

COURSE #1

NEGOTIATION FOUNDATION, STYLES, AND BUILDING TRUST



STUDENT MANUAL



Course 1 of 2 for the
Certified Negotiation Expert (CNE) Designation

CERTIFIED NEGOTIATION EXPERT (CNE®) DESIGNATION COURSE

Course 1 STUDENT MANUAL



RENI
Real Estate Negotiation Institute
by Colibri

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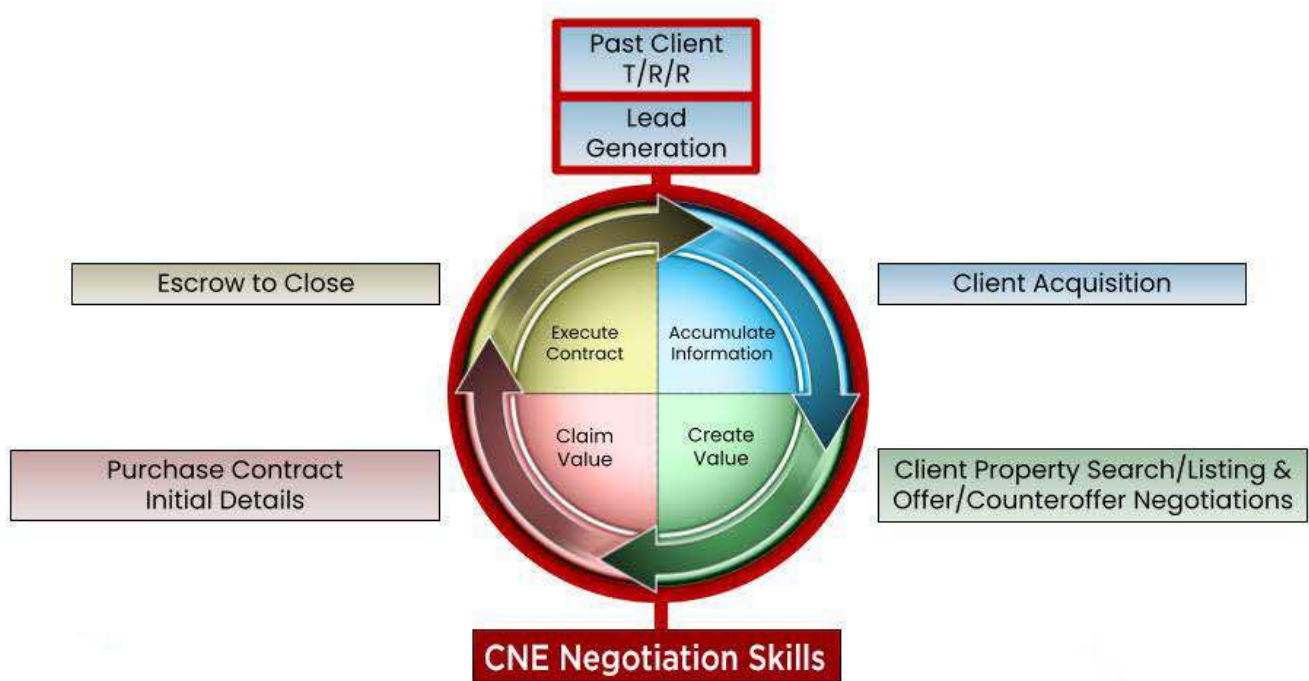
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CNE LANGUAGE CHECKLIST

Examine each word or phrase. Next to it place a check plus if you could teach it to someone else, a check if you have a good understanding, and a question mark if you need more clarification.

- ___ Negotiation definition (ethical persuading and influencing)
- ___ Types of negotiations (collaborative, competitive, compliant)
- ___ Negotiation complexities
- ___ SAM Triangle (Stand, Area, Motivator)
- ___ Competitive (win – lose)
- ___ Collaborative (win-win)
- ___ Compliant (lose-win)
- ___ Distributive bargaining (competing to divide a fixed-pie)
- ___ Integrative negotiating (cooperating to achieve mutual benefits)
- ___ Right brain (feelings and emotions)
- ___ Left brain (logic and reasoning)
- ___ Metaphors / Similes / Analogies
- ___ Fear of loss vs. desire for gain
- ___ SUCCESS Persuasion Principles (Self-Interest, Uniqueness, Communication, Contrast, Exchange, Sameness, Sound Logic)
- ___ ACCE Model (Accumulate/Anticipate, Create, Claim, Execute) BATNA (Best Alternative to Negotiated Agreement)
- ___ Asking questions (Open-ended, Closed-ended, Speculative)
- ___ Skilled negotiators vs. average negotiators (Gathering information, positive comments, exploring options, planning, position of strength, win-win, thinking double, practice)
- ___ Face-to-face presentation of buyer's offer to seller and listing agent

CNE Real Estate Transaction Life Cycle



WHY NEGOTIATION TRAINING FOR REAL ESTATE PROFESSIONALS?

"The real estate industry is saddled with a large number of part-time, untrained, unethical, and/or incompetent agents."
— NAR Danger Report

Real estate agents and brokers are hired by home buyers and sellers to assist and represent them in the home purchase/sale transaction. In virtually all home purchase/sale transactions, home buyers and sellers rely exclusively on their agent/broker to interact with the other side to help reach an agreement.

"The most important service from the consumer's point of view is help with negotiating."
— Game Changers

"Standard strategies for negotiation often leave people dissatisfied, worn out, or alienated – and frequently all three."
— Getting to Yes by Roger Fisher and William Ury

Professional negotiation training has been taught and used in most industries for decades. The Real Estate Negotiation Institute (RENI) began teaching professional negotiation skills in real estate in 2005. RENI's structured, disciplined approach to negotiating with and on behalf of clients consistently leads to better overall protection and final agreements for both parties.

The vast majority of MCNE/CNE graduates feel their MCNE and/or CNE Designations and new negotiation skills:

- provide a competitive advantage
- are valuable to their business
- are valued by their clients
- help them to stand out from the crowd
- give them more confidence in all negotiations

"LEARNING TO NEGOTIATE EFFECTIVELY REQUIRES DEVELOPING A COMPLEX, NUANCED, AND BROADLY APPLICABLE UNDERSTANDING OF NEGOTIATION"

— Leigh Thompson
Kellogg Graduate School,
Northwestern University

BOTTOM LINE:

Professional negotiation training contributes significantly to a strategic advantage and long term success.

YOUR FIRM FOUNDATION

Negotiation Fundamentals

CERTIFIED NEGOTIATION EXPERT (CNE®)

Negotiation Fundamentals

*“Let us never negotiate
out of fear, but let us never
fear to negotiate.”*

– John F. Kennedy
January 20, 1961

Learning Objectives

At the end of Negotiation Fundamentals students will be able to:

- Define negotiation and identify resources to set a foundation for further studies
- Recall how buyers and sellers view the importance of negotiation skills in their agent
- Identify real estate negotiation situations licensees face, including negotiating with prospects and clients, with their broker, and with other agents
- Identify how clients benefit when their agents achieve advanced negotiation skills
- Identify how advanced negotiation skills can help clients navigate the complexities of real estate negotiations
- Recall how to manage emotions in negotiations to ensure fair and ethical treatment of all parties
- Identify sources of power in real estate negotiations and how this knowledge can be used for effective advocacy of client interests
- Identify various real estate negotiation situations and how common ground may be identified between negotiating parties
- Demonstrate how to offset sources of power in real estate negotiations for effective client advocacy
- Recall the SAM model and its application to real estate negotiations and client advocacy
- Recognize how to protect clients in a hard bargaining situation
- Recall how to determine the needs of both parties to negotiate effectively for a client
- Identify the ACCE Model and how it is used for effective negotiation throughout a real estate transaction

Negotiation Definitions

- Two or more people interacting to reach agreement on one or more issues
- Art of influence or persuasion
- Persuade and trade

Real Estate Negotiations

There are many different negotiations conducted routinely in real estate. We negotiate every day in many different situations. Our clients expect us to be knowledgeable in negotiation approaches and techniques. A recent NAR Profile of Home Buyers and Sellers shows:

- 99% of Buyers believe negotiation skills are “Very Important” or “Somewhat Important” in their real estate agent
- Only 48% of all Buyers felt their agent “negotiated better sales contract terms”
- Only 37% of all Buyers felt their agent “negotiated a better price”
- Buyers give “Negotiation Skills” the lowest satisfaction rating of all agent skills and qualities
- Only 5% of Sellers want “help with negotiation and dealing with Buyers”

Why aren't Buyers satisfied with their agent's negotiation outcomes?

Why do only 5% of Sellers look for negotiations skills in their agent?

Exercise:

Part A: You are the Listing Agent. Explain to the Seller why he/she needs an agent with excellent negotiation skills.

Part B: You are a Buyer Agent. Explain to the Buyer three negotiation challenges that must be faced successfully.

Let's look at the different real estate negotiations situations...

Real Estate Negotiations

1. Ownership/Broker – Agent

- a. Commission split
- b. Office space charges
- c. Advertising / Co-marketing / lead generation cost sharing
- d. Types of training and cost
- e. Office charges (fax, copies, forms, etc.)
- f. "Shoe" deals
- g. Joining
- h. Retention
- i. Health benefits
- j. Assistants
- k. Association fees
- l. Business cards
- m. Lockboxes
- n. Signs/Installation
- o. Answering service
- p. Computers

2. Agent – Seller

- a. Listing Appointment
 - i. Appointment time and location
 - ii. Where you sit
 - iii. Discussion topics and order
 - iv. Getting hired
- b. Agency Election (Seller selection of Broker duties)
- c. Listing Agreement
 - i. Type (ER, Exclusive Agency, Open listing, Net listing)
 - ii. Duration of ER
 - iii. Exclusive Period and not putting in MLS for period of time
 - iv. Access, lockbox, and showing times
 - v. Compensation
 - 1. Retainer
 - 2. Commission/fee including performance bonuses
 - 3. Sales after expiration period
 - vi. List price
- d. How and where offers presented (in person by buyer/buyer's agent? Written/oral?)
- e. Home preparation/staging prior to home going on market
- f. Marketing/Advertising plan (sign riders, flyers, newspapers, magazines, internet, etc.)
- g. Open Houses
- h. Home warranty included in list price
- i. Acceptance or rejection of Buyer's offer or counter offer
- j. Multiple counter offers

Let's look at the different real estate negotiations situations...

3. Agent – Buyer

- a. Get Buyer to hire Agent
- b. Agency Election (Buyer selection of Broker duties)
- c. Buyer-Broker agreement
 - i. Period of agreement
 - ii. Amount of compensation (including commission / bonus and who pays)
 - iii. Purchase after termination timing
 - iv. Retainer fee amount and credit determination
- d. Home value expectations (features vs. price)
- e. Initial offer to Seller (including multiple offer situations)
- f. Accepting or rejecting counter offer from Seller
- g. Lender issues (fees, appraisal cost, loan documents on time, etc.)
- h. Home inspection issues

4. Agent – Agent

- a. Co-broke / Commissions
- b. Earnest money on contract breaches
- c. Recruiting
- d. Referrals
 - i. Fees
 - ii. Communication requirements
- e. Mentoring / training agreements
- f. Joint open houses
 - i. Responsibilities
 - ii. Client ownership
- g. Joint office sharing
- h. Joint assistant sharing

5. Rainmaker – Team Member

- a. Recruiting / hire decision
- b. Office space
- c. Supplies
- d. Copying costs
- e. Automobile expenses
- f. Fees
- g. Commission splits
- h. Bonuses
- i. Cap splits
- j. Lead generation
 - i. Rainmaker responsibilities
 - ii. Team member responsibilities / opportunities
- k. Team member training/mentoring
- l. Non-compete terms
- m. Responsibilities / Performance requirements / Expectations
- n. Benefits (vacation, health care, insurance, etc.)

6. Agent – Third Party Resources (Title Company, Lender, Home Inspections, etc.)

- a. Treatment of clients
- b. Co-marketing agreements
- c. Special client rates / fees (e.g. re-inspection fees for home inspection, title fee discounts)
- d. Reciprocal referral agreements

Let's look at the different real estate negotiations situations...

7. Agent Representing Seller/Buyer – Agent Representing Buyer/Seller

- a. Earnest money (Buyer; Seller?)
- b. Personal Property included or not included in sale
- c. Purchase price
- d. Closing date
- e. Possession date
- f. Financing
 - i. Conditional loan approval timing
 - ii. Appraisal payment timing
 - iii. Who pays buyer's discount points
 - iv. Discount points shall not exceed amount
 - v. Who pays ALTA lender title policy
 - vi. Who pays loan origination fee
 - vii. Who pays appraisal fee
 - viii. Seller payment of Buyer's other loan costs
- g. Payments of assessments at closing
- h. Buyer's Inspection Notice timing and Seller's response timing
- i. Buyer's inspection issues
- j. HOA assessments and transfer fees
- k. Home Warranty
- l. Termite inspection payment
- m. Contingencies
- n. Deadline extensions
- o. Title company
- p. Rentals
 - i. Special access
 - ii. Upgrades
 - iii. Utilities
- q. First Right of Refusal
- r. Mineral / water rights
- s. Utilities left on for inspections/repairs
- t. Multiple counter offers
- u. Lot survey fees
- v. Environmental inspection fees
- w. Well inspection fees
- x. Septic inspection fees

Negotiation Skill Benefits

Negotiation Situation	Consumer Benefits	Skilled Negotiator Benefits
Agent negotiates with Seller	<ul style="list-style-type: none"> • Better prepared and staged homes, potentially leading to higher sales prices • Higher satisfaction with the sales process and outcomes 	<ul style="list-style-type: none"> • More listings • Longer listing periods • Higher listing commissions • Higher total compensation • More referrals
Agent negotiates with Buyer	<ul style="list-style-type: none"> • More competitive purchase prices • Higher level of satisfaction with their home purchase • Smoother buying process with more offers on homes that meet their needs 	<ul style="list-style-type: none"> • More buyers • Higher total compensation • More referrals
Agent negotiates with another Agent	<ul style="list-style-type: none"> • Better collaboration results in smoother transaction process and better outcomes 	<ul style="list-style-type: none"> • Higher commission • Increased referrals
Rainmaker with Buyer/ Listing Agent	<ul style="list-style-type: none"> • Improved service and satisfaction • Better service 	<ul style="list-style-type: none"> • Better results • Higher productivity • Greater satisfaction
Agent with Co-Marketing Partners (Title Company, Lenders, Home Inspectors, etc.)	<ul style="list-style-type: none"> • Access to a wider network of trusted service providers • More comprehensive, reliable home buying or selling experience 	<ul style="list-style-type: none"> • More marketing • More business • More commission

Real Estate Negotiation Complexities

- Client Attitudes (Buyer / Seller competitive)
- Agent Attitudes (collaborative and competitive)
- Multiple parties communicating in different ways
- Multiple issues
 - price / value (features / upgrades)
 - commissions / bonuses
 - listing details (e.g. price, lockbox, open houses, presenting offers, marketing plans, etc.)
 - allowances
 - personal property
 - earnest deposit(s)
 - buyer financing costs
 - closing costs
 - timing / dates
 - contingencies
 - prorations / assessments
 - home warranty
 - referral fees
 - inspections/repairs
 - appraisal(s)
- Multiple negotiations (contract, inspections, appraisals, closing, etc.)
- Legal issues
- Emotions
- Cultural factors
- Generational communication and value factors
- Negotiating in writing
- Different interpretation of market data
- General perception of real estate industry
- Other

Exercise:

Think of your last transaction and identify which complexity factors above were a part of that transaction.

How many? _____

Emotions

MINIMIZE OR ELIMINATE NEGATIVE EMOTIONS IN THE NEGOTIATION!

Negative emotions typically result from the way one side is dealing with the other side:

- **Competitive**

- No concern for your interests or relationship
- Abusive behavior
- Aggressive language
- Withholding information
- No trust
- Hard bargaining tactics



- **Collaborative**

- Concern for your needs
- Willingness to explore alternatives
- Willingness to exchange or trade
- Shares power and information
- Builds trust
- Collaborative tactics

THE SKILLED NEGOTIATOR MANAGES EMOTIONS ON BOTH SIDES OF THE TABLE.

Power

Power in a negotiation refers to your ability to influence or persuade the other side to accept your offer or counter offer.

Primary Sources of Power in Real Estate Negotiations:

- Market
- BATNA/Walk Away Power (BATNA = Best Alternative to Negotiated Agreement or your next best option if this negotiation fails; your backup option)
- Sound logic
- Knowledge and expertise in negotiating
- Planning

Five Steps in Preparing to Negotiate*:

1. Assess your BATNA
2. Calculate your walkaway price
3. Assess the other party's BATNA
4. Calculate the other party's walkaway price
5. Evaluate the ZOPA (Zone of Possible Agreement)



* From "Negotiation Genius" by Deepak Malhotra and Max H. Bazerman; Harvard Business School
BATNA is from "Getting to Yes" by Roger Fisher and William Ury

Exercise:

Your client feels disadvantaged by the market and thinks they should hold off deciding to buy or sell.

Option 1: Write down three specific power factors that should be considered by a Buyer and three specific power factors that should be considered by a Seller. Be prepared to share those factors and your reasoning with the class.

Option 2: Role play with your exercise partner. One role plays as a Buyer and the other as a Seller. Take turns role playing the agent explaining three power factors to consider.

[illegible]

STAND-AREA-MOTIVATOR (S.A.M.) MODEL



- Don't get hung up on the other party's stand or position
- Ask questions to identify the right area of concern or issue or interest
- Ask questions to determine the right motivator or emotional driver(s)

A Client's initial Stand/Position is just one way to satisfy an Area of Concern or to deal with a particular issue. By asking questions to identify the real Area of Concern, other possible solutions to satisfy the Area of Concern/Issue can be evaluated or discussed in order to achieve a better outcome. And don't ignore the emotional drivers. You don't have to agree with them, but you must acknowledge them.

S.A.M. EXERCISES

1. Your Seller says “I won’t accept less than \$450,000 for my house.”

Write down three “Area(s) of Concern” for the Seller, depending on his/her situation.

What motivators/emotional drivers might be associated with the Area of Concern?

2. Put an S, A, or M beside each sentence:

- _____ “I won’t pay you more than 5%.”
- _____ “I simply can’t afford to pay more than \$250,000.”
- _____ “I don’t want to look stupid in front of my brother-in-law.” “I am concerned about how much remodeling I have to do.” “My friend will never forgive me if I don’t hire her.”
- _____ “I don’t want to go down that low.”

Gathering Information

Skilled Negotiators Gather Information by:

- Asking questions
- Repeating statements as questions
- Confirming or summarizing your understanding
- Asking third parties

Ways to Ask Questions:

- Open-ended questions
- Closed-ended questions
- Speculative questions
- “Tell me”
- “Describe”
- “Help me understand...”

“Without having excellent intelligence... you have little chance of being persuasive beyond random luck. With good intelligence, you can achieve incredible results in gaining compliance.”

– Kevin Hogan
The Science of Influence

Asking Questions

Style	Advantage	Disadvantage
Open-ended Questions (Questions that cannot be answered with "Yes" or "No" e.g. Who, What, Why, When, Where, How questions)	Designed to explore options or design possibilities. Good at the beginning of discussion process. Fairly easy to frame questions.	Time consuming; not designed to give specific information so getting to concrete answers can be a lengthy process
Closed-ended Questions Questions that can be answered "Yes" or "No")	Narrows response; gets very concrete.	Not designed to let you see the creativity or ability to suggest options that may be strength in someone's thinking.
Speculative Questions (e.g. Suppose ... or What if ...)	Designed to encourage vision and reflect on possibilities that don't exist or may seem unlikely; can really showcase creative thinkers.	Some groups find this style unfathomable; not in their thinking style to deal with questions of this nature
"Tell me ..."	Because these two words are a question disguised as a statement, it feels less intrusive. It will open people up who may not like to be questioned.	If people are not concise, they can ramble and go off on a tangent.
"Describe..."	Like "Tell me..." this also solicits information without seeming intrusive. It will create more openness and less defensiveness.	This also can be time-consuming if people ramble or go off on a tangent.
"Help me understand..."	Also used to solicit more information.	Can be time-consuming.

Exercise

You're meeting with homeowners for the first time. They make the following statement: 'We've been researching home sales online for months and have watched several real estate shows. We don't understand why we need professional representation to sell our home when we can just list it ourselves and save money..

Write down two open-ended questions and two closed-ended questions you would ask to understand the homeowners' perspective (keeping in mind the "Stand – Area – Motivator" model!). Be prepared to share your questions with the class.

Open-ended Questions:

Closed-ended Questions:

Your Notes:

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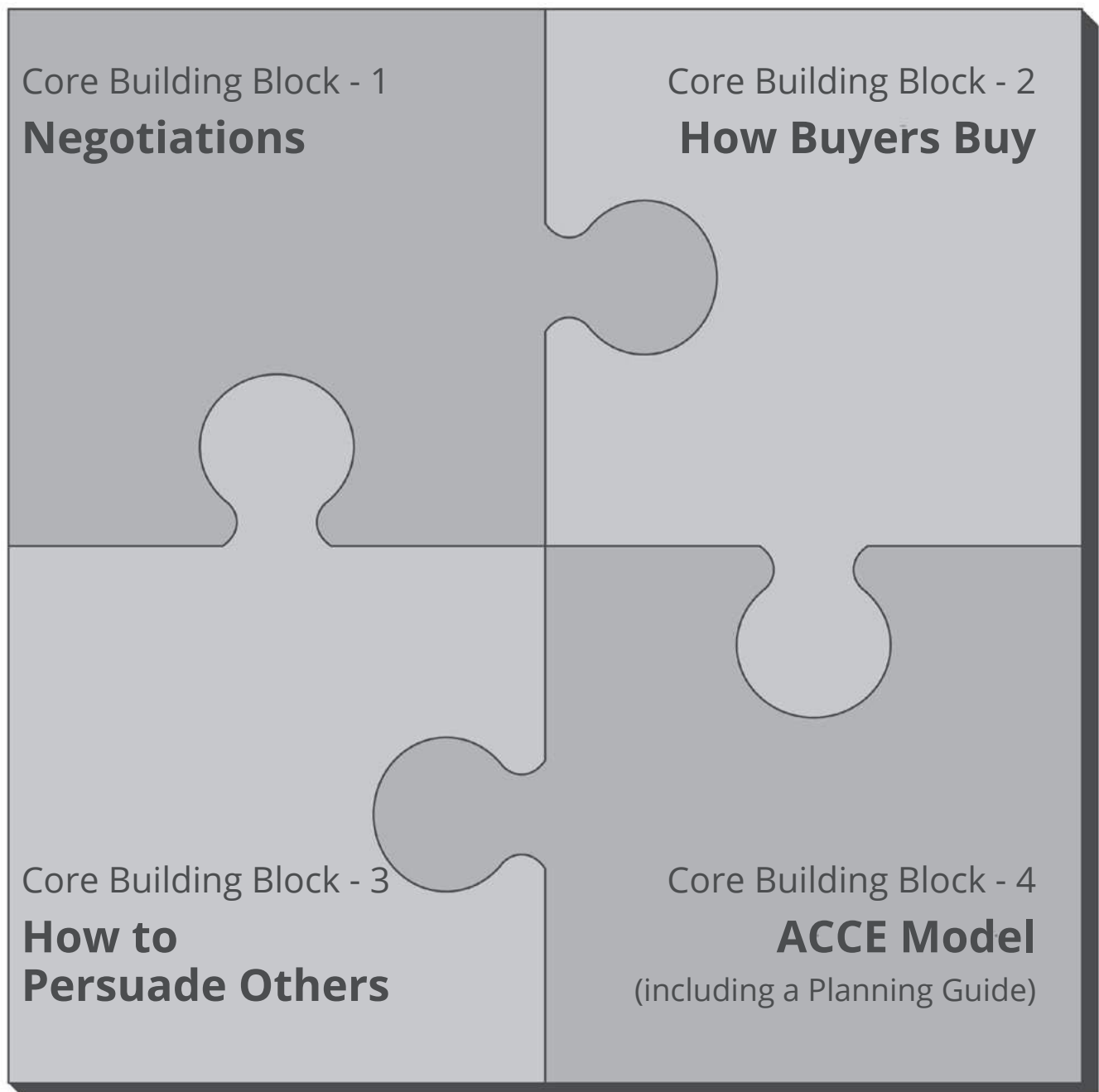
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NEGOTIATION STYLES & BUILDING TRUST

*Negotiation Styles,
Types, & Tactics*

Four Core Building Blocks



CERTIFIED NEGOTIATION EXPERT (CNE®)

Core Building Block - 1 Negotiations

Learning Objectives

At the end of Building Block - 1 students will be able to:

- Recall how to identify a competitive negotiator to better prepare to advocate for a client's interests
- Identify the 2 basic types of negotiations licensees may face when negotiating on behalf of their clients
- Recall client benefits to using a collaborative negotiating style, and how to mitigate risk when working with a compliant negotiator
- Recall how to effectively negotiate on behalf of a client when facing three primary negotiating styles
- Recall how to negotiate effectively on behalf of a client when faced with a competitive negotiator
- Identify tactics commonly employed by competitive negotiators and possible response strategies
- Recall additional strategies of competitive negotiators and how to handle them when negotiating to protect client interests
- Recall how to use collaborative negotiation to benefit your client and create win-win outcomes for all parties
- Recall the role of transparency in creating a collaborative negotiation process for the benefit of the parties
- Identify how to balance both competitive and collaborative negotiation styles to protect client interests
- Recall the traits a skilled negotiator must possess to most effectively protect and advocate for their clients

“take a minute at the beginning of a negotiation to size-up your counterpart and see what style they are bringing to the table.”

– G. Richard Shell, Wharton Executive Negotiation Workshop

Negotiator Styles

- Competitive (**Win - LOSE**)
- Collaborative (**WIN - Win**)
- Compliant (**Lose - WIN**)

“People are more willing to do things for you when you value them.”

– Stuart Diamond
author of *Getting More*

Negotiator Styles

Characteristics	Competitive (Win-LOSE)	Collaborative (WIN-Win)	Compliant (Lose-WIN)
Description	Only concerned with own needs; will sacrifice other party's needs to get own needs met	Concerned with both parties' needs; works for mutually satisfying agreement	More concerned with being accepted/liked; will sacrifice own needs to satisfy other party in order to be accepted/ liked
Goal	Win and control	Influence & persuade	Avoid conflict and comply
General Attitude	Take	Give and Take	Give
Biggest Fear	Losing	Giving up too much for too little	Not being liked
Trust	Not interested	Willing to build	Too eager to trust
Exercise of power	Abusive	Share	Gives away
Tactics	Intimidation; broken record; low/high ball; good guy/bad guy; nibble; silence; walk away; short deadlines; "All I can afford"	Share interests/needs, explore options, fairness, build trust, ethical persuasion techniques, concession making and taking, ask why?	Concession giving without taking, agreeing just to be liked, "I want to make you happy"
Gathering Information	To use against other party	To use for developing WIN-Win	To satisfy other party
How to Influence	Self Interest Sound Logic Uniqueness	Self Interest Exchanges Sameness	Exchange Sameness Contrast
Impact on Relationships	Destroys Relationships	Builds Relationships	Dependent on Relationships

Negotiator Styles

What happens when:

- Competitive meets Compliant?
- Competitive meets Competitive?
- Collaborative meets Competitive?
- Collaborative meets Collaborative?
- Collaborative meets Compliant?
- Compliant meets Compliant?

*“You cannot
shake hands with a
closed fist.”*

– Indira Gandhi

Competitive Negotiating

General Characteristics:

- Win – lose mindset
- Focus on positions vs. areas of concern
- Divide the “fixed” pie mentality
- Each element is negotiated separately
- Fewer concessions
- Hide information
- Use aggressive language to intimidate
- Argue to “overpower”
- Results vs. Relationship focus
- Persistent
- Use/Abuse power
- No interest in building trust (distrust)
- Skillful use of numbers
- Hard bargaining tactics

Competitive Negotiation Tactic Guide

Tactic	Description	How to Handle
Broken Record	Repeating over and over to wear down other side	"I hear you. What solution do you propose?"
Low Ball / High Ball	Starting unrealistically high or low to influence perception of value	Ask for justification of the number
Good Guy / Bad Guy	Designed to influence other party to accept a good offer vs. a lesser offer	Call them on the tactic
Red Herring	Purposeful misleading or misdirection	Ask questions to ensure understanding
Nibble	Taking something small without giving anything in return or taking something back that you previously agreed to	Exchange nibbles or threaten to start negotiations over
Intimidation	Tactics designed to pressure or bully the other party into agreement	Do not be intimidated!
Flinch	Physical reaction designed to show shock, dismay, or disbelief at what you just heard	Smile knowingly or mirror the flinch
Silence	Being quiet along with staring to make the other party feel uncomfortable	"You went to the same training I did."
"You're being unfair"	Designed to appeal to your sense of fairness	Why is that unfair?
Walk Away	Designed to make other party believe you don't want an agreement	Let them walk
Escalation to Higher Authority or Limited Authority	Designed to buy time by having someone else make final decision	Always try to deal directly with the decision-maker
Short Deadlines	Designed to put pressure on the other side due to short time period to decide	Ask why? Make them justify the short period
Bluffing		Test the bluff.
Walk Away	Normally a bluff designed to swing leverage to your side when the other side calls you back	Let them walk out the door
All I Can Afford	False claim to influence other side into thinking your side cannot go any higher or lower	Counter with price and one other factor that helps the other party save face

Discussion:

Discuss any competitive tactics you may have seen recently and share the outcome, good or bad, in dealing with the tactic.

Your Notes:

This image shows a single sheet of white paper with horizontal blue or grey ruling lines. The lines are evenly spaced and run across the width of the page. There are approximately 20 lines visible. The paper appears to be a standard notebook page or a sheet of stationery designed for writing.

Collaborative Negotiating

General Characteristics:

- WIN-Win or Win-WIN mindset
- Focus on interests vs. stands / positions
- Explore alternatives / options
- Make the pie bigger first; then divide the bigger pie
- All elements negotiated collectively as one package
- More exchanges (concessions)
- Share power and information
- Interested in building trust
- Use collaborative tactics

Collaborative Approaches/Tactics

- Asking questions to:
 - Understand interests/needs (open-ended)
 - Explore options (speculative questions)
 - Build trust
- Generate positive emotions
- Considerate silence
- Plan
 - Anticipate issues/questions/responses
 - Develop logical arguments
 - Refute other side's arguments
 - Identify pre-set limits
 - Identify knowledge gaps and fix
 - Identify exchanges
 - Practice responses/scripts
- Build trust

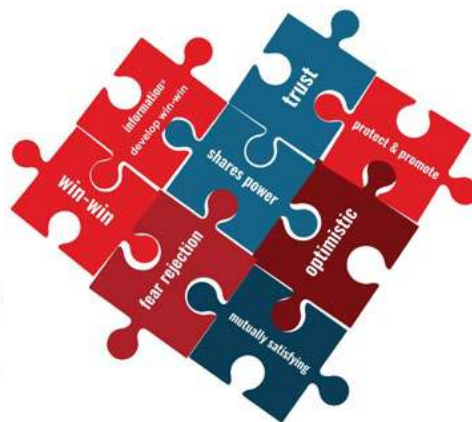
Specific Characteristics of Skilled Negotiators:

- Ask Questions (21% of total negotiation time vs. 10% for average negotiators)
- Test for Understanding: “Let me make sure I understand...” (10% vs. 4% for average negotiators)
- Summarize: “Here’s what I heard you say...” (8% vs. 4% for average negotiators)
- Make positive comments to foster cooperation (4X as many by skilled negotiators; “We appreciate your agreement on that point”.)
- Explore more options / test limits (“What if...” or “Suppose...”)
- PLAN / Planning Guide
- Argue less
- Negotiate from Position of Strength (pre-set limits and moral code)
- Win-Win Mentality (Maximum/Adequate/Minimal)
- High Integrity
- Equal or More Knowledge of Subject
- Think DOUBLE (both sides of the table)
- Practice (both sides)

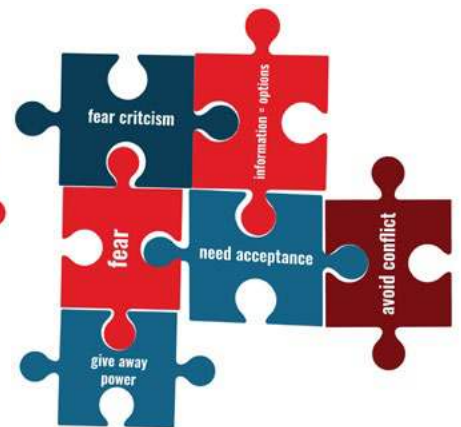
Competitive Negotiator



Collaborative Negotiator



Compliant Negotiator



"The Speed of Trust"

by Stephen M.R. Covey

4 Cores of Credibility in Building Trust: Core 1: Integrity (Character)

Integrity is deep honesty and truthfulness. It is who we really are. It includes congruence (walk your talk), humility, and courage (doing the right thing).

- **Congruence** is living in harmony with your deepest beliefs
- **Humility** is being more concerned with what is right than with being right
- **Courage** to act according to principles – especially when it is hard to do

Core 2: Intent (Character)

Intent is your fundamental motive or agenda and the behavior that follows.

- **Motive** that inspires greatest trust is genuine caring
- **Agenda** that inspires greatest trust is seeking mutual benefit
- **Behavior** that creates credibility is acting in the best interests of everyone

Core 3: Capabilities (Competence)

Capable people and organizations inspire confidence. Capability is our capacity to produce and accomplish TASKS: talents, attitudes, skills, knowledge, and style.

- **Talents:** unique, native strengths
- **Attitudes:** approaching work with energy and determination to contribute
- **Skills:** continuously upgrade my skills
- **Knowledge:** stay current and keep learning
- **Style:** does your style get in the way or ease the path

Core 4: Results (Competence)

Results matter! They matter enormously to your credibility. People evaluate your results/performance on three key indicators: past performance, current performance, and anticipated performance.

- **Past Performance:** reputation and track record for delivering results
- **Current Performance:** producing results now, not resting on past
- **Anticipated Performance:** projection based on past and current results

Exercise: Budgeting Bride Negotiation

As you watch the Budgeting Bride Negotiation video, evaluate whether the techniques used by the negotiator are competitive or collaborative.

Does the negotiator:

- | | | |
|---------------------------------------|------------------------------|-----------------------------|
| ● Use the broken record tactic? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| ● Argue or debate? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| ● Clarify his interests? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| ● Test for understanding? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| ● Summarize? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| ● Explore options? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| ● Try to understand areas of concern? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |

I believe the negotiator is:

- ___ a. highly competitive
- ___ b. highly collaborative
- ___ c. a combination of competitive and collaborative

Questions:

How do you spot a collaborative negotiator?

How do you signal you are a collaborative negotiator?

Your Notes:

[illegible]

Your Notes:

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