

HIDDEN NEGOTIATING MARKETING ASSETS

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174 Questions And Answers On The Subject Of Negotiating

Michael Senoff Interviews Jim Camp





Dear Student,

I'm Michael Senoff, founder and CEO of <u>HardToFindSeminars.com</u>.

For the last five years, I've interviewed the world's best business and marketing minds.

And along the way, I've created a successful home-based publishing business all from my two-car garage.

When my first child was born, he was very sick, and it was then that I knew I had to have a business that I could operate from home.

Now, my challenge is to build the world's largest resource for online, downloadable audio business interviews.

I knew that I needed a site that contained strategies, solutions, and inside information to help you operate more efficiently

I've learned a lot in the last five years, and today I'm going to show you the skills that you need to survive.

It is my mission, to assist those that are very busy with their careers

And to really make my site different from every other audio content site on the web, I have decided to give you access to this information in a downloadable format.

Now, let's get going.

Michael Senoff

Michael Senoff

Founder & CEO: www.hardtofindseminars.com



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Jim Camp, author of "Start with No and No: is the inventor of Decision-Based Negotiation™. Since 1987, over 100,000 people have used his negotiation training and management system in more than 500 multinational organizations in a diverse array of industries to complete thousands of business transactions totaling over \$100 billion.

Camp and his negotiation training and management system have been featured on CNN, CNBC, numerous radio shows, and in The Wall Street Journal, Fortune, Harvard Business Review, Fast Company, Inc., Cosmopolitan, San Francisco Chronicle, The Columbus Dispatch, The Christian Science Monitor, and San Jose Mercury News. Knight-Ridder Publications declared his negotiation book "must reading." Camp has taught his negotiation methods in nine countries on three continents.

Are You A Wimpy Negotiator? If You've Ever Lowered Your Price Or Lost A Hot Prospect, This Negotiating Training Could Change The Way You Close Deals... Forever

When you hear the word "negotiation," you probably picture a feel-good, give-and-take, win-win agreement. But that kind of thinking usually leads people to make compromises in their heads before they even reach the negotiating table, essentially screwing themselves out of a good deal before word-one has even been spoken.

But that doesn't mean you have to take a hard-line in order to be a good negotiator. In fact, it's actually just the opposite. And once you learn a system for effective negotiations, you won't ever have to worry about what to say at any bargaining table again (whether business or just day-to-day life) because it will all come naturally.

And in this two part audio training, you'll hear how to master the art of negotiating from negotiating coach and author of the bestselling negotiation book Start With No, Jim Camp.

Want more information on negotiating? Go to http://www.campnegotiatingsystem.com/Preview.html

Jim Camp Answers The Most Important 174 Questions About The Subject Of Negotiation

- 1. Jim, what is you approach to negotiating?
- 2. Is negotiating a skill that you are taught in a formal classroom setting or is it a skill set that comes with experience?
- 3. Tell me what you teach when it comes to negotiating different from what we've all seen in the win-win model.
- 4. What is the biggest misconception with your methodology of negotiation?
- 5. What's the ultimate goal with your negotiating system?
- 6. What is the single most important thing one needs to know about negotiating? Is it to start out with strong demands so that you have some room to fall back?
- 7. So how do you factor in cultural differences when it comes to negotiations?
- 8. Describe for the listeners what is collective bargaining.
- 9. So bargaining is win-win?
- 10. What do you mean by hiding the ball?
- 11. What skill, Jim, do you think is most critical to a successful negotiation?
- 12. What are the stages you go through in a tough negotiation?
- 13. Why should the listeners want to learn more about the subject of negotiating? What is in it for them?

- 14. Do you have a mind map about all of the steps or which specific steps to follow when conducting a negotiation?
- 15. What do you think is the most important attitude to carry into any negotiation?
- 16. You mentioned FBI and it just sounds like a great story. Is it something you can share?
- 17. So are they actually using the revamped negotiating?
- 18. What is the one thing you believe that all great, truly great, negotiators have?
- 19. How do you decide whether to negotiate something or not? What guidelines do negotiators use to determine whether or not to negotiate or not negotiate something?
- 20. How do you make sure that you are dealing with the real decision maker in a negotiation?
- 21. There must be a lot of times in the world where people are negotiating to the wrong people.
- 22. I believe that negotiating is learning the beliefs and wants and desires of the other person. Do you believe that psychology plays a big role in negotiating?
- 23. Is there basic psychology to winning or is there a basic rule to win when negotiating like never giving in first or always give in first, etcetera?
- 24. How important is persuasion architecture in negotiation?
- 25. Jim, I'm new at negotiating. Do you currently or did you have when you first started a cheat sheet to keep on your mind while going into negotiations. For example to help you remember the top five things to focus on when going into negotiations or do you have an acronym that you used to remind yourself what to keep in mind when first trying to master negotiation? Also when you first started negotiating did you have any fears going into negotiation and if so how did you overcome them and what did you focus on?

- 26. What is the best advice for a new negotiator to learn?
- 27. How do you know if you've negotiated the best deal, Jim?
- 28. How hot is the topic of negotiation skills within small companies? Is it regularly trained or is it overlooked as a skill to develop within the corporate culture?
- 29. Jim, do you go into negotiations knowing the exact outcome you want?
- 30. How do you determine when to walk away? Or, in other words how do I know when it's time to break off the negotiation?
- 31. Often times the decision makers are surrounded by gatekeepers of different sorts: assistants, managers, etc. What is your best suggestion for negotiating with these gatekeepers to get through to the owner, principal, or decision maker?
- 32. How do you quickly determine other party's hot buttons; that is what their number one need is out of the proposed agreement?
- 33. Can an interrogative negotiation be effective when parties have unequal power where one is recognized as having a greater position or strength?
- 34. Jim, I sometimes deal that with international customers who seem to have no problem with win-lose negotiations, how should I deal with them?
- 35. What makes the difference between a good negotiator and a great negotiator?
- 36. Other negotiation coaches teach tactic and closing, how do you go about dealing with these types to negotiators using the Camp method?
- 37. Isn't it true that both sides should feel some pain at the end of a successful negotiation? Please elaborate.
- 38. How do you know when you have gotten everything possible out of a deal?
- 39. Why don't Power Point presentations work? Why do so many gurus use them?

- 40. So often I hear women trying to act like men in business. How can women be more effective in negotiating?
- 41. How to I encourage someone to negotiate who refuses to consider any option other than what is best for them?
- 42. How much do you need to negotiate before you sign a contract? Are there details that can be ironed out after signing? Or is it good to have all the details nailed down before signing anything?
- 43. I would like to hear you, Jim, debunk the common myths of negotiating such as make an offer and shut up, next person to speak loses, feel free to add any of your own.
- 44. Hi Jim, is it a process that you follow when you are going nose to nose with the big boys?
- 45. How does negotiating via email differ from face to face or telephone negotiating?
- 46. It is more effective email or phone?
- 47. What can you do when the other side won't even come to the table and doesn't appear to be able to afford the laid down arbitration procedure?
- 48. What's the mindset you start with going into any negotiation when you know the other guy is very skeptical or defensive about what you're proposing or offering?
- 49. Jim, how do you deal with people who get difficult or aggressive in a negotiation?
- 50. How do posture myself with confidence but not arrogance, so everybody wins?
- 51. How does one build trust during a negotiation?
- 52. Can you give some negotiating tips for people that are not naturally assertive?
- 53. What's the best approach to negotiating working with a close friend so as not to ruin the friendship, but to get business done?

- 54. What's the best strategy for people who are slow on their feet when negotiating has to be done in person?
- 55. How do personality types affect negotiating? Can you tailor strategies to specific traits or personality types?
- 56. What subtle body movements or voice inflections indicate to you that a client is ready to negotiate in your favor?
- 57. I tend to be a friendly person, but in negotiating people see that as a weakness and attempt to take advantage of that. How can I establish early on that friendliness does not mean I'm giving you all that you ask?
- 58. How can a person who is non-confrontational by nature, become comfortable jockeying to get what you want in a negotiation?
- 59. How do I manage my emotions, for example, unhappiness and anger, during the negotiation process?
- 60. How can an introverted person overcome the fear of negotiation?
- 61. I don't do much formal negotiating in my job, but when I do I very often feel intimidated by the other party, so my question is, Jim, how do you control feelings of weakness and a lack of self-confidence in negotiations?
- 62. What should you do if you really do need to make a deal happen? How can you still negotiate from strength?
- 63. How much does physical stance portray in negotiations?
- 64. How do you deal with the adversary who brings a psychic to the negotiating table?
- 65. How do you persuade someone to do something if they are adamant about not doing it?
- 66. I'm a struggling small business owner and a marketing consultant. Is there a way to appear more confident and relaxed when sitting down to negotiate price and terms for my consulting services? I know in earlier recordings you have even recommended working part time, etc., in order to be in a better position. I'm doing quite a few things for

income, but I'm still coming up short. I have a rather large opportunity coming up with a cash flush client, and want to negotiate a long-term agreement with a significant amount up front. My true situation is that I'd take just about anything he offers, because I need the money. It's an okay position to be in, but bad for negotiating my real needs. I'm also afraid of negative subliminal needy vibes, not just in this case, but my day-to-day prospecting and selling. Could a bad financial situation be hindering many of us in this difficult economy?

- 67. Are there things to look for that could indicate the person you are negotiating with is dishonest or the deal is dishonest or a lie?
- 68. You're getting ready for the biggest make-or-break deal you've ever had and you are feeling the stress. What self-talk do you use to calm yourself down?
- 69. When one has a problem with self-confidence, and they come across as fearful, timid or weak to the other party in the communication of a business deal, how can that person rebound within the negotiation to gain credibility and the upper hand in the mind of the other party.
- 70. Some years back I heard it said, "He who cares least, wins." Since then I have followed this selling negotiating technique and employed it moderately successfully. It allows for me to be myself, and more relaxed when sending a positive and reassuring signal to the other guy. Truthfully I did not always come away from the table with what I wanted to occur, but often what would happen is they would call me back and tell me things like, "We like your style and feel more comfortable with you." Or they would tell others about me. In short, I tried to negotiate in such a way that all parties were relaxed. The bonus was multiple long-term deals came my way. Any suggestions on how I can take my personal style and improve on it?
- 71. How do I know when I'm asking for too much in a negotiation situation? I have been told that it's affective to appear intimidating in negotiations, however, I have a friend who is so nice and jovial when he meets people, but yet he seems to always get his way when negotiating. Please what is the best kind of persona to portray when getting into any negotiation situation?
- 72. With negotiating with a Fortune 500 or anybody thinking about it, how do you use your body language to determine if they are lying or misleading on an answer? Can you give examples of this if possible?

- 73. Why do you think reading body language and all that doesn't work?
- 74. Jim, how did you get your first start in the world of negotiating? Did you intern; did you have mentor, etc.? How did you get started?
- 75. In the first interview we did, Jim, you mentioned you negotiated the care of premature twins. Could you elaborate a little bit on that story?
- 76. Jim what is the toughest negotiation situation you've ever encountered, other than that story, and why?
- 77. Describe your biggest negotiating mistake? What did it cost you and what should you have done differently?
- 78. Jim, what book, or seminars, or mentor, has had the deepest influence on shaping your negotiating skills?
- 79. When it comes to your negotiating practice or business, what do you see five or ten years down the road for your organization?
- 80. Jim, what are the pre-game steps for a negotiation meeting that will ensure you present value in a win-win situation?
- 81. How do you determine the real criteria of your adversary if maybe doing internet research isn't enough so that you know whether a successful negotiation is even possible?
- 82. Can you give me a little peek into the window of what the three plus strategy is?
- 83. When approaching big companies for the first time what prospecting strategies can one use to maximize your positioning from the beginning?
- 84. How do you decide what your limits are or what your limits would be in the negotiating process and what parameters do you set up to adjust your approach if the process is not moving in the direction you need it to move in?
- 85. If you beat someone up on price and then they relent and give you their product or service or expertise at a lower price they are

losing in a way and that animosity is set and they may not deliver the value you would have gotten if you paid the regular price they were asking.

- 86. Before you negotiate how to you get people to hear your proposal? How do you ask for the opportunity of 10 or 20 minutes of their time to present something of value and then negotiate?
- 87. I was reading the press release you sent me this morning but it said it was a credentialized study and that it was being taught at Harvard and some of the other universities?
- 88. Jim, when you are going into negotiations I don't suppose you do this without considerable investigation beforehand. How much time and effort do you spend in research prior to meeting with all the parties? Two, do you use a research time? And three, if so how do you hire them?
- 89. If you are doing research on a person with whom you will be negotiating a large contract with and you do this research by contacting individuals who know you are a negotiator well, what questions do you ask and why? Do you have a couple questions you would ask?
- 90. Jim, I have heard it said that your goal should be to initiate win-win negotiating. But what do you do if the other guy is only interested in win-lose negotiation?
- 91. Jim, what is your best technique to turn things around when you are in the middle of a negotiation and there seems to be an insurmountable impasse. How do you keep going even if it appears that your interests seem to be at opposite ends?
- 92. Jim, I know that business is competitive but do you think there is room for a true win-win negotiation where both sides are open and honest so that they can both get what they want so one doesn't feel like they are getting screwed. After all, when you make an enemy you can't do business with them ever again so you are really the loser even though you thought that you were smart.
- 93. How and when do you know it's time to walk away from the negotiations without an agreement? How do you know when to quit?

- 94. What is the best phrase to say when walking away from the deal to get the last chance best offer from your negotiating partner?
- 95. What do you do if the person you are negotiating with himself is a master negotiator, what do you do?
- 96. Jim, how do you reopen a negotiation when you have slammed the table and walked away saying it's over?
- 97. In negotiating with a business for its best terms, you feel you've gone too far, maybe a little greedy on your side, how do you pull things back from the brink?
- 98. Are there any specific strategies you use in negotiating when the knowledge you thought you had, had sufficient command to be successful comes up a bit short. He said it's about impossible to be on top of every detail that comes up during such negotiations. So what happens when you come up short in your research?
- 99. I'm trying to negotiate a deal but can't seem to get at the other party's true agenda. How do I go about finding out what they really and truly want? I've tried asking in several different ways but always come out utterly confused.
- 100. Jim, when you get the feeling someone is still talking with you because they are just trying to milk more information out from you, without buying, how do you tactfully and gracefully stop the conversation by keeping the door open to be welcome again in the future?
- 101. Jim, how should I approach a one-sided negotiation scenario, wherein I desperately need something from the other side, but I have nothing significant to offer him or her in return?
- 102. Jim, now and then I've had the experience of making an offer to someone and having them immediately agree to it without any further negotiation. When this happens, I generally feel that I've inadvertently offered too good of a deal, and that I could have done better. Is there anything I can do at that point to find out whether it's still possible to negotiate for a deal that's more in my favor?
- 103. Jim, I usually give in on some non-material matters to get what I want in the two or three points that really matter. I often find this a useful tactic, but sometimes I get criticism for giving too much, even if

it's minor points, because they believe in absolutely maximizing their position every time. If course this depends on what you're negotiating about. What is your take on this?

- 104. How and when do you decide that it's a good time to stall a negotiation, and for how long can you safely stall it?
- 105. Your experience must have taught you some awesome things about selling when someone you're negotiating with is all hat and no cattle. For those of us nice guys who seem to fall for every story imaginable, could you please hare with us your biggest clues that someone is just posturing, perhaps even a tip for testing them?
- 106. How is the best way to handle a standstill situation, where both sides are unwilling to shift or move from hard point?
- 107. Is it really true you should never make the first offer?
- 108. One of the techniques that I have been told works well is always agree with the other party and then ask them a question about the topic to bring them to your side in a progressive way. Have you used, or had any success with this?
- 109. Jim, they say that the first one to mention a number, or a price, or a budget, or an estimate, is the loser. I seem to be running into people who absolutely refuse to give me any idea what their budget is. What they expect to pay, even in the ballpark. Whatever I throw out they say, "Well write me up a proposal and give me your best offer." I end up coming away thinking they'd be hard pressed to come up with \$20 for \$2,000 worth of work. There are a lot of folks who have very unreasonable expectations and I hate wasting my time jumping through hoops for these people because they won't even give me a hint of what they are looking to spend. It's always "I just need a little more information from you." What's the bet way to deal with situations like this?
- 110. Jim, I feel an important negotiating strategy is to show respect to the other side and not make them feel they are in danger of losing face. What are a list of substitution words you use to soften the dialogue from confrontational to rapport elegance?
- 111. So there are some physical elements that you're teaching within your system that can have a subtle influence in the negotiation which are non-verbal?

- 112. In every negotiation, there comes a time when it is clear that what you want and what they want are not the same. How do you get your position out without risking the deal, while at the same time not giving up anything you don't have to give up?
- 113. Can you demonstrate, Jim, an example of an interaction where you bring out your adversary's vision of their pain and use it to Three Plus it with them.
- 114. Jim, are there ways to phrase your questions so that the words slip under the radar, thereby advancing your cause without raising their resistance?
- 115. During negotiations, I often find it beneficial to acknowledge and/or identify a negative such as, "There's a potential with negative publicity with moving forward with this deal." Sometimes I feel this works great and other times I'm just not sure. Any ideas or comments on a better tactic?
- 116. What is the most important mindset to have when you're negotiating something critical with someone who you are sure is not going to want to give up anything?
- 117. When negotiating with a committee or group, how do you bring them back around when one member starts asking about what I consider trivial things to avoid making a commitment. Here's an example. I often get fundraiser type programs. After giving them my best offer, and concessions, one member will start asking things like, "What if we only sell X number of units?" When I have already stated there are no minimums, or about start dates, etc. When I'm looking at this point for a simple interest or not, this often leads to a long session of others asking more trivial questions and having it tabled.
- 118. Jim, your negotiating concepts are gold. This question deals with inertia. What are some of your better ways to get the other side to be open to new or different ideas who are dissatisfied with their current position?
- 119. Jim, to me, a sales conversation is all about getting to their pain through my prospects eyes and showing them how my service would remove that pain, so that they can get to the outcome they really want, while negotiations seem to encourage compromise, which would mean that even before the sales conversation begins you'll already be

making certain assumptions about what the prospects want, which is usually a discount, what is your take on this, and what do you think would produce better results?

- 120. After you've negotiated a deal, how can you avoid the other person feeling that they could have gotten a better deal? Sometimes people feel we agree too quickly and they should have offered less?
- 121. What would you do in the situation when the other party won't alter their price, and they're not too keen on taking any add on value items? For example, buying a car, offering an item of value, example tickets to hot concert or something similar to entice or bump the deal over.
- 122. How do you offer a false close, to see if the other side will go for something without really committing to it? Like what words or phrases are useful for that?
- 123. In a negotiation, how do you determine what the other party really wants from the transaction? In many situations, a person may not feel comfortable revealing his or her true intentions or needs, so how can you get past that barrier if it comes up?
- 124. Most of us understand that in negotiating, the other party wants a better deal and as such we put in a buffer increase in price, whatever that is meant to be given away to the level that we ourselves want. What is another much better way of compromising and deal making?
- 125. When asking open-ended questions to gain information, what is the best way to stop the process from getting bogged down in social conversation? Could this simply be my problem in not focusing and planning well enough?
- 126. Jim, at times, I can undervalue the true worth of my services. What can I do to create a strong bargaining position? Two, I have always sought to create win/win situations in my life by trying to see things from the other party's perspective. As a result I find myself, at times, over giving to maintain the relationship in a personal situation I am currently facing. I once read that in a negotiation I really shouldn't be concerned about what the other party wants or needs, I should only focus on what I want or need. I have a difficult time doing this but at some level it makes sense. What are your thoughts?

- 127. Jim, what's your suggestion for dealing with labor unions that hold a large degree of power in a negotiation?
- 128. Jim, I'm a chiropractic physician with twelve years experience. I give recommendations to patients based on what they need, and not what they can afford. For example: Pain relief for a few visits, or corrections over several months. What is the best way to give options that don't overwhelm the patient but still allow them choices to give them help? In a written sheet with recommended services listed line-by-line item, or just a case feed given verbally across the desk?
- 129. I have a question about recruiting new salespeople for insurance; also it could apply to network marketing. You talk about, in your book, about not being needy and being in the other person's world. How would you frame a recruiting process to not be needy in your interviews?
- 130. Jim, I am a commodity manager. I'm on the body side for a Fortune 100 company but often have very little leverage with suppliers due to our division's low volumes, uncommon suppliers from the rest of the company and high volatility in the electronics market. My question is what is the best way to negotiate when you have very little leverage and the other side knows it? I've queried numerous negotiating experts and rarely have gotten a satisfactory or helpful answer. I hope you can help.
- 131. Jim, I come from a nursing background and always struggle to communicate effectively with patients when they don't want to take their medications among other things. The thought of someone being hurt or dying because of my inability scares me. How do I remove the fear? How can I negotiate a quality result?
- 132. As a person who is working in the music industry, I often feel that I am not getting a fair shake when negotiating music deals. I feel like people make you feel bad or lucky to have a chance. I cave under the pressure because I know getting paid is not guaranteed. How do I continue pursuing the finer points that make a difference to me financially while putting their concerns to bed, ultimately coming out on top?
- 133. Lately I've been helping small business owners sell their businesses to third parties. How would you deal with small business owners that already think they are expert negotiators? It seems that entrepreneur types are so used to going it alone that many have

trouble taking advice when negotiating, even to the extent of screwing up a deal.

- 134. I negotiate with personal injury lawyers for a living. Most of the time it is an adversarial relationship and many times I am well aware that my position is not as strong as the attorney I am negotiating with. What is the best way to negotiate when you know you have a weaker position than your adversary?
- 135. How do I negotiate with my son without sounding like a dictator?
- 136. Jim, I'm bidding on a big contract for the first time and I've found myself facing a seasoned negotiator complete with their legal team on their turf. It was supposed to be a technical clarification and I was not aware that it would lead to nitpicking about the contract specifications. How do I go about skirting the issue they raised, when I am not fully 100% with the legal aspects of the contract? I don't have my legal aid with me.
- 137. I'm looking to bring a group of doctors into an investment. Most of them have little or no business experience. Some of them have been watching shows like Shark Tank and think that because they bring money to the table, they should be able to make onerous demands. They missed that people on that show bring money, knowhow, contacts and a team to the table. How would you suggest negotiating with people who have the money you need but are not knowledgeable enough to properly negotiate with you and need you to educate them in the negotiating process?
- 138. I am interested in knowing how you would handle a situation where more than one company is competing for a contract and you want to outbid the competition but not give away the farm. How would you attempt to find out what would close the deal and lock out the competitors?
- 139. Jim, after reading and listening to your awesome material, when I start talking or negotiating with some I don't really trust, what should I say when he starts with "Will this be a win/win deal?" Especially when I know that he's not really thinking that?
- 140. I bought Start with No in 2003. I listen to your send off interview over, and over, and over. Both great. Question, I've used your methods successfully. Some clients want a contract, others don't. Most of the time this works out. There is a thin line between trust and

agreements. When should I insist on a contract? At times I've trusted too much and lost out on the deal.

- 141. I'm curious if your negotiation training is only for one-on-one sales situations, or can it be used in selling one to many. Like, for instance in a seminar or webinar?
- 142. Jim, I've enjoyed learning about your negotiating style. However it seems to take place at a high corporate level. Can your negotiating techniques work for just selling consulting services. How could a consultant employ your methods to gain a client?
- 143. What advice would you give people looking for jobs regarding negotiation in this soft market? The temptation for some of us to think, "Grab whatever they offer or they'll choose someone else."
- 144. When dealing with supermarket chains in our particular area, we find that they have a long-term supply agreement with our competitor who they have been dealing with for a number of years, and are unwilling to purchase from alternative suppliers. Their current supplier has a good relationship, and produces a product that is of very low cost to them. However as the supermarket profit is based on percent, and the product is basic with a low sale price, I believe they are missing out on potential profits. I've run this argument but have not had a positive response so far. Do you have any suggestions on how to develop a better approach on this point or where else I can look for motivation to have them switch suppliers other than price?
- 145. When negotiating a consulting or project fee, how do you resolve a consulting client's initial question of, how much is it going to cost me? When even they do not have all of the required information needed up front, and the client needs information for their budgeting purposes and to report up to their boss?
- 146. I usually have two points in which I am prepared to close the deal. For example, what I would like, and what is the absolute minimum I will accept. The lowest point I can still make a small profit. How do I keep closest to my first point, what I would like?
- 147. The best ways for consumers or small businesses to negotiate very low payments for past owning consumer credit debt. For example if you had \$50,000 in debt, if you only want to pay 5% on the dollar, like your GM, what would be the best way to do it? How do you start the conversation, or would you do it by a letter first? Someone

suspecting that there is a ton of people in debt, and they are asking you for some kind of way to see if they can negotiate down their credit card debt. Any ideas?

- 148. Jim, if I'm cold-calling a business, how do I negotiate with the gates-keeper to put me through to the owner?
- 149. For someone just starting out with limited resources, if you were looking to focus your attention on setting up a potential joint venture or cross-promotion relationship with a local business, what would be your approach in negotiations?
- 150. Jim, if someone just started a new business and wants to enter into a joint venture with an established company or a businessperson, what are some of the techniques in negotiating so I do not lose out in the joint venture?

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- 151. Jim, how do you best influence a tight buyer when you have the best product with the highest price?
- 152. What would you do if a company doesn't want to open competitive bidding? Instead of a negotiation they arrange an anonymous web auction where the cheapest supplier gets the contract. The purchasing department is not interested in additional benefits; the price is the single most important factor. How can you change this position and achieve a negotiation?
- 153. Jim, how do you ask for more in a bad economy when your client's business is down and all you really want to do is work less?
- 154. Jim, how can I make sure my clients pay me?
- 155. As a business consultant, should I have a list of set fees, for example, by the hour or by the job, etc., or should I just set a high figure and hope to get it, and then negotiate down if necessary?
- 156. So what would you say when a potential client says "Well how much, Jim? What's this going to cost me?"
- 157. How do you negotiate a deal without any money upfront?

- 158. A new person whom you do not know previously, wants to have a business relationship with you. Then what are the important things you should consider before starting business with them?
- 159. When you feel that your relationship with your business partner is at its worst, and there is no point in return, what will be the final step that you will take to continue the relationship so that it benefits both?
- 160. How can I get a busy person, like a successful coach, a life, fitness, personal or money coach, to allow me to interview them in the knowledge that it's really for my benefit? I want to use the interview as content for my website and to build a list. When they absolutely don't need to. There doesn't seem to be anything in it for them because I can't offer massive publicity. After all, I don't have a list for them, or their product. Can you give me some killer tips to almost have them begging me to interview them?

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- 161. I prepared a marketing campaign or website for my client at cost with a promise for commissions. How do I make sure he will not find another developer or consultant after I reveal my program or plan?
- 162. If I don't have a track record and I'm trying to put together a multi-million dollar joint venture deal with a corporation. How can I effectively handle this objection to questioning my lack of meaningful track record?
- 163. Jim, I'll be directing a low budget, about \$1,000,000 movie, with a small Hollywood studio. I'm going to organize an Amazon e-mail blast with joint-venture partners during the release. A total access to about 1,000,000 people on the list in prospects. I want to get a 50/50 deal of profits on this particular scenario, besides what we have in place. When I told this to the producer he looked at me like I was crazy. This is my first movie; they gave me a directing gig, not too much leverage. How can I make this happen or should I forget it and be grateful.
- 164. Jim, what is the best approach to negotiating lower living expenses (for example, rent, cable phone, etc.)?

- 165. With over 20 years in various sales related occupations, I continue to learn about sales and marketing techniques. I do find that no matter what I'm trying to help the prospect get involved with I have a tendency to let the client pump more information out of me, than me getting it from them. This usually ends up with us parting on good terms with them asking me to put my proposal in writing and they will look it over. My question, "Am I being too soft and do you have any fixed rules or strict path or routine that you follow to avoid this type of situation?"
- 166. Jim, how do I negotiate a lease up front with the owner of the building and property I presently work out of and if and when he ever decides the sell the property to someone new, how can I protect my rights to remain at the same property to continue business operations without being forced out into the streets? I've personally put in over \$50,000 in improvements on this property, and I've also used this property as my personal residence since 2006. It is over 6,000 square feet and I'm nearing the completion of a construction phase to open up a photo and video recording studio including website development center for local and national clients. Your help and advice would be greatly appreciated.
- 167. Jim, how do you negotiate with someone who has been burned by consultants before, and now only wants to do contingency deals? I want to get them to where they are willing to pay me and have some skin in the game and some contingency as well.
- 168. Jim, what can be some other forms of skin in the game other than that upfront money?
- 169. Jim, how do you handle three sided negotiations from a position of strength? For example, I own 50%, my partner owns 50% and we are negotiating separately with a third party to buy us out. The problem is the third party has my partner over a barrel, because he owes her money from a previous deal. How can I negotiate from a position of strength in this situation?

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170. Jim, I've read both of your books and learned a lot from them. I pride specialty professional service that most prospects and attorneys don't understand well. A lot of people call and immediately ask what I

would charge to do X, provide my service. Unless I can have a conversation with them, almost all will just choose the lower priced provider. When they ask me how much would you charge for X, I ask them what's most important to them? They usually say price and turnaround time. That's all they know to ask. I've been telling them that my fee is the highest in my market because I only work for clients with whom I can save a least 5 to 10 times my entire fee. Compared to what they pay the IRS if they hired one of my competitors. How do you suggest I improve this answer to give the prospects a much better chance to discover that they might, or not, have the opportunity to save themselves tens or hundreds of thousands of dollars in taxes, even if my fee is maybe \$5,000 to \$7,000 more than my competitors fees?

- 171. Jim, when I talk with companies about sending them leads, they are quick to offer a 10% commission, generally they don't mind me upselling their products and services for more money to my clients, but refuse to offer 20 to 30% or a finders fees. How can I negotiate a higher percentage without first proving to them that I can bring them business whereas I collect both percentage of sales commissions and be able to up sell to my client base for maximum profits?
- 172. Jim, how do I negotiate for a sole distributor agreement when the manufacturer keeps insisting on maintaining prior relationships with current clients? How do I convince his current clients to go with me?
- 173. Jim, I have a chance to join a start-up business, but I don't know how to negotiate my position. How did I find out what the other two people are willing to give up before I present my side?
- 174. What's the sense you're getting out there about people in relationship to what they know in the subject of negotiation?

If you have any questions at all, feel free to call me at 858-274-7851. E-mail me if you have any questions at senoff.michael@gmail.com

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Michael: Jim, what is you approach to negotiating?

Jim:

That's a great question. I have always taken the approach that I have to deliver and I have to know what I deliver. I have always found that by knowing what I am delivering in depth and really having a complete vision of what is delivered and what it brings to the adversary, my respected opponent, what it benefits, and how it benefits them. I have always found that to be a very important piece of the equation and without that I've see failure. My approach has always been to have a complete vision of what I deliver and be able to relay that to the adversary.

Michael: Is negotiating a skill that you are taught in a formal classroom setting or is it a skill set that comes with experience?

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Jim: Well, I believe I remember my first agreement with my mom when I was about four years old that I wouldn't take extra cookies out of the cookie jar. I think that is what I remember about my first negotiation. We are all negotiators. The definition of negotiation according to the Oxford dictionary, and I have never found a better one by the way, is negotiation is the human effort to bring about agreements between two or more parties with all parties having the right to veto. So we are all out there making agreements since our childhood, since about as far back as we can remember, so it is all about habit. Unfortunately, our habits change as we get older and because negotiations are 100 percent emotional until a decision is reached, every decision we make in our brain is made in a complete 100 percent emotional arena. As we get older and fear of failure starts to set in, the younger we are the more fearless we are, so it is not until older years that fear begins to set in. When it does we change our habits, so if we don't work hard in the classroom to hone our skills of what we brought forward as a child we are making a terrible mistake. And worse, giving an example of win-win, it's a compromise based feel good based assumption generating process that costs millions of dollars every day to people. It is a wrong-minded classroom setting. We've got to get to the classroom setting where creating vision and driving decision are the

Michael: Tell me what you teach when it comes to negotiating different from what we've all seen in the win-win model.

you're not going to get that just winging it.

mainstays of negotiation. And you get that in the classroom Michael,

Jim: You'll find that when my clients prepare or when I'm coaching we never discuss compromising, cutting our price, changing our terms, having fall back positions. That's all gobble gook. It's very, very weak. In fact, it drives more of that at us because if we are indicating to the other side that is the way we do business they are going to ask for more and more and more. Because the experts from the great universities say

that's what you got to do because that's the way you do it. Wow we're stuck. So what we do, our system is built around decision-making, some of my clients call it decision science negotiation or decision based negotiation. But we work hard at creating and developing the behavioral habits and the tools of behavior that create vision for the other party and allow the other party. They have the right to veto. So we take as much pressure off the decision as possible and allow them to envision what we are delivering. When we are asked to compromise, we ask how we can deliver this vision if we cut our price. So, it is a whole different methodology.

Michael: What is the biggest misconception with your methodology of

negotiation?

Well unfortunately, my publishers when I first wrote the book, *Start With No* they demanded that title and I acquiesced because it was a take it or leave it deal. They later told me "Jim if you want this published that's the title." So I went with it because no is a very important piece of the book but the perception is that I am a walk away guy. People say "Well you teach people to walk away." That is absolutely not true. In fact it's the exact opposite. We never walk away. We are told to go away but we don't make the decision to walk away because of out of fear or failure, so that is a complete misconception.

Michael: What's the ultimate goal with your negotiating system?

Jim: The ultimate for me is that I would like my students, my clients, to be dropped into a terrible environment and be able to instantly begin negotiating and build themselves a sound foundation and build them success into the future in the worst of times. That is my mission and purpose for my clients so that they truly become secure in life.

Michael: What is the single most important thing one needs to know about negotiating? Is it to start out with strong demands so that you have some room to fall back?

Jim: Well see, that question comes from the typical win-win collective bargain mindset. They are starting out "Do I ask for a lot and compromise back, do I ask for what I want and hope they are gracious enough to give it to me?" That is a mindset of fear, how do I negotiate. They have no concept of real negotiation. They are dealing with a false legislated railway labor act product called collective bargaining give and take, which morphed into win-win. It is all compromise based and assumption based. That is a very good example of a question asked by someone that is lost in the world of negotiation.

Michael: How do you factor in the cultural differences? That previous question makes me think let's say you are In Egypt and you are in the fruit market. I assume these guys really know how to negotiate and there's no prices at their fruit stand, and you say "How much is for these bananas?" Let's say you're a tourist and he's going to give you a real high price and you're going to say "No, no, no that's too much" and then he'll lower the price and you'll buy the bananas and he'll get what he wanted originally. Isn't that the win-win negotiation style?

Jim:

No, that's just bargaining. I mean I have a dollar you have an orange. How much of my dollar are you going to take and I want that orange, but do I want it badly enough to pay the number you've given? That's just back and forth bargaining. Of course, that's negotiation. It just so happens, Michael, that's a great question. I wonder how many people who ask that question have ever been to the gold Saudi Arabia in Riyadh, or as they say the meat stand in Cairo Egypt where they have a leg of lamb hanging in the 100 degree temperature. I'll tell you my favorite story about this. A long time ago, I was in Saigon in 1967 in early December, just around this time of year in 67, the first of December. I was looking for presents for my grandparents and they were very special to me. I was buying some things for others, my parents were important too, but I really wanted to do something for my grandparents. I went by a stand where they made beautiful ornate boats, junks if you will, miniature junks like models out of water buffalo horn that had been carved and they were really pretty and ornate. I remember looking at them and I asked mama san how much for the two boats and she said 1500 piaster, now 1500 at that time was about seven dollars. I could not pay seven dollars for one present even though I wanted to do it for my grandparents because I only had about 20 dollars total for the whole family. So I said "No thank you I'm sorry I can't do it." She said "For you special price, 1400." and I said, "Gee, I'm sorry I was thinking more like three dollars." I didn't want to embarrass her by any means. I didn't want to be the ugly American so I just apologized I couldn't do it and I went on my way. I finished my shopping and I had four or five dollars left as I was heading for the base, and behind me came the lady that I had seen earlier in the day: "G.I, G.I, you stop you stop." So I stopped. She said "You come back" so she dragged me back by the arm to the store. She said, "How much you pay? And I said "I don't want to embarrass you. I only have T.T. money." She said, "You tell me how much you can pay." I said, "I can pay 700 piaster" which is three dollars and 50 cents. And she looked at me like "Oh gee", and I said "I'm sorry. I didn't mean to embarrass you." I turned to leave and she said, "No, no, G.I. you take, you take."

Michael: Okay so what's the lesson in this story?

Jim:

The lesson in this story is I said no I couldn't afford that and she never once asked me who they were for. She never once asked me how important my grandparents were to me, and what would it be like in the United States on Christmas when they found these beautiful boats that were this artwork from Vietnam, these hand carved boats and what would be the lasting memories my grandparents would have. She never created any vision for me. She was so desperate to make the deal that all she could think of was compromise and there was no compromise in my negotiation. There was just creating the vision for her that I couldn't afford it, that it didn't fit my budget. Now I know that sounds really simple but that's in 1967 in a war torn country. To me that's negotiation, that's the mindset. Had I been her I would have asked who they were for and then I would have created a vision of how the gift would have been opened and who would be there and what would be the impact. But she never did that.

Michael: She was just focused on herself. I think a lot of people may confuse

negotiating with bargaining. How is it different from bargaining? Now

what you are talking about sounds like selling to me.

Jim: You are exactly right. Here is the key. Have you ever watched

President Obama sell his position on TV?

Michael: Oh yeah.

Jim: He's also negotiating with the world, right?

Michael: Yeah.

Jim: In fact, he is negotiating with people that don't even know they're

negotiating with him. It's kind of interesting. I understand bargaining. I'm very, very good at it. And collective bargaining; I have actually coached union negotiations on both sides: management, government,

and union.

Michael: Describe for the listeners what is collective bargaining.

Jim:

Collective bargains is when there are two parties across the table from each other and they bargain with compromise and give and take and they give up something to get something. A lot of times it involves for example hiding the ball. Now I know that the person in Egypt at the fruit stand the ugly American will probably overpay, because they don't see it as a game, they see it as being offensive. Yet to the Egyptian trader it is a way of life to him. It is like our playing football on Saturday afternoon in college towns. So, it is a way of life for him; and for that

visiting American they can afford a quarter so give it up, and they do very easily.

But bargaining is the process of giving something to get something. What is amazing to me Michael is you produce a product. You spend X number of dollars in production, X number of dollars in editing, X number of dollars in advertising and marketing, X number of dollars for the person who is going to travel the world selling the product and they ask for a discount. And it's interesting the mindset is I have to give them a discount because it's win-win because you get all of this expense and they call it a commodity. And your artwork is ever going to be a commodity, and yet you hear that term all the time, because if it's a commodity that makes it corn or wheat at the Chicago board of trade and it goes down the bargaining or what the market will bear. And if Anheiser Busch needs enough wheat or corn or barley or whatever they buy and there is very little of it available then the price is going to go up.

Michael: So bargaining is win-win?

Jim: Win-win is bargaining.

Michael: What do you mean by hiding the ball?

Jim: It's kind of interesting. In bargaining, you don't want the other side to

know what you'll take or what you'll accept. Just like mama san in Vietnam there was no way she was going to tell me early on that she was willing to accept 700 piaster. She was hiding the ball. And in union negotiations maybe they are happy with their healthcare plan, their dental plan, and maybe they don't even care about a vision plan. What they really want is a pay raise and so they'll drive a vision drive, an extended vacation plan that they don't care about. They will put out about four or five things that they don't want. They'll hide the ball of that pay raise somewhere in there, and the pay raise will be a part of it but they will pretend that all of these other things are more important or as important. So they will fight hard to try to hide the ball.

Michael: Just like she wanted a higher price than you were willing to pay.

Jim: That's right .But I didn't hide the ball. I told her I couldn't pay it and I

couldn't. It wasn't a ruse on my part. I just didn't have the money.

Michael: So how do you factor in cultural differences when it comes to

negotiations?

Jim:

Well just like mama san there is no cultural differences in negotiations. But let me tell you what there is, Michael. I really want the audience to listen very carefully to this. I am coaching all over the world every day. The secret to negotiating with anyone in the world; here, there, or anywhere is respect. The demonstration of respect. You think about this now. You hear the term power, leverage, partnership; all these disingenuous words. What happens is that demonstration of disrespect builds barriers. The attitude of our negotiators, our diplomats comes off as haughty, comes off as disrespectful. I have seen it dozens of times in my work as a coach. People will say little things like those people are this or those people are that. I will say wait a minute stop. You can't load your mind with such disrespect. What do you mean those people? If you think they are not as smart as you, or if you think back on the little people in Vietnam and look how long we were there in that quagmire and look at the mess we made of it. That lack of respect, that mindset, and that demonstration of disrespect; that is the whole problem with negotiating worldwide. So it's not culture, it's not studying culture. Every brain on the planet makes exactly decisions in exactly the same way. They make it with vision in the emotional arena.

Michael: What skill, Jim, do you think is most critical to a successful negotiation?

Jim: The skill to create vision for the adversary or adversaries you are engaged with or even not engaged with. What I mean by that you would be shocked by how many people write a letter and not even think to create vision, they'll make demands. And that letter will be circulated among the stakeholders in a negotiation they don't even know exists. So every engagement, every communication that is trying to bring about agreement has to create vision and it has to create

vision so they can discover the benefits to that.

Michael: If you boil it down to the absolute most fundamental basics, and it may be vision, what are the stages you go through in a tough negotiation?

Jim: Number one is you have to have a valid mission and purpose in place. You have to absolutely have a clear vision of your long term and continuing and long-term task of responsibility. That's step one and that step never leaves you. In every engagement in every juncture you have to have that solidly in place, you have to own it, it has to be so clear to you that you see it clearly and the reason you have to have that is it will drive the decisions you make during the next stages of negotiation. The second stage is as problems arise, or as problems exist in the beginning, they must be dealt with. They must be negotiated. You can't allow an elephant to stay in the room with you while you work through hard negotiations; you got to solve problems

day in and day out as they arrive. The third step is you have to clear your mind of any opinions, assumptions, and expectations. All of that's got to go away that's the thing we teach called blank slate, we have got to blank our minds throughout the negotiation process. Number four is we have got to pay close attention when the adversaries demonstrate their emotions, their baggage, their expectations. We have got to pay close attention to that and note that, we have to have that written down, we have to use that to deal with that, to create vision that solves that and then next to last, and this is the hardest part Michael, I know it sounds easy it sounds simple but this is probably the hardest thing. We have to know exactly what we want and the more difficult the negotiations the more we have to take in bite sized chunks, it never ceases to amaze me. We are getting ready to go into a 500,000,000 dollar negotiation and I will ask one of the team members, what do we want, well we want the deal. We haven't even engaged with the other party yet. Do we really want the deal or do we want to take the first step in pursuing our mission and purpose and uncovering what the first real problems are we have to deal with? What do we really want here? So what we want is the terribly key ingredient. And then lastly we have to know step by step what is going to happen next. And we have to pay close attention so that we can negotiate what is going to happen next so that we stay on track through the most difficult of negotiations. Now if we do that, I have had negotiations that have lasted two years and have been for hundreds of millions of dollars, actually more than a billion in a couple cases. They have taken a couple of years but that is what we have to do.

Michael: Why should the listeners want to learn more about the subject of negotiating? What is in it for them?

Jim: Everything. The entire world moves on agreements. The better the agreement the longer the lasting the agreement; the stronger the agreement. It's everything. Everything we do in life is an agreement. Getting a child to go to school is a critical agreement in a family. If the listeners really think about their life it is their agreements that deliver everything they wish for in life. No person is an island by themselves.

Michael: Do you have a mind map about all of the steps or which specific steps to follow when conducting a negotiation.

Jim: Oh absolutely. That's what we teach. That's what we call systems. In another life, I was a jet pilot and you cannot operate a highly sophisticated piece of equipment without a system. Negotiations are no different, making agreements is different. I absolutely have a mind map and I teach it and I coach it, and in our new university our courses

create mastery of it for our clients. That's why people say what they say about us.

Michael: What do you think is the most important attitude to carry into any

negotiation?

Jim:

You hear positive and negative mindsets. You have to be positive dude and all those kind of things. I think you go into a negotiation with an attitude of calmness simply because you are calm and simply because you do have the confidence because you know exactly what you are delivering and you have mastered the tools to deliver it. So ultimately, even the most difficult negotiation, even life and death, and I have been involved with some of those with the FBI. That calmness, that attitude of calmness and confidence. You are fully prepared and know where to go at every step and turn. I think that is the attitude we should all be striving for. This is not something you get on Monday and you have for the rest of your life. This is something you are constantly working at. Negotiations, making agreements and building agreements is a human performance event just like playing quarterback on a football team, playing a violin, riding a bicycle, flying an airplane, being a great speaker; all those things you master in a human performance event continually take work and observation of performance and correction of weaknesses to try to turn them into strengths. It's the old adage you have to take your weakest point and try to make it better and make your very best point even better than that. So it's an ongoing process and it never ends. That's why I preach to my clients pay attention. When you are reading a book pull out of the book some negotiation and it is an "ah-ha" moment for you, but you have to play the game.

Michael: You mentioned FBI and it just sounds like a great story. Is it something you can share?

Jim:

Oh sure. It became public about 18 months ago. I was shocked. Someone Googled my name and said there was a blurb about the FBI and me. I had signed some pretty heavy-duty confidentiality agreements and what had happened in the Philippines back when my first book first came out they had a hostage crisis negotiation go bad in the Philippines and they lost two people. The agents coming back from Manila landed in the Dallas airport there on the way to Washington and was walking by the bookstore and never saw my book on the shelf and there it was on the shelf. So he grabbed it and started looking at it and became intrigued. Next thing you know they called me and asked me if I would come to Quantico, Virginia. I ended helping them build their whole training package for hostage crisis negotiators to deal with terrorists and hostage takers. They are the official branch of the

government that does that. It was thrilling. I had no idea that what I was teaching in my commercial arena to my clients. I had no idea what I was teaching and coaching could apply to that arena. When I got to Quantico and got inside the closed doors in the safe room where we could talk and they said "Jim, with what we do we can't compromise and there's not one page in your book about compromise. We can't give up cars and boat and airplanes and we can't let these people escape. So we just can't compromise. We have to help them see they've got to discover that they are going to survive." So what came out of that was my teaching had a purpose and the FBI actually went on the internet and said I created a revolution in negotiation. The biggest revolution in the last 50 years.

Michael: That's exciting. So are they actually using the revamped negotiating?

Jim: Oh yes. For example they are teaching right now agents all over the world when the bad guy calls and says "If you don't give me five million dollars in the next hour that I'm going to cut this persons head off." And the very first thing out of the agent's mouth is "My name is Agent Smith and it is my purpose to help everyone in this situation remain safe and come out alive. How can you help me do that?" That's a statement of mission of purpose right into an interrogative question, which is exactly what we teach. That is a minor point that came out of the training.

Michael: That is a wonderful story. Thanks for sharing that. What is the one thing you believe that all great, truly great, negotiators have?

Jim: I think all the great ones have a very clear vision of what they are communicating and they have the ability to help others see it. I've studied as many of the great men in the world as I could and I've got a couple that come to mind. You think of Winston Churchill and you think of the great radio broadcaster of the BBC in the most troubled time of our world, the apocalypse of World War Two. He said we will fight them on the beaches, we will fight them in the fields, we will fight them in the towns, we will fight them in the streets. And even if we are subjugate, even if we are overrun, we have every confidence that our children from the West will come and rescue the old. He was creating a vision of the German troops landing on the beaches; we're going to fight them there. The whole stonewall defensive attitude, and he had confidence in Canada, New Zealand, India, the other children of the world would come to save the old. He created that vision. That's one example. He was a master of it, and actually, he was one of the great leaders probably of modern times. The second I think of is President Lincoln who of course gave the Gettysburg Address, which literally changed the political spectrum of the United States forever. In so few brief words he really created such a vision. It's amazing. The other

thing I point out, the Gettysburg Address of course is a giant, but there was a smaller one and Horris was a publisher of a famous New York newspaper had asked Lincoln his purpose as an antagonist. The president wrote back to Greely and publicized the letter. You asked me my purpose; my purpose is to reunite the union. My purpose is to bring the union together to unite the country. You ask me would I free the slaves. I would if it would unite the country. You ask me if I would not free the slaves. I would not free them if it would unite the country. So he created the vision of laser like focus of what his whole being was about. I know there is a lot of writings that a lot of the troops and the families gained in strength for him creating the vision of purpose of what they were doing in the civil war and that vision carried them through. I really believe that if the listener will pay close attention to the really greats he will find them creating vision with words that allow people to make decisions and get behind them.

Michael: How do you decide whether to negotiate something or not? What guidelines do negotiators use to determine whether or not to negotiate or not negotiate something?

Jim:

It's really pretty simple for myself and my clients. It either fits our mission and purpose or it doesn't. We don't negotiate if it doesn't fit our mission and purpose. We just don't get involved because it doesn't fit. I get approached every day with advertising, just numerous things that don't fit my mission and purpose and my long term aim so I don't engage. It's pretty straight forward and simple for me. Now is it perfect? No. Sometimes I question of it might fit my mission and purpose and I'd rather not make a mistake and discover it a little bit later so I'll negotiate. If it turns out it doesn't fit then I'll let it go.

Michael: How do you make sure that you are dealing with the real decision maker in a negotiation?

Jim:

That's a really great question because that is the key, because if you really think about decision making it runs the spectrum. So we do is we are constantly engaged literally across the spectrum. Meaning we will ask who else would help with this, who else should we engage, who else should we talk to, and even if they are not mentioned we'll try to envision how the decision might be made and will attempt to engage people. If they say that's not my department. For example, the president of one company asked one of his directors to call me today and we talked and I asked a few questions. And he said "I'm really glad to have talked to you but that's not my departments. But I'm going to call the person who is in that department because I know the president wants someone from us to talk with you, someone from our organization so let me introduce you to them." That's fine. Often times

they'll tell you who you should be talking with but even then to assume he or she is the decision maker is really a mistake. So it's a constant effort to uncover the decision making and always keep in mind it is never a perfect science in the decision making because you never know. A wife, an assistant, who knows, someone may have influence over the decision that we never thought of. So we are constantly trying to uncover it.

Michael: There must be a lot of times in the world where people are negotiating to the wrong people.

Jim: Oh it happens all the time Michael. And I will tell you that it is the greatest waste of resources. I have seen people say "Geez this thing hasn't moved for six months." And I wonder why. The person they are speaking to isn't qualified. Another thing that interest me about this is it's shocking how many people will listen to the interview, will spill their beans and everything to someone that could never make the decision. And they will turn the negotiation over to them to negotiate for them against them. For example a purchasing agent. There's not a purchasing agent on the planet that can approve a purchase. They can recommend it, they can try to move the terms up and the prices down, all of those things but they cannot make the decision. So what do we do? We cut our prices three or four times for the purchasing agent, never dealing with the people responsible.

Michael: Todd says "I believe that negotiating is learning the beliefs and wants and desires of the other person." Do you believe that psychology plays a big role in negotiating?

Jim: How many of us have a vision and are looking at our real problem? How many of us want to look at our real problem and are able to face up to it ourselves? Not very many. So what happens is the psychology of helping someone to see the real problems, the real challenges they have that they don't want to face is truly a master negotiation, and that is all psychology.

Michael: Is there basic psychology to winning or is there a basic rule to win when negotiating like never giving in first or always give in first, etcetera?

Jim: That all comes out of very weak ivory tower theories and thoughts about winning and losing. You can't win or lose a negotiation, Michael. You can only move your mission and purpose forward or maintain the status quo. So in a negotiation your job is to move your mission and purpose forward. It's not about winning or losing, and if you can't move it forward then remain where you are. Don't give up ground. So this whole idea of I've got to win. It become almost debilitating emotionally because, see

all of our decisions are emotionally driven, every decision we make is made 100 percent emotionally. And anything we do to raise the fire of emotion, for example expectation of winning, expectation of losing, the fire goes up, decision making starts to faller, it starts to fall away. And you can see it in people in panic mode absolutely make the wrong decision almost every time because they are absolutely panicked. They have no place to go to. In their system they have no anchoring spot, so this whole thing about winning and losing. As soon as someone says look, we can have a win-win agreement here, they've got the expectation that they know it's a win for me. I don't even think in terms of win. They don't even know that and they are worried about winning. So, anything they offer me is not going to fit. So why don't we just cut to the chase and give me your best number and when they do that's not going to work. I need your help here. We really want a win-win agreement here for the sake of the relationship. I just turn the tables against them. It's sad.

Michael: How important is persuasion architecture in negotiation?

Jim: You know I learned a long time ago that I cannot persuade anyone to do anything. I can't convince them. I can't persuade them. I mean we all know that seat belts save lives but by golly some youngster dies in my neighborhood every couple years because they weren't wearing a seatbelt in a simple auto accident that should have not been a problem. So I don't even try to convince or persuade. It's not even in my vocabulary of my coaching. What is in my vocabulary is helping discovery. Helping discovery and giving people permission to reject what they are seeing. It's okay if you don't want to do this. It's okay if you don't want to fasten your seatbelts. Just tell me no you don't want to fasten them. It's okay. I just can't start the car until you do. So we can't travel, so we can't go to the event. It's okay, we don't have to go.

Michael: Jim, I'm new at negotiating. Do you currently or did you have when you first started a cheat sheet to keep on your mind while going into negotiations. For example to help you remember the top five things to focus on when going into negotiations or do you have an acronym that you used to remind yourself what to keep in mind when first trying to master negotiation? Also when you first started negotiating did you have any fears going into negotiation and if so how did you overcome them and what did you focus on?

Jim: That's interesting. We'll take the first question first. I absolutely have, it's not a cheat sheet, this isn't a test. In the classroom in the school we have what we call a checklist. A step by step operation all written out, all scripted out and we carry it with us into the negotiation and use it right in front of the adversary. No qualms about it. The key is how the checklist

is put together and the rules and principles make it so powerful. It truly is our secret weapon. And we have a debriefing document we call a log that makes up the Camp negotiating management system. The second question, was I ever fearful? In the beginning and in the beginning of starting negotiations. No I was never fearful and I have been in some very large negotiations at a very young age. I have been surprised but I was never fearful because I never expected anything to come of it anyway. I mean I never really needed to make a deal. I never needed, notice that word need. It was never survival for me. I was excited. I loved the game. Couldn't wait for the whistle to blow and to get started. It wasn't fear. I always felt prepared and I always felt that it was up to them to make a decision. It was up to me to help them see it and whatever they decided was up to them so...

Michael: What is the best advice for a new negotiator to learn?

Jim:

I have to tell you, Michael, it truly revolves around learning what the great ones do. It really truly revolves around studying people like Ralph Emerson, Churchill, Lincoln, and Gandhi. They ought to at least look at some of the negotiations books out there and go through them and make the discoveries that a lot of people have made; do what makes sense to them and what doesn't. That's really where they ought to start. They're brand new at it. That or get the four or five books out there that are most highly recommended and then throw out the three or four that are gobble gook and grab on to the one that makes the most sense to them.

Michael: How do you know if you've negotiated the best deal, Jim?

Jim:

If it fits your mission and purpose and it moves your mission and purpose forward you've done a great job. There's no need to lose sleep at night over "Could I have done better?" Sure, you could have always done better. So, "What could I have done better?" then grade yourself and try to improve the behaviors and try to improve the preparations and try to do a better job with building your negotiations checklist and all those things but as long as it moves your mission and purpose forward don't beat yourself up over it. Don't degrade yourself. Just pay attention to things you think you can improve on and make the improvements and move forward.

Michael: How hot is the topic of negotiation skills within small companies? Is it regularly trained or is it overlooked as a skill to develop within the corporate culture?

Jim: It depends on the organization. I've seen corporations that are overweighed with training and I've seen corporations that never think

about it. So it really depends on leadership and what leadership sees. My very best clients have always, no matter their level of success, and some of them are literally billionaires, no matter that level success they are always searching for that improvement. They are always searching for that "Is this a better way? Let's work with it to see if it is." So it is imperative that the listener if they are leading a company or when they do get to be a leader they build that whole mindset of improvement. No matter how well they are doing always looking for that improvement. And if you are an individual you should be doing that for yourself anyway. That's my take.

Michael: Jim, do you go into negotiations knowing the exact outcome you want?

Jim: We always go into a negotiation knowing exactly what we want and as well defined. One of the most difficult pieces to the puzzle in negotiation is knowing exactly what you want. It is a very critical piece to the checklist and you really have to think it through because so many times people overreach what they want because they just would like to get things done probably quicker than they can be done, so they overreach, and that is a big mistake.

Michael: How do you determine when to walk away? Or, in other words how do I know when it's time to break off the negotiation?

Jim: When it doesn't fit your mission and purpose. There is no need to continue to negotiate if it doesn't fit your mission and purpose. And I'm not big on walking away. When I can clearly see that I can move the mission and purpose forward and I can deliver a great outcome to the other party, which to them is valid and I can deliver it, it is very seldom that you will see me walk away. But if it's not possible to deliver my mission and purpose that I put together for them and my own mission and purpose for my own organization to move it forward then I will break off. Now there is an interesting phenomena psychologically that happens. So many people are game players, so many people are disingenuous that they are trying to use tactics against me and there have been times when I've said gee I'm sorry this isn't going to work, and I have said no and it appears I am walking away. They've come back and said, "Whoa whoa whoa okay wait stop. Okay let's go a different direction here." So, when you are negotiating ethically as we do with a valid mission and purpose a lot of times you flush out those cheap tactics that are trying to take advantage of you.

Michael: Often times the decision makers are surrounded by gatekeepers of different sorts: assistants, managers, etc. What is your best suggestion for negotiating with these gatekeepers to get through to the owner, principal, or decision maker?

Jim:

Well I know exactly what we are talking about. The whole key here is creating a vision of failure with the blocker. If they don't get the real principal involved then there is a real chance for failure. I've had blockers say to me, "Well just show me what you have and I will show it to my leadership." And I say "Yeah I can't do that. My policy is I only show it to the qualifier. I am more than happy to show it to you and the principal at the same time, but I am not prepared and can't do that. There is a reason your principal asked me to come and talk with you. Maybe we ought to review that or maybe you ought to review that with him. Get back with me and if I can ever help you in the future let me know." But, the vision of failure that you create with the blocker is one way to decide if maybe they better expose you to the principal.

Michael: How do you quickly determine other party's hot buttons; that is what their number one need is out of the proposed agreement?

Jim:

Well the key work in the question is quickly. Here we go, cut to the chase, I'm impatient. That word quickly really sings out to me. I've heard that 100 times before in coaching. "C'mon, how do I do this quickly?" Well the very fact that you are setting yourself up quickly, what are you doing to your emotions? The moment it goes slower than you hope for that pours gasoline on your fire, so your decision-making breaks down and you make poor decisions. So setting yourself up for that quickly is a real challenge. If you'll get rid of the word quickly your answer is how do I get to their needs, their hot buttons. I don't believe there is such a thing as hot buttons but I do believe there's vision of problems and challenges they face. And remember earlier on we talked about the psychology of wanting to face up to that. So that is a very important piece of the pie that takes really great skills and asking questions and watching behaviors that surround the questions. We teach what we call interrogative questions. The shorter focus questions, that's number one. Long-winded questions are a waste of time because you destroy vision you don't create it. The other is if we repeat the question three or more times we call that three plus. We find ways to stay around the topic three or more times to help the onion get peeled back and the emotions of the psychology. And then we nurture and we speak in low slow controlled voices. We give no risk answers. We appear to be nurturing and easy to talk to. Then we reverse questions to help expound the vision and we also learn how to use connectors so we allow statements to be made that expand vision. There is a whole package of training around just that.

Michael: Can an interrogative negotiation be effective when parties have unequal power where one is recognized as having a greater position or strength?

Jim: You mean like the United States versus Iraq or Al-Qaida?

Michael: That may be a good example.

Jim: Is that what we're talking about is the mightiest military on the planet

has been in a quagmire for 10 years because they had the power, all that is gobble-gook it has no value all it does is create war and standoffs. Worst case it creates war and death, least case it creates

bankruptcy, you know to me that's part of the teachings from the ivory

tower that have no place in our society or global society

Michael: Jim, I sometimes deal that with international customers who seem to

have no problem with win-lose negotiations, how should I deal with

them?

Jim: Again, you know you are not creating vision, your collective bargaining and so you bargain down as far as you're willing to go and they have

and so you bargain down as far as you're willing to go and they have no vision of what you're delivering in your negotiations so therefore you

consider it win-lose your playing win-win and you get frustrated

because you think it's win-lose when they say no. That's because you don't know how to create vision; anyone doing that has some basic

fundamental flaw. As my old coach would say "you continue to do the same thing over and over again and expect a different result is

insanity, so until your start creating vision you're going to suffer losses that... Again, I don't believe in winning and losing in negotiations I think

it's a false statement. I hate to see you stuck.

Michael: What makes the difference between a good negotiator and a great

negotiator?

Jim: Creating that vision, the greatest create wonderful panoramic vision

that makes decision making for others easy.

Michael: Other negotiation coaches teach tactic and closing, how do you go

about dealing with these types to negotiators using the Camp method?

Jim: As far closing a deal, it all goes back to vision. I mean if I can see

what's being delivered and the value on what's being delivered; it's real simple, it's real easy, there's agreement. If I can't see it or what I see doesn't have the value, thank you very much there's no agreement.

Michael: Isn't it true that both sides should feel some pain at the end of a

successful negotiation? Please elaborate.

Jim:

Absolutely not. There should be no pain for either side. Once you create pain you create an enemy, and once you have created an enemy you create war. And so, no, just throwing that word pain around is a terrible mindset to have. We use the word pain in our teachings to help people that they have to create a vision of the real problem which is really hard to look at. It's painful to look at. It's like of geez I have to look at that. But as far as making someone feel pain, no that destroys any opportunity for the future.

Michael: How do you know when you have gotten everything possible out of a

deal?

Jim: When you have achieved your mission and purpose. It's really very

straightforward. When you have achieved your mission and purpose

you have gotten exactly what you want. You're there.

Michael: Okay, this is a question from someone that probably listened to our

first interview and it's when we talked about power point presentations.

He asked "Why don't power presentations work? Why do so many

gurus use them?"

Jim: Power point presentations are designed to create vision and one of the

first things that happens in a power point is a factual statement gets made with numbers, pie graphs, and intellectual information. So the adversary looks at the power point, is told the facts and the information, and all of that throws a blanket on vision of the real challenges, the real problems to be solved. Now, the master who is creating vision doesn't allow the power point to override the creation of vision in the audience. Some people use power point and are masterful at creating vision. But my problem is I've only met maybe five of those in my lifetime. All of the others, I mean you can go to sleep in the audience. There's no vision being created, therefore no decision can be made. And very seldom does a power point presenter ever set an agenda for a decision at the end of the power point. And that is because they don't create vision so they don't feel that they should ask for a decision. They say why don't you think this over and we'll talk

about it next week. So, we start all over again.

Michael: So often I hear women trying to act like men in business. How can

women be more effective in negotiating?

Jim: The women I get to work with, and I feel fortunate, they are master

negotiators. Great vision creators. That's the whole key is to all those

behaviors and all that structure. They put all of the different

components into the structure properly in the right place. All the vision is created properly. They do a masterful job so if you are having a

problem in that whole arena those are the weaknesses that have to be corrected.

Michael: How to I encourage someone to negotiate who refuses to consider any

option other than what is best for them?

Jim: Well, do they know what is best for them? Do they really have any idea

what is best for them? Or what the best proposal is for them? I say not.

I say it is up to us again to be able to create division and set the

agendas where decisions are made.

Michael: How much do you need to negotiate before you sign a contract? Are

there details that can be ironed out after signing? Or is it good to have

all the details nailed down before signing anything?

Jim: It really depends on the situation and the agenda and is the contract to

be continually negotiated over the next 90 days to get the project started while details are worked out. I mean how is the contract really constructed? But a contract is a contract so if it is agreed upon that we are going to continue on for the next 90 days and if at the end of the 90 days we don't have a contract; then maybe we stop the contract and stop the project or maybe we continue the project until we get the contract where we want it. That is one thing, but if you are negotiating a hard solid contract those details should be worked out in the first

a hard solid contract those details should be worked out in the first place. But if you're not an attorney and it's a really respectable contract you should get a contractual attorney that you negotiate with on your own behalf. You negotiate with your own attorney. Be sure they

understand and have a clear vision of what you are trying to do. Then go through it with them before you present it. So I would say again it depends, but if you are going to have an iron clad contract I would get

the details put into place before we ever moved down the trail.

Michael: I would like to hear you, Jim, debunk the common myths of negotiating

such as make an offer and shut up, next person to speak loses, feel

free to add any of your own.

Jim: That's overplayed and over thought and a pretty weak tactic. But here

is the thing. If you negotiate a valid agenda and you've made your presentation and you've laid out your project; and the agenda is for them to make a decision while they are there, and they've agreed to that then there is no reason to talk anymore. That's because it has been negotiated. On the other hand, if you just throw a bunch of information out and shut up that is weak on its best day. So the key here is to have a valid negotiated agenda in place where it has been agreed upon that after all this information there will be a decision. Why

talk if that is the agreement, but just to think you can throw your

information out there and shut up. Like I said, that is weak on its best day.

Michael: Hi Jim, is it a process that you follow when you are going nose to nose

with the big boys?

Jim: I guess what's the definition of a big boy? My granddaughter is

probably my toughest negotiator, my seven-year-old granddaughter. But all funniness aside I'm in system with the youngest client I have and I'm in system with the oldest client I have and I don't really classify big boys or little boys or men or women or small people or any of that.

But I'm in systems all the time with clients and adversaries.

Michael: Here's an interesting question. How does negotiating via email differ

from face to face or telephone negotiating?

Jim: It is much more effective if you know how to do it because you don't

make near as many mistakes with the written word.

Michael: It is more effective email or phone?

Jim: Yes, it's more effective than phone or face to face because you'll find that if you really have a system of negotiation that's effective like we

have, we really try to truly use email or the written word as often as possible. Because it eliminates misspoken words so the written word doesn't have the opportunity for mistakes within our system that

telephone and face-to-face does.

There is always a risk with face to face. What happens if they don't like the way you sit? What if they don't like the way you look? What happens if they don't like the way you dress and they are off their rocker that way? So, as Emerson said "For every good there's a bad, and for every equal there's an opposite." And we just find that the bad and the written word is the person who doesn't have a system and doesn't write well, but otherwise it's an excellent way to negotiate.

Michael: What can you do when the other side won't even come to the table and

doesn't appear to be able to afford the laid down arbitration procedure?

Jim: Here again we speak of decision-makings made of emotional visions.

So if they can't see the reason or what the opportunities are in arbitration, you know, you're just fooling yourself and you're going to just waste money. Without that vision for them to come to the arbitrating table, they can't see the ramifications of not doing that, then

it's not going to happen and you're just wasting your time.

Michael: What's the mindset you start with going into any negotiation when you

know the other guy is very skeptical or defensive about what you're

proposing or offering?

Jim: I can't imagine why they would even want to entertain what we're

doing. My mindset is very negative. They probably shouldn't work with me anyway. Any other mindset is even a bigger turn-on. At least I'm dealing with the real problem. "Look I know you don't want to talk to me so I don't know why we're talking. I know you don't really care what we do, or you think we're trying to pull something over on you so I don't

know where to go from here."

Michael: Jim, how do you deal with people who get difficult or aggressive in a

negotiation?

Jim: I actually try to be more, what I call, "Not okay on purpose" which is part of our system we teach. I actually try to back up, constraint

myself, lower my voice. I try to be more not okay. I'll try to be a little more negative than them. What I'm trying to do is I'm trying o remove

the predator that's facing them away from them.

You know, we're all predators. We have canine teeth, and you know a predator is a terrible thing. Human beings are the worst predators on the planet, so you know that's why our eyes face forward. So I teach my clients, if they are in a chair, not to sit forward, just to move back. Kind of schooch down in the chair, not try to elevate themselves up in a posture. I try to get them to lower their voice and slow their speech. I try to get them to be more negative. For example, "I'm not quite sure why you should even really talk to us, it's apparent that we're not what you're looking for. I don't know how to respond to your aggressiveness so why don't you dismiss me and I'll let it go." But that's all part of the system, Michael. Those are all learned and practiced behaviors. And maybe I'm being a little unfair here, but the people who have that problem need to probably look at the mirror at their behavior that may be creating that reaction in others. You know for every action there's an equal and opposite reaction. So, if we come across as really aggressive, the predator in the other person may come out and may come back more aggressive. So that would be something I would ask the question for them to take a hard look at.

Michael: How do posture myself with confidence but not arrogance, so

everybody wins?

Jim: I never use that term, and I never think of that term, and I can't manage everybody's winning. So this is a very difficult question for

me. If someone's taught you how to posture, or how to shall we say be

the most important person at the table, I don't know how to respond to that because that's not part of our system in any way. In fact, that's a person we'll take advantage of.

Michael: How does one build trust during a negotiation?

Jim: By delivering what they'll say they'll deliver. By doing what they say they'll do over a long period of time. Providing overwhelming service. If you say you'll answer your phone 7/24/365, you better answer your phone 7/24/365.

It takes a long time, but the word 'trust' to me, Michael, is a little bit misdirected. I trust my wingman from pilot training and from the Air Force, the guys I flew with on my wing or I was on their wing. I trusted those guys. But man, that took a lot of time and work and energy and effort. And there were a lot of people that I never trusted on my wing or I never trusted being on their wing. So I was either on guard or I wouldn't fly with them. So trust is the wrong word.

I think the word we really ought to work on is 'respect.' How do I gain respect? How do I demonstrate respect? And to gain it, is because you demonstrate it. I was taught by an old coach of mine and my grandfather to open the door for everybody if I got to the door first - men, women and children. I was just taught to demonstrate respect since childhood. So that's the key ingredient, really.

Michael: Can you give some negotiating tips for people that are not naturally assertive?

Jim:

I think people that aren't naturally assertive make wonderful negotiators if they will learn the standards, rules, and principles of real negotiation within our system. I've got wonderful non-assertive people that just do magnificent jobs in negotiation, but that's because they have the tools, they don't need to be assertive. Assertive is not a trait that is to be desired in negotiation by any means.

Michael: What's the best approach to negotiating working with a close friend so as not to ruin the friendship, but to get business done?

Jim: Boy that's a great question. That's really a good one. The whole key to that is negotiating the agenda right up front. That this has nothing to do with friendship, this is all about business, and I want to make sure we can agree to leave friendship out of this while we do business and move this forward and after we've done that we're going to come back to being friends. But that's the key, is really negotiating the agenda right up front.

Michael: Just clear communication.

Jim: Absolutely.

Michael: What's the best strategy for people who are slow on their feet when

negotiating has to be done in person?

Jim: I've got to tell you; slow on your feet is a real strength in negotiation.

Struggle is a real strength in negotiation. If the listening audience will pay close attention to some of the great business people that they see on specials on TV, etc., Bill Gates and others. They are not slick and quick and fast. They are deliberate. They are slow. They think through things. That's a real attribute that can really be built upon. The key is, is to have the right tools. If you're a compromise and bargainer and you're slow on your feet, it's not because you don't have

ability, it's because you have the wrong tools.

Michael: How do personality types affect negotiating? Can you tailor strategies

to specific traits or personality types?

Jim: I don't even judge personality types. I know I hear people say the

alpha male in the room. Okay, so they are the alpha male in the room, I still have to create vision. I still have to be able to help them discover and see clearly the challenges and what we're delivering so it doesn't

really matter to me.

Michael: What subtle body movements or voice inflections indicate to you that a

client is ready to negotiate in your favor?

Jim: I have no idea. You know, in 40 years of negotiating, I've never paid

any attention to it.

Michael: I tend to be a friendly person, but in negotiating people see that as a

weakness and attempt to take advantage of that. How can I establish early on that friendliness does not mean I'm giving you all that you

ask?

Jim: Well, why wouldn't you give them all you can ask if you could? And I'm

not trying to be funny here, but what does being friendly or a nice person have to do with creating vision, driving that vision and helping deliver the discovery to all the different parties you are up against,

because you're a friendly person?

I think I'm a friendly person, but that doesn't have anything to do with anybody taking advantage of me. If you have a mission and purpose in place, you have your objectives set, and you have your checklist prepared properly and you know exactly what you want, it's actually, to me it's a strength to be a friendly person. You're easy to talk to.

Michael: How can a person who is non-confrontational by nature, become comfortable jockeying to get what you want in a negotiation?

Jim: Well the key word here is 'jockey'. I don't understand the word jockey? Does that mean ride around on different compromises until you come to some solution? Or you make the assumption that some compromise might move things around so you jockey? See, to me all that's a waste of time and energy. In fact it's very expensive for you, so I would recommend you put that aside and get a system of negotiation that doesn't force you to do that. That's a pretty weak position to be in. You try to jockey with us, we'll just take what you want to give.

Michael: How do I manage my emotions, for example, unhappiness and anger, during the negotiation process?

Jim: See, Michael, this is really troubling because, managing anger? Why would there ever be anger? I mean they have the right to veto, so if they say no they aren't going to pay your price that's their right. So where is the triggers to the emotions of anger?

If I had that problem, or I had a client with that kind of problem, we've got to look in the mirror and then we've got to go on the work on the behaviors, and we've got to go to work on the activities in negotiation and get the system in place to take all that out of it, because that's very expensive. I think that's costing them a lot of money.

Michael: Here's another question from that same person. It may shed light: How can an introverted person overcome the fear of negotiation?

Jim: I think it's a little bit like someone who thinks they want to be a pilot, then they get in the cockpit and they become fearful, and then, suddenly a system is put in front of them; an instructor and coach is put with them, and they try a few things, and it works and they gain confidence, and suddenly they find they are starting to gain mastery of that jet engine and that aircraft. It's a process, and you know, it takes time, and I think that's really the key to someone who sees themselves that way. They've got to have a system where they can take control and gain confidence. Just winging it with assumptions and compromises, it just gets worse and worse. It piles up on you and you're drowning.

Michael: I don't do much formal negotiating in my job, but when I do I very often

feel intimidated by the other party, so my question is, Jim, how do you

control feelings of weakness and a lack of self-confidence in

negotiations?

Jim: It fits right back to training and practice and taking away the fear of

failure, taking away the fear of the outcome, and it just takes some time and some coaching and training. That's really the key ingredient.

Michael: What should you do if you really do need to make a deal happen?

How can you still negotiate from strength?

Jim: You know, when you say you need to make a deal happen, you have

to understand that need is what is required to survive. Now if you truly need to survive, meaning you're negotiating for air, water, food, those kinds of things, where death is eminent, that's one thing - you've got to do what you've go to do; but to use the word *need* where you really need a deal. If you're saying to me, "Look this deal is critical and it's very, very important. Now I'm not going to die tomorrow, but it's really important to me." Okay, then let's build a mission and purpose, let's get into our system and gain our confidence so that we have no need, we want to make a deal. So let's get our emotions under control, with a system, so we know where to go at all times and to be effective.

Michael: How much does physical stance portray in negotiations?

Jim: Not much. Some of the greatest negotiators that ever lived have been

hunched over, old, balding men. They've been people of small stature. They've been crippled, like President Roosevelt. They've been gangly, like Abraham Lincoln. It really doesn't play any factor - one of the greatest negotiators that I ever met was blind and in a wheelchair and

sold life insurance.

Michael: Who was he?

Jim: Peter Adkins. He was a good friend of mine's co-worker and I met

him, and he was blind and he sold life insurance out of a wheelchair. And he was amazing at creating vision. He couldn't see. I'd - (tape cut out 27:25). It's not important at all. In fact it may be the other way around where people pay attention to Colombo if you will. You know Abraham Lincoln used to keep his feet out of the stirrups and have the stirrups up by his mid calf, so his feet dangled close to the ground on a small horse, so he looked out of proportion, looked weird. There are

actually pictures of him doing that reviewing the troops.

Michael: Did he do that on purpose?

Jim:

Yes. He did it on purpose to put them at ease. You know they called him Old Abe or Uncle Abe, and that was kind of a nickname for him. You know if you remember, if you think about people like President Reagan who used to struggle for answers, or the way people would laugh at George W. Bush for some of the things he said, you know a little bit of cowboy, a little bit of not okay, you now, it's all kind of interesting.

Michael: How do you deal with the adversary who brings a psychic to the

negotiating table?

Jim: I have no idea, Michael. I've never experienced that.

Michael: What would you do?

Jim: I would just execute my mission and purpose. I'd execute my checklist

and march on. I mean I wouldn't know what else to do. Hopefully I'd create enough vision and the psychic they'd tell the person, "Hey you

ought to take the deal."

Michael: How do you persuade someone to do something if they are adamant

about not doing it?

Jim: I can't. I can't persuade anybody to do anything. I mean we know that

cigarettes cause lung cancer and people die from lung cancer. Not long ago there was study that came out that said 600,000 people a year - men women and children - die of secondhand smoke, and yet

you would think people would be convinced not to sit in the

secondhand smoke, and you would think people would be convinced not to smoke. But unfortunately it goes on. In fact, people who are adamant that they have the right to do that, so I can't convince

anybody on anything.

Michael: I'm a struggling small business owner and a marketing consultant. Is

there a way to appear more confident and relaxed when sitting down to negotiate price and terms for my consulting services? I know in earlier recordings you have even recommended working part time, etc., in order to be in a better position. I'm doing quite a few things for income, but I'm still coming up short. I have a rather large opportunity coming up with a cash flush client, and want to negotiate a long-term agreement with a significant amount up front. My true situation is that I'd take just about anything he offers, because I need the money. It's an okay position to be in, but bad for negotiating my real needs. I'm

also afraid of negative subliminal needy vibes, not just in this case, but

my day-to-day prospecting and selling. Could a bad financial situation be hindering many of us in this difficult economy?

Jim:

Michael, I have to turn this around a little bit. You know, I ask myself what have I done that someone in that situation wouldn't call you to find out how to reach out to me for training and coaching so they can get out of the quagmire. I don't understand it. I do a terrible job on these recordings because I hear this, and I'm asking myself, "What in the world am I doing wrong? Where am I falling short here?" Because there's not a chance in the world that I can get enough discovery in the listener to solve that kind of a challenge. That takes some work. That takes some real dedication and understanding some content, and starting to put pieces together so they can start to build their system and gain that confidence, and I don't know how to get it across any other way. Why haven't they called you, I'm at a loss.

Michael: Are there things to look for that could indicate the person you are negotiating with is dishonest or the deal is dishonest or a lie?

Jim:

Yes. When two and two doesn't add up to four, or when things that should have been accomplished aren't accomplished and there's no logical explanation. Things start to not make sense. I've had two or three of those that end up - a couple of them in criminal proceedings, one just recently in San Antonio, Texas. It was a real estate transaction with a large client of mine, and I was coaching and had been coaching for about eight months, and there was an issue, and what the city manager was doing, and what his brother, the head of the real estate project, money was disappearing and we could never get a proper accounting and this went on five or six months. You're trying not to blow up. The transaction is a very important transaction, both for the community and taxes and also for the organization. And eventually we had to ask the district attorney to take a look of this, and after eighteen months of investigation we found embezzlement and fraud to the tune of \$5,000,000. So when things don't add up it starts to kind of fester over, and you'll see it if you pay very close attention. you'll be able to see the disingenuous things taking place. The manipulations and maneuvers, you know we recognized it. Actually I've recognized it two or three times in my career with clients.

Michael: Jim, here's the deal: You're getting ready for the biggest make-orbreak deal you've ever had and you are feeling the stress. What selftalk do you use to calm yourself down?

Jim: Well, I'm not going back to Vietnam. I'm not going to die from this.

This is a very important deal, but honestly I've never been in a position where I've had a deal as big as war, so I have no worries about failing

here because it's not that important. In the big scheme of things it truly isn't. I'm more concerned about my daughter-in-law and the new baby coming than I am about the deal.

Michael: When one has a problem with self-confidence, and they come across as fearful, timid or weak to the other party in the communication of a business deal, how can that person rebound within the negotiation to gain credibility and the upper hand in the mind of the other party.

Jim:

What has to happen is that person has to face the real problem. Now without system it's going to be very difficult to do, because it's going to be terrifying. But if you remember the movie Legal Eagles, and remember that the prosecution and the newspapers had convicted the blonde actress, that she was accused of murdering, I believe her father. Everyone was pretty much convinced that she had done it, simply because of publicity and the prosecutor and the audience in front of the jury and his opening remarks. And Robert Redford was very much under the gun down in negotiation, and he came out with what we teach in our system as called a heavy strip line, and it went something like this: "Look, why don't we just cut to the chase here. Let's just convict her today. We can get a vote count right now. Raise your hands - how many of you think she's guilty?" And the whole jury puts up its hand, and so he continued the strip line, "Look she doesn't deserve a re-trial so let's get on with this your honor." And of course the prosecutor doesn't know what to do. The judge doesn't know what to do. And finally the judge says, "Okay, we're going to dismiss this jury." I'll take the jury because a lady had just said to him, "Well she deserves a fair trial." So he turned the whole negotiation because of what we call a heavy strip line. So that's the only chance you have of recovery. The problem is it's going to terrify you to do it because you don't have the system to go with it to know where to go next.

Michael:

Some years back I heard it said, "He who cares least, wins." Since then I have followed this selling negotiating technique and employed it moderately successfully. It allows for me to be myself, and more relaxed when sending a positive and reassuring signal to the other guy. Truthfully I did not always come away from the table with what I wanted to occur, but often what would happen is they would call me back and tell me things like, "We like your style and feel more comfortable with you." Or they would tell others about me. In short, I tried to negotiate in such a way that all parties were relaxed. The bonus was multiple long-term deals came my way. Any suggestions on how I can take my personal style and improve on it?

Jim:

The only thing I could recommend is that you really focus on doing a better job of creating vision. You certainly have no need, which is the

whole purpose of a system. Our system is designed to take away that need, and you've accomplished that, and hats off to you. All the really greats out there who really don't have a system that they can teach, they've master that, and they've learned that. Possibly the hard way, so my hat's off to you. I would say you probably could do a better job creating vision and you could do a better job of setting agendas.

Michael: How do I know when I'm asking for too much in a negotiation situation? I have been told that it's affective to appear intimidating in negotiations, however, I have a friend who is so nice and jovial when he meets people, but yet he seems to always get his way when negotiating. Please what is the best kind of persona to portray when getting into any negotiation situation?

Jim:

I have to tell you that aggressiveness gets gobbled up. I would recommend that you gain the ability to have confidence, to be calm, to have no need, to be a vision creator.

Michael: With negotiating with a Fortune 500 or anybody thinking about it, how do you use your body language to determine if they are lying or misleading on an answer? Can you give examples of this if possible?

Jim:

Unfortunately, I can't give examples, because that's not valid. It doesn't work.

Michael: Why do you think reading body language and all that doesn't work?

Jim:

It doesn't work because, you know, if we think someone's trying to read body language, we give off signals based on the books that have been written about it. So we just don't fool with that. It's just too off the chart. We have to have much more solid science than that.

I'll tell you what will work in uncovering mistruths and mis-directions, things like that. If you Three Plus a questions or Three Plus a concept, meaning you cover it three or more times, and it may take you ten times to uncover the truth, but if you will ask that question or make that statement three or more times, maybe in a little different way, you'll be shocked at the lies you'll uncover and how the stories will change.

Michael: That's a technique you guys...

Jim: No, that's scientifically works because that comes from great

psychological brain think tanks.

Michael: Jim, how did you get your first start in the world of negotiating? Did

you intern; did you have mentor, etc.? How did you get started?

Jim:

I worked at Mister Wades Food Market when I was about eight years old. He had a fruit stand next to my grandmothers in the summertime. I got free popsicles and he taught me how to sell watermelons and bags of potatoes and fruit and vegetables to people who would stop along Route 40 right outside Washington, Pennsylvania. And then I would go watch him negotiate in the farmers market in Pittsburgh at 1:00 a.m. when I was about ten years old. So he really kind of got me started into negotiation and how that all worked, and then I just became a real fan of it all and just enjoyed it.

I remember one summer I negotiated the sale of Christmas cards in July, and who ever thought someone could sell Christmas cards in July? I wasn't' smart enough to realize I couldn't do it, but I did. It went on and on from there. I had my own paper routes. I negotiated agreements to mow lawns for apartment houses as a young teenager, about 12 or 13. That's where it really all started.

Michael: Was your father entrepreneurial?

Jim:

Not really. My father was very much a corporate manager who eventually owned his own company. So I guess he was kind of an entrepreneur in later life. But as a youngster he was a manager. He'd been an officer in the Army Air Corp and he became a manager for Radio Corporation of America. My mother's father, my grandfather was the founder of steel company in Western Pennsylvania. He came from the old country, so...

Michael: Your grandfather was an entrepreneur?

Jim: I think so. I really think he was the entrepreneur. He was the one who

took the risk coming to American when he was 20 years old.

Michael: Where did he come from?

Jim: Sheffield, England. He was a steel maker, a very talented cutlery, and

hard steel expert. My great-grandfather was his boss a the steel mill in Sheffield, and when they said they were going to expand to America, they asked my great-grandfather to come and he said, "No, I'll give you

my son. I'm not leaving England." So my grandfather came.

Michael: In the first interview we did, Jim, you mentioned you negotiated the

care of premature twins. Could you elaborate a little bit on that story?

Jim: A client of mine, Bob, and his wife - I had been coaching Bob for

probably a year, year and a half, and we had done a lot of good things.

Had a lot of fun, and he's quite an entrepreneur in his own right. His wife had premature twin daughters in Chicago. He called me and said, "Jim, I really need your help. One of my daughters has passed away and my other daughter, Sophie, is just hanging on, and I'm negotiating with the insurance companies, doctors and the hospitals. I want Sophie to have the very best care." I said of course and we went to work and I coached that.

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Long story short, Sophie is now a 14-year-old teenager, but it was a very tedious time, and an emotional time for Bob and his wife. And for me, to be very honest. It was very difficult, but we managed to keep an even keel and get through it.

Bob was the instigator to *Start with No*. I never wanted to write a book. I always wanted to stay under the radar. Bob said, "You've got to write a book. It's going to make a difference to the world, so you've got to do this." So, he was kind of the instigator. He found the publisher, and the agents; he was a publisher of his own right, of magazines. He had lined up all the tools to make it happen so here we are.

Michael: That's a great story. Jim what is the toughest negotiation situation you've ever encountered, other than that story, and why?

I think the toughest was probably a divorce. I had a divorce after 13 years of marriage. I've now been married for the second time more than 30. That 13 years of marriage, that was a very difficult, unwanted occurrence and I had three children, so I think that was the toughest negotiation of all. Why I say that, following my system, I developed a Mission and purpose for the children, and the ex-wife and her new family, and it was all to their benefit. It kept me on an even keel and not emotionally off the reservation. Although it was very difficult.

Michael: So were you able to remain friends with the ex?

Jim: Well, we weren't really friends for a long time.

Michael: But Civil.

Jim:

Jim:

But we were civil and respectful. I got everybody to buy into my Mission and purpose. The grandparents on both sides. The Ex. The Ex's new husband. You know we got everybody bought in to the Mission and purpose of the children. The oldest son is now a Colonel

and a veteran of Iraq. He flew 50 missions in Iraq; he's a graduate of Carnegie Mellon University. Number two sun is a graduate of Brown University where he played quarterback. He now has a wonderful family and he's in the finance world. Number three son who was the youngest in that divorce arena is now happily married with one handsome little boy and one on the way, and they are all college graduates. I have two new children. We don't talk about step anything, it's brother and sister. So we have five children that are joined at the hip.

Michael: How old are you two newest ones?

Jim: Thirty and twenty-seven. You know the other family comes to all the kids' events, and I mean all five of them, football games, birthdays. So

I think that was my toughest, but I also think it was my most rewarding.

Michael: Describe your biggest negotiating mistake? What did it cost you and

what should you have done differently?

Jim: Oh, that's an easy one. I'm going to say it was 1971 or 1972 and I was still on active duty on the military and I was home early in December for the holidays, and I'd gone over to the University to say hi to Coach Hayes at Ohio State. He said, "Let's go to lunch, Jim." And I said, "Okay Coach, let's go." He knew I was coming off active duty and I very much wanted to get into the business world. So he took me to lunch at a place called Len Immke's Buick, in downtown Columbus, Ohio. Now it's December, it's cold and we're standing outside in a line of people around the block.

Eventually we get inside this restaurant, and it's pretty basic, and there's a real jovial big guy with a white apron in there flipping hamburgers and people are making the hamburgers to go, to order. You know you put your order in, and what you want, and it comes out the other end all freshly made and all that.

So I get my hamburger and sit down and this jovial fella comes over and, of course everybody knows Coach Hayes in Columbus, so, he comes over to Coach and Woody introduced me to Dave Thomas. Woody told Dave that I wanted to go to California and get involved in business. He said, "Jim, I'd love to have a young man like you in the organization. Why don't you get \$80,000 together and I'll sell you the franchise for California?" I thought to myself, "My gosh, I make \$5,500 a year in the military. Where am I going to coming up with \$80,000?" Of course, I don't have the breadth or thought process to think, "Okay, who can I get to join in with me? How can I do this?" It was never that. It was, "Gee I can't do that." And I thanked him very - I told him, "I

don't know how to do that, I could never do that." He said, "Well, if you can get that together, I can teach you how to do this." And I just couldn't see how to do it. I had no mentors at that time, including Coach Hayes who could tell me how to do it. Since I couldn't see it, they couldn't see it either.

Michael: Didn't you ask your dad for the money?

Jim: Oh yeah. He laughed. He thought that was funny. He said, "You've got to be kidding. Our whole estate's not worth \$80,000 at that time." So he hadn't bought his company yet. So, that was to me, my biggest negotiating failure. That fellow's name was Dave Thomas, and that was Wendy's Hamburgers for California. That could have been my franchise.

Michael: You know who has it now?

Jim: No, but it sold three years later for \$53,000,000. Three years. That quick.

Michael: How many Wendy's had he had when you were offered that?

Jim: He had about 40 of them being built as he offered it, and they were taking off. In fact, Immke, the reason he was Immke Buick, which was the funding store, was because Immke, had put a large group of investors together, and they had syndicated, they had bought up 15 or 20 states, and they were flying around in jets visiting these stores as they opened. Of course Wendy's now is a household word.

Michael: Jim, what book, or seminars, or mentor, has had the deepest influence on shaping your negotiating skills?

Jim: I can't say one. I think probably, I'd have to say my father for his straight talk. He is a straight up handshake kind of guy from Appalachia who grew up and pulled himself up by the bootstraps. I think he's number one. I think number two; I'd have to give a lot of credit, to probably Coach Hayes and a guy by the name of Art Coleman, who is also Les Wexler's partner on the Limited Stores when I first started. It's now of course Victoria's Secret type. That's the big deal now.

I probably have to give a lot of credit to Ralph Waldo Emerson's essay on compensation. That essay probably did more for me than anything. Coach Hayes forced me to read it, and once I started reading it I read it about every month or two now.

Probably studying Peter Druckers' *Innovation and Entrepreneurship* gave me the most insight to really the foundations of negotiation. The audience has to understand that I'm sitting in my office as I speak with you and I'm looking at probably 500 volumes of some of the greatest works of all times, and I've read every one of them and I've got more I'm reading right now. So it's an ongoing process for me.

Michael: When it comes to your negotiating practice or business, what do you see five or ten years down the road for your organization?

Well, I have a pretty big dream here, pretty big Mission and purpose to Jim: me. You know, I listened to the questions today Michael, and it really disturbs me that there is nothing out there solving those problems available to them, that's out in front of them. So number one, I've got to get out in front of them with what we're teaching and what we're doing because it's happening every day, and it's happening all over the world, but it's happening for small numbers. We've got to change the mindset and the way people think about how they bring about agreements, ethical agreements, Michael, long term ethical, strong standing agreements that don't cause problems, that don't get out of the court system, so to speak. I love it when someone says, "Gee, I signed this contract and I didn't realize the ramification of this clause, could we re-negotiate this?" And because of the way it was put together originally, my client says, "Yeah. Let's do it. Let's go through this and see how this will work out." That's where I want to get to. So I have a vision of a university, which is now up and running. I'm so thrilled. I hired the top neuroscientist I could find, in the world in learning, and I licensed his artificial intelligence technology so all of our content is being organized in courses to create mastery of the information. Now mastery to me means that you own it, like riding a bicycle. We've got clients in Iraq. We've got clients on the mainland of China. We've got a whole team in China. We have a team in Russia of 5 people. Lebanon, Israel, South Africa, Brazil, Argentina, Chile.

Michael: Now when you say 'team' these are clients of yours?

Jim: Yes. These are clients that are on a team, and they are actually working together. They are being coached, and they are also going through to courses and mastering the whole system so they are all on the same page all the time. They speak the same language, they fly in formation perfectly, and they're just doing some amazing work. But you ask what I see of our business? I see us making a difference to the world in the next five to ten years. I see a worldwide organization that's spreading effective decision-making and ethical dealings that are straight up and taking some of the edge off of some of these poor agreements that are being made.

Michael: Jim, what are the pre-game steps for a negotiation meeting that will ensure you present value in a win-win situation?

Jim: Michael, let's be sure the listener understands there is no such thing as a win-win outcome. Not only do I not believe in it, I've never seen it. What I do see is we are able to move our long-term aim, our mission of purpose forward. If the other party is able to move their objectives, or their purpose, forward that has to be there decision. I can't make that decision for them. All I can do is try to move my mission of purpose forward to their benefit, so I don't believe in win-win and that is a very important piece to the pie. There are critical steps, we call that the Camp negotiations management system which they won't read about in any of my books or literature. They have to study with me to learn that system. But, that is how we coach negotiations by preparing our checklist and then executing that checklist and then we also have part

So, I will run down through the points in the checklist and maybe that will stir their imagination but I promise you they won't be able to do what I am giving them because it takes a lot of studying and a lot of couching and a lot of practice to be able to do this. But we start with a mission and purpose. Webster's defines mission as long-term aim and purpose as continuing task and responsibility. So, we have to define what our long-term aim is and our continuing task and responsibility. And there can be multiple mission and purpose statements throughout the negotiation because each negotiation, each step, one bite at a time has its own smaller mission and purpose under the umbrella of the overall. That is an important thing that has to be developed. It is the giant secret to great negotiating success. Secondly, we have to identify the real problems we see that are holding us back from any opportunity for success, so whatever problem we see whether it be past performance, pricing, whatever it is it has to be dealt with. We can't allow ourselves to try to move through a negotiation by hiding the elephant in the room. That problem has to be not only identified which is very hard to do, it takes a lot of work and a lot of practice, but also to negotiate it out of the negotiation so it's gone, it's eliminated, it's fixed. Next, we have to know exactly what we want in the negotiation and that is a very difficult thing to come up with. You would be shocked. Michael, at how many people I've coached over the years who when I asked what they wanted they said, "Well, I just want the deal" and they had no concept of breaking it down step by step to get to the contract signing. I mean I have coached negotiations for hundreds of millions of dollars that have taken two and three years to consummate, so they have no comprehension of that and what they want and how to break

of our management system is a complete way to debrief to prepare for

the next checklist. So, it is an ongoing chain of events process.

that down. And then next in our preparation we always have an idea, now we don't have to have a full picture, but based on the results as we execute the checklist we have to know what we want to have happen next because that is going to be the bridge to the next negotiation if there is going to be one. So, we have to know what happens next, then we have to have laid out all of our behavioral goals, all of the statements we are going to make, all of the questions we are going to ask, that all has to be scripted out. Now that sounds like a big event like writing a speech but it's not because you will find all of the speaking points will come up as you prepare the checklist. Then we establish out activity goals: who is going to do what in the negotiation in a meeting so we have everybody on the same page. If we have one person talking on this area and another person talking on this area; they know that assignment and that is an activity goal that we set. And then lastly we prepare with critical research. Now critical research is a difficult thing in that most people run to the internet, read what is said on the internet, and they think that they know the adversary, and sadly, that is not the case. Those are our steps we take; that gets us started into the negotiation when we are preparing getting going.

Michael: All right so this next question is pretty relevant to that and it is how do you determine the real criteria of your adversary if maybe doing internet research isn't enough so that you know whether a successful negotiation is even possible?

Jim:

That comes down to your behaviors in the negotiation and your capabilities of asking the right questions in the right ways to bring about the creation of vision and uncovering hidden agendas. And we have tools to that for example we teach a thing called three plus but there are some critical points to three plus that are often times overlooked. For example, you cannot execute three plus without being a nurturing person with a mission and purpose in place so if you don't know how to do that it is going to come off badly. So those behaviors to uncover the hidden agendas and the real challenges and the real vision you want to get that's really the key.

Michael: Can you give me a little peek into the window of what the three plus strategy is?

Jim:

I had a client, a chief financial officer, and we were working on a contract in Korea in a Silicon Valley company, a big giant out there and we had a Korean adversary that was disingenuous. At least we thought he was disingenuous because in the past when we executed three plus the answers never quite came back the same. So three plus is the ability to stay around the topic and comfortably three or more times as

the adversary lays out the vision around that point. We designed in the checklist a series of interrogative questions simple short "How will that work, what will it look like?" Those kinds of things and we got to 14 plus with this Korean CEO.

Michael: Fourteen plus questions?

Jim: Fourteen plus. We stayed around the topic of the contract 14 times and the importance of the contract was the topic. And Bob actually counted the number of times he went back to it in the negotiation over a couple of hours and finally this Korean CEO said well the contract is never going to be valid because I'm going to break it within six months anyway. The hidden agenda all along was to break the contract within six months, and once he had gotten the funding, was to force my client into Korean court for the next three or four years to get it resolved.

Michael: But the 14 plus, that strategy by staying on the topic of the contract did that drive him to reveal his hidden agenda?

Jim: Yeah, exactly. It peels back layers of onion and you can't hide. It is exactly like the FBI or some of the great interrogators of the world who are able to put a criminal down. You ask them the first time "Where were you on the night of December 2nd?" They will say "Well I was at my mom's house." "And well when you were visiting your mom's house on December 2^{nd,} what did you and your mom talk about?" "Well we talked about family things and etcetera etcetera." And then "Well we are a little confused because in your written statements to these questions you said you were at your mom's house on December 1st. What are we missing here?" So lo and behold over time by three, four, ten plussing, that's what plus is all about, at least three times but more. you start to bring out the truth, you start to uncover the hidden agendas. It is not a matter of sticking around that topic until you have 14 questions asked, that's not the case. You ask early on, then you go to another problem, discuss it "Let me go back, how does it apply to the validity of the contract?" so you actually move around and come back to it and he was absolutely flabbergasted when that Korean CEO said "We are just going to break it anyway and just spend the next years in court." Bob said he didn't realize what he said. I left there and he didn't even realize he had told me the truth, what his deepest thoughts were, he didn't even know it. Of course, we didn't sign the contract and we moved on but I think that was the greatest most blatant example. And I remember the board of directors, Bob and I were in the board of directors meeting talking about this and they looked at us like you guys are crazy. You were just lucky. That was their whole attitude and of course who are we to try to sell what we are doing to them, they are the board of directors, so we just said well we

just hope we get another opportunity to do it again. We did many opportunities but they always shook their heads like how'd you do that?

Michael: Oh that's excellent, great story. When approaching big companies for the first time what prospecting strategies can one use to maximize your positioning from the beginning?

Jim:

Approaching a big company I guess the guestion is what are we approaching them for would be my question. And the key is going to be okay if we know what we are approaching them for will it be service, a product, something, no matter what it is we have to develop that mission and purpose we talked about in our preparation. In order to penetrate anywhere that mission and purpose is the secret weapon as we talked about. So by having that in place and knowing the problems. The real problem is if they don't know you that's a real problem and that has to be dealt with right up front. So for example look my purpose here today is to introduce myself, the problem is you don't know me and you don't know our organization and really what we do. And then the question is "Miss Lobby Attendant, I am wondering who I should speak to in this arena. What assistant should I go to see to introduce myself?", so it is a whole negotiation just approaching an organization like that. I usually encourage my clients; we usually do it by telephone. We usually start with the assistant of the CEO so that we find out who we should talk with then that becomes part of our negotiation. "We were directed to you by the assistant to Mister Smith the CEO, and I wonder when I could set a time to talk with Mister Jones", so that is normally the way we would begin that.

Michael: Here is a question. How do you decide what your limits are or what your limits would be in the negotiating process and what parameters do you set up to adjust your approach if the process is not moving in the direction you need it to move in?

Jim:

That is a question that again comes out of the win-win ivory tower that makes no sense to me. Again, I don't set those limits of how much I am allowed to spend. I am more interested in the vision of what they can deliver and what they will charge me for it. If they can't create the value for me in vision. And I can't see the value then I can't say that I have a price I would pay for that. One of my rules, Michael, for myself: now this is my personal self. When I have someone I am negotiating with for my company if it is a service provider or an artistical person, a person that their ability, their talents I am counting on. If they can create the vision of what they are doing and its value I always pay the asking price. I never undermine or attempt to drive their price down if they create that vision and I'll tell you why and I learned this from my

father: if you want people to be responsible all you have to do is pay their asking price and then it is their responsibility to deliver. Once you begin to cut their price or drive their price down if there are any glitches or failures it's your fault because you demanded this price and I'm finding out I can't deliver what I thought I would. So that is my personal take on it. I don't set a limit when I'm buying. I have a price when I'm selling, and my price is never compromised. Now I know the listening audience isn't going to believe that and that's okay but everything I deliver is personal talent and service and if I discount that I don't like myself. I don't feel good about what I'm doing. If I don't like myself and what I'm doing then I'm not going to perform to my highest level of capability.

Michael: If you beat someone up on price and then they relent and give you their product or service or expertise at a lower price they are losing in a way and that animosity is set and they may not deliver the value you would have gotten if you paid the regular price they were asking.

Jim:

That is exactly right. Now I am not saying to go out and buy a car and pay the very highest price. But I've got to tell you Michael, it is very easy to do research on a car. For example my wife insisted on getting a hybrid SUV from GM. First of all to help GM, all of the citizen reasons, help GM, help the taxpayers of the country recover their investment, hybrid save the environment, all of that, that's fine. She went on the internet, did her research, found out what the car normally sold for, what the list price was. And I went with her to the dealer; she said "What do I do?" I said "You know what the car is selling for around the country, and you tell them it's okay if they don't want to take this but you write a check, had them a check for the amount you are paying that is based on your research around the country, are they are free to reject that, but you expect great service, but they are free to reject that." They said "Oh no ma'am, that's a good number, we would actually have given you a little more." And she said "I want you to remember me when I come for service." So, her mission and purpose, although she paid probably 200 dollars more, believe me, Michael, when she calls service and says "This is Mrs. Camp calling about my hybrid. I need an appointment as quickly as possible to change the oil." "Please, Mrs. Camp, bring it right in, we will give you a loaner while we change the oil." So her mission and purpose was very clear and she gets great, great service and she paid them a little bit more than they would have asked.

Michael: That is a good example. I am sensing a lot of the students are struggling with how to approach someone in a negotiation. So Diane here asked before you negotiate how to you get people to hear your

proposal? How do you ask for the opportunity of 10 or 20 minutes of their time to present something of value and then negotiate?

Jim:

If you don't fit into their world why would you waste their time and what can you do in 20 minutes? I love the comment of great value to you, I only need 10 minutes, Michael, let me show you what I've got. Give me a break. If it is of great value to me how can you do anything in 20 minutes?

Michael: What they are trying to do is just get a chance to impress them with

something. Just get a little bit of their time so they can get in the door.

Jim: If you really want to impress someone all they've got to say is my

name is Betty Smith I have no idea if what I do fits in your world and if I don't just tell me because I don't want to waste your time but I specialize in this or we specialize in delivering this. What is the greatest challenge you face in this arena? Get into their world, their vision, and find out what their challenges are. But you have to have the tools, Michael, to be able to do that, now we have a whole series of what we call cold calling prospecting training that we do for people in that arena as part of our courses in the university and our training package. For every person that we call out of the white pages of the phone book with a common product that goes to that arena, we arrange three appointments out of every ten contacts and they are glad to see them. They're invited. There is no begging at all. So it is really

sad that that's being taught out there.

Michael: I was reading the press release you sent me this morning but it said it

was a credentialized study and that it was being taught at Harvard and

some of the other universities?

Jim: That is right. We are required reading at Harvard, and NYU, USC,

UCLA, University of California, Columbia, the list goes on and on.

Michael: And this is the Start with No book?

Jim: That's right.

Michael: Jim, when you are going into negotiations I don't suppose you do this

without considerable investigation beforehand. How much time and effort do you spend in research prior to meeting with all the parties? Two, do you use a research time? And three, if so how do you hire

them?

Jim: First of all, we don't use a research team, we do our own research.

Second of all we don't use the easy to acquire website research. We

don't go to a company website and read all of the well written words. We are looking for articles, we will do a lot of work in Google, but we do it ourselves and we are looking for key things. But more importantly we are constantly engaged, we engage and we are doing research while we are engaged. We will uncover things during the engagement in casual conversation. We're always on, our minds are always going, and we're always taking notes. So, our research is actually taking place as we are performing and executing in the negotiations. But again, so many mindsets out there when they ask these questions, Michael, they have a give and take mindset and they can't comprehend speaking maybe 10 or 15 or 20 percent of the time and listening 80 or 90 because they are busy presenting. They are trying to get 20 minutes to show them what they've got. They are busy arguing over what and justifying their price. It is all a waste of time; it's not what we do.

Michael: Okay, if you are doing research on a person with whom you will be negotiating a large contract with and you do this research by contacting individuals who know you are a negotiator well, what questions do you ask and why? Do you have a couple questions you would ask?

Jim:

I would like to know what kind of person is Tom. How long has he been doing what he is doing? What is his background? Where does Tom come from? Those kinds of general questions and I'll listen and I will take good notes and I will three plus each one of those. The more information that comes out, the better. I was negotiating this morning with a head of sales of an industry giant who wanted to introduce me to head of sales of another company. I said "Tell me about him." He said "Well we've been friends since fifth grade." Wow. He said "Oh yeah we grew up together." I said "Yeah tell me more." "Well we played ball together, we went to high school together, he's like a brother to me, he'll do anything I say, I told him I wanted him to talk to you." But I had all that research accomplished in 20 minutes from someone that knew him since fifth grade. He loved to study this in college, he married a wonderful girl from here, she went to this university, his major was this, hers was that, those kinds of things.

Michael: Jim, I have heard it said that your goal should be to initiate win-win negotiating. But what do you do if the other guy is only interested in win-lose negotiation?

Jim:

Well what is really sad is I have never said that the results should be a win-win objective. That is weak on its best day. That is not what we do. As far as win-lose goes, losing is up to you. I don't believe in winning and I don't believe in losing in negotiation. I believe in moving our

objectives forward, our mission and purpose forward, our long-term aim and I believe in delivering what we have prepared as a mission of purpose for the other party so I don't get into this win-win thing at all. And again we are responsible for a failed mission of purpose. If we are going to go backward, why would we even make an agreement that is going to take us backward? I would say that it is our decision to say "No we can't accept that", and so to me there is no such thing as a lost negotiation, you're just moving on.

.Michael: Mark wants to know, Jim, what is your best technique to turn things around when you are in the middle of a negotiation and there seems to be an insurmountable impasse. How do you keep going even if it

appears that your interests seem to be at opposite ends?

Jim: It's really very, very simple. I ask the other party how do we solve this, what would you recommend. If they tell me it can't be solved, what am I going to do? About the only thing I can do is thank them very much and say "Look down the road; if anything changes let's revisit this. But I'm not going to make an agreement that's going to put me back two or three years. And if we are at such an impasse, if I know their pain, their problems, their challenges and I know I can solve then. If I can't create the vision around that, shame on me. So if there is an impasse. If I know those things there can never be an impasse. The impasses come when we don't know what the real challenges are and we don't have a solution that we have helped them discover. So it is really our

Michael: Jim, I know that business is competitive but do you think there is room for a true win-win negotiation where both sides are open and honest so that they can both get what they want so one doesn't feel like they are getting screwed. After all, when you make an enemy you can't do business with them ever again so you are really the loser even though you thought that you were smart.

fault.

Jim: That is the whole myth of win-win. You have got to be a nice guy; you have got to be well liked. And therefore when you are well liked you are not creating an enemy. So we better give what they require, we can afford it this time, and therefore next time things will be better. All we are focusing on is what we want and trying to get as much as we possibly can for what we want. We are not focused on what we are delivering to them. You know there is a great story; in fact I'm in the middle of it right now, about Neville Chamberlain and Hitler. Neville Chamberlain literally gave out of a desire to be liked, a desire to not make waves; he literally tried for a win-win solution with Germany that started world war two.

Michael: Who was Neville Chamberlain?

Jim:

He was the prime minister of England when Hitler invaded Czechoslovakia. It's a sad commentary on win-win. And I've got to tell you I know from experience that during the Vietnam War all this desire to be good people, to be liked, to be reasonable if you will. The bombing halts against North Vietnam and the stopping of waging war only empowered North Vietnam, our enemy, to rebuild and gain heart from our weaknesses. And so in the situation of Vietnam we ended up in because of our weaknesses of helping to create vision of what could be. My goodness if we had gone into Vietnam into Ho Chi Minh's office and sat down and said "Look let's do this, let's talk about how we can create a much greater country in South East Asia." There was never any vision created, it was all about win-win, give and take, and all it did was created a war. So I hear these kinds of comments "can't we just be friends" I'll tell you, Michael, this is really a key. No one has a friend that they don't respect. Respect is a key ingredient not being liked. I can't get anyone to like me. I have a hard time getting my wife to put up with me, let alone like me. But respect is the key ingredient; it is the foundation to all business relationships. If I say no to one of my clients, you shouldn't do that, no I can't support that, you're making a big mistake and here's why, what happens when this happens, what happens when that happens. Even though they don't agree with me they respect me and that's how business relationships grow. We just had a situation in china where we had a purchasing agent and a sales person who unfortunately is a win-winner and wanted to give them the store. So, they actually gave them a seven million dollar discount, and thank goodness the purchasing agent rejected it because he thought he could get more. And this was on the mainland of China with a Chinese salesman on our side and a Chinese buyer on their side and they are supposed to be master negotiators. Here's our salesman giving in to millions of dollars and thank goodness the purchasing agent rejected it because we pulled the whole thing off the table. And then we went to the real decision makers and created a division of this kind of discounting that your purchasing people are demanding there's not going to be RND. What will you do when the next generation of technology is not delivered because we can't do the research and development to pull it forward. Michael, they paid full price to get that research and development done. It's really true. I talked to the engineers I said wait a minute if we give up seven million dollars of margin in this arena what are the ramifications. And one of the engineers said well we have got to cut research by 80 percent. We will never get the new technology to the market in a reasonable time frame.

Michael: So you kept it in their world.

Jim: Absolutely.

Michael: So their vision was we are not going to have research and

development on the next wave of technology.

Jim: And without that next wave of technology we are going to lose market

share. So this whole being locked into what we want and quote we want to win, Michael, that is such an emotional arena, and it's already emotional 100 percent and then you drive I need to win . I need to win at any cost. I mean I've seen sales guys come back out in the field, I've seen lawyers come back from negotiations and lawsuits and say look all we have to do is give up 20 percent of this and we've got a win. And the whole focus is on winning and it is a sad state of affairs when

people think that is real negotiation.

Michael: How and when do you know it's time to walk away from the

negotiations without an agreement? How do you know when to quit?

Jim: It's very simple. In my case, I have my mission and purpose in place,

very clearly in place, and if it's not going to move my mission and purpose forward, my long term aim, my continuing task and

responsibility for my organization then I'm not going to be able to do it

because I'm not going to move it backwards.

Michael: This seems like one of these sales techniques but this gentleman

wants to know what is the best phrase to say when walking away from the deal to get the last chance best offer from your negotiating partner?

Jim: I'll give him a phrase because it's true "I'm glad you said no to this, I'm

glad it doesn't fit, I would never want to harm you by asking you to take something that doesn't fit. If I could ever help in the future, please I

hope you will give us a call.

Michael: That's good. Okay how about this one. What do you do if the person

you are negotiating with himself is a master negotiator, what do you

do?

Jim: I have fun. It is a great, great event.

Michael: I bet it is.

Jim: I'll tell a very quick story. I had a great negotiator from one of the

largest consulting firms on the earth.

Michael: This is someone you were negotiating with?

Jim: That was negotiating for my services. He called me up and he said

"Jim, my name is Joe Smith and I've been at this now for 30 years, and I am head of procurement for XYZ consulting and you know we are probably the largest organization in the world so I'm pretty good at

this." He said "I'm going to really enjoy this."

Michael: He told you he was going to enjoy it?

Jim: Yeah and I said "Gee that's great. I'll keep my guard up" and I kind of

laughed.

Michael: When you are negotiating with a guy like this do you kind of see his

game?

Jim: Yeah it's funny, it's kind of sad actually, but I just laughed and said

"Don't worry I'll keep my guard up." And I said "But I'm kind stuck in the middle of a call on the other line and I didn't actually expect this. Can we schedule a time later today that we can get together on this?" He said "Oh sure." So we set a time. He called me back. Of course in the meanwhile I prepared a checklist. Oh yeah I did a little critical research

and made my own checklist. I had a mission and purpose.

Michael: What was your mission and purpose?

Jim: To provide them the greatest opportunity to expand their horizons in

negotiations and improve their bottom line.

Michael: Was there anything important in the research to help develop that

checklist?

Jim: They'd had two down quarters in a row, I found that out and I also

found there had been a shakeup in upper management, a CFO had been replaced and a few other things. But the point was this great negotiator was going to call me. And he called me and he was trying to

use the hammer and anvil tactic of win-win.

Michael: Give me an example.

Jim: The greatest company of the world is your competitor. Meaning so

they're the hammer and I'm the anvil, and they're going to beat me with that great competitor. So he called me and said "You know, Jim, let's cut to the chase here." And I love when people say that to me, and I said "Oh sure of course go right ahead." So of course he's talking and I'm listening taking notes. He said "Now look, we did our research, I know you've talked to a couple of our senior VPs over the last two or

three months. We've decided that it's between you and Harvard for negotiations training." I said "Gee that's really interesting but you can't hire me; you can't dare hire me. I'm dead in the water. "

Michael: You said you can't hire me; why?

Jim:

Your career is at stake here, you can't take a risk on a small company like mine compared to the greatest academic institution on the planet. You can't use me. And, Michael, here is what he said. He said "Absolutely, I've been given permission to hire either one of you." I said "Let me just ask you, why in the world would you take the risk to hire me in this arena?" And he said "Well everyone in the company knows that the Harvard stuff doesn't work." He actually said that, a world-class negotiator and it was bazaar. And he said now "Jim, Harvard is going to do this, their pricing is 400,000 dollars over a year's time and they are going to travel around the world for 400,000 dollars and do two day workshops all over the world." And I said "Well that's not what I do." I said "I teach a system and then I coach that system and I utilize the internet, the telephone, but workshop and travel are a waste of time. Now I will do the workshop as introduction if you would like and pricing I am going to have to charge you upwards of 14,500 dollars a person." He said "What?" I said "The price of coaching, it is very intense and it's very demanding and if you are just looking for workshops I just can't do that and not produce results." It wasn't even in the ballpark, Michael. There were 100 people to be trained. It was a whole different world and they hired me.

Michael: Jim, how do you reopen a negotiation when you have slammed the table and walked away saying it's over?

Jim:

That is totally emotional isn't it? And what we find is that those emotions can run wild. So what I would do is coach a client to prepare a checklist and in that checklist - of course after the mission purpose - would be, "We'd deal with the real problem and the real problem is that I made a mistake. I really didn't give you an opportunity to help me see what you see. So I'd like another opportunity. Of course you can say no and we'll let it go at that, but I'd really appreciate another opportunity."

Michael: I see a reoccurring theme. All we're doing here is getting to the truth, instead of playing the games, we are just telling the truth. And that's the most direct and honest way to go about it. Isn't that interesting?

Jim: You know there is an old saying, "The truth will set you free." And it's funny how, say the more we need to make deal, the more we need to win. Notice I said the word win, we hear it all the time right, Win/Win.

The more we set our self up for that, the more the emotions soar and the more control we lose of our decision making. It never ceases to amaze me, and yet I see it every day, people are asking me questions about Win/Win and they're buying the Win/Win books and they're trying to make the pie bigger and they are trying to figure out how to craft their fallback position. It's all gobblygook. It's hurting our society dramatically. People are losing heart. They just can't compromise enough. They can't give up enough of their salary to keep the company going because the company is giving up margin in the field. I mean it's a vicious cycle. It's an ugly, ugly cycle and I see it every day.

Michael: On the opposite end, Shawn asked: In negotiating with a business for its best terms, you feel you've gone too far, maybe a little greedy on your side, how do you pull things back from the brink?

Jim:

If I'm being a little bit greedy on my side, and I think I've negotiated an opportunity that the other party is going to fail, I will set the agenda with them that, "Look, you've made this agreement, and that's fine, but if you've made this agreement, and you find that you need to renegotiate, please come back to me. I do not want this to fail." For example, computer programming is what I can think of where a computer programmer thinks he or she can perform this, this and this at this price and lo and behold it gets there and they are not even close to have it completed. And worse, now they are embarrassed or now they are dragging their feet or they're trying to get other jobs because they can't complete this one to try to get enough money, and hopefully they'll limp along and get that one done and you suffer for that. So we set an agenda where it's open and honest communication and negotiation, because I want to get this project accomplished. So you set that agenda when you think you've overreached.

Michael: Are there any specific strategies you use in negotiating when the knowledge you thought you had, had sufficient command to be successful comes up a bit short. He said it's about impossible to be on top of every detail that comes up during such negotiations. So what happens when you come up short in your research?

Jim:

Our whole system of negotiation is a constant effort on uncovering and exposing challenges: Problems in areas that the other party may not have thought of. I mean that's our whole mission, our whole purpose of helping them discover in many cases - things they hadn't even thought of. So, our research never ends, so we very seldom come up short that way. If we do come up short, we just go back to it and dig into it if we find we missed something. So it just doesn't happen very often because of the structure of our system.

Michael: I'm trying to negotiate a deal but can't seem to get at the other party's true agenda. How do I go about finding out what they really and truly want? I've tried asking in several different ways but always come out utterly confused.

Jim:

You know, if I were coaching you, the question I would have to ask you is, "What are you bringing to this person, and how well do they see what you are bringing, and what were the last questions you asked, and under what context?" I think that oftentimes I find in my coaching arena that people are confused and therefore have confused the other side so the other side seems to make no sense, but we don't realize that we're the ones really not helping them make sense. So it's very, very important that we have ourselves organized so that we make perfect sense that helps them see what we're trying to bring to the table. Now, if the other side is disingenuous or the other side is trying to manipulate something or whatever, then you're probably wasting your time.

Michael: Jim, when you get the feeling someone is still talking with you because they are just trying to milk more information out from you, without buying, how do you tactfully and gracefully stop the conversation by keeping the door open to be welcome again in the future?

Jim:

What that tells me is that you have the habit of spilling your beans and giving information and dumping all your information on the table, and letting them pick through it and then ask you questions about things, ands you have no concept of holding your beans while you gather theirs with your ability to ask great questions, and your ability to reverse a question so you answer a question with a question. So, this question indicates to me that you don't have any concept of the tools that you're going to require to stop doing what you're doing.

Michael: He's in his world, not the adversary's world.

That's exactly right. Jim:

Michael: Jim, how should I approach a one-sided negotiation scenario, wherein I desperately need something from the other side, but I have nothing significant to offer him or her in return?

Jim:

Anybody that desperately needs anything doesn't have a lot of opportunity when they are facing predators, human beings. The first thing I would coach that person to do, Michael, would be to lower this desperate need. Desperate is never a need unless it's warfare and the enemy is closing in on you. I don't mean to make light, but it's a terrible mindset to have. Second, a lot of people on the planet love to

help people. It's very self-fulfilling to reach out a hand to help someone if you're able to clearly see what they require, and that you can deliver it, there is a lot people who will reach out the hand - again we come back to being able to create vision around what's required, and having someone receive the self-fulfilling reward of helping. So that whole arena that what we're talking about here is very doable.

Michael: Jim, now and then I've had the experience of making an offer to someone and having them immediately agree to it without any further negotiation. When this happens, I generally feel that I've inadvertently offered too good of a deal, and that I could have done better. Is there anything I can do at that point to find out whether it's still possible to negotiate for a deal that's more in my favor?

Jim:

When I find that someone takes the first deal, and you're concerned that you didn't charge enough and you didn't get enough, that just tells me you didn't think through what you really want from the negotiation. You really don't have a Mission and Purpose in place, and you really don't know what you want from negotiation, so therefore you get something and now you're self-doubting. So that's pretty simple to solve if you'll go to work and become a real student of negotiation.

Michael: Jim, I usually give in on some non-material matters to get what I want in the two or three points that really matter. I often find this a useful tactic, but sometimes I get criticism for giving too much, even if it's minor points, because they believe in absolutely maximizing their position every time. If course this depends on what you're negotiating about. What is your take on this?

Jim:

Well, my take is, you're a Win/Win negotiator that's locked in compromise and give-and-take, and that's all you know, so therefore you're stuck in that sad fishbowl that costs you money, costs you opportunity and costs you growth, and it's a sad state of affairs. It's really very damaging.

Michael: How and when do you decide that it's a good time to stall a negotiation, and for how long can you safely stall it?

Jim:

I don't believe in stalling. That's not a principle in negotiation. I don't like that world "stall." Again it's not a rule, it's not a principle of human behavior, and now I do believe in time and the importance of time while people go through discovery, and they do due diligence, and they do their study, but just as some tactic, just say "I'm going to stall here." To me that's just disingenuous; and all it will do is create enemies and dislike and kill any respect there was.

Michael: Your experience must have taught you some awesome things about selling when someone you're negotiating with is all hat and no cattle. For those of us nice guys who seem to fall for every story imaginable, could you please hare with us your biggest clues that someone is just posturing, perhaps even a tip for testing them? Thanks in advance.

Jim:

Well, I think that the whole key is that performance is everything. In fact, I've had dealings with an investment banker who was going to have documents for a client on Monday, and then on Wednesday, still no documents. And then a call to them on Friday and, the lawyer has been so busy, and then they'll absolutely be there next Wednesday, and I hope that your listeners start to see the pattern. It becomes very clear very quickly that it's all hat and no cattle, so it's time to break, it's time to move on, it's time to let that go and move on and do what I call a fade away. Just move on and find another investment banker to talk with.

Michael: How is the best way to handle a standstill situation, where both sides are unwilling to shift or move from hard point?

Jim:

If you'll take the more negative position, meaning for example, "This isn't going to work, we're stuck here. I just don't see this coming together, no matter what we do. What are your thoughts?" So by making that negative statement and moving the pendulum to the negative, you'll find that if there is going to be a solution that will get the pendulum started back and forth. Either something is going to resolve itself or it's going to fade and it's not going to happen. So there are a lot of resources that could be saved by doing that. But you know, Michael, I want to make one point to the listening audience here:

Everybody is looking for a tactic, everybody is looking for what to say, a line, a guick fix, and I'm really concerned because I don't want to answer these questions and do a disservice to you, the listener, by letting you think that I live in a world of tactics and tricks. I don't. I know what a tactic is. A tactic is something you do in your activity or behavior that takes advantage of an adversary. And I learned that flying jets, but I also learned the principle always defeats tactic. The principle rule of law always defeats any tactic, and so I try to the very best of my ability, to apply our system, which is made up of those rules, principles, laws, and we don't get into tactic. We are really truly kind of commonsensical and very straightforward, and we are interested in long-lasting agreements.

We are not interested in arbitrating agreements or mediating agreements or lawsuits. We just don't entertain that. So we find that those principles, laws and rules, when you adhere to them in a system, you don't have these challenges that are coming out in a lot of these questions.

Michael: Mike asked, "Is it really true you should never make the first offer?"

Jim: No, it's absolutely not true. There is nothing wrong with making the first offer. You just have to be able to create vision around that offer so that the adversary can see it in that emotional arena, and decide to

embrace it.

Michael: One of the techniques that I have been told works well is always agree with the other party and then ask them a question about the topic to bring them to your side in a progressive way. Have you used, or had

any success with this?

Jim: No. I've never used it to success. I've gotten killed with it when I was young. I found it to be one of the most terrible things I could do, is to agree with someone – of course I'm not going to slam them either and say no I'm don't agree with that - I don't use "No" that way, but I might say something like "I'm troubled."

I've learned in my old age to be more nurturing. "I'm troubled I can't see this, you have to help me see what you're trying to help me see here because I'm not seeing it." But just agreeing and the psychobabble of agreeing and then asking a question and trying to steer someone and guide someone; that might work for selling hairbrushes at the door with a lady, but it's not going to work in sophisticated negotiations where you're really out there in the big game.

Michael: Jim, they say that the first one to mention a number, or a price, or a budget, or an estimate, is the loser. I seem to be running into people who absolutely refuse to give me any idea what their budget is. What

they expect to pay, even in the ballpark. Whatever I throw out they say, "Well write me up a proposal and give me your best offer." I end up coming away thinking they'd be hard pressed to come up with \$20 for \$2,000 worth of work. There are a lot of folks who have very unreasonable expectations and I hate wasting my time jumping through hoops for these people because they won't even give me a hint of what they are looking to spend. It's always "I just need a little more information from you." What's the best way to deal with

situations like this?

Jim: Well, this is a classic case of spilling your beans and never getting into their world. I would have to ask you in as kind a way as I can ask you,

"What do you know about them? What do you know about their

challenges? What are they trying to solve. You're worried about price and putting out the first number. Why would a number even be involved until you knew the scope of what they were trying to accomplish?" I don't have a problem with the first number if you have a full range and full picture of what they are trying to accomplish stepby-step. The more in depth that picture the easier it is to come up with a number. And it's also easy to help create vision around that number once you have their vision. So it sounds to me like you're not doing any of that and that's really sad.

Michael: Jim, I feel an important negotiating strategy is to show respect to the other side and not make them feel they are in danger of losing face. What are a list of substitution words you use to soften the dialogue from confrontational to rapport elegance?

Jim:

What we teach is; we teach every behavior that we can possibly apply to lower the emotions and bring about a comfortable reaction to the other side emotionally. A lot of times we can be pretty antagonistic even with the sound of our voice, and the speed of our voice. So we teach, "Slow down, go down." We teach, "Not okay on purpose. Sit back. Struggle. 'Let me get this question, I want to get this question right.' That's an example of 'struggle'." We have a lot of behaviors that we build on to allow that emotional quadrant of the other party to react in such a way that their decision way is enhanced; it's not inflamed by arrogance or aggressiveness.

Michael: So is, "Sit back" a physical thing you do in the negotiation?

Jim: It's literally - Sit back, don't move forward. Relax. Listen attentively. Take great notes - All those things are very, very important.

Michael: So there are some physical elements that you're teaching within your system that can have a subtle influence in the negotiation which are non-verbal?

Jim: What we're doing here is, is what we're trying to do is take the pressure off. We're not trying to read what they're doing it. And we don't even expect them to read what we're doing. But what we do, the whole idea here is – the whole concept – is confidence. Relaxed confidence, because for every action there's an equal and opposite reaction. So for example if you're sitting down with someone who is tense, it is very difficult sometimes to not become a little tense yourself. So we work very hard at not creating that tense environment, that confrontational environment.

For example, just saying the word, "Why." "Why do you think that, Michael?" That's confrontational. That's insinuation with the elevated voice, the aggressive voice, and the word "Why", it's insinuating that you might be stupid, and so therefore, you have that and it's a confrontational issue that we want to avoid, we don't want to go there. We want that nice calm lake to cruise on here so effective decisions are made on both sides.

Michael: In every negotiation, there comes a time when it is clear that what you want and what they want are not the same. How do you get your position out without risking the deal, while at the same time not giving up anything you don't have to give up?

Jim:

Here we go again with that, "Giving up what you don't have to give up." That's collective bargaining and again it's got to be very frustrating for the folks out there, Michael, who, those are the only tools they have because that's just literally holding them back from some wonderful opportunities out there. In context of how that question was asked, I'm envisioning someone saying, "Look I want this service in place for \$1, and they want the service in place for 50 cent. We're at an impasse." I ask the question, "What is the service and what are the challenges for the other side the service is going to solve?" So how did we get to an impasse if we don't have all that information because if they clearly see the service is delivering \$3 of value, and they are only willing to pay 50 cents, then we can't deliver it to them, so if we can ever help in the future, please let us know. I mean we can't go backward on our Mission and Purpose. I struggle sometimes, because I'm trying so hard to fathom what the mindset is on these dealings.

Michael: Here's a question from someone who's read your book to start with: Peter asked, "Can you demonstrate, Jim, an example of an interaction where you bring out your adversary's vision of their pain and use it to Three Plus it with them."

Jim:

A client of mine had twin daughters that were born, and one passed away with a heart defect, and the other, her heart defect wasn't quite as bad as the other, and I remember negotiating with Bob, and trying to really be sure I had Bob's pain, his challenges, what he saw, and he was so emotionally terrified around the transport of his daughter to another hospital for treatment, that was so critical, and the more I asked about that, and the more vivid the vision became. I said "Bob, it's very clear that you see this terrible act of transporting this infant across town and what is it that they provide that would make them want to do that?" So we talked about this and eventually I said to Bob. "How do you know what you think you're seeing is real?" And we stayed around that two or three time and finally Bob discovers, "You

know Jim, I'm making the assumption I don't know." I said, "Well why don't we do this. Why don't we negotiate with them and tell them we're not allowing Sophie to be moved because we're terrified of the move, and think that she should stay here. So we're going to say no to the move, and then let them show you, and demonstrate to you all the importance and all the things you don't see or don't know what to ask about so that all your concerns can be uncovered." And we did, and they did and now Sophie is a 14-year old teenager having a good life.

Michael: Jim, are there ways to phrase your questions so that the words slip under the radar, thereby advancing your cause without raising their resistance?

Jim:

Well, I think the real key here is to develop the behaviors that bring about the discipline of shortening the question, making it more concise. We love to hear ourselves oftentimes talk, so how will that work? What does that challenge look like? What is the challenge? How will it fit? Where will it apply? The more of that we can do, the more comfortable the exchange. It's not so much slipping under the radar as it is allowing the comfort of envisioning what they're seeing or maybe what they haven't seen that you can help bring out that they can see; that can be solved.

Michael: During negotiations, I often find it beneficial to acknowledge and/or identify a negative such as, "There's a potential with negative publicity with moving forward with this deal." Sometimes I feel this works great and other times I'm just not sure. Any ideas or comments on a better tactic?

Jim:

Again, my problem is, you're never going to climb the ladder with tactics. To think of things like this as a trick or a tactic that works sometimes and doesn't work others, I'm only interested in the behavior, the activity, the rules, laws, principles that work every time to keep you on track.

I'm at a quandary here to come up with bringing up – it either does have the potential for negative publicity, or it doesn't - and if it does have a problem with negative publicity, that's got to be negotiated out. That's a real problem. You just don't throw that up there is a tactic. And if it's not true, you can't bring it up either. You'll eventually destroy the business relationship. So the question I have for the person asking the question is, "Is there really a chance for negative publicity and if there is, what brings that negative publicity about and how do we solve this?" So to me, that's the real question.

Michael: What is the most important mindset to have when you're negotiating

something critical with someone who you are sure is not going to want

to give up anything?

Jim: The only mindset I can tell you to have is to blind slate, which we

teach.

Michael: What does that mean?

Jim: That means to blank toe mind like an athlete getting ready to hit a

baseball or a pilot getting ready to shoot an approach into a very weather-enshrouded runway or Captain Sully landing in the Hudson and blanking his mind, putting all the distractions aside. But that really won't help because the mindset is already there of give and take. And give and take is actually one of the weakest negotiating mindsets in the world because it's all filled with compromise. So the only think you can think of, the only tool you have in your toolbox in that mindset is compromise, and unfortunately, the first thing you're going to do is you're going to think of is compromise, but the last thing you should think of is how to not compromise. I mean there is all this mindset that comes ahead of thinking of, "How do I not compromise here and deliver what I've outlined if I can deliver my Mission and Purpose?" So unfortunately you're trapped in that weak mindset of give and take and

win/win.

Michael: When negotiating with a committee or group, how do you bring them back around when one member starts asking about what I consider

trivial things to avoid making a commitment. Here's an example. I often get fundraiser type programs. After giving them my best offer, and concessions, one member will start asking things like, "What if we only sell X number of units?" When I have already stated there are no minimums, or about start dates, etc. When I'm looking at this point for a simple interest or not, this often leads to a long session of others

asking more trivial questions and having it tabled.

Jim: Well, I have to tell you that in another life I participated in fundraising,

back in the early 1970's with high schools. It was one of the things I did as a young person coming off active duty, and it's one of the reasons I developed my system of negotiation. You are exactly backwards. Why would you give any concessions? Why would you show any demonstration of products or services or whatever it is you are asking the kids to go out and market? Why would you do any of that until you found out what they are trying to accomplish? For me to the board members, what it is they are hoping this project will produce, and what is required of it to produce and what impact you want to have on the neighborhood? Then put your ideas together and a customized

program that you propose to them. You're backwards at everything you're doing and you're creating the situation where you are creating objectives because they didn't hear what you said. You gave concessions they didn't hear it. You gave no limits, they didn't hear it. You should have limits on them. You should make it a real project where they really have to dig in and go to work. You are backwards in everything you're doing and in order to fix that, you've got to change what you're doing. Doing the same thing over and over again and expecting a different result is insanity and so it is important to be able to change.

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Let me give you an example of getting it right? One of my greatest achievements is I owned a fundraising company and we were looking for another product that really class product to take to schools, and I had out of the blue, called Nabisco Brands and Upper Saddle River, New Jersey. Unbeknownst to me they had purchased 10 or 12 of the finest cookie companies in Europe who had these cookies in tins, these beautifully crafted painted tins (this was back in the 70's).

I want to Upper Saddle River to negotiate getting the ability to use the Nabisco brand's label on all of our materials, advertisements and sales kits for our students in the schools, and I made a mistake. I had all my documents with me, all my information with me, I had everything I needed with me in the car, and I left my briefcase in the car and got all the way to the gate of the airplane – the airplane was boarding – without my briefcase, and I thought "Well now what do I do?"

So I got on the airplane went to Upper Saddle River, New Jersey, sat down in the boardroom and talked with the powers to be, and I said, "I have to apologize, but I left my briefcase in the car in Columbus, I was so excited to come and visit with you, and I guess the way I'd like to start the meeting with you is, why would you consider a small company like mine to have the opportunity to market and sell Nabisco cookies?" and that's where we started. I didn't present anything. They said, "Well what would you have to do to do this?" and I said, "I'm going to need inventory, but I don't have my numbers with me but I can call you and give you those." And I said, "But more importantly I'd like to have permission to use your trademark in schools to help market the cookies." They said, "That's not a problem, we can take care of that." I got everything I want and I had nothing to show. So I was in their world discovering their challenges, their problems, and that's what I'm asking this person who is fundraising to do. What is the problem for the

committee? What are they trying to solve? It's phenomenal what you can do when you have a system.

Michael: Jim, your negotiating concepts are gold. This question deals with inertia. What are some of your better ways to get the other side to be open to new or different ideas who are dissatisfied with their current position? And, don't tell me to Start with No, just kidding.

Jim:

One thing you'll find with emotion is there is a pendulum that swings back and forth from positive to negative and from negative to positive, and in order to get the pendulum off the zero status quo, you're much better off starting off in the negative because it's safer. It's actually safer and it's more comfortable because it is negative, believe it or not. Because the person in the status quo can see the negative and feel okay; but they are fearful of the positive because the positive indicates change. I would coach to craft a checklist, again, with a problem in the negative and hopefully begin to move the pendulum into a position where it would fulfill our Mission and Purpose in a slightly positive manner so that one will look at it. That would be what I would coach.

Michael: Jim, to me a sales conversation is all about getting to their pain through my prospects eyes and showing them how my service would remove that pain, so that they can get to the outcome they really want, while negotiations seem to encourage compromise, which would mean that even before the sales conversation begins you'll already be making certain assumptions about what the prospects want, which is usually a discount, what is your take on this, and what do you think would produce better results?

Jim:

First of all, we teach no assumptions. Second of all, compromise is not in any of our checklists or preparation. Third of all, we don't have a compromise mindset so we never make assumptions and we never plan on compromise. So I would recommend strongly that you get a system that does not include compromise and assumptions because it is going to continue to eat you up over the long term.

Think about this: What is the first thing that happens in an organization when things get tough? With a compromise mindset, the first thing they do is they start compromising in their agreements in the field, so the margins go down; and the second thing they do is ask the employees who have a compromise mindset to take a pay cut.

So here we have lower margins, lower pay, lower morale, and no one plants their feet and negotiates with vision and decision to work to hold those margins. It's almost like a self-fulfilling prophecy of destruction. I see it time and again, Michael, I see it every day.

Michael: After you've negotiated a deal, how can you avoid the other person feeling that they could have gotten a better deal? Sometimes people

feel we agree too guickly and they should have offered less?

Jim: Michael, it's that age-old story of "If I'd have just hit one more home run, I'd be really happy with the game." It's just amazing to me. When

you prepare properly and you know exactly what you want, and you achieve it, there is nothing more to say. But when you have a compromise mindset, and you have a floating target because you don't know how much you have to compromise, but you do have to compromise because that's all you've got. The only tool you have is compromise. It's like playing poker. It's like gambling. It's like bluffing, and so, "Gee, I got the deal, but maybe I could have gotten more if I had just fought a little harder, I could have given up less." That's all weak on its best day of negotiation. Not only should you get what you want, oftentimes you find in our system they'll give you more than you

have to compromise.

Michael: What would you do in the situation when the other party won't alter their price, and they're not too keen on taking any add on value items?

For example, buying a car, offering an item of value, example tickets to hot concert or something similar to entice or bump the deal over.

had asked for. It's a sad state of affairs when you don't know really what you want. You can't set a target because it's moving because you

Jim: Once again, you're talking about putting in a box -- negotiation is a give and take mindset is coming out. If the price for the car is \$1.00 and

you want to add whitewall tires but you want them for free, then anticipating they have a compromise mindset, and that they want a deal, and they want a compromise. And when you run into a true negotiator that's not playing give and take and is not playing collective bargaining and the price is the price, then you have to be able to create vision around what you are going to bring to the negotiation that will help them discover that they should work with you, and meet what you're trying to accomplish because of what it's going to bring to them long term. But to just basically expect compromise and expect to add

on, that is a very weak negotiating position.

Michael: How do you offer a false close, to see if the other side will go for

something without really committing to it? Like what words or phrases

are useful for that?

Jim: I have no such phrases or use for that. That's disingenuous, that destroys business relationships. People don't want to have to put up

with that or deal with that. You're really not welcome back when you do

that, so I know of no idea why anyone would do that. That's a very weak negotiation tactic.

Michael: In a negotiation, how do you determine what the other party really wants from the transaction? In many situations, a person may not feel comfortable revealing his or her true intentions or needs, so how can you get past that barrier if it comes up?

Jim:

You know this is really important question. Very few people on this planet really can tell you exactly what they want. It's a very difficult thing to know exactly what you want. You might get close to it a lot of the time, but until you know what the possibilities are it's hard to know what you want. If you think about how many times, "Oh my goodness, I didn't know I could get that. That's what I want. I didn't know that was available! That's what I want." So the patience, the behavior and the system that helps people discover what they want in a comfortable fashion is invaluable, and so that is really the key is our ability to help do that and to help bring that about. So that's a very important factor, those behaviors that facilitate people comfortably discovering what they really, truly want.

Michael: Most of us understand that in negotiating, the other party wants a better deal and as such we put in a buffer increase in price, whatever that is meant to be given away to the level that we ourselves want. What is another much better way of compromising and deal making?

Jim:

I don't have any other way and I'll tell you why. Because once again, here I am facing – and I face this every day – with weak compromise based mindsets and this whole emotional arena of winning and losing and this whole idea is if I bump the price up, they'll think they won. They'll be happy and I'll be happy so I get everything that I want. To me, that can't add to that because it's a tactic that I don't deal with, but it's sad because it's so weak.

You know, if you can create vision and help people discover what the challenges are, what the pains are and what they are up against, they'll always pay more than you ask if you can really paint that vision and help them see that and then deliver the solution, they'll pay more than you ask.

That reminds me of a story my dad told me when I first started in the business Michael, it was kind of interesting. He said to me that there were two bums sitting on a park bench, and they had just woken up from a long nights winter sleep covered up with newspapers and the one bum had found a butt of a cigar on the ground and he was lighting it and he said, "You know Bill, one good thing they can say about us is we always have the lowest price in town." And that's exactly what leads to failure it is this collective bargaining mindset and winning at all costs and compromising. It's a sad, sad mindset to have.

Michael: When asking open-ended questions to gain information, what is the best way to stop the process from getting bogged down in social conversation? Could this simply be my problem in not focusing and planning well enough?

Jim:

Well, I think you really hit it on the head. That's a great observation on your part. Ninety-nine percent of the challenges we face in negotiation we bring upon ourselves, even with our behavior and activity and you're exactly right. The preparation is wanting the fact that you call an open-ended question.

There is no such thing as an open-ended question. There are interrogative questions. That's part of the English language that we can identify. I can't tell you how many times I've been in front of people and they say, "Well let's ask an open-ended question. Do you think we ought to do this?" That's an open-ended question. That's not an open-ended question, that's a verb-lead question and that brings about three possible answers and one if them is a very valuable answer. One of them is absolute danger, and the other one could be danger if not handled properly.

"No" is the very best answer out of that verb-lead question. "Maybe" it's terribly dangerous, almost destructive and "yes" could be dangerous. And if you don't know the answer to asking that guestion prior to asking it, you are in real trouble. So you've hit it on the head and all of that whole arena is what you've got to master.

Michael: Jim, at times, I can undervalue the true worth of my services. What can I do to create a strong bargaining position? Two, I have always sought to create win/win situations in my life by trying to see things from the other party's perspective. As a result I find myself, at times, over giving to maintain the relationship in a personal situation I am currently facing. I once read that in a negotiation I really shouldn't be concerned about what the other party wants or needs, I should only focus on what I want or need. I have a difficult time doing this but at some level it makes sense. What are your thoughts?

Jim:

This is very difficult to say, but you are trapped in the quagmire of gooblygook. The whole negotiation is driven by the vision of the adversary, the respected opponent. It is absolutely critical that you know exactly what you want, but the whole negotiation is driven by their world, their visions and their decisions. Now it's your job to

influence; now you can't convince, but you can influence. You are exactly in the wrong place, and you need to develop a system that's valid. That is the best answer I can possibly give you. That's as straightforward as I can be.

Michael: Jim, what's your suggestion for dealing with labor unions that hold a large degree of power in a negotiation?

Jim: Well, I've coached labor negotiations on both sides and I have to tell you, there is no such thing as power in a negotiation. That's a myth. That is a self-induced emotional state. When you think someone else has the power, you're putting your self in a fearful position and it clouds your vision and it has a negative effect on the decision-making. I've been on the side of management where management had, according to the newspapers, and according to a lot of people, were "over a barrel" by labor, and we got pay concessions, and we created vision about the importance of those pay concessions and the job security of the union members.

On the other side of the coin, I was on the labor side where we created vision of value and the importance of the standard of living for the families, and the healthcare of the families and the performance of the duties that were very valuable. So it all boils down to the creation of vision and how we're seen. But there is no such thing as power. All that does is heighten the emotions and creates fear.

Michael: Jim, I'm a chiropractic physician with twelve years experience. I give recommendations to patients based on what they need, and not what they can afford. For example: Pain relief for a few visits, or corrections over several months. What is the best way to give options that don't overwhelm the patient but still allow them choices to give them help? In a written sheet with recommended services listed line-by-line item, or just a case feed given verbally across the desk?

Jim:

Well, I think there is a combination here - the key in that whole arena - there's a combination, but the real key is, that combination has to create vision so that the patient has a clear vision of how that pain relief can be administered and what that will do for them. They have to be able to see themselves walking clearly without that back pain. It's all got to be out there where they can see it. If you can paint the vision of what that pain is now doing to them, and when that pain is taken away what it can do for them, you'll be providing a great service. I believe truly that is a combination of verbal and a combination of written. I wouldn't be surprised if your state rules and laws don't require written anyway. It may also involve video. Video can create vision also, but that's the key.

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Michael: Hi Jim, I have a question about recruiting new salespeople for insurance; also it could apply to network marketing. You talk about, in your book, about not being needy and being in the other person's world. How would you frame a recruiting process to not be needy in your interviews?

Jim:

I would get in their world immediately and find out what brought them here. What are your thoughts on you deciding to come here? Where are you trying to go? That whole arena is a very easy arena to develop to get into their world because they are there for a reason. It is a matter of simply having the tools to be able to ask questions to get there fairly quickly.

Michael: Jim, I am a commodity manager. I'm on the body side for a Fortune 100 company but often have very little leverage with suppliers due to our division's low volumes, uncommon suppliers from the rest of the company and high volatility in the electronics market. My question is what is the best way to negotiate when you have very little leverage and the other side knows it? I've queried numerous negotiating experts and rarely have gotten a satisfactory or helpful answer. I hope you can help. Best regards, Ryan Campbell.

Jim:

Well, Ryan, on the buy side, it's simply negotiation. The challenge you have, Ryan, is somehow someway you believe that there is such a thing as leverage in negotiation and there isn't. There is no such thing as leverage, there is no such thing as power. There is only vision and opportunity and decision. So you have to have the tools to be able to create vision for the suppliers of what the opportunities are for them within your organization.

As far as commodities go, I want to address that word also. For your sake, you have to realize that you are not a commodity manager. You can be a buyer, you can be a purchasing agent, but commodities, you do not deal in corn, you do not deal in white, petroleum, hog bellies. Those are commodities. What you're dealing with in the electronics world has features and benefits, some better or worse than others. So it would also help you to get rid of that mindset of commodity, but you must learn how to create vision of opportunity for your suppliers, and when you do that you'll find that they give you discounts that you didn't ask for.

Michael: Jim, I come from a nursing background and always struggle to communicate effectively with patients when they don't want to take their medications among other things. The thought of someone being hurt or dying because of my inability scares me. How do I remove the fear? How can I negotiate a quality result?

Jim:

Your ability to create vision of consequence. Your ability to negotiate agendas. Your ability to bring about agreements is a critical tool that you've got to have in place. You are in a life and death situation so those are tools you've got to develop.

Michael: As a person who is working in the music industry, I often feel that I am not getting a fair shake when negotiating music deals. I feel like people make you feel bad or lucky to have a chance. I cave under the pressure because I know getting paid is not guaranteed. How do I continue pursuing the finer points that make a difference to me financially while putting their concerns to bed, ultimately coming out on top?

Jim:

What's happening to you is again you have a win/win compromise mindset. You're completely in a fearful mode, therefore you really have no system o really deal with the tactics that they are throwing at you, and those tactics are always easily defeatable by principle, and they are always defeated by rules and laws, but unfortunately you don't have those organized in a system. So until you get a system to do that you are trapped in that arena.

Michael: Lately I've been helping small business owners sell their businesses to third parties. How would you deal with small business owners that already think they are expert negotiators? It seems that entrepreneur types are so used to going it alone that many have trouble taking advice when negotiating, even to the extent of screwing up a deal.

Jim:

Let's face the real problem here. In order to break through people like that, they have to discover "Oh my goodness, this person knows something I didn't even know." So you're going to have to get that before you can expect change.

Michael: I negotiate with personal injury lawyers for a living. Most of the time it is an adversarial relationship and many times I am well aware that my position is not as strong as the attorney I am negotiating with. What is the best way to negotiate when you know you have a weaker position than your adversary?

Jim:

If you're negotiating with personal injury attorneys, then I'm going to take a guess that you're working with an insurance company, and how you cold have a weaker position dealing with injury attorneys when you have the money is beyond me. That is all an emotional arena mindset that you're carrying around, and honestly, it sounds to me that you're

playing that world of give and take, and the question I have is how do you help the attorney discover, how do you help them see that the solution you're offering is timely and effective, and that to go down any other path is a very reckless thing to do for the client. So you're stuck in that collective bargaining, win/win, pie is bigger mindset. So you've got to get out of that and get into a decision mindset.

Michael: How do I negotiate with my son without sounding like a dictator?

Jim: That is a great question and I think if I could ever get this across it would be very, very helpful. I think it's important that you influence your son so he has a vision of the value of what you're trying to deliver to him.

I tell a story all the time about one of my sons. I remember it is a fun story. He came home from third grade and said "Dad, I'm not going to school tomorrow." Now this is a youngster that was an A student and a wonderful student. I was fearful that maybe he was being picked on. Now he's a pretty tough kind, but I was fearful that something was going on at school, and I said, "Well why wouldn't you want to go to school?" He said, "Well, Jimbo's home from college..." this was in May "...Jimbo's home from college dad, and we don't get to see him, and I don't want to school tomorrow. I think I want to go to work with Jimbo." And I said, "Okay that's great, why don't we pack a lunch and have you go to work with Jimbo in the morning, he's working in — probably will work here on the ranch, and so you can pass up lumber to him and you can work with him all day. It's only going to be 95 degrees here, and you're going to have a great time."

Michael: Jimbo is his brother?

Jimbo's his big brother and this is a third grader. Jimbo is a college football player and little brother wants to be one. And so, Bryan gets this vision that it's going to be really great, right, and mom packs a lunch and off he goes with Jimbo. We let him miss school that day. He went down and at about 12:00 he came dragging up the driveway, and said, "I think I'm going to go to school tomorrow."

Michael: That's funny.

Jim:

Jim:

He's discovered it would be more fun to be with Jimbo after Jimbo gets off work and jumping in the swimming pool than be at the workplace all day. School is a pretty cool place to be. So that was a discovery process. But the ability to help these kids discover where they can go, where they can be and what they can do.

I know my oldest son, Jim – I was a pilot in my other life, and when Jim was a youngster, he used to see me fly the jets around the pattern at the air force base I flew at because our house was close enough to where the fighters flew around the pattern and I'd fly over the house. I'd give him a call and tell him what time I was flying, and between such and such time we'd be in a pattern and I'll rock my wings. Jimmy and all his little buddies would see me rock my wings.

Deep in my heart I wanted him to be a pilot just like every dad does, but I also knew that it was dangerous arena, so he had to want to be there, so I just never really played it up and never talked to him about it.

One day in college he called and said, "Dad, I just went to the U2 concert and a flight of four fighters just came through the stadium, and I realized I want to be like you, I want to be a fighter pilot. But that was in college, and so you always hope they have that discovery. But that discovery, that vision, is what is going to be the driving force. So when you're dealing with children, if you can create that vision that's very powerful.

Michael: Yes. Those are great stories, thanks for sharing. Jim, I'm bidding on a big contract for the first time and I've found myself facing a seasoned negotiator complete with their legal team on their turf. It was supposed to be a technical clarification and I was not aware that it would lead to nitpicking about the contract specifications. How do I go about skirting the issue they raised, when I am not fully 100% with the legal aspects of the contract? I don't have my legal aid with me.

Jim:

You're living under an agenda you should not accept. You know agendas are required to be negotiated. If you went to a meeting and they changed the game on you, it's perfectly within the bounds of human dignity and human responsibility that you not engage without your legal counsel dealing with lawyers. You don't go into a legal meeting without a lawyer for goodness sakes. The problem is you didn't negotiate the agenda or they tried to change the agenda on you. There is not a thing wrong with thanking them very much but you weren't prepared for a legal meeting. You were prepared for a visual high altitude meeting to look at the challenges the contract solved, but to nitty gritty the contract, you're not prepared to look at or bid on. So that's a perfect example of saying, "No" and rescheduling.

Michael: Jim, here's a quick background. I'm looking to bring a group of doctors into an investment. Most of them have little or no business experience. Some of them have been watching shows like Shark Tank and think that because they bring money to the table, they should be able to

make onerous demands. They missed that people on that show bring money, know-how, contacts and a team to the table. How would you suggest negotiating with people who have the money you need but are not knowledgeable enough to properly negotiate with you and need you to educate them in the negotiating process?

Jim:

That all boils down to having a system in place to removes all those barriers prior to moving forward. A lot of that is agenda, and the reality here is the problems you've outlined have got to be negotiated out first. I mean the fact that someone brings money to the table but they don't bring expertise, they don't bring contacts, they don't bring a team capable of marketing and selling and developing and engineering, all of those things. But also, shame on you for just going for the money. You really have to have a Mission and Purpose in place when you're going out for funding. What is the real mission, what is the real purpose of where you're going? What are you delivering to the investor? What are you expecting the investor to deliver to you? If it's just money, be quiet and sit in the corner, they need to be aware of that, and that has to be negotiated. So I'd strongly recommend that you have that figured out and in place before you move forward with anybody with just money. They should clearly be aware that, that's all they are going to be able to do, just sit there and watch.

Michael: Hi Jim. I am interested in knowing how you would handle a situation where more than one company is competing for a contract and you want to outbid the competition but not give away the farm. How would you attempt to find out what would close the deal and lock out the competitors?

Jim:

Well first of all, I wouldn't. I'm not concerned about competitors. We do hundreds of contracts every year or so worth four or five billion dollars, and we never worry about the competition. As far as bidding goes, we don't. We always anticipate full price because we can create the vision of what we are delivering and what's coming down the road, the whole encompassing package. What we're doing, and all my clients that have a special benefit and differentiation from "competitors" so we don't participate in negotiations the way you are discussing.

Michael: Jim, after reading and listening to your awesome material, when I start talking or negotiating with some I don't really trust, what should I say when he starts with "Will this be a win/win deal?" Especially when I know that he's not really thinking that?

Jim:

You know, I'm not big on tactics and "you say this and I say that, and then you say this, and I'll say that." But I love it when someone says to one of my clients who we are coaching and who has a checklist and is

armed and prepared, I love it when they say this will be a win/win deal and we say, "Well that'll be up to you because we don't play win/win." We move the Mission and Purpose forward and we try to provide a Mission and Purpose in their world that delivers everything they are looking for and our price is our price. So this whole thing of these tactics and what do you say and etc., I would probably coach my team to not pay much attention to any of those comments. So, I'd recommend that you dig into real negotiation skills and systems, and if you can flush win/win and compromise mindset, you'd be far ahead.

Michael: Hi Jim. I bought Start with No in 2003. I listen to your send off interview over, and over, and over. Both great. Question, I've used your methods successfully. Some clients want a contract, others don't. Most of the time this works out. There is a thin line between trust and agreements. When should I insist on a contract? At times I've trusted too much and lost out on the deal.

Jim:

If it's a pattern of losing out on the deal because you don't have a contract, then you probably should have a contract, but it always boils down to: Will you defend the contract? Will you spend the resources it's going to take to defend the contract?

Contracts have two or three purposes, one of course is to get paid, it's also to lock in commitment, and it's also an outline of exactly what's being delivered, on one hand. On the other hand, I would just ask you, if you had a contract, and if they broke it, would you use your resources to defend it? That's always the litmus test.

Michael: I'm curious if your negotiation training is only for one-on-one sales situations, or can it be used in selling one to many. Like, for instance in a seminar or webinar?

Jim:

Absolutely. I've spent my whole life selling to many. So yes, to answer your question, yes it's absolutely required to sell to many.

Michael: Jim, I've enjoyed learning about your negotiating style. However it seems to take place at a high corporate level. Can your negotiating techniques work for just selling consulting services. How could a consultant employ your methods to gain a client?

Jim:

If you really think about what you've asked, you'll find that I started in 1987, talking to individual people and individual jobs, and right now, today, we are coaching a Tombstone salesman in Alabama, an individual person.

We are also coaching individual consultants as well as large consulting firms, so that's exactly what we do. I can't imagine how you could be very successful as a consultant if you didn't have these tools and didn't have ownership of the tools.

Michael: What advice would you give people looking for jobs regarding negotiation in this soft market? The temptation for some of us to think, "Grab whatever they offer or they'll choose someone else."

Jim:

It's interesting to me how many people don't take stock of what they bring to the game, and they don't have confidence in what they bring to the game. The emotions are running wild when the more you need, notice that word need. The more you need, the more of the heightened emotions, and the more fear of failure sets into the emotional arena where decisions are made. It's not even recognized by the masses that people make their decisions emotionally 100% of the time. Envision drives those emotions and decisions. You've heard of the term "In the mind's eye of the brain." That's the emotional side of the brain where decisions are made. So your ability to create vision of what you bring to the arena is critical to the opportunity to negotiate and discuss your value or your future value.

For example, I just helped coach a negotiation for a job, actually a career move, and it was very interesting because the vision was created of past performance and future performance, and a vision was created of this ownership of this system of negotiation that brought about the current accomplishments and the current job that would move them into this other organization. They were actually working while they were going through the interview process. They were being recruited, and the other party doing the recruiting actually had a vision that this was a person they needed to bring on board, so they actually made an offer that almost doubled the income of this person to get them out of where they were, and into this new opportunity.

That was nine months ago and that person has been promoted twice since, simply because they had a system and they helped the other party see the system and how it worked, and how they were able to perform the way they were. So it's how you create division.

Michael: When dealing with supermarket chains in our particular area, we find that they have a long-term supply agreement with our competitor who they have been dealing with for a number of years, and are unwilling to purchase from alternative suppliers. Their current supplier has a good relationship, and produces a product that is of very low cost to them. However as the supermarket profit is based on percent, and the product is basic with a low sale price, I believe they are missing out on

potential profits. I've run this argument but have not had a positive response so far. Do you have any suggestions on how to develop a better approach on this point or where else I can look for motivation to have them switch suppliers other than price?

Jim:

There are a lot of reasons people believe that price is the driving force in a negotiation and it's not, it never is. It's the vision. So the fact that you're pushing more profit, that falls on deaf ears. It's just proof that I've learned this over and over again, that price is never the driving force in a negotiation, and you're a living example of it for asking this question. My question to you is, what would those profits deliver to the supermarket chain, and what would they accomplish with those profits, and what could they do with them?

So there is no vision around the profit, except that it's profit. The assumption is made that everybody seems what that means. You'd be surprised to a lot of people who weren't responsible for the profit, they can't see it. So that leads to the next question; are you really talking with people who are responsible for the profit and loss of those markets? Without negotiating with the qualified, your words are landing on deaf ears.

Michael: When negotiating a consulting or project fee, how do you resolve a consulting client's initial question of, how much is it going to cost me? When even they do not have all of the required information needed up front, and the client needs information for their budgeting purposes and to report up to their boss?

Jim:

It sounds to me like you have no idea, in a consulting agreement, what their problems are and what problems you're solving. So without their vision very clear in their mind and what their problems are, and then very clear in their mind what you're solving, I don't know how you could discuss price? It's beyond me. Again, it's the whole, "Throw the numbers out and let's go back and forth until one of us feel lucky or I give up, and that'll be the number", and that's called Collective Bargaining/Give and Take and that's a weak way to negotiate agreements. Especially in the consulting world because what you deliver is the key to the value, the key to the price that you're paid.

Michael: I usually have two points in which I am prepared to close the deal. For example, what I would like, and what is the absolute minimum I will accept. The lowest point I can still make a small profit. How do I keep closest to my first point, what I would like?

Jim:

Stop having a fallback position. Your mindset is that you're prepared to give up before you even go in: What you would like and then what

you'll take. So why don't you just move it up to what you want, and that's it. And then work to create vision of what you want being a reasonable value, or price, or cost to them to solve the problems that they have to help them see very clearly.

Michael: I think many will want to know this answer: The best ways for consumers or small businesses to negotiate very low payments for past owning consumer credit debt. For example if you had \$50,000 in debt, if you only want to pay 5% on the dollar, like your GM, what would be the best way to do it? How do you start the conversation, or would you do it by a letter first? Someone suspecting that there is a ton of people in debt, and they are asking you for some kind of way to see if they can negotiate down their credit card debt. Any ideas?

Jim:

They've got to create the vision of failure to some degree. Then let the holder of the debt decide what they are willing to give up. That's really the bottom line.

If they can create the vision of impossible recovery of the debt, what will they settle for, then go from there. That's probably the only way they are going to do it, but without that vision from the person holding the debt, there is no chance they are going to reduce it.

Michael: Jim, if I'm cold-calling a business, how do I negotiate with the gateskeeper to put me through to the owner?

Jim:

The key to this whole thing of what's called 'cold calling' to me is not a cold-call. It's just a negotiation. So the question is, what is the agenda you're setting with the gatekeeper as you call them (I call them blockers)? What is the agenda you're setting with the blocker, and what is the vision the blocker is getting of you and what you want to deliver?

So if, for example, what's the real problem; the way I see it, "The problem is you have no idea if what I have to offer has any value to the people you're protecting. So how do we overcome that problem?" So if I create vision around what I'm offering, for example, who does this organization have that specifically provides this service, and what are the challenges they face? But you have to focus on the vision you are creating. You have to focus on the agenda. If you don't really fit in the blocker, and the blocker doesn't feel you fit, you should get off the phone.

Now, one of the things we did, years ago with Lee lacocca at Chrysler, is I called his assistant and asked her what would be required of us,

that you would look at us, or you would embrace, that would allow us to speak to Mr. lacocca – at that time he was the head of Chrysler.

Michael: Why were you calling him?

Jim: We were calling him because we had a financial solution in Japan for

Chrysler Motor Company, but he didn't know us, he did not know who I was working with so bottom line was we needed to know the agenda that they require to speak with Mr. Iacocca without having a prior introduction from some other party, which is "a cold call". She gave us

her requirements and my client spoke with Mr. lacocca.

Michael: What did she say? Do you remember?

Jim: She wanted to know who would be doing the talking, what are their

credentials and she gave us a list of requirements and we fulfilled them. We sent them a Federal Express package overnight with her

requirements, and lo and behold an appointment was set.

Michael: That strategy right there could so many cold calling problems if the

cold call would be right to the blocker to ask "What are the

requirements for me to get through to Mr. CEO?"

Jim: That's exactly right. One of the problems you face here is how do we

do this. So that's just one example. I think that is critical information

that might help you.

Michael: For someone just starting out with limited resources, if you were

looking to focus your attention on setting up a potential joint venture or cross-promotion relationship with a local business, what would be your

approach in negotiations?

Jim: I think that you've got to develop a valid mission and purpose, and I

think you have to also be sure you've identified the problems clearly

that you're facing in bringing this forward.

So if you have a mission and purpose that's valid, that brings benefit to them, and if you've identified the problems clearly that you see you're facing to bring this forward, and if you know exactly what you want and can identify clearly to them, I think those are the steps you should take to approach them so that you can create a clear vision of what can be

accomplished.

Michael: Jim, if someone just started a new business and wants to enter into a

joint venture with an established company or a businessperson, what

are some of the techniques in negotiating so I do not lose out in the joint venture?

Jim:

Again, a lot of questions about joint venture and the one thing that almost always is missing when I'm called after a failure is that there is no mission and purpose in place to the benefit of the other party in the joint venture. It's not been thought through, it's not clear, it's not visual and so therefore, our behavior and our decisions are flawed. They are not as effective as they could be.

Secondly, the real problems that are faced, that we face that we are up against and create failure, are not identified, and so therefore they become what I call "small elephants in the room" that hold back any chance of success.

And then lastly, we really haven't thought through what we want in a step-by-step fashion, meaning many times I've coached these types of negotiations and the first thing out of someone's mouth is "It's real simple, I want the deal." Well, wait a minute; there's much more to it than that.

So, I would recommend strongly that you think through those three things. Honestly those are very difficult to think through without help and coaching, so good luck to you.

Michael: Jim, how do you best influence a tight buyer when you have the best product with the highest price?

Jim:

that's a great position to be in, honestly, because there is a reason your product is the best, and there is also a reason your product is the most expensive. So if you can take stock in all the reasons your product is the best, all the features, all the benefits, and all the features and benefits that come from the higher price, for example – Supplier stability, maybe it's research and development that they are not aware of. The list could go on and on.

Then once you've taken stock it becomes very easy to provide influence by building a negotiation around all those features and benefits starting with a mission and purpose that's absolutely valid. Also identifying the real problems that hold us back when you identify those, and again, coaching is a key ingredient there, because there are things you may not think of that sabotage or blindside you, and knowing what you want is a critical ingredient. Those are some things you can do, but that's a wonderful position to be in.

Michael: What would you do if a company doesn't want to open competitive bidding? Instead of a negotiation they arrange an anonymous web auction where the cheapest supplier gets the contract. The purchasing department is not interested in additional benefits; the price is the single most important factor. How can you change this position and achieve a negotiation?

Jim:

Well, I just so happen to have been in many of these and we've won full price contracts. But I'll tell you it's much more complicated than just dealing with a buyer. You're not going to change the buyer, that's just not going to happen. You're going to have to spread the decision process within your organization, and within theirs.

Now, unfortunately, your leadership team, if they haven't solved this already, they probably don't think it can be solved and so therefore they don't know what they don't know about this situation.

But here is the key, the key is, it begins with your Board of Directors, and it begins with the policy of the corporation. So when the policy of the corporation has changed, that you're not allowed to participate in auctions and it's taken away from you, I know this is hard to believe, but I promise you, you will not be eliminated because of that. You will be negotiated with separately.

I know that's a very big bite to bite off and swallow in one question with my answer, but believe me, I've coached many of these situations all to a very positive end. So that's probably the best I can give you here in this short timeframe that we have to discuss this.

Michael: Jim, how do you ask for more in a bad economy when your client's business is down and all you really want to do is work less?

Jim:

Well, I don't know quite how to answer that. I have to tell you, I don't know how you can ask for more if you think more is going to harm your client. If you have a Mission and Purpose in place, to ask for more requires a lot of benefit to the client.

As far as you're working less, I don't have any idea in the world how you can expect to gain more and work less, without bringing great benefit to your clients. So, I'm at a loss, I don't have a magic wand or an answer for that.

Michael: Jim, how can I make sure my clients pay me?

Jim:

Well I have to tell you, that's an age old problem for many people, especially small business consultants and such, you can be paid up front and that assures that you're going to get paid before you deliver. So, quite frankly, I'm almost always paid up front.

On a few occasions with corporate America I will allow them a quarterly payment plan, but even that's a little shaky because I've had situations where corporations have even paid slowly. So being paid upfront is the one sure way to assure you're going to be paid.

Michael: As a business consultant, should I have a list of set fees, for example, by the hour or by the job, etc., or should I just set a high figure and hope to get it, and then negotiate down if necessary?

Jim:

That's a really great question. You see you're a victim of weak Win/Win compromise mindset negotiations training. Really great negotiators in the consulting world have no fixed fee structures. Then negotiate every agreement separately depending on the vision and challenges that they adversary faces. The greater the challenges, the more powerful the vision of those challenges, the more the adversary will pay. So the really great consultants have no fixed fee structure, they actually are able – at least my clients that I coach – are able to negotiate separately fee based on the adversary's world, and they get much higher fees than the norm.

Michael: That's a great point. So what would you say when a potential client says "Well how much, Jim? What's this going to cost me?"

Jim:

"Well that's a good question, Mr. Prospect. What is it we are really trying to accomplish here? If we accomplish it what is the value, what is the reward here to you?" If they say \$10,000,000, then I might say \$200,000. If they say "It's \$2,000" then I might say "Gee I can assign that to an assistant." If they say \$200,000, I might say \$20,000. It's all going to depend on challenges and how well I'm able to paint the vision of the solution of this value.

Michael: How do you negotiate a deal without any money upfront?

Jim:

I don't quite know where to go with that because it is really going to depend on the negotiation and it's really going to depend on the mission and purpose and it's really going to depend also on the adversary. Let me give you an example of what I mean by that:

If you are negotiating with the United States Government for \$100,000,000 and it's the United States Government, and they are going to sign a contract, and you have everything you need to deliver the contract, and you don't really require any resource to deliver the contract, why would you worry about up front funds, because the

Government and the contract and the payment schedule are all laid out and pretty well golden. So it's just going to depend on the situation.

Michael: A new person whom you do not know previously, wants to have a

business relationship with you. Then what are the important things you

should consider before starting business with them?

Jim: Well I would certainly want to know their track record. I would certainly like to know their experiences and their successes in the past. I would like to know their foundation of mindset. I'm not interested in working

like to know their foundation of mindset. I'm not interested in working with anyone that is willing to compromise in a win/win fashion away at opportunities. I have no interest in that. So those are some of the

things I would look at.

Michael: When you feel that your relationship with your business partner is at its

worst, and there is no point in return, what will be the final step that you

will take to continue the relationship so that it benefits both?

Jim: Well it sounds to me like you're not willing to let the relationship go,

that you need the relationship, but the relationship is at its worse, so the only thing you can do is take on the problems within the relationship one at a time. The first problem being the largest, and sees if you can get rid of those problems, negotiate those problems out and come to a new understanding. That's the only thing I can possibly

recommend. If you can resolve those problems you have a possibility

of continuing the business relationship.

Michael: How can I get a busy person, like a successful coach, a life, fitness,

personal or money coach, to allow me to interview them in the knowledge that it's really for my benefit? I want to use the interview as content for my website and to build a list. When they absolutely don't need to. There doesn't seem to be anything in it for them because I can't offer massive publicity. After all, I don't have a list for them, or their product. Can you give me some killer tips to almost have them

begging me to interview them?

Jim: It is very clear that you're not thinking in their world to their benefit.

You've got to develop a Mission and Purpose that a long-term name, a continuing task in responsibility that benefits them. The fact that you want to use content on your website, what are you going to do to forward your business over the next two years? What can you do to help them discover that you'd like them to be in the forefront of that growth and that expansion so that they can receive full credit for the

content that they provide you?

I mean you've got to get in their world and think to their benefit. There are a lot of good reasons, a lot of feature and a lot of benefits to the person providing the benefit, but you have to have that ability to underscore that and have that mindset. I would recommend you work hard and develop a Mission and Purpose.

Want more free training on negotiating? Go to www.JimCampStartWithNo.com

Michael: I prepared a marketing campaign or website for my client at cost with a

promise for commissions. How do I make sure he will not find another

developer or consultant after I reveal my program or plan?

Jim: It seems pretty straightforward to me? Don't you have a contract that

provides payment or protection prior to giving up your plans or your ideas? That seems to me a good attorney can easily protect you that

way.

Michael: If I don't have a track record and I'm trying to put together a multi-

million dollar joint venture deal with a corporation. How can I effectively

handle this objection to questioning my lack of meaningful track

record?

Jim: I guess the real question is, again, what's your Mission and Purpose?

What's going to compel them to want to look deeply into the possibilities? If they are just looking into your track record – look any track record can appear weak. Nobody is batting a thousand out there

in this world of business, so any track record can be picked upon.

My question is, what's your mission, what's your purpose, what vision are you creating that is compelling them to want to dig into this opportunity? How many problems have you identified to them to let know you're confident in understanding the challenges and the opportunity that could come about that they would be facing? It sounds to me like you're creating a vision just to your lack of track record, and not about the possibilities.

Michael: Jim, I'll be directing a low budget, about \$1,000,000 movie, with a small Hollywood studio. I'm going to organize an Amazon e-mail blast with joint-venture partners during the release. A total access to about 1,000,000 people on the list in prospects. I want to get a 50/50 deal of profits on this particular scenario, besides what we have in place. When I told this to the producer he looked at me like I was crazy. This is my first movie; they gave me a directing gig, not too much leverage. How can I make this happen or should I forget it and be grateful.

Jim:

The terms leverage, which I don't believe in, "It's my first movie." I ask the question how can they judge your value if you've never directed or produced a movie before? So to ask for 50/50? I guess I have a real challenge in getting my arms around and getting a vision of what you're delivering.

So until you can lay out a Mission and Purpose that creates a vision of what you're delivering or what you're capable of delivering, I don't know how you can drive their vision if you don't have that vision laid out very clearly.

Michael: Jim, what is the best approach to negotiating lower living expenses (for example, rent, cable phone, etc.)?

Jim:

Let's talk about this because I have coached some of this. In the rent area, let's start there. The world is struggling in this economy, and when I say the world, I mean the world, but in your local neighborhood, there are landlords that would love to have you transfer to their building, loves you to transfer to their apartment, and I promise you, you can save money.

Now on the other hand the landlord that you currently have has a track record with you. You probably struggled to pay but you paid. So it's very easy to approach that landlord and create a vision to the landlord that you'll remain loyal to them provided they help you in these difficult times by lowering the rent. So that absolutely can be open to negotiation. The problem to be solved here is you don't want to have to move, but you need help. So what you want from this negotiation is help, and lowering the rent x number of dollars – have a number in mind that you would like it reduced, so that you can remain there long term as tenant.

Let's go to telephone. Everybody has heard the term Vonage. If you're with AT&T you may be paying \$100 or more a month for AT&T services. If you call AT&T on the phone and tell them, "Look, I can't afford, I'm going to have to transfer my services to one of the low cost providers, and I'd like to stick with AT&T but I need help." You're going to find that they are going to transfer you over and if they won't, for goodness sakes, go look at Vonage, what is it, \$16.00 a year or something? Crazy.

You take a look at cable services, you've got DIRECTV, you've got Time Warner, and you've got all these different companies. If you go to your provider who may happen to be a high profile, high cost provider like Time Warner, if you'll go to them and tell them "Look, I can't afford

these high fees, do you have another fee structure, so I don't have to go to a low cost provider, because I like your service?" Give that a go, but be prepared to go to one of the low cost providers and to drop Time Warner. So, there are a lot of decisions that can be made out there to cut your living expenses, you just have to make the efforts.

And do the same thing with your public utilities like electric and water. Call them up and tell them that you're really having challenges paying and find out what programs are available to you to reduce that monthly expense. What can you do to do that, what programs do they have in place? So there is a lot of ways to do this, you just have to take the initiative.

Michael:

Hi Jim, I wonder if you can help me. With over 20 years in various sales related occupations, I continue to learn about sales and marketing techniques. I do find that no matter what I'm trying to help the prospect get involved with I have a tendency to let the client pump more information out of me, than me getting it from them. This usually ends up with us parting on good terms with them asking me to put my proposal in writing and they will look it over. My question, "Am I being too soft and do you have any fixed rules or strict path or routine that you follow to avoid this type of situation?"

Jim:

Well, here's the challenge. The challenge is it's very clear that you're not setting a Mission and Purpose so you haven't thought through what you're delivering. So therefore you don't have the arrows in your quiver, so to speak, to create vision. So you end up giving up all of your information, which has very little value, without getting in their world and helping them discover the solutions you provide their world.

So, a lot of this is behavior, but a lot of it the foundation is that very thing of Mission and Purpose. The other thing is you've got problems here. It sounds to me like the problems are repeating themselves. Now you've got 20 years of experience, so you've done a lot of studying and a lot of participating, but it sounds to me like you continue to do the same thing over and over again. When you do that it's kind of the definition for insanity.

You're going to have to develop the tools that create vision, and I strongly recommend that you take a hard look at the behaviors and start with null, and how to reverse a question, how to connect a statement, how to drop the barriers to stop your being questions, and lastly, how are you going to propose anything if you don't know what to propose based on their world and their challenges? So, I think those are things that you're going to have to work on.

Michael:

Jim, how do I negotiate a lease up front with the owner of the building and property I presently work out of and if and when he ever decides the sell the property to someone new, how can I protect my rights to remain at the same property to continue business operations without being forced out into the streets? I've personally put in over \$50,000 in improvements on this property, and I've also used this property as my personal residence since 2006. It is over 6,000 square feet and I'm nearing the completion of a construction phase to open up a photo and video recording studio including website development center for local and national clients. Your help and advice would be greatly appreciated. Thank you.

Jim:

Well I think you have a contractual situation, and what you've got to do is go to the landlord and create vision of value that you're delivering to them, and your long-term commitment to the facility and the building. Again it's contractual. You've got to create the vision of the importance of being protected if the building is sold. You may even want to buy the building. It sounds to me like you might even want to have first right of refusal to purchase the building. That would certainly give you the opportunity to protect yourself. So there are ways to do it. I would recommend that you speak with a really good real estate attorney to get the proper clauses in the contact after you have created a vision for the landlord of what can be accomplished here by working with you.

Michael:

Jim, how do you negotiate with someone who has been burned by consultants before, and now only wants to do contingency deals? I want to get them to where they are willing to pay me and have some skin in the game and some contingency as well.

Jim:

I think the key here is going to be your ability to create the vision of what can be accomplished, and you can drive for upfront money, there's no question about it.

But what will drive that receiving of that upfront money is your ability to create vision of what can be accomplished. I have to tell you that if you can do without the base, you have a golden opportunity in performance because if you can get yourself clear to provide a contract, you'll find that signing a contract is skin in the game, and the numbers within that contact can be bolstered significantly.

I mean, I've had situations the same in my world in coaching where people have said to me, "Look I'm not going to pay you anything up front, but I will sign a contract and I will give you 25% of what you gain." Now I've got to tell you 25% is a pretty big number on a \$1,000,000. There are some opportunities for you. I would ask you to take a hard look at using a contract, if you can afford it, to produce skin

in the game. If you can't, then you've got to work very hard on your skills of creating vision of the value you deliver so that they are willing to come up with some upfront money, at least to get you started.

Jim, what can be some other forms of skin in the game other than that Michael:

upfront money?

Jim: Well, you know, in our system of negotiation we teach four areas of price and negotiation. You call them skin in the game, we call it price. There's *TIME*, the adversary's time; there's the adversary's *ENERGY*; there's the adversary's MONEY; and there's the adversary's *EMOTION*, so there are four areas of potential skin in the game.

> Now let's talk about this for a second. The key to the money is the ability to create vision around the challenges they face, and the opportunities to take away those challenges. So that's one area of skin in the game. And your ability to create that vision is going to drive those dollars in a base like you say, up front. But, don't undervalue the time it takes for the person you are negotiating with to review a contract, or to deal with an attorney that is reviewing a contract you present. So don't underestimate the value of that skin in the game.

Don't underestimate the energy it takes to do that. Between the time/energy and dealing with a contract, don't underestimate the time and the energy it takes to go over all of the historical records and documents so that you can lay out a plan to solve these challenges. Don't underestimate that skin in the game.

Don't underestimate the emotion and the fear the adversary might have of not solving the challenges they are laying out for you. Sure. they've been burned in the past, but they still have the emotion and the hope of solving these problems, and the more emotion and the more hope, the more expectation of solution, the greater the skin in the game, and also the greater opportunity to get a higher base.

So there are lots of opportunities to get skin in the game, but I have to tell you, if you can afford it, you can drive skin and in the game, and not get a base, but that contract can be extremely rewarding. And if you can create that vision strongly enough, I know for example, that if I solve this challenge we'll just split the proceeds. I've actually had people agree to that. So it is possible that you could be very rewarded in this whole situation.

Jim, how do you handle three sided negotiations from a position of Michael: strength? For example, I own 50%, my partner owns 50% and we are negotiating separately with a third party to buy us out. The problem is

the third party has my partner over a barrel, because he owes her money from a previous deal. How can I negotiate from a position of strength in this situation?

Jim:

I'd strongly suggest that you negotiate from a position of vision, and how can the party who is trying to acquire you, buy you out if you're a 50% owner. So I ask you, what is the vision you are creating for that third party that is going to give you full value for your 50%? It seems to me that you have a great opportunity to create vision for both of the other parties of where this will go and where might go, and where they don't want to go because of your 50% ownership.

Michael:

Jim, I've read both of your books and learned a lot from them. I pride specialty professional service that most prospects and attorneys don't understand well. A lot of people call and immediately ask what I would charge to do X, provide my service. Unless I can have a conversation with them, almost all will just choose the lower priced provider. When they ask me how much would you charge for X, I ask them what's most important to them? They usually say price and turnaround time. That's all they know to ask. I've been telling them that my fee is the highest in my market because I only work for clients with whom I can save a least 5 to 10 times my entire fee. Compared to what they pay the IRS if they hired one of my competitors. How do you suggest I improve this answer to give the prospects a much better chance to discover that they might, or not, have the opportunity to save themselves tens or hundreds of thousands of dollars in taxes, even if my fee is maybe \$5,000 to \$7,000 more than my competitors fees?

Jim:

It sounds to me like you're trying to create vision, but it's falling short. If all they want is price, then there is a failure in creating vision. So for example if someone calls you and asks you what's your price? Why are they calling you because you're the highest priced provider? Why would they even call you? What brought them to call you? So the real key here is that you've got to have the ability to create vision around your Mission and Purpose very quickly when they call. So you've got to work on what it is you're delivering.

For example, you just told me in the question that you're 5 to 10 times more productive than all your competitors combined. Well, how do you create vision around that for those people giving you that call just asking your price? That's the challenge. I would encourage you to work very, very hard at creating the vision and finding ways to create vision around that return on investment they are not even aware of. And they're not going to see it if you tell them, so how can you create vision around that, that's the master question.

Michael:

Jim, when I talk with companies about sending them leads, they are quick to offer a 10% commission, generally they don't mind me upselling their products and services for more money to my clients, but refuse to offer 20 to 30% or a finder's fee. How can I negotiate a higher percentage without first proving to them that I can bring them business whereas I collect both percentage of sales commissions and be able to up sell to my client base for maximum profits?

Jim:

What I'm confused by is why wouldn't you have a short test to allow them to discover what you can accomplish? Why wouldn't you set an agenda and negotiate the agenda with them that you're going to do X number of leads upsold for the 10% figure, and then if you're successful, you would like 25% or 30%, whatever your number is. Why wouldn't you help them discover that you have that capability, and allow them to embrace that capability before you take that giant leap? I personally have been approached by a lot of people to tell me what they can do, and I openly give them the opportunity and I have very few who can deliver. So I think anyone that is looking for people who can deliver.

Michael:

Hi Jim, how do I negotiate for a sole distributor agreement when the manufacturer keeps insisting on maintaining prior relationships with current clients? How do I convince his current clients to go with me?

Jim:

If you want an exclusive distributorship, they have clients that they have established, and you now want to be the sole distributor, why wouldn't you negotiate an agreement that you be sole distributor for anything moving forward from here, and that they pass on anything that comes to them that's new, in the future to you, and that over a time period, they blend existing clients to you when you've demonstrated your value to them.

It would seem to me that would be a very visual accommodation that could move your business forward dramatically.

Michael:

Jim, I have a chance to join a start-up business, but I don't know how to negotiate my position. How did I find out what the other two people are willing to give up before I present my side?

Jim:

You're thinking in your world to your benefit, and you've got to start thinking in their world to their benefit. For example, what are you delivering to the start-up? I mean why would they even want you involved in the start-up? What is your value in their eyes to the start up? You've got o think in terms of their world. You don't know, maybe they want you to be one-third partner for goodness sakes.

Or maybe they want you to be a 50% owner and they will both be 25%. How do you know what their world even looks like? So I would recommend strongly that you get out of your world and climb into theirs and find out what it is they see coming together here, and what does it look like? How do you fit in, in their eyes?

Michael:

What's the sense you're getting out there about people in relationship to what they know in the subject of negotiation?

Jim:

I've got to tell you, Michael, and this is not an exaggeration. We started working on this four days ago, as you know, and I actually, the first two nights lost sleep over it. I'm hearing the same thing over and over again and it's kind of terrifying to me, I'm not using that term lightly. It's terrifying to me in this environment, this economy, what they are missing and the opportunities they are missing because they are locked into this mindset of appeasement, of compromise, or win/win collective bargaining, which is not, at all, pure negotiation. All of that is tactics that has been devised to try to solve problems, and they come from the ivory tower, they don't come from the street. A lot of what they've learned can be fixed.

A long time ago in another life, I was a new jet pilot and I joined a squadron that was being transitioned from props to jets. So a lot of the older guys were propeller pilots, and they had habits based on propeller flight that I didn't have, and I watched the struggle for them to change those habits over time. Honestly, some of them didn't make it. They couldn't change the habits, but they can be changed.

Those are the thoughts I've had since we've started this project. It baffles me of all these questions, Michael, you've asked, there are so many common problems across so many people, and I've seen this for 25 years but I could never put my hand on it like I could in the last four days as we are working on these questions.

So I really thank you for that, and certainly the listeners should thank you for that, because they have laid out the problems and they are all fixable. Every single one of them.

Jim Camp Stories Collection

Jim:

Well, I believe I remember my first agreement with my mom when I was about four years old that I wouldn't take extra cookies out of the cookie jar. I think that's what I remember about my first negotiation. We're all negotiators. The definintion of negotiation according to the

Oxford Dictionary, and I've never found a better one by the way, is negotiation is the human effort to bring about agreements between two or more parties with all parties having the right to veto. So we're all out ther emaking agreements since out childhood, as far back as we can remember. So it's all about habit. Unfortunately our habits change as we get older. Because negotiations are 100% emotional until a decision is reached, every decision we make in our brain is made the complete 100% emotional arena. As we get older and fear of failure starts to set in, you know the younger we are the more fearless we are. I mean I even go back to being 21 years old flying jets with my hair on fire. You know I was invincible. So it's not until older years that fear starts to set in, and what it does, we change our habits. So if we don't work hard in the classroom to hone our skills of what we brought forward as a child, we're making a terrible mistake and worse giving you an example win, win. It's a compromised-based, feel-good, asumption generating process. It costs millions of dollars every day to people. So it's a wrong-minded classroom setting. We've got to get to the classroom setting where creating vision and driving decision are the maintays of negotiation, and you get that in the classroom Michael. You're not going to get that just winging it. My publishers when I first wrote the book "Start With No" they demanded that title, and I aguessed because it was a take it or leave it deal. They later told me "Jim if you want this published, that's the title." So I went with it because no is a very important piece of the book, but you know the perception is that I'm a walk away guy, that people say "you teach people to walk away." That's absolutely not true. In fact it's the exact opposite. We never walk away. So we're told to go away, but we don't make the decision to walk away because out of fear or out of failure. So, it's a complete misconception. Also, I've had people say "Your stuff's too hard." I said "Really, where did you find that in the book?" "Well, I haven't read you book, but I saw the title, so it's got to ge too tough, it's got to be too aggressive." So I think that's the one misconception out there.

I'll tell you my favorite story about this. A long time ago I was in Saigon in 1967 in early December, just about this time of that year in 67 on the first of the December. I was looking for presents for my grandparents. They were very special to me. I was buying some things for others. My parents were important too, but I really wanted to do something for my gradparents. I went by a stand where they made beautiful ornate boats, junks if you will, minature junks like models out of water buffalo horn that had been carved. They were really pretty and ornate. I remember looking at them, and I asked her "How much for the two boats?" and she said 1500 piasters at that time was about seven dollars, and I couldn't pay seven dollars for one present, even though I wanted to do it for my grandparents, because I only had about \$20

total for the whole family. So I said "No thank you. I'm sorry. I can't do it." She said "For you special price 1400." I said "Gee I'm sorry. I was thinking more like three dollars." I didn't want to embarass her by any means. I didn't want to be the ugly American, so I just appologized, I couldn't do it. I went on my way. I finished my shopping, and I had four or five dollars left as I was coming back by the store headed for the base. Behind me came the lady that I had seen earlier in the day. "GI, GI, you stop, you stop." So I stopped. She said "You come back." She drug me by the arm back to the store. She said "How much you pay." I said "I don't want to embarrass you. I only have pepe money." She said "You tell me how much you pay." I said "I can pay 700 piasters which is \$3.50." She looked at me and said "Oh gee." I said "I'm sorry. I didn't mean to embarress you" and I turned to leave. She said "No, no GI. You take, you take."

Michael: Okay. So what's the lesson in this story?

but she never did that.

Jim: The lesson in the story is that I said "No, I couldn't afford that." She never once asked me who they were for. She never once asked me how important my grandparents were to me, and what would it be like in the United States on Christmas when they found these beautiful boats that were this art work from Vietnam, these handcarved boats, and what would be the lasting memories my grandparents would have. She never created any vision for me. She was so desparate to make the deal, all she could think about was compromise, and there was no compromise in my negotiation. There was just creating the vision for her that I couldn't afford it. It didn't fit in my budget. Now I know that sounds really simple, but that's in 1967 in a third world war torn country. To me, it's negotiation. It's the mindset. Had I been her, I'd ask

No I understand bargaining. I'm very, very good at it. Collective bargaining I've actually coached union negotiations on both sides, management, government, and union.

who they were for, and then I would've created a vision of how the gift would be opened, who would be there, and what would be the impact,

Michael: Describe for the listener, what is collective bargaining?

Jim: Collective bargaining is when there are two parties across the table from each other, they bargain with compromise and give and take, and they give up something to get something. A lot of times it involves for example hiding the ball. Now I know that person in Egypt at the fruit stand, the ugly American will probably overpay because they don't see

it as a game, they see it as being offensive. Yet, the Egyptian trader, it's life to him; it's a way of life. It's like our playing football on Saturday afternoon in College sounds. So it's a way of life for him. For that visiting American, they can afford a quarter, so give it up, and they do very easily. But bargaining is the process of giving something to get something. What's amazing to me, Michael, is you produce a product, you spend X number of dollars in production. X number of dollars in editing, X number of dollars in advertising and marketing, X number of dollars for the person who is going to travel the world selling the product, and they ask for a discount. It's interesting. The mindset is well I have to give them a discount because it's win, win. Yet you've had all this expense and then they call it a commodity. You're artwork is never going to be a commodity. Yet you hear that term all the time because if it's a commodity, that makes it corn or wheat at the Chicago Board of Trade. It goes down to bargaining of what the market will bear. If Anheuser Busch needs enough wheat, corn, barley, or whatever they'd buy, and there's very little of it available, the price is going to go up.

Michael: So bargaining is win, win.

Jim: Win, win is bargaining.

Michael: Okay. What do you mean by hiding the ball?

Jim:

It's kind of interesting. In bargaining, you don't want the other side to know what you'll take or what you'll accept. Just like moason in Vietnam, there was no way she was going to tell me early on 700 piasters. That was what she will willing to take. She was hiding the ball. In union negotiations, maybe they're happy with their healthcare plan, their dental plan, and maybe the don't even care about a vision plan. What they really want is a pay raise, so they'll drive a vision plan, an extended vacation plan, which they don't care about. They'll put out four or five things that they don't want. They'll hid the ball of that pay raise somewhere in there. A pay raise will be a part of it, but they'll pretend all these other things are more important or as important. So they'll fight hard and try to hid the ball.

Michael: Just like she wanted the higher price and you were willing to pay.

Jim: That's right, but I didn't hide the ball. I told her I couldn't pay it, and i couldn't. It wasn't a ruse on my part. I just didn't have the money.

Michael: So how do you factor in cultural differences when it comes to negotiations?

Jim:

Well, just like Momason there are no cultural differences in negotiation, but let me tell you what there is Michael. I'm coaching all over the world every day. I really want the audience to listen very carefully to this. I'm coaching all over the world every day. The secret to culture is respect. The secret to negotiating with anyone in world, here, there, anywhere is respect. The demonstration of respect. You think about this now. You hear the term power, leverage, partnership, all these disengenuous words. I mean the attitude of power, well I have the power over the Iraqi people. Now I have a client in Iraq right now who is a student in my university. He's doing amazing work, and he's trying to introduce my work at the Iraqui government. He said they dont' know how to negotiate because they're all about power, they're all about leverage, and what happens that demonstration of disrespect build barriers. The attitude of our negotiators, our diplomats when sitting in third world countries comes off as haughty, comes off as disrespectful. I've seen it dozens of times in my work as a coach. People will say little things like "Well you know those people are this or those people are that." I say "Whoa wait a minute, stop. You can't load you mind with such disrespect. What do you mean those people?" If you think they're not as smart as you or you think back on the little people in Vietnam, and look how long we were there in that quagmire and look at the mess we made of it. So that lack of respect, that mindset, and that demonstration of disrespect, that's the whole problem with negotiating world wide. So it's not culture. It's not studying culture. Every brain on the planet makes decisions exactly the same way. They make it with vision, in the emotional arena. So we have no problem doing deals in every culture on the planet.

Michael: You mentioned FBI, and it just sounds like a great story. Is it something you can share?

Jim:

Oh sure. They came public about 18 months ago. Someone googled my name and read that there was a blub from the FBI about me becaue I had signed some pretty heavy duty confidentiality agreements. What had happened in the Phillepines back when my first book came out, they had a hostage crisis negotiation go bad in the Phillipines and they lost two people, I believe it was two. The agent was coming back from Manilla, landed at Dullas airport there in Washington, was walking by the bookstore. Had heard about my book, but never saw it on the shelf. There it was on the shelf, so he grabbed it, started looking at it, and became intrigued. The next thing you know they called me and asked me if they'd come to Quantico Virginia. I ended up helping them build their whole training package for hostage crisis negotiators who deal with terrorists and hostage takers. They're they official branch of the government that does that. It was thrilling. I had no idea that what I was teaching in my commercial arena to my

clients, I had no idea what I was teaching and coaching could apply to that arena. When I got to Quantico I got inside the closed doors in the safe room where we could talk. They said "Jim, what we do, we can't compromise, and there's not one page in your book about compromise. I mean we can't give up cars, boats, and airplanes. We can't let these people escape. So we just can't compromise. We have to help them see, they've got to discover that they're going to survive." So what came out of that was my teaching on mission purpose, and the FBI actually went on the internet and said that I created a revolution in negotiation, the biggest revolution in the last 50 years.

Michael: That's exciting. So are they actually using the revamp negotiating?

Jim:

Oh yes. For example, they're teaching right now agents all over the world, when the bad guy calls and said "If you don't give me 500 million dollars in the next hour, I'm going to cut this person's head off." The very first thing out of the agents mouth is "My name is agent Smith, and it's my purpose to help everyone in this situation remain safe and come out alive. How can you help me do that?" So that's a statement of mission and purpose right into an interogerative-lead question, which is exactly what we teach. That's a minor point of what came out of the training. I've studied as many of the great men of the world as I could, and I've got a ocuple that come to mind. When you think of Winston Churchill and you think of the great radio broadcasts of the BBC and the most troubled time of our world up to now, and the appocolype of world war two. When he said "We will fight them on the beaches, we will fight them in the fields, we will fight them in the towns, we will fight them int he streets, and even if we are subjucate, even if we are overrun, we have every confidence that our children from the west will come and rescue the old." He was painting a vision of the German troups landing on the beaches, we're going to fight them there. The whole word saw his stone wall of defense attitude, and he had confidence in Canada, the United States, Australia, New Zealand, India. The other children of the world would come to save the old, and he created that vision. That's one example. So he was a master of it. Actually he was one of the great leaders probably of modern times. The second I think of is president Lincoln, who of course gave the Gettysburg Address, which literally changed the political spectum of United States forever. In so few great words, he created such a vision. It's really amazing. The other thing that I point out. The Gettysburg address of course is a giant creation of vision, but there was a smaller one. Horace Greely at that was a publisher of a famous New York Newspaper, had asked Lincoln his purpose, kind of an antagonist, and the president wrote back to Greely and publisized the letter. "You asked me my purpose. My purpose is to reunite the union. My purpose is to bring the union together and unit the country. If you asked me

would I free the slaves, I I would if it would unite the country. You asked me if I would not free the slaves? I would not free them if it would unite the country." So he created the vision of laser-like focus of what his whole beeing was about, and i know that there's a lot of writings that a lot of the troops and the family gained strength for him creating the vision of the purpose of what they were doing in the civil war, and that vision carried them through. So I really believe that if listener will pay close attention to the really greats, they'll find them creating vision with words that allow people to make decisions to get behind them.

Michael: How does one build trust during a negotiation?

Jim:

By delivering what they say they'll deliver, by doing what they say they'll do over a long period of time, by providing overwhelming service. If you say you'll answer your phone 7/24/365, you better answer your phone 7/24/365. It takes a long time, but the word trust to me Michael is a little bit misdirected. I trust my wing man from pilot training and from the Air Force, the guys I flew with on my wing or I was on their wing. I trusted those guys, but man that took a lot of time, work, energy, and effort. There were a lot of people that I never trusted on my wing, or I never trusted being on their wing. So I was either on guard or I wouldn't fly with them. So trust is the wrong word. I think the word that we really ought to work on is respect. How do I gain respect? How do I demonstrate respect. To gain it is because you demonstrate it. I was taught by an old coach of my and my grandfather to open the door for everybody if I got to the door first. Men, women, children. I was just taught to demonstrate respect since childhood, so I think that's the key ingredient really.

Michael: How much does physical stance portray in negotiations?

Jim:

Not much. Some of the greatest negotiators that have ever lived have been hunched over, old, balding men, they've been people of small stature, they've been cripled like president Roosevelt, they've been gangly like Abraham Lincoln. It really doesn't play any factor. One of the great negotiators I ever met was blind in a wheelchair and sold life insurance.

Michael: Who was he?

Jim:

Peter Atkins. He was a good friend of mine's coworker. I met him, he was blind, and he sold life insurance out of a wheelchair. He was amazing at creating vision. He couldn't see. Just the answer to the question is it's not important at all. In fact it may be the other way around where people pay attention to Columbo if you will. You know

Abraham Lincoln used to keep his feet out of the stirrups and have teh stirrups up by his mid calf so his feet dangled close to the ground on a small horse, so he'd look out of proportion, look weird. There's actually pictures of him doing that reviewing the troops.

Michael: Did he did that on purpose?

Jim: Yes, he did it on purpose to put them at ease.

Michael: Are there things to look for that could indicate the person you are

negotiating with is dishonest or the deal is dishonest or a lie?

Jim: When 2 and 2 doesn't add up to 4 or when things that should have been accomplished aren't accomplished and there's no logical explanation. You know things start to not make sense. I've had 2 or 3 of those, a couple of them that end up a couple of them in criminal proceeding, one just recently in San Antonio, Texas. It was a real estate transaction with a large client of mine. I was coaching and had been coaching for about 8 months. There was an issue, and what the city manager was doing and what his brother, the head of the real estate project, money was disappearing and we could never get a proper accounting. This went on all 5 or 6 months. You know you're trying not to blow up the transactions, a very important transaction, both for the community, taxes, and also for the organization. It's a tough deal. Eventually we had to ask the district attorney to take a look at this. After 18 months of investigation we found embezelment and fraud to the tune of 5 million dollars. So when things don't add up, it starts to kind of fester over. You'll see if you pay very close attention. You'll begin to see the disingenuous things taking place, the

manipulations and maneauvers. We recognized that, actually I've

recognized it two or three times in my career with clients.

I worked at Mr. Waite's Food Market when I was about 8 years old. He had a fruit stand next to my grandmother's in the summertime, and I got free popsicles. He taught me how to sell watermelons, bags of potatoes, fruit, and vegetables to people that would stop along route 40 right outside of Washington, Pennsylvania. Then I would go watch him negotiate in the Farmers Market in Pittsburg at 1:00 in the morning when I was about 10 years old. So he really kind of got me started into negotiation and how that all worked. Then I just became a real fan of it all and just enjoyed it. I remember one summer I negotiated the sale of Christmas cards in July. You know whoever thought someone could sell Christmas cards in July. I wasn't smart enough to realize I couldn't do it, but I did. Just on and on from there, I had my own paper routes. I negotiated agreements to mow lawns for apartment houses as a young teenager, 12 or 13. That's where it really all started.

Michael: In the first interview we did Jim you mentioned you negotiated the care of premature twins. Could you elaborate a little bit on that story?

Jim:

That probably will be one of my long-lasting memories. A client of mine, Bob, and his wife, and I had been coaching Bob for probably a year and a year and a half. We had done a lot of good things, had a lot of fun. He's quite an entreprenuer in his own life. His wife had premature twin daughters in Chicago. He called me and said "Jim I really need your help. One of my daughters has passed away, and my other daughter Sophie is just hanging on. I'm negotiating with the insurance companies, the doctors, and the hospitals. I want Sophie to have the very best care." I said "Of course." So we went to work and I coached that. Long story short, Sophie is now a 14-year-old teenager, but it was a very tedious time and emotional time for Bob and his wife, and for me to be very honest. I twas very difficult, but we managed to keep an even keel and get through it. Bob was the instigator of "Start with No. I never wanted to write a book. I always wanted to write a book. I always wanted to stay under the radar. Bob said you've got to write a book. It's going to make a difference to the world, so you've got to do this. So he was kind of the instigator. He found the publisher, the agents. He was a publisher in his own right of magazines. He had lined up all the tools to make it happen, so here we are.

I think the toughest was probably a divorce. I had a divorce after 13 years of marriage. I've now been married for the 2nd time more than 30. So at 13 years of marriage, that was a very difficult unwanted occurence, and I had 3 children. So I think that was the toughest negotiation of all. Why I say that is following my system I developed a mission and purpose for the children, the ex-wife, and her new family. It was all to their benefit. It kept me on an even keel and not emotionally off the reservation. Although it was very difficult, but you know the proof was in the pudding. That was over 34 years ago or so, 35 years ago, and something like that.

Michael: So were you able to remain friends with the ex?

Jim:

Well we weren't really friends for a long time, but we were civil and respectful. I got everybody to buy into my mission and purpose, the grandparents on both sides, the ex, the ex's new husband. You know we got everybody bought into the mission and purpose of the children. The oldest son is now a colonel and a vetran of Iraq that flew 50 missions in Iraq. He's a graduate of Carnegie Mellon University. Number two son is a graduate of Brown University where he played quarterback. He now has a wonderful family and he's in the finance world. Number three son, who was the youngest in that divorce arena

is now happily married with one handsome little boy and one on the way. They're all college graduates. I have two new children. We don't talk about step anything. It's brothers and sister. So we have five children that are joined at the hip.

Michael: How old are your two newest ones?

Jim: Thirty and 27.

Michael: Okay, that's great.

Jim: You know the other family comes to all the kids events, and I mean all

five of them. Football games, birthdays. So I think that was my

toughest, but I also think it was the most rewarding.

Michael: Describe your biggest negotiating mistake. What did it cost you and

what should you have done differently?

Jim:

Oh, that was an easy one. I'm going to say it was 1971 or 1972, and I was still on active duty in the military. I was home early in December for the holidays, and I had gone over to the university to say hi to coach Hayes at Ohio State. He said "Let's go to lunch Jim." I said "Okay coach, let's go." He knew I was coming off active duty, and I very much wanted to get into the business world. So he took me to lunch near the Buick in downtown Columbus, Ohio. Now it's December and it's cold. We're standing outside in a line of people around the block. Eventually we get inside this restaurant. It's pretty basic. There's a real jovial big guy with a white apron. They're flipping hamburgers, and people were making the hamburgers to go to order. You know you put your order in and what you want, and it comes out the other all freshly made and all that. So, I get my hamburger and sit down. This jovial fellow comes over, and of course everybody knows coach Hayes in Columbus. So he comes over to coach, and he introduced me to Dave Thomas. What he told Dave is that I wanted to go to California and get involved in business. He said "Jim, I'd love to have a young man like you in the organization. Why don't you get \$80,000 together and I'll sell you the franchise for California." I thought to myself "My gosh I make \$5,500 a year in the military. Where am I going to come up with \$80,000." Of course I don't have the breath of though process to think "Okay, who can I get to join in with me? How could I do this?" It was never that. It was "Gee, I can't do that." I thanked him. I told him "I don't know how to do that. I could never do that." He said well, if you can get that together I can teach you how to do this, and I just couldn't see how to do it. I had no mentors at that time, including coach Hayes, who could tell me how to do it. Since I couldn't see it, they couldn't see it either.

Michael: Didn't you ask your dad for the money?

Jim: Oh yeah. He laughed. He thought that was funny. He said "You've got

to be kidding." Our whole estate's not worth \$80,000 at that time. He hadn't bought his company yet. So that was to me my biggest

negotiating failure. That fellow's name was Dave Thomas, and that was Wendy's Hamburgers for California. That could have been my

franchise.

Michael: Do you know who has it now?

Jim: No, but it sold three years later for 53 million.

Michael: Can you give me a little peek into the window of what the three plus

strategy is?

Jim: I had a client, a chief financial officer, and we were working on a

contract in Korea, in a silicon valley company, a big giant out there. We had a Korean adversary that was disingenous. At least we thought he was disingenous because when we executed three plus, the answers never quite came back the same. So three plus is the ability to stay around the topic and comfortably three or more times as the adversary lays out the vision around that point. So we designed in the checklist a series of interogrative questions, simple, short, how will that work, what will look like, those kinds of things. We got to 14 plus with this Korean

CEO.

Micheal: Fourteen plus questions?

Jim: Fourteen plus. We stayed around the topic of a contract 14 times, and

the importance of the contract was the topic. Bob actually counted the number of times he went back to it in the negotiation over a couple hours. Finally, this Korean CEO said well the contract is never going to be valid because I'm going to break it within six months anyway. The hidden agenda all along was to break the contract within six months, and once he had gotten the funding was to force my client into Korean

court for the next three or four years to get it resolved.

Michael: But the 14 plus, that strategy by staying on the topic of the contract, did

that drive him to reveal his hidden agenda?

Jim: Yeah, exactly. It peels back layers of onion, and you can't hide. It's

exactly like the FBI or some of the great interrogators of the world who were able to put a criminal down. You know you ask them the first time "Where were you on the night of December 2nd?" They say "Well, I

was at my mom's house." "Well when you were visiting on your mom's house on December 2nd, what did you and your mom talk about?" "Well we talked about family things, etc., etc." "Well, we're a little confused because in your written statements to these questions, you said you were at your mom's house on Decmeber 1st. What are we missing here?" So low and behold over time by three, four, ten plus, that's what plus is all about. At least three times, but more, you start to bring out the truth. You start to uncover the hidden agendas. It's not a matter of sticking around that topic until you've got 14 questions asked. That's not the case. You ask early on. Then you go to another problem, discuss it. He said you know let me go back. You know how does it apply to the validity of the contract. So you actually move around and come back to it. He was absolutely flabbergasted when that Korean CEO said we're going to break it anway and then we'll just spend the next years in court. Bob had said he didn't realize what he said. I left there, and he didn't even realize he had told me the truth, what his deepest thoughts were. He didn't even know it. Of course, we didn't sign the contract and you know we moved on. I think that was the most blatant example. I remember the board of directors, Bob and I were in the board of directors meeting talking about this, and they looked at us like you guys are crazy. You know you were just lucky. That was their whole attitude. Of course who were we to try to sell what we're doing to them you know. I mean they're the board of directors, so we just said Well, we just hope we get another opportunity to do it again. We did get many opportunities, but they always shook their head like how did you do that?

Michael: That's great. Great story.

Jim:

I'm not saying that you go out and buy a car and pay the very highest price, but I've got to tell you Michael it's very easy to do research on a car. For example, my wife insisted on getting a hybrid SUV from GM, first of all to help GM, all the citizen reasons. Help GM, help the taxpayers of the country recover their investment, hybrid, save the environment, all of that, and that's fine. She went on the internet, did her research, found out what the car normally sold for, what the list price was, and I went with her to the dealer. She said "What do I do?" I said "You know what the car is selling for around the county. You tell them it's okay if they don't take this, but you write a check, hand them the check for the amount you're paying that's based on your research around the country. They're free to reject that, but you expect service, but they're free to reject that." They "Oh no maam, that's a good number. We'd actually have given you a little more." She said "Well, I want you to remember me when I come for service." So her misison and purpose though she paid probably \$200 more. Believe me Michael. When she calls service and says "This is Mrs. Camp calling

about my hybrid, I need an appointment as quickly as possible to change the oil." "Please Mrs. Camp bring right in. We'll give you a loaner while we change the oil." So her mission and purpose was very clear. She gets great, great service. She paid them a little bit more than they would've asked.

We just had a situation in China where we had a purchasing agent and a sales person who unfortunately is a win, winner, and wanted to give them the store. So, they actually gave him a seven million dollar discount. Thank goodness the purchasing agent rejected it because he thought he could get more. This was on the mainland of China with a Chinese salesman on our side and a Chinese buyer on their side. They're supposed to be master negotiators. Here's our salesman giving in to millions of dollars. Thank goodness the purchasing agent rejected it because we pulled the whole thing off the table. Then we went to the real decision makers and created the vision of this kind of discounting that your purchasing people are demanding, there's not going to be R and D. What will you do with the next generation of technology? What will you do when it's not delivered because we can't do the research and development to bring it forward? Michael they payed full price to get that research and development done. It's really true. I talked to the engineers. I said "Wait a minute. If we give seven million dollars of margin in this arena, what are the ramifications?" One of the engineers said well, we've got to cut research by 80%. We'll never get the new technology to market in a reasonable time frame.

Michael: So you kept it in their world?

Jim: Absolutely.

Michael: So their vision was we're not going to have research and development

on the next wave of technology.

Jim: Without that next wave of technology, we're going to loose market

share. I'll tell a very quick story. I had a great negotiator from one of the

largest consultant firms on the earth.

Michael: This is someone you were negoatiating with?

Jim: Negotiating for my services. He called me up and he said "Jim, my

name is Joe Smith, and I've been at this now for 30 years. I'm the head of procurement for XYZ consulting, and you know we're probably the organization in the world, so I'm pretty good at this. He said I'm going

to really enjoy this."

Michael: He told you he was going to enjoy it?

Jim: I said "Gee, that's great. I'll keep my guard up." I kind of laughed.

Michael: When you're negotiating with a guy like that, do you see his game?

Jim: Yeah. It's funny. It's kind of sad actually. I just laughed and said "Don't

worry, I'll keep my guard up." I said "I'm kind of stuck in the middle here of a call on the other line, and I didn't actually expect this. Could we schedule a time a little later today when we can get together on this" He said "Oh, sure." So we set a time. He called me back. Of course in the meanwhile I prepared a check list, did a little bit of looking up on Google of this outfit. Oh yeah I did a little critical research and made

my own check list. I had my mission and purpose.

Michael: What was the mission and purpose?

Jim: To provide them the greatest opportunity to expand their horizons in

negotiation and improve their bottom line.

Michael: Was there anything important you found in the research to develop that

check list?

Jim: Yeah. They had two down quarters in a row. I found that out, and I also

found there had been a shake up in upper management. A CFO had been replaced and a few other things. But the point was that a great negotiator was going to call me. He called me and he was trying to use

the hammer and anvil tactic of win, win.

Michael: Give me an example.

Jim: The greatest company in the world is your competitor, meaning so

they're the hammer, I'm the anvil, and they're going to beat me with that great competitor. So he called me and said "You know Jim, let's cut to the chase here." I love it when people say that to me. I said "Oh sure. Of course. Go right ahead." So of course he's talking. I'm

listening and taking notes. He said "Now look. We've done our research. I know you've talked to a couple of our senior VPs over the

last two or three months. We've decided it's between you and Harvard for negotiations training." I said "Gee, that's really interesting, but you'

can't hire me. You can't dare hire me. I'm dead in the water."

Michael: You said you can't hire me. Why?

Jim: "You're career's at stake here. You can't take a risk on a small

company like mine compared to the greatest academic institution on the planet. You can't use me." Michael here's what he said. He said "Absolutely." He said "You know I've been given permission to hire either one of you." I said "Well, let me just ask you why in the world would you take the risk to hire me in this arena?" He said "Well, because everybody in the company knows that the Harvard stuff doesn't work." He actually said that. World's class negotiator.

Michael: That is so funny.

Jim:

It was bizarre. He said "Now Jim, Harvard's going to do this. Their pricing is \$400,000 over a year's time, and they're going to travel around the world for \$400,000 and do two-day workshops all over the world." I said "Well, that's not what I do." I said "I teach a system and then I coach that system. I utilize the internet, the telephone, but workshops and travel are a waste of time. Now, I'll do the workshop as introductions if you like. Pricing, I'm going to have to charge you upwards of \$14,500 a person." He said "What?" I said "The price of coaching it's very intense and very demanding. If you're just working for workshops, I just can't do that and not product results." I wasn't even in the ball park Michael, there were 100 people to be trained. It was a whole different world, and they hired me.

You know I think that the whole key is performance is everything. In fact, I've had dealings with an investment banker who was going to have documents for a client on Monday and then on Wednesday still no documents. Then a call to him on Friday, and then the lawyer's been so busy. Then they'll absolutely be to you there next Wednesday, and I hope that your listeners start to see the pattern. It becomes very clear very quickly that's it's all hat and no cattle. So, it's time to break. It's time to move on. It's time to let that go and move on to do what I call a fade away. Just move on and find another investment banker to talk with.

Let me give you ane xample of getting it right. One of my various achievments is I owned a fund raising company, and we were really looking for another product, a really class product to take to schools. I had out of the blue called Nabisco Brands in Upper Saddle River, New Jersey. Unbeknownst to me, they had purchased 10 or 12 of the finest cookie companies in Europe who had these cookies in tins, these beautifully crafted painted tins. This is back in the 70s. I went to Upper Saddle River to negotiate getting the ability to use a Nabisco brands label on all of our materials and advertising and sales kit for our students in the schools. I made a mistake. I had all my documents with me. I had all my information with me. I had everything I needed with me in the car, and I left my briefcase in the case, got all the way to the gate of the airplan, the airplane was boarding, without my briefcase. I thought well, now what do I do. So I got on the airplane, went to Upper

Saddle River, New Jersey, sat down in the board and talked with the powers to be. I said "I have to appologize, but I left my briefcase in the care in Columbus. I was so excited to come and visit with you, and i guess the way I'd like to start the meeting with you is why would you consider a small company like mine to have the opportunity to market and sell Nabisco cookies?" That's where we started. I didn't present anything. They said "Well, what would you have to do to do this. I said I'm going to need inventory, but I don't have my numbers with me. I can call you and give you those." "I said, but more importantly, I'd like to have persmission to use your trademark in the schools to help market the cookies." They said "That's not a problem, we can take care of that." I got everything I wanted, and I had nothing to show. So I was in their world discovering their challenges, their problems, and that's what I'm asking this person who's fundraising to do. What are the problems of that committee? What are they trying to solve. It's phenomenal what you can do when you have a system.

Well I've coached labor negotiations on both side, and I've got to tell you, there's no such thing as power in a negotiation. That's a myth. That is a self-induced emotional state. When you think someone else has the power, you're putting yourself in a feaful position, and it clouds your vision and it has a negative effect on the decision making. I've been on the side of management where management had, according to the newspapers and according to a lot of people, were over a "barrell" by labor. We got pay concessions, and we create a vision about those pay concessions and the job security of the union members. On the other side of the coin, I was on the labor side where we create a vision of value and the importance of standard of living for the families, the healthcare of the families, and the performance of their duties that were very valuabe. So, it all boils down to the creation of vision and how we're seen. But there is no such thing as power. All that does is highten the emotions and create fear. So, that's step one in our whole system, and I would recommend strongly that the person who was kind enought to submit the question really dig into what we're doing because it will pay a lot of dividends for them.

Michael: How do I negotiate with my son without sounding like a dictator?

Jim: That is a great question, and I think that if I could ever get this across, it would be very, very helpful. I think it is very important that you influence you son so he has a vision of the value of what you're trying to deliver to him. I tell a story all the time about one of my sons, I remember it was a fun story. He came home from third grade and said "Dad, I'm not going to school tomorrow." Now, this is a youngster that was an A student and a wonderful student. I was fearful that maybe he was being picked on. Now, he's a pretty tough kid. I was fearful that

something was going on in school. I said "Why wouldn't you want to go to school?" He said "Well, you know Jimbo's home from college dad, and we don't get to see him. I don't want to go to school tomorrow. I think I'd rather go to work with Jimbo." I said "Okay, that's great. Why don't we have you pack a lunch and have you go to work with Jimbo in the morning. He's working in carpentry work here on the ranch. So you can pass up lumbar to him and you can work with him all day. It's only going to be 95 degrees here. You're going to have a great time."

Michael: Jimbo's his older brother?

Jim: Jimbo's a big brother. and this is a third grader. Jimbo's a college

football player, and a litter brother wants to be one. So Brian get's this vision this is going to be really great right. Mom packs a lunch, and off he goes with Jimbo. We let him miss school that day. You know he went down and about 12 o'clock he came dragging up the driveway

and said "I think I'm going to go to school tomorrow."

Michael: That's funny.

Jim: He discovered, it would be more fun to be with Jimbo after Jimbo get's

off work, jumping in the swimming pool, than being at the workplace all day. School is a pretty cool place to be. So that was a discovery process. But the ability to help these kids discover where they can go, where they can be, and what they can do, I know my oldest son Jim I was a pilot in another life. In fact when Jim was a youngster, he used to see me fly the jets around a pattern at an Air Force base I flew at because our house was close enough to where the fighters flew around the pattern, and I'd fly over the house. I'd give him a call and tell him what time I was flying and between such and such time, we'll we in a pattern, I'll rock my wings, and Jimmy and all his little buddies would see me rock my winds. Deep in my heart, I wanted him to be a pilot, just like every dad does. But also knew that it was a dangerous arena, so he had to want to be there. So I just never really played it up and never talked to him about it. Then one day in college he said "Dad. I just went to a U2 concert, and a flight of four fighters just came through the stadium. I reallized I want to be like you. I want to be a fighter pilot." But that was in college, so you always home to have that discovery, but that discovery, that vision is going to be the driving force. So when you're dealing with your children if you can create that

vision, it's very powerful.

Michael: Yeah. Those are great stories. Thanks for sharing.

Jim: I just helped coach a negotiation for a job, actually a career move. It

was very interesting because the vision was created of past

performance and future performance. The vision was created of this ownership of this system of negotiation that brought about the current accomplishments in the current job that would move him into this other organization. They were actually working while they were going through the interview process. They're being recuited. The other party doing the recruiting actually had a vision that this was a person they needed to bring on board. So they actually made an offer that almost doubled the income of this person to get them out of where they were into this new opportunity. That was 9 months ago, and that person's been promoted twice since simply because they had a system and they helped the other part see the system, how it worked, and how they were able to perform the way they were. So it's how you create the vision.

Now one of the things we did years ago with Lee Iacoca at Chrysler, I called his assistant and asked her "What would be required of us that you would look at, or you would embrace, that would allow us to speak to Mr. Iacoca?" At that time he was the head of Chrysler.

Michael: Why were you calling him?

Jim: We were calling him because we had a financial solution in Japan for Chrysler Motor Company, but he did not know us. He did not know who I was working with. So the bottom line was that we needed to know the agenda that they require to speak with Mr. Iacoca without

having a prior introduction from some other party, which "a cold call." She gave us her requirements, and my client spoke with Mr. Iacoca.

Michael: What did she say? Do you remember?

Jim: Okay. She wanted to know who would be doing the talking? What are

their credentials? She gave us a list of requirements. We fulfilled them. We sent a Federal Express package overnight with her requirements.

Low and behold and appointment was set.

Michael: I mean that strategy right there could solve so many cold calling

problems if the cold call would be right to the blocker and what are the

requirements for me to get through to Mr. CEO?

Jim: That's exactly right. What are the problems you face here? How do we

do this?

I remember a long time ago in another life, I remember I was a new jet pilot, and I joined a squadron that was being transitioned from props to jets. So a lot of the older guys were propeller pilots, and they had habits based on propeller flight that I didn't have. I watched the

struggle for them to change those habits over time. Honestly, some fo them didn't make it. They couldn't change the habits, but they can be changed.

That's the end of our interview, and I hope you've enjoyed it. For more great health related interviews, go to Michael Senoff's <u>HardToFindSeminars.com</u>.