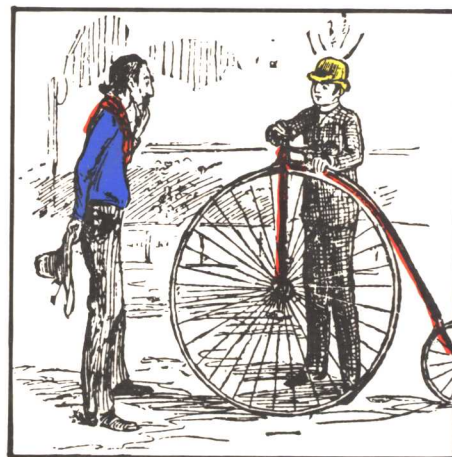
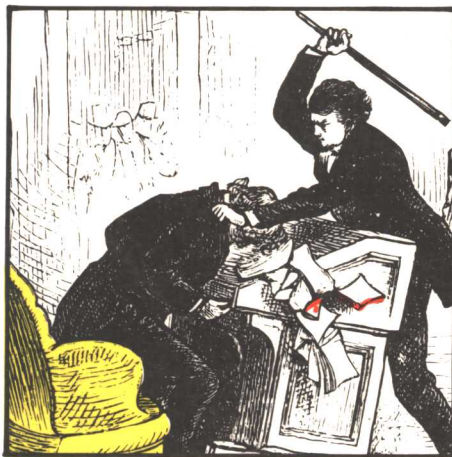


SUCCESSFUL NEGOTIATION

THIRD EDITION

Robert B. Maddux



Effective “Win–Win” Strategies and Tactics

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A FIFTY-MINUTE™ SERIES BOOK



CRISP PUBLICATIONS, INC.
Menlo Park, California

SUCCESSFUL NEGOTIATION

Third Edition

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Printed in the United States of America

English language Crisp books are distributed worldwide. Our major international distributors include:

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Oakville, Ontario, Canada L6J 7R4. TEL: (905) 842-4428, FAX: (905)
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Library of Congress Catalog Card Number 94-74330
Maddux, Robert B.
Successful Negotiation
ISBN 1-56052-348-4



This book is printed
on recyclable paper

with soy ink.

PREFACE

Negotiating is a fundamental personal skill that can be learned. The skill of negotiation is used regularly by people engaged in business or community activities, but often overlooked by the same people in the conduct of their daily lives. Everyone needs to know how to negotiate. For those who are fearful of the process, or too embarrassed to try, this book can help.

SUCCESSFUL NEGOTIATION presents concepts that can be applied in any situation where negotiation is the method by which issues are resolved. Those who master the skill of effective negotiation will save money, save time and achieve a high degree of need satisfaction. Skilled negotiators don't have to worry about "what might have been".

SUCCESSFUL NEGOTIATION is not like most books. It has a unique "self-paced" format that encourages a reader to become personally involved. Designed to be "read with a pencil", there are abundant exercises, activities, assessments and cases that invite participation.

THIS BOOK can be used effectively in a number of ways. Here are some possibilities:

- Individual Study. Because the book is self-instructional, all that is needed is a quiet place, some time and a pencil. Completing the activities and exercises will provide valuable feedback, as well as practical ideas for self-improvement.
- Workshops and Seminars. This book is ideal for use during, or as pre-assigned reading prior to a workshop or seminar. With the basics in hand, the quality of participation will improve. More time can be spent practicing concept extensions and applications during the program.
- College Programs. Thanks to the format, brevity and low cost, this book is ideal for short courses and extension programs.

There are other possibilities that depend on the objectives of the user. One thing for sure, even after it has been read, this book will serve as excellent reference material which can be easily reviewed.

TO THE READER

Congratulations on acquiring this book!

In approximately one hour you will have learned enough about the fundamentals of negotiating to repay the purchase price several times over.

You will be encouraged to complete a number of exercises that provide an opportunity to apply the concepts which are presented. You will also have a chance to do some self analysis in order to identify your negotiating strengths and weaknesses.

What you learn, and how effectively you are able to apply it depends on how carefully you read; *and* how thoughtfully you practice and apply the principles presented.

Good Luck!

A handwritten signature in black ink, reading "Robert B. Maddux". The signature is fluid and cursive, with a large, sweeping initial "R".

Robert B. Maddux

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SOME IMPORTANT OBJECTIVES FOR THE READER

Before you begin this book, give some thought to your objectives.

Objectives give us a sense of direction, a definition of what we plan to accomplish; and a feeling of fulfillment when they are achieved.

Check the objectives on the next page that are important to you. Then when you have completed the book, review your objectives and enjoy the sense of achievement you will feel.

WHICH OBJECTIVES DO YOU WANT TO ACHIEVE?

Once I have completed this book, I hope to:



more readily identify opportunities for negotiation.



understand the importance of determining what I need, as compared to what I want.



recognize why thorough preparation **prior to** beginning a negotiation is essential.



remember the sequential nature of negotiation and why each step is important.



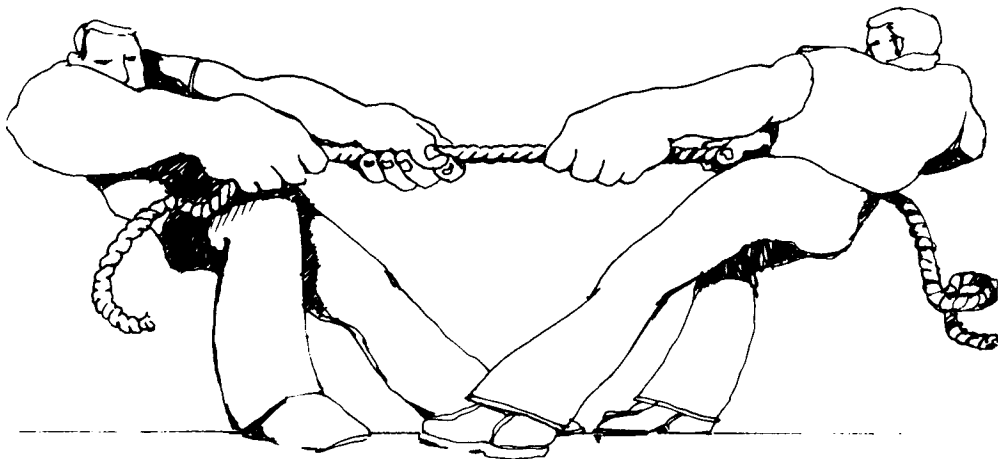
be able to employ a variety of negotiation strategies and tactics which will meet my needs.



confidently enter into a negotiation with a win/win philosophy.

WHAT IS NEGOTIATION?

You are about to embark on a brief study on the principles of negotiation. You already have an interest or you wouldn't be reading this book. You probably want to learn more about negotiation or how to become more proficient as a negotiator. Let's start by comparing some of your ideas with those of the author.



WHAT IS NEGOTIATION?

YOUR IDEAS

1. In the space below, write what the word "negotiation" means to you.

2. What prompts negotiation between companies, groups and/or individuals?

3. How frequently do most people negotiate?

- ☐ Very Rarely
☐ Almost Every Day
☐ A Few Times Each Year

NOW TURN TO THE NEXT PAGE AND COMPARE YOUR THOUGHTS WITH THOSE OF THE AUTHOR.



COMPARE IDEAS

Most people in the U.S. think goods have a fixed price and that it would be inappropriate to suggest bargaining for one which is lower. Yet three quarters of the world's population buy and sell merchandise without a fixed price. The value of goods is determined through negotiation between buyer and seller.

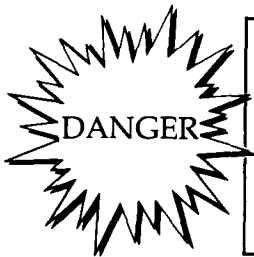
Price is not the only variable in negotiation. Other considerations include: interest rate, delivery date, size, quality, quantity, color, warranty and service.

ANY ASPECT OF A TRANSACTION THAT IS NOT TOTALLY SATISFACTORY TO YOU, IS WORTH NEGOTIATING.

NEGOTIATION—SOME PRACTICAL DEFINITIONS

Following are some accepted definitions of negotiation:

1. Whenever we attempt to influence another person through an exchange of ideas, or something of material value, we are negotiating. **Negotiation is the process we use to satisfy our needs when someone else controls what we want.** Every wish we would like to fulfill, every need we feel compelled to satisfy, are potential situations for negotiation. Other terms are often applied to this process such as: bargaining, haggling, dickering, mediating or bartering.
2. Negotiation between companies, groups or individuals normally occurs **because one has something the other wants and is willing to bargain to get it.**
3. Most of us are constantly involved in negotiations to one degree or another. Examples include: when people meet to draw up contracts; buy or sell anything; resolve differences; make mutual decisions; or agree on work plans. Even deciding where to have lunch, makes use of the negotiating process.



There is a danger of being in the midst of negotiation without recognizing it. If this occurs, you will not be able to try to improve the outcome for yourself. If you have not thought of the transaction as a negotiation, and have not prepared, chances are the results will be less favorable for you than they might have been.

IDENTIFYING OPPORTUNITIES FOR NEGOTIATION

Many people miss the opportunity to make a more favorable exchange because they fail to recognize the opportunity to negotiate. Are you missing opportunities? Test yourself on the next page.



IDENTIFYING OPPORTUNITIES FOR NEGOTIATION

Here is a list of typical transactions. Please check those that offer an opportunity to improve your position through negotiation.

- ☐ 1. Purchasing an appliance at a department store.
- ☐ 2. Deciding with the family which movie to see.
- ☐ 3. Getting a raise in pay.
- ☐ 4. Selecting a contractor to build a new home.
- ☐ 5. Working out an effective date for an employee transfer.
- ☐ 6. Deciding on a date for the next meeting of your study group.
- ☐ 7. Agreeing on realistic project deadlines.
- ☐ 8. Buying plants for your new rose garden.
- ☐ 9. Deciding who gets to use the convertible for the weekend.
- ☐ 10. Agreeing on a change of work rules with the union.

List other negotiating situations in which you are apt to find yourself below.

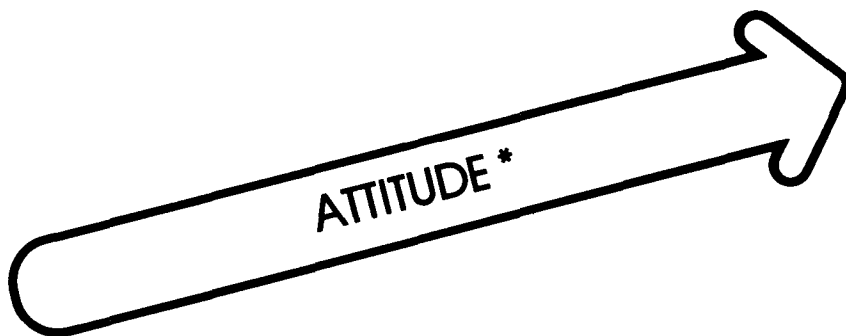
ARE YOU PREPARED TO HANDLE THEM EFFECTIVELY?

ANSWER: Give yourself a perfect score if you checked all 10 items. Everything is negotiable! Whether you pursue that reality or not is strictly up to you. It does on occasion require some courage and effort. You have to know what you want to achieve, and what you are willing to settle for. You must also know what you are willing to give up to get what you want.

THE IMPORTANCE OF ATTITUDE TOWARD DISAGREEMENT AND CONFLICT

Successful negotiators have a positive attitude. They are able to view conflict as normal and constructive. The skills they use to resolve conflict are not "magic". They can be learned. These skills once learned, provide the courage and confidence necessary to challenge others, and initiate a positive negotiation. Understanding the skills of negotiation also sustains us when we are challenged by others.

Check your attitude toward disagreement and conflict on the next page.



* For an excellent book on attitude, order
ATTITUDE: YOUR MOST PRICELESS POSSESSION.

MY REACTION TO DISAGREEMENT AND CONFLICT

Following are several statements about personal reactions to disagreement and conflict. Circle the number that best describes you. The higher the number, the more you agree with the statement. When you finish, total the numbers you circled and write it in the space provided.

	<i>Strong Agreement</i>	<i>Mild Agreement</i>
It doesn't bother me to question a price or seek a more favorable exchange than offered.	10 9 8 7 6 5 4 3 2 1	
I have nothing to lose in seeking a better deal if I do it in a reasonable way.	10 9 8 7 6 5 4 3 2 1	
Conflict is a fact of life and I work hard to resolve it.	10 9 8 7 6 5 4 3 2 1	
Conflict is positive because it makes me examine my ideas carefully.	10 9 8 7 6 5 4 3 2 1	
In resolving conflict, I try to consider the needs of the other person.	10 9 8 7 6 5 4 3 2 1	
Conflict often produces better solutions to problems.	10 9 8 7 6 5 4 3 2 1	
Conflict stimulates my thinking and sharpens my judgement.	10 9 8 7 6 5 4 3 2 1	
Working with conflict has taught me that compromise is not a sign of weakness.	10 9 8 7 6 5 4 3 2 1	
Satisfactorily resolved, conflict often strengthens relationships.	10 9 8 7 6 5 4 3 2 1	
Conflict is a way to test one's own point of view.	10 9 8 7 6 5 4 3 2 1	
GRAND TOTAL _____		

If you scored 80 or above you have a realistic attitude toward conflict, and seem willing to work to resolve it. If you scored between 50 and 79 you appear to be dealing fairly well with conflict, but need to work toward a more positive approach.

If your score was below 50, you need to first understand why, and then work hard to learn techniques of conflict resolution. By the time you finish this book, you may wish to complete this exercise again.

THE IMPORTANCE OF ATTITUDE IN NEGOTIATING

Our attitude is always important, and this is especially true in negotiating. ATTITUDES influence our objectives, and objectives control the way we negotiate. The way in which we negotiate determines the outcome.

Have you thought about your objectives when you negotiate? Have you considered those of the other party? Can you both win?

Go to the next page and check your thoughts with those of the author.

