



RULES FOR TELEPHONE NEGOTIATIONS:

DO'S:

- ❑ If you are called, listen. Get the full story. Then call back.
- ❑ Talk less. The less you talk, the more he will.
- ❑ Dry-run the phone conversation before you call.
- ❑ Make a checklist to avoid omissions.
- ❑ Have a calculator on the desk.
- ❑ Lay out your work papers on a roomy table.
- ❑ Take notes.
- ❑ Confirm agreements promptly in your own words.
- ❑ Have a ready excuse for breaking off the conversation.

DON'TS:

- ❑ Don't get into a phone negotiation while in the middle of a staff meeting.
- ❑ Don't negotiate an issue to conclusion unless you understand it and have a prepared position.
- ❑ Don't push yourself into a quick decision because phone charges are mounting.
- ❑ Don't hesitate to call back if you discover a computation error.
- ❑ Don't be afraid to reopen an important issue. Have the courage to call back.

COMMON TRAPS

- ❑ The caller has the advantage of surprise.
- ❑ Important things are easily omitted.
- ❑ There is pressure to be decisive and to close.
- ❑ Simple calculations become hard under time pressure.
- ❑ Calls cost money (especially long distance) and we tend to be overly aware of it.
- ❑ It's hard to listen. Our mind drifts.

- ❑ The man called is disorganized.
- ❑ You can't see the other man's reactions.
- ❑ Proof can't be given or checked.
- ❑ Phone calls usually come when the recipient has other things on his mind.
- ❑ It is hard to keep from being interrupted.
- ❑ It is easier to misunderstand the opponent over the phone than in face-to-face talks.
- ❑ There is not enough time to think.
- ❑ It is easier for the other party to say "no" when he doesn't see you.

CONCESSIONS; DO'S AND DON'TS

- ❑ Give yourself room to negotiate. Start high if you are selling and low if you are buying. Have a reason for starting where you do.
- ❑ Get the other party to open up first. Get all his demands on the table. Keep yours hidden.
- ❑ Let the other man make the first concession on major issues. You can be first on minor points if you wish.
- ❑ Make him work for everything he gets. People don't appreciate something for nothing.
- ❑ Conserve your concessions. Later is better than now. The longer he waits, the more he'll appreciate it.
- ❑ Tit-for-tat concessions are not necessary.
- ❑ Get something for every concession.
- ❑ Give concessions that give "nothing" away.
- ❑ Remember: "I'll consider it" is a concession.
- ❑ If you can't get a dinner, get a sandwich. If you can't get a sandwich, get a promise. A promise is a concession with a discount rate.
- ❑ Think of every concession as real money.
- ❑ Don't be afraid to say no. Be persistent.
- ❑ Don't lose track of your concessions. Keep a tally of yours and his.
- ❑ Don't be ashamed to back away from a concession you've already made. It is the final handshake that ends the deal, not the agreements in between.
- ❑ Don't raise the other party's aspirations by giving in too much or too fast.

CONCESSIONS; THE IDEAL CONCESSION PATTERN

- Buyers who started with low offers did better than those who didn't.
- Buyers who gave a large amount in a single concession raised the expectation of sellers.
- Sellers who were willing to take less got less.
- People who gave just a little at a time did better.
- Losers make the first concessions on major issues.
- Deadlines forced decisions and agreements.
- Quick negotiations were very bad for one party or the other.

□ DUMB POWER MISTAKES

- Do not underestimate your power.
- Do not assume that your opponent knows your weakness. You may be better than you think.
- Don't be intimidated by status. There is as much danger from having a "little-shot" complex as a "big-shot" complex.
- Don't be intimidated by statistics, precedents, principles or regulations. Challenge them.
- Don't be intimidated by irrationality or boorishness. He is probably "crazy like a fox."
- Do not reveal your total power early. It gives him time to accept ideas.
- Do not emphasize your own problems or the possible losses to yourself if deadlock occurs. Concentrate on his problems. They are your opportunities.
- Do not forget that the opponent is at the table because he believes he has something to gain by being there.

DUMB CONCESSION MISTAKES

- ❑ Do not set the initial demand near your final objective. Don't be shy about asking for everything you might want, and more.
- ❑ Do not assume you know what the opponent wants.
- ❑ Do not assume your aspiration level is high enough.
- ❑ Never accept the first offer.
- ❑ Never give a concession without one in return.
- ❑ Do not agree with an opponent who claims that an issue is beyond compromise on the basis of principle or some other criterion.
- ❑ Don't make the first concession on important issues.

- ❑ Concessions that are poorly made can serve to further separate the parties rather than bring them together. How a concession is made is as important as the amount.
- ❑ When the opponent makes a concession, don't feel shy or guilty about accepting it.
- ❑ Never lose track of how many concessions you have made.
- ❑ Do not go into a negotiation without listing every issue beforehand. Establish an aspiration level, a minimum, and an initial asking price for each issue.
- ❑ Do not dissipate your "bank account of flexibility." If all concessions have been used, then deadlock is harder to avoid.
- ❑ Do not telegraph your concession pattern too clearly.
- ❑ The buyer should not honor a high demand by making a counteroffer.
- ❑ Don't make concessions until you know all the demands.
- ❑ Do not feel constrained to stick with a concession on a specific issue.

