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Legal Article – Keys to Negotiation, Part I.

Negotiation is a fact of life. We negotiate all the time, professionally and personally. Think of all the negotiation you do on a daily basis with your spouse and children. Negotiation is fun too, if you keep your ego out of it.

I hope to teach you some negotiation tactics in this article (Part I) and in my next article (Part II). Knowing tactics can make negotiation more productive and enjoyable. If nothing else, you should learn how to defend against negotiation tactics.

A word to the wise: Don't get carried away with negotiation tactics. Deals are built on mutual respect and trust. Usually you achieve your best results by being fair and treating people fairly. It also helps to negotiate for win-win outcomes, because stable relationships are only built on mutual benefit. Also, in many situations and relationships, you create a bad impression by making a show of negotiation. In sum, be careful about the thoughtless use of tactics, and don't act too smart. Use your better judgment.

Fundamentals.

Be Indifferent. In the art of negotiation, this principle ranks above all others: Be ready to say "no" and walk away. Never want any particular deal too much. Even better, try to line up some alternatives (or at least appear to have them lined up) so that you can walk away to another deal. Of course, the downside to walking away is not getting called back, but never fear, another deal usually comes along pretty soon.

Be Petty. Negotiation is a petty business. Don't be noble by laying your cards on the table too early and telling the other side your bottom line. This tactic might work when you are dealing with like-minded, noble people. Against a veteran negotiator, however, you'll just be a noble sucker. Instead, play the game in front of you, negotiating as appropriate to that game.

Be Knowledgeable. Know yourself and your opponent. Learn about your opponent – what it needs and wants. It even helps to care for the other side and show empathy for them. Ask your opponent

open ended questions – you’ll be surprised what people reveal if you only ask them. On the other hand, don’t reveal too early what you need or want out of the deal. Lastly, know your walk-away point, and keep it secret.

Basic Tactics.

Avoid giving the first offer; start high / low. If the other side’s initial offer is absurd, ask them for a more reasonable offer before moving forward. If you need to publish a price, start very high or low, that is, a good bit higher / lower than your walk-away point.

Squeeze them. If you succeed in having them make the first offer, delay the moment when you give a concrete number – say to the other side that their offer “is just not good enough.” See what the other side comes back with. Do not overuse this tactic, though, because it can come across as a little high-handed.

String ‘em out. Find something to negotiate about, even if you plan to lose on that point. This prevents the other side from believing that it offered too much, then withdrawing its offer or nibbling at you. You want the other side to believe that it is winning a good deal. Likewise, save items for negotiation and sweetening the deal, even if you don’t care about them.

Concessions; no nibbling please. Never give without getting something of equal value in return. Decelerate your concessions, i.e. from large to progressively smaller to nothing. This prevents the other side from nibbling at you, that is, constantly coming back for more concessions. Remember, negotiating is a petty business.

Tune in next time for Part II – Having fun with negotiation tactics. Please feel free to call me if you want to talk more about this topic.

Funny Papers

"Well ya see, Norm, it's like this... A herd of buffalo can only move as fast as the slowest buffalo. And when the herd is hunted, it is the slowest and weakest ones at the back that are killed first. This natural selection is good for the herd as a whole, because the general speed and health of the whole group keeps improving by the regular killing of the weakest members. In much the same way, the human brain can only operate as fast as the slowest brain cells. Excessive intake of alcohol, as we know, kills brain cells. But naturally, it attacks the slowest and weakest brain cells first. In this way, regular consumption of beer eliminates the weaker

brain cells, making the brain a faster and more efficient machine. That's why you always feel smarter after a few beers." -- *Cliff Clavin, of Cheers.*

Ideas

The art of being wise is the art of knowing what to overlook. – *William James.*

Nothing is guaranteed to end a friendship faster than lending money. – *Nancy Reagan.*

Education is the ability to listen to almost anything without losing your temper or self-confidence. – *Robert Frost.*