How to Negotiate: Crash Course Business - Soft Skills #8

Crash Course: Business - Soft Skills
https://youtube.com/watch?v=FTrxX0b4I4o
https://nerdfighteria.info/v/FTrxX0b4I4o

Okay! Y'all have been working towards this moment for weeks. You've learned about emotional influence. You've prepared your questions, alternatives, and remember: clear goal, full hearts, can't lose. If you need to brush up and rewatch those videos, now's your chance. Because **it's go time**. It's time for you to get your head in the game and figure out your personal negotiation style. You gotta learn how to collaborate and what cheap shots to watch out for. You have to learn the rules by heart: **how to start, pose a counter offer, avoid pitfalls,** and **make sure everyone is playing fair** until the deal is done. I'm Evelyn from the Internets, and this is Crash Course Business: Soft Skills. And **it's time to negotiate**.

[intro]

Negotiations are all about resolving conflict through collaboration. You're not actually trying to "crush the competition." I mean, sometimes you're in a completely distributive negotiation with limited slices of proverbial pie. And there are a few things you can avoid to make sure you don't get the smallest piece.

Say it was 1978 and you wanted to open an ice cream parlor in Burlington, Vermont with a friend. Maybe you'll call it something cute, like Ben & Jerry's. You've found the perfect spot: an old gas station in the central part of town. Since it's a funky building that fits your style and gets heavy foot traffic nearby, you're willing to pay $1400 a month for rent. I'm making this up, but work with me. And you've prepared for negotiation. So you know your alternative: a boring, smaller storefront down the road for $1200 a month. And your target: $1400 a month.

You need to start off strong. So first, **you shouldn't start a negotiation with a range of prices**. If you offer a range, like saying $1200 to $1600, you'll lose leverage. Your negotiation partner will just pick the price that works in their favor. Basically, they only hear $1600 a month because that gets them more money. **Don't open with your target either, because you probably won't get it**. Your collaborator is looking out for their best interests too, so they'll try and counteroffer. Especially if it's a situation where people expect to negotiate, like over salary. That's also why you shouldn't take the first offer you're given. It's probably not your collaborator's resistance point or their target, and you could get a better deal.

The first number in a negotiation matters because our brains are weird and don't like randomness. We latch onto ideas and make up significance. It's kind of like why we're so good at seeing shapes in clouds or coming up with constellations. Astronomers looked at a bunch of stars and were like, "I mean, I guess that could be a scorpion?" In business negotiations, people get trapped by **anchoring**. Even if a first offer is completely arbitrary, your wacky brain is going to think that number is important and use it to inform the rest of the negotiation. So if the owner of that old gas station starts by asking for $2000 a month, take a breath and think about whether or not that offer is fair. Because of anchoring and your irrational brain, you may feel like you have to go closer to $2000, even if your original offer would have been $1200.

So don't jump right in! Take time to propose a counter offer, and don't bargain against yourself by backing down right away. If you start with $1200, don't just go, "Wait, wait! $1500!" just because they have a surly look on their face. It doesn't mean they've hit their resistance point and are walking away. They're probably just thinking. So be patient, be confident, and you may find they're willing to make a deal. And if you're suddenly talking about rental dates, rental price, and refurbishment, try to move away from bargaining and toward an integrative negotiation.

To find those creative solutions, listen more and talk less. Negotiations are scary. You may be nervous you won't walk away with what you need, or maybe you just really hate silence. But filling the gaps by talking a bunch isn't going to give you any more control. You're just showing your hand without getting anything in return. Not to mention, you're missing out on opportunities to understand the other person's side. Like my boy Powerline says, "**If we listen to each other's heart / We'll find we're never too far apart / And maybe love is the reason why / For the first time ever, we're seeing eye to eye.**"

For a truly innovative solution, just look at when Stevens Aviation and Southwest Airlines both used the same slogan, "Just Plane Smart." Instead of spending thousands of dollars and years in court, they realized they both just wanted brand recognition. So they competed in a television arm wrestling match for the slogan, and both got huge bumps in sales. Y'all, I'm serious. That's what happened. Look up "Malice in Dallas."

Now, you probably won't be solving any slogan disputes anytime soon, but negotiation strategy matters a lot when you're figuring out salary. Sometimes, companies offer bonuses instead of higher pay. And any money is great, especially if you've got student loans. But having a higher salary will help your bank account more than a one-time bump. So it's better to negotiate.

Let's go to the Thought Bubble:

You've just graduated from U.C. Santa Barbara with a degree in criminology. And you've got an offer from the area's premiere psychic detective agency. Even though it's a relatively small firm, you think you could get your salary raised by another $5000 per year. You're not in the interview anymore, **they want to hire you, so you've got some power.**

Every person brings value to a company, and you deserve to get paid what you're worth. So now it's time to talk about what you bring to the table. Without acting like a hostile Lassiter. And the **I-We Strategy** can help. It sort of flips the script. You still advocate for yourself- that's the "I" part. But you focus the conversation on how your skills benefit the company and how the negotiation serves everyone's interest- that's the "We" part.

When the HR coordinator, Burton "TT Showbiz" Guster, offers you a $5000 signing bonus, you bond over your Super Sniffer abilities. You listen carefully to all he's offering, but then counter with a $5000 salary bump. You talk about how your honed psychic skill set could give your boss a break from interrogating perps and give him time to sip pineapple smoothies on the beach. Then, mention how your negotiation skills could help the agency get into crime scenes without resorting to hopping fences. By the end of the conversation, the HR coordinator is convinced and offers you that pay bump. You're a big believer in giving everything a good night's sleep. So the next morning you accept the offer of an extra $5000 a year and a day off for Scare Fest to boot.

Thanks, Thought Bubble!

Any job offer is exciting, and you may want to take it right away. But it's worth taking time to think, weigh your options, and prep if you want to negotiate more. If you want to talk about an offer at home first, it's never okay for a company to ask who you're talking to. You could talk to your cat all day for all they're concerned.

But not everyone got the memo that you should always play nice in a negotiation. Just like with emotional influence, there are unscrupulous characters who will try to use hardball tactics to convince you to take a not-so-good offer. **It's tempting to act like the tough guy if you're afraid of losing out or aren't used to asserting yourself, but hardball tactics erode trust and don't always work**. We want to teach you how to fend them off like an

experienced negotiator. So it's time for a bit more defense against the dark arts.

Ultimatums, like "if you don't' buy this Remembrall now, I'm out of here" and other bluffs are risky, because you'll lose credibility if you don't follow through. They're also just... annoying. Remember how you hated "my way or the highway" as a kid, even though you did need to eat your vegetables? If someone gives you an ultimatum, downplay or reword it with something like, "I know you're reluctant to pay more than 100 galleons for this old wizarding journal, but it really is a rare item." That way, your negotiator saves face, because they probably weren't going to walk away.

People may also try to skew a negotiation in their favor by lowballing or highballing you with a ridiculous offer. Remember anchoring? It's really easy to fall prey to, even if you try to avoid it. Our irrational brains, you know? If you're offered 50 galleons for your 600-galleon Firebolt to "get it off your hands," that's **lowballing**. And if someone says they won't take less an 1500 galleons for your 600-galleon Firebolt because it has "sentimental value," that's **highballing**. Either way, don't get swayed by the dramatics. Use research to show you know your offer was reasonable, like the other broom prices in Diagon Alley thrift. Or re-anchor the negotiation with the price you were originally going to offer.

And just like there are loyal Hufflepuffs such as myself, there are also Slytherins who may be a little more intentionally deceptive. Your gut may tell you when something feels off, so be on the lookout for people who avoid your questions, change the subject, answer the question with a question, or use their charisma to flatter you. If you're buying a home, asking about problems, and are suddenly directed away from the elegant marble bathroom, you may want to press harder.

You may not have any Veritaserum, but liars don't really practice their stories. So **if you ask the same questions different ways and take notes, you may spot contradictions.** But even the most noble of us can fall victim to bad behavior. Nobody's perfect.

Negotiations are stressful, so if you panic a little, you might start evading questions. If your brain really starts to go haywire, you can take a quick break. **To avoid misdirecting people or looking like you're trying to hide something, prepare answers to difficult questions ahead of time.** And sometimes, there are things you just can't give away, like your target or resistance point. But you still want to be upfront. Maybe you've got an NDA and are selling 12 Grimmauld Place. If someone asks who the owner is, you could say, "I... can't answer that question, but I could talk to you about other ways to accommodate your interests."

And don't think of yourself as the bad guy just because you want to negotiate. It may feel a bit uncomfortable at first, especially if you're not used to asserting yourself. And that's okay. You have every right to own your space on this planet and ask for what you're worth. And I'm telling you now if you haven't heard it recently, you're worth a whole lot.

You don't have to be great at negotiation to come away with a higher salary, a cheaper broom, or the perfect ice cream store. You've got nothing to lose, plenty to gain, and just have to be willing to try.

So if you remember nothing else:

1) Nothing ventured, nothing gained. **Be willing to negotiate**.
2) Ice Ice Baby: **Stop, collaborate, and listen**. Take time to counter, don't bargain against yourself, and avoid getting caught in anchoring.
3) **Don't play hardball. Good cop, bad cop is for the movies, not the negotiation table**.
4) Defend yourself against deception and other unscrupulous dealings by **paying attention and asking questions**.

We already know you're working hard to get where you want to go. So next time, we'll help you work smarter by setting some effective goals.

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