequences.

The key is : When negotiation is over for one side, it's over for the other too. If you have to leave without a deal, they are not getting a deal either.

**Let them know your deadline. And then be ready to blow it.**

### The F-Word (fair)

**While we may use our logic to reason ourselves toward a decision, the actual decision making is governed by emotion.**

The most powerful word in negotiation. People comply with agreements if they feel they've been treated fairly and lash out if they don't.

People can make irrational choice because the negative emotional value of unfairness outweighs the positive value of the money.

### There is no such thing as "fairness"

Fairness is messy, emotional and destructive. Use the word with care. Of the 3 ways to use it, only one is positive:

- 1) "We just want what's fair"

It's an implicit accusation of unfairness to you and immediately triggers feelings of defensiveness and discomfort.

Best response: "Ok, I apologize. Let's stop everything and go back to where I started treating you unfairly and we'll fix it."

2) "We've given you a fair offer"

It accuses you of being dishonest.

Best response: Mirror by saying "Fair?"

Pause

Label "It seems like you're ready to provide the evidence that supports that" and ask for more info.

3) POSITIVE WAY. TO USE EARLY ON IN A NEGO.

"I want you to feel like you are being treated fairly at all times. So please stop me at any time if you feel I'm being unfair, and we'll address it."

It set the stage for honest and empathetic negotiation. As a negotiator, you should strive for a reputation of being fair.

Bend their reality

**Prospect Theory:** How people choose between options that involve risk.

Certainty Effect: People are drawn to sure things over probabilities, even when the probability is a better choice.

Loss Aversion: People will take greater risk to avoid losses than to achieve gains.

**Prospect Theory Tactics:**

In a tough negotiation, it's not enough to show that you can deliver the thing they want. To get real leverage, you have to persuade them that they have something to lose if the deal falls through.

1) **Anchor their emotions.**

Start out with an accusation audit acknowledging all of their fears. Play on their loss aversion.

2) **Let the other one go first... most of the time.**

Let the other side anchor monetary negotiations.

"Anchor and adjustment" Effect: A pro will go for an extreme anchor, then when they come back with a merely absurd offer it will seem reasonable. (400\$ iPhones seem reasonable from their original 600\$).

\*We tend to make adjustments from our first reference points.

If you must go first:

- ▶ Start with an emotionally anchor by saying how bad it will be.
- ▶ When you get to numbers, set an extreme anchor to make your “real” offer seem reasonable. Or use a range to seem less aggressive.

### 3) Establish a range

While going first rarely helps, there is a way to seem to make an offer and bend their reality in the process.

When confronted with naming your terms price: counter by recalling a similar deal which establishes your “ballpark” (albeit the best ballpark you wish to be in). Instead of saying “I’m worth 110k\$”, say “At top places like X inc, people in this job get between 130k-170k\$”.

\*Expect people to come in at the lower end. So make that what you want or a little over.

### 4) Pivot to nonmonetary terms

After you’ve anchored them high, make your offer seem reasonable by offering things that aren’t important to you but could be to them.

\*This is sometimes difficult so throw out examples to start the brainstorming process.

### 5) When you do talk numbers, use odd ones

It feels like the result of thoughtful calculation.

### 6) Surprise with a gift

Extreme anchor and then, after their inevitable first rejection, offer them a wholly unrelated surprise gift.

*\*This introduce reciprocity and people feel obliged to repay debts of kindness.*

### How to negotiate a better salary

- ▶ Be pleasantly persistent on nonsalary terms.

It’s an emotional anchoring that creates empathy with the boss and create the right environment for constructive discussion. If they can’t meet your nonsalary requests, they may even counter with more money.

### ► Define success

Make sure to define success for your position – as well as metrics for your next raise.

### ► Spark interest and gain an unofficial mentor

Sell yourself as more than a body for a job. Be their ambassador.

Ask: “What does it take to be successful here?” in an interview.

The key: If someone gives you guidance, they will watch to see if you follow their advice. They will have a personal stake in seeing you succeed. You’ve just recruited your first unofficial mentor!

### How to negotiate:

1) Give a range.

\*People has a natural tendency to go directly to their price limit when faced by an extreme anchor.

2) Silence. Wait for a counteroffer.

3) Don't say “no” or “yes” but keep talking and creating empathy.

4) Wait for counteroffers to come on its own.

5) Repeat many times until you get your price.

6) Use “that’s fair” in a positive way.

7) Conclude by saying you are asking him and not his board, and that all you need is for him to agree with the term. He will come your ambassador in front of his board.

## CHAPTER 7: CREATE THE ILLUSION OF CONTROL

❖ A change in negotiators by the other side almost always signaled that they meant to take a harder line.

❖ All negotiations, done well, should be an information gathering process.

Asking an open-ended question, yet calibrated, forces the other to pause and actually think about how to solve the problem. “How” asks for help. And it avoids reciprocity, since the other thinks it’s his idea, you don’t owe him a thing for his offer. It gives the other side the illusion of control.

Don't directly persuade them to see your ideas. Your job as a persuader is not to get others believing in what you say, it's to stop them unbelieving.

- ❖ He who has learned to disagree without being disagreeable has discovered the most valuable secret of negotiation.
- ❖ Describe what you're looking for and ask for suggestions.
- ❖ Greatest calibrated question: "How am I supposed to do that?"

### Calibrate your questions

- ❖ What makes those questions work is that they are subject to interpretation by your counterpart instead of being rigidly defined.
- ❖ Calibrated questions have the power to educate on what the problem is rather than causing conflict by telling them what the problem is.

How to:

- ▶ Use calibrated questions early and often.
- ▶ Early in the beginning of negotiation, you should ask "What is the biggest challenge you face?".
- ▶ Keep calm and avoid making it sound like an accusation or threat. As long as you stay cool, they will hear it as a problem to be solved.
- ▶ Summarize the situation and ask "How am I supposed to do that?".
- ▶ Use questions that start by "How" or "What" such as:
  - ➔ What about this is important to you?
  - ➔ How can I help to make this better for us?
  - ➔ How would you like me to proceed?
  - ➔ What is it that brought us into this situation?
  - ➔ How can we solve this problem?
  - ➔ What's the objective? / What are we trying to accomplish here?
  - ➔ How am I supposed to do that?

- ▶ "Why" can backfire.
- ▶ Without self-control and emotional regulation, it doesn't work.

Pause. Think. Let the passion dissipate.

When you are verbally assaulted, do not counterattack. Instead, ask a calibrated question.

- ▶ Every apology and calibrated question lower the heart rate of your counterpart just a little. And that's how you get to a dynamic where solutions can be found.

### How to get paid:

- ▶ A “No”-oriented email question to reinitiate contact.  
“Have you given up on settling this amicably?”
- ▶ A statement that leaves only the answer “That’s right” to form a dynamic of agreement.  
“It seems that you feel my bill is not justified.”
- ▶ Calibrated questions about the problem to get him to reveal his thinking.  
“How does this bill violate our agreement?”
- ▶ More “no”-oriented questions to remove unspoken barriers.
  - ➔ Are you saying I misled you?
  - ➔ Are you saying I didn’t do as you asked?
  - ➔ Are you saying I reneged on our agreement?
  - ➔ Are you saying I failed you?
- ▶ Labeling & mirroring the essence of his answers if they are not acceptable so he has to consider them again.  
“It seems like you feel my work was subpar”  
“... my work was subpar?”
- ▶ Calibrated question in reply to any offer other than full payment, in order to get him to offer a solution.  
“How am I supposed to accept that?”
- ▶ If none of this gets an offer of full payment, a label that flatters his sense of control and power.  
“It seems like you are the type of person who prides himself on the way he does business, rightfully so, and has a knack for not only expanding the pie but making the ship run more efficiently.”
- ▶ A long pause and then one more “no”-oriented question.  
“Do you want to be known as someone who doesn’t fulfill agreements?”



The listener has control in a conversation, because the talker is revealing information while the listener is directing the conversation.

Use your counterpart’s power to get to your objective.



## CHAPTER 8: GUARANTEE EXECUTION

### "Yes" is nothing without "How"

- ❖ When asking your "How" question, you just have to have an idea of where you want the conversation to go when you're devising your questions.
- ❖ Your tone of voice is critical as this phrase can be delivered as either an accusation or a request for assistance.
- ❖ People always make more effort to implement a solution when they think it's theirs.

How to:

- ❖ Ask a calibrated question.
  - How will we know we're on track?
  - How will we address things if we find we're off track?
- ❖ When they answer, summarize their answer until you get a "that's right". Then you'll know they've bought in.
- ❖ Be wary of "You're right" and "I'll try". If you hear those, dive back in with calibrated "How" questions.
- ❖ Let them think it was their idea. Subsume your ego.

### Influencing those behind the table

When other people will be affected by what is negotiated and can assert their rights or power later on, it's just stupid to consider only the interests of those at the negotiation table.

### Ask calibrated questions:

- ▶ How does this affect the rest of your team?
- ▶ How on board are the people not on this call?
- ▶ What do your colleagues see as their main challenges in this area?

### Responding to liars, jerks and aggressiveness

It's better not to go chin to chin with aggressiveness.

- ❖ Make it complex to talk to you. Scheduling a call or meeting.
- ❖ Delay making email responses.
- ❖ Default to using "what" and "how" calibrated questions.
- ❖ Dodge and weave.

- ❖ When you get to the number you want, switch to “When/what” calibrated question.

“When we run out of money, what will happen?”

### The 7-38-55% rule

Of a message:

- ▶ 7% is based on the words
- ▶ 38% comes from the tone of voice
- ▶ 55% from the speaker’s body language and face

This is why it’s always better to meet someone face to face even if what needs be said can over the phone.

When someone’s tone of voice or body language doesn’t align with the meaning, **use labels to discover the source of the incongruence**. “I heard you say “Yes”, but it seemed like there was hesitation in your voice.”

### The rule of three

Get the other guy to agree to the same thing 3 times in the same conversations, because it’s really **hard to repeatedly lie or fake conviction**.

How to avoid sounding like a broken record:

- ❖ First time they agree.
- ❖ Label or summarize until they say “That’s right”.
- ❖ Calibrated “How” or “What” question about implementation.

Or

Ask the 3 times the same calibrated question phrased in different ways like

- ▶ What’s the biggest challenged you faced?
- ▶ What are we up against here?
- ▶ What do you see as being the most difficult thing to get around?

### The Pinocchio effect

Liars:

- ❖ Use more words than truth tellers
- ❖ Use far more third-person pronouns.
- ❖ Tend to speak in more complex sentences in an attempt to win over their suspicious counterparts.

- ❖ The number of words grow along with the lie. They are more worried about being believed, so they work harder at being believable.

### Define the importance of the person in front of you

Smart decision makers don't want to be cornered at the table into making a decision. Therefore:

- ❖ The more someone uses "I", "me" and "my", the less important they are.
- ❖ The harder it is to get a first person pronoun out of a negotiator's mouth, the more important they are.

### The Chris discount

Use your own name. Humanize yourself.

Use it to introduce yourself. Say it in a fun, friendly way. Let them enjoy the interaction. And get your own special price.

### How to get your counterparts to bid against themselves

You can usually express "No" 4 times before actually saying the word.

- 1) "How am I supposed to do that?"

Deliver it in a deferential way, so it becomes a request for help.

- 2) "Your offer is very generous, I'm sorry, that just doesn't work for me".

Avoid making a counteroffer. The "I'm sorry" also softens the "No".

- 3) "I'm sorry but I'm afraid I just can't do that"

A little more direct and your expressing your inability to perform can trigger empathy.

- 4) "I'm sorry, no"

- 5) If you have to go further, "No" delivered with a downward inflection and a tone of regret. It's not meant to be "NO!"

## **CHAPTER 9: BARGAIN HARD**

### 3 negotiating styles

To truly be effective you need elements from all 3. No one is exclusively one style.

**To be good, you have to learn to be yourself at the bargaining table.**

**To be great, you have to add to your strengths, not replace them.**

#### ❖ Analysts

- ▶ Time is preparation.
- ▶ Methodical and diligent.

- ▶ Not in a big rush. As long as they are working toward the best result in a thorough and systematic way, time is of little consequence.
- ▶ Their self-image is linked to minimizing mistakes.
- ▶ Motto: As much time as it takes to get it right.
- ▶ Prefer to work on their own.
- ▶ Rarely show emotion.
- ▶ Often use the FM DJ Voice; slow and measured with a downward inflection.
- ▶ Speak in a way that is distant and cold.
- ▶ Pride themselves on not missing any details in their extensive preparation.
- ▶ Hate surprises.
- ▶ Reserved problem solvers.
- ▶ Information aggregators.
- ▶ Hypersensitive to reciprocity.
- ▶ Since they like working on things alone, the fact that they're talking to you at all, from their perspective, is a concession.
- ▶ Skeptical
- ▶ Silence = they want to think

#### If your counterpart is an analyst:

- ▶ Don't expect immediate counterproposals
- ▶ They're skeptical so don't ask too many questions to start with, because they are not going to answer until they understand all the implications.
- ▶ It's vital to be prepared. Use clear data.
- ▶ Silence to them is an opportunity to think.
- ▶ Apologies have values since they see the negotiation and their relationship with you as a person largely as separate things.
- ▶ Respond well to labels.
- ▶ Not quick to answer calibrated questions, or close-ended questions when the answer is yes.

#### If you're an analyst:

- ▶ Smile when you speak. You'll receive more information. And use it to mask moments you've been caught off guard.

#### ❖ Accommodator

- ▶ This most important thing is the time spent building the relationship. Time is relationship.
- ▶ Love the win-win.
- ▶ Build great rapport without actually accomplishing anything.
- ▶ Sociable, peace-seeking, optimistic and distractible.
- ▶ Poor at time management.
- ▶ Silence = anger

#### If your counterpart is accommodator:

- ▶ Be sociable and friendly.
- ▶ Use calibrated questions focused specifically on implementation.
- ▶ Find ways to translate their talk into action.
- ▶ Due to their tendency to be the first to activate the reciprocity cycle, they may have agreed to give you something they can't actually deliver.
- ▶ Uncovering their objections can be difficult. They will leave those areas unaddressed out of fear of the conflict they may cause.

#### ❖ Assertive

- ▶ Time is money.
- ▶ Getting the solution perfect isn't as important as getting it done.
- ▶ Love winning above all else.
  - ▶ Aggressive communication style.
  - ▶ Don't worry about future interactions.
- ▶ Business relationships is based on respect, nothing more and nothing less.
- ▶ Wants to be heard. Don't actually have the ability to listen to you until they know that you've heard them.
- ▶ They tell rather than ask.
- ▶ Silence = an opportunity to speak more. You don't have anything to say or you want them to talk.

### If your counterpart is assertive:

- ▶ Mirrors are a wonderful tool.
- ▶ Calibrated questions.
- ▶ Labels.
- ▶ Summaries.
- ▶ Regarding reciprocity, they “give an inch/take a mile. They deserve whatever you have given them so they will be oblivious to owing something in return.
- ▶ Be conscious of your tone.

### Taking a punch

Experienced negotiators often lead with a ridiculous offer; an extreme anchor. If you're not prepared, you'll immediately go to your maximum.

Options:

- ▶ Say “no” in one of the way without saying it.
- ▶ Deflect the anchor in a way that opens up your counterpart.  
“What are we trying to accomplish here?”
- ▶ Pivot to terms. Detour the conversation to the non-monetary issues that make any final price work.  
“Let's put price off to the side for a moment and talk about what would make this a good deal”  
“What else would you be able to offer to make that a good price for me?”

If the other side pushes you to go first:

- ➔ Allude to an incredibly high number that someone else might charge.

### Anger

For anger to be effective, it has to be real. The key is to be under control because anger also reduces our cognitive ability.

- ▶ Take a deep breath, allow little anger, and channel it.  
“I don't see how that would ever work”

Such threats delivered without anger but with “poise” (confidence and self-control) are great tools.

### Why questions

Why can backfire. But employ it in a way that the defensiveness of the question triggers to get your counterpart to defend your position.

“Why would you ever do business with me?”

### No neediness

Once you're clear on what your bottom line is, you have to be willing to walk away. Never be needy for a deal.

Collaborative relationship. The most vital principle to keep in mind is never to look at your counterpart as an enemy. The person across the table is never the problem. The unsolved issue is. So focus on the issue. Use “tough love” (strong yet empathic, limit-setting boundaries) instead of hatred.

Suggest a time-out if the situation is escalating.

### Ackerman model of bargaining

- 1) Set your target price (your goal)
- 2) Set your first offer at 65% decreasing of your target price.
- 3) Calculate 3 raises of decreasing increment (to 85, 95 and 100%).
- 4) Use lots of empathy and different ways of saying “no” to get the other side to counter before you increase your offer.
- 5) When calculating the final amount, use precise, nonround numbers. It gives the number credibility and weight.
- 6) On your final number, throw in a nonmonetary item (that they probably don't want) to show you're at your limit.

This juices their self-esteem. People getting concessions often feel better than those who are given a single firm “fair” offer. Even when they end up paying more.

### Key lessons:

- ▶ Prepare, prepare, prepare. Design an ambitious but legitimate goal, game out the labels, calibrated questions and responses you'll use to get there.
- ▶ Get ready to take a punch. Prepare your dodging tactics.
- ▶ Take a punch, or punch back, without anger.

## CHAPTER 10: FIND THE BLACK SWAN

Black Swan: the things you don't know you don't know. Pieces of information you've never imagined but that would be game changing if uncovered.

- ❖ When bits and pieces of a case don't add up, it's usually because our frames of references are off.
- ❖ Each side is in possession of at least 3 Black Swans.
- ❖ Embrace more intuitive and nuanced ways of listening.
- ❖ Conventional questioning and research techniques are designed to confirm known known and reduce uncertainty. They don't dig into the unknown.
- ❖ Ask lots of questions. Read nonverbal clues and always voice your observations with your counterpart. Feel for the truth behind the camouflage.
- ❖ **Focusing so much on the end objective will only distract you from the next step. Concentrate on the next step because the rope will lead you to the end as long as all the steps are completed.**
- ❖ Your counterpart always has pieces of information whose value they do not understand.

### 3 types of leverage

If they're talking to you, you have leverage. There's always leverage: as an essentially emotional concept.

Leverage has lots of inputs: time, necessity, competition, etc.

To get leverage, you have to persuade your counterpart that they have something real to lose if the deal falls through.

- ❖ Positive leverage
  - ▶ Provide (or withhold) things that your counterpart wants.
  - ▶ You have more power than before your counterpart revealed his desire. You control what they want. That's why experienced negotiators delay making offers: they don't want to give up leverage.
  - ▶ You've gone from a situation where you want something from the investor to a situation where you both want something from each other.
- ❖ Negative leverage
  - ▶ Based on threats.
  - ▶ Gets people's attention because of loss aversion.
  - ▶ Look for pieces of information outside the negotiating table and speak to a third party that knows your counterpart. But the most effective method is to gather info from interactions with your counterpart.

- ▶ There will be a toxic residue. Beware of the consequences.
- ▶ People will often sooner die than give up their autonomy.
- ▶ Label your negative leverage and make it clear without attacking.

“It seems like you strongly value the fact that you’ve always paid on time” or

“It seems like you don’t care what position you are leaving me in”

#### ❖ Normative leverage

- ▶ Every person has a set of rules and a moral framework.
- ▶ If you can show inconsistencies between their beliefs and their actions, you have normative leverage.

### Know their religion

In any negotiation, it’s not how well you speak but how well you listen that determines your success.

“Religion” is what the market, the experts, God, society (whatever matters to him) has determined to be fair and just. And people defer to that authority.

**“Unearth who your counterpart is rather than logically argue him to surrender.”**

### The similarity principle

We trust people when we view them as being similar or familiar.

If you both see the world in the same way (or let him believe so) you immediately gain influence.

### The power of hopes and dreams

All of us want to believe we are capable of the extraordinary. As we grow older, people around us talk more of what we can’t and shouldn’t do than what is possible. We lose faith. But when someone displays a passion for what we’ve always wanted, we allow our perceptions of what’s possible to change. We’re all hungry for a map to joy, and when someone is courageous enough to draw it for us, we naturally follow.

So when you ascertain your counterpart’s unattained goals, invoke your own power and followability by expressing passion for their goals, and their ability to achieve them.

### Religion as a reason

People respond favorably to requests made in a reasonable tone of voice and followed with a “because” reason. It doesn’t matter if the reason makes sense.

### It’s not crazy, it’s a clue

When it sounds crazy, it’s because we chose not to understand their “world/religion”.

Understanding is the best way to discover the other side’s vulnerabilities and wants and thereby gain influence. You can’t get stuff unless you talk.

The best moment for discovering Black Swans are often when we hear or see something that doesn't make sense. Something "crazy". This comes from 3 mistakes from your counterpart:

- ❖ He is ill-informed.

- ❖ He is constrained.

  - Things he can't do but isn't eager to reveal.

- ❖ He has other interests.

  - Presence of hidden interests or hidden agenda.

#### Ways to discover Black Swans:

- ❖ Get face time

- ❖ Observe unguarded moments.

  - ▶ The first few minutes, before you actually get down to business, and the last few moments, as everyone is leaving will often tell you more about the other side than anything in between.

  - ▶ During interruptions, odd exchanges or anything that interrupts the flow.

#### Final words:

- ❖ Beware of wimp-win deals. (Saying yes too soon)

- ❖ It's not the guy across the table who scares us: it's conflict itself.

- ❖ The adversary is the situation and the person that you appear to be in conflict with is actually your partner.

## NEGOTIATION ONE SHEET

### Section I: The Goal

“ Think through best/worst-case scenarios but only write down a specific goal that represents the best case. ”

But keep in mind that since there's information yet to be acquired from the other side, the best case might be even better than you know.

- ❖ Set an optimistic but reasonable goal and define it clearly.
- ❖ Write it down.
- ❖ Discuss your goal with a colleague (this makes it harder to wimp out)
- ❖ Carry the written goal into the negotiation.

### Section II: Summary

Summarize and write out in just a couple of sentences the known facts that have led up to the negotiation.

- ❖ Why are you there?
- ❖ What do you want?
- ❖ What do they want?
- ❖ Why?

Summarize in a way that your counterpart will respond with a “That’s right”.

### Section III: Labels/ Accusation audit

*Prepare 3 to 5 labels to perform an accusation audit.*

- ❖ Anticipate how your counterpart feels about these facts.
- ❖ Make a concise list of any accusations they might make, no matter how unfair or ridiculous they might be.
- ❖ Turn each of them into a list of no more than five labels.
- ❖ Spend a little time role-playing it.

*Fill-in-the-blank labels that can be used in nearly every situation to extract info or defuse accusation:*

- ❖ It seems like ... is valuable to you.
- ❖ It seems like you don't like ...
- ❖ It seems like you value ...
- ❖ It seems like ... makes it easier.
- ❖ It seems like you're reluctant to ...

## Section IV: Calibrated Questions

Prepare 3 to 5 calibrated questions to reveal value to you and your counterpart and identify and overcome potential deal killers.

Look past your counterpart stated positions (what they demand) and delve into their underlying motivations (what is making them want what they want).

- ❖ Questions useful in nearly all situation:
  - ▶ What are we trying to accomplish?
  - ▶ How is that worthwhile?
  - ▶ What's the core issue here?
  - ▶ How does that affect things?
  - ▶ What's the biggest challenge you face?
  - ▶ How does this fit into what the objective is?
- ❖ Questions to identify behind-the-table deal killers (when implementation happens by committee):
  - ▶ How does this affect the rest of your team?
  - ▶ How on board are the people not on this call?
  - ▶ What do your colleagues see as their main challenges in this area?
- ❖ Questions to use to unearth deal-killing issues:
  - ▶ What are we up against here?
  - ▶ What is the biggest challenge you face?
  - ▶ How does making a deal with us affect things?
  - ▶ What happens if you do nothing?
  - ▶ What does doing nothing cost you?
  - ▶ How does making this deal resonate with what your company prides itself on?

It is effective to ask these in groups of 2 or 3 as they are similar enough that they help your counterpart think about the same thing from different angles.

**Be ready to execute follow-up labels to their answers to your calibrated questions.**

- ❖ It seems like ... is important.
- ❖ It seems you feel like my company is in a unique position to ...
- ❖ It seems like you are worried that ...

## Section V: Noncash Offers

*Prepare a list of noncash items possessed by your counterpart that would be valuable.*

Ask yourself: "What could they give that would almost get us to do it for free?".

