



**CERTIFICATION COURSE**

**Student Manual**





## **Certification Course**

### **Student Workbook - Virtual Delivery**



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# VIRTUAL RULES & EXPECTATIONS

## The Virtual Rules – Policies for Attendance



The instructor and/or monitor reserves the right to remove you from the Zoom session if you do not adhere to the policies for this virtual offering of the RENE Certification Course. If you are removed, you will not be readmitted.

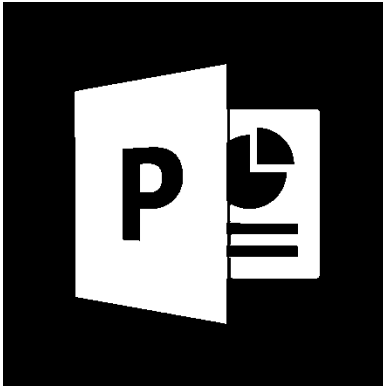
1. This is a virtual classroom. Appropriate classroom behavior is expected.
2. Please keep your audio on mute until you are called on to speak. This will help to limit background noise.
3. If you would like to use the Chat box, remember that it is public, and a record of the chat is kept and archived.
4. Your Video must remain **ON** at all times for monitoring purposes. Any student who does not remain on camera for the entire course will **NOT** receive credit for attendance and will forfeit eligibility for the RENE certification. There are no exceptions to this policy.
5. You must arrive on time for all sessions and breaks and may not leave the course early. Arriving late and/or leaving early will result in no course credit and you will forfeit eligibility for the RENE certification. There are no exceptions to this policy. Zoom records the login and logout times of every attendee.
6. Avoid distractions such as your phone, keyboard, other devices, etc.
7. Use meeting cues such as “raising hand” virtually.
8. If you have to step away for **a few minutes**, send a private chat to the instructor or course monitor to let them know.

## Expectations

- Arrive on time from all breaks.
- Turn off or silence mobile devices.
- Feel free to ask questions.
- Keep side talk to a minimum.
- Agree to disagree
- Video and/or audio recording are not permitted.

## ■ VIRTUAL RULES & EXPECTATIONS

### The Instructor PowerPoint®



The slide deck is proprietary and cannot be distributed to students. Everything on the slides is in this Workbook – and more (just a different visual representation in some cases).

### It's in Your Workbook:



This Workbook contains everything (and more!) that appears on the slide deck. Things may appear differently for visual representation in PowerPoint™, but all content is in your Workbook.

It is your responsibility to be attentive and follow along.

If you lose your place, please don't disrupt the class by asking the instructor what page you should be on – simply look at the slide on the screen – bottom right corner (in a few cases, the top right):

**SW#.** That '#' will indicate the corresponding page number in your Workbook.

# RENE CERTIFICATION



RENE (Real Estate Negotiation Expert) is the only negotiating credential recognized by NAR.

Real estate professionals encounter all sorts of people, personalities, situations, behind the scenes issues, and adverse and competing objectives of the parties. These courses provide the tips and tools professionals need to master so they can deal with the above to effectively advocate for their clients.

The RENE curriculum provides interactive experiences to help negotiators elevate their game! The courses examine all types of negotiation formats and methods as well as a full spectrum of tips, tools, techniques and advantages so you can provide effective results for your clients.

This new credential is a certification -- which means no membership or recurring annual dues. The Real Estate Business Institute confers the RENE credential upon completion of the course requirements and remittance of a one-time \$159 credentialing fee. **There is no membership or annual dues.**

## Earn Your RENE in 3 – 2 – 1!

3	2	1
Complete the RENE Certification Course	*Be an active member of the National Association of REALTORS®	Submit the Application with a one-time \$159 USD credentialing fee.  <b>NO annual dues or membership required.</b>

\*Applies only to REALTORS® in the U.S., its insular possessions or the Commonwealth of Puerto Rico. All others may visit [REBINstitute.com/RENE](http://REBINstitute.com/RENE) for more information on our Global Electronic Membership (GEM) requirements.

### Elective Credit

- This course is recognized as an elective toward the ABR and SRS designations.
- Recognized for one (1) elective credit toward the CRB designation.



# RENE CERTIFICATION

**If you have any questions about any of the following, contact the REBI staff:**

- How to earn the RENE certification
- Information on CRB, SRS, & C-RETS
- Course descriptions
- Course schedules
- Other information



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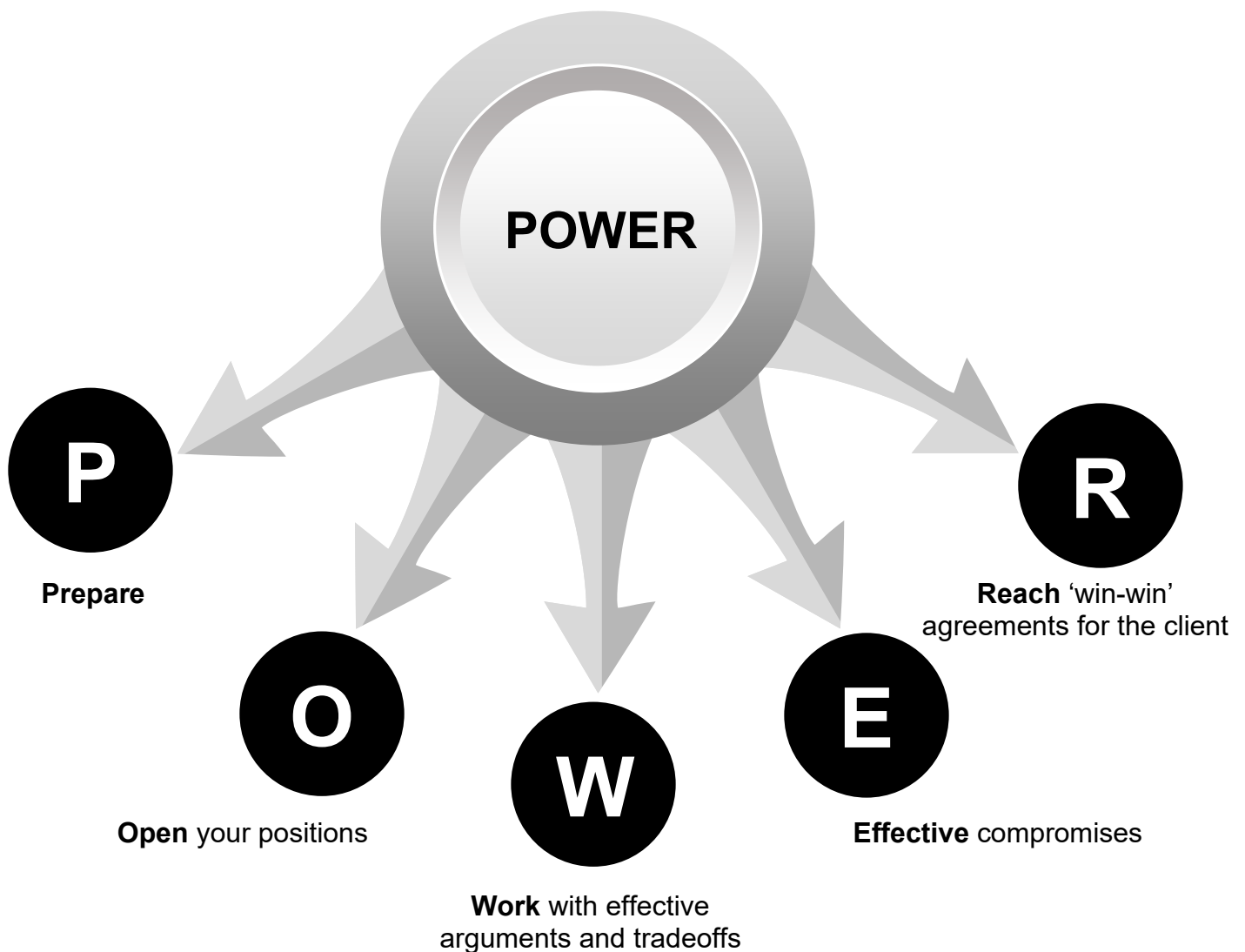
# LEARNING OBJECTIVES

1. Understand the basic types of negotiations, the phases of negotiations, and the skills needed for successful negotiating
2. Understand and apply the basic negotiating concepts: WATNA, BATNA, WAP, and ZOPA
3. Recognize patterns and tactics being utilized
4. Adjust your communication style to achieve optimum results with any party in the transaction
5. Effectively negotiate face-to-face, on the phone, through e-mail, text, and live virtually
6. Lay the groundwork for a negotiation
7. Identify what information to share and what to keep to yourself
8. Understand the basic bargaining techniques
9. Apply strategies for identifying mutual gain
10. Understand how to reach consensus and set the terms of agreement
11. Secure the best possible outcome for your client and protect their interests
12. Deal with difficult issues

# INTRODUCTION

"The Power Negotiator's Playbook" is:

- in preparation,
- being open to options,
- knowing how to effectively work with tradeoffs,
- knowing how to compromise without giving essential components away,
- and reaching a resolution that your client can find acceptable



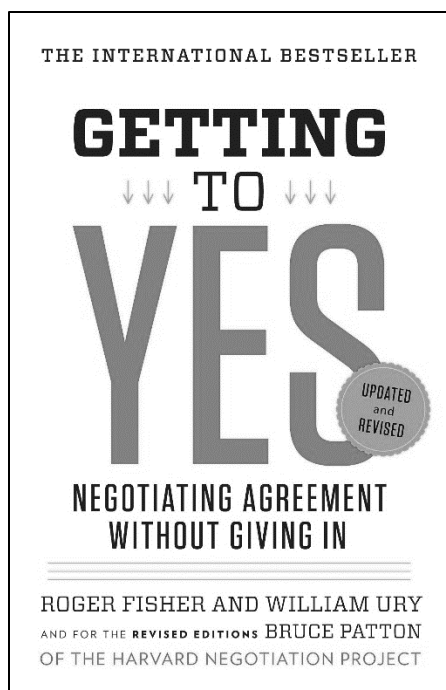
You will soon realize that the "win-win" objective is merely a perception -- compromise or 'splitting the difference' do not exist when two parties are deadlocked. Power comes from leveraging your options and alternatives so that the client has the best possible choices to consider and knows what the downside could be for each choice presented.

# INTRODUCTION

## What is a Negotiation?

The authors of *Getting to Yes*, define negotiating as a:

**“back-and-forth communication designed to reach an agreement when you and the other side have some interests that are shared and others that are opposed.”**



By Roger Fisher and William Ury

Since it's original publication nearly thirty years ago, *Getting to Yes* has helped millions of people learn a better way to negotiate. One of the primary business texts of a modern era, it is based on the work of the Harvard Negotiation Project, a group that deals with all levels of negotiation and conflict resolution.

*Getting to Yes* offers a proven, step-by-step strategy for coming to mutually acceptable agreements in every sort of conflict. Thoroughly updated and revised, it offers a straight-forward, universally applicable method for negotiating personal and professional disputes without getting angry or getting taken.

Search Amazon or your favorite book seller to purchase a print or digital copy.

# INTRODUCTION

A negotiation is a game of chance that involves risk. It is essential to understand that negotiators will need to leverage any available assets that they have at their disposal. This dance between two opponents vying for the best possible outcome for their clients is a delicate balance.

- When played between two trained athletes, it is masterfully executed using subtle psychological tactics, tools and techniques to arrive at a "win-win" resolution.
- When one player is an amateur, it is a "win-lose / lose-win / lose-lose" event that can be combative, adversarial and counter-productive to the interests of the client.

The important point is that it has nothing to do with whether or not someone actually won or lost because when successfully done, even a bad deal can feel good because a negotiation is a **perception** and not a reality.

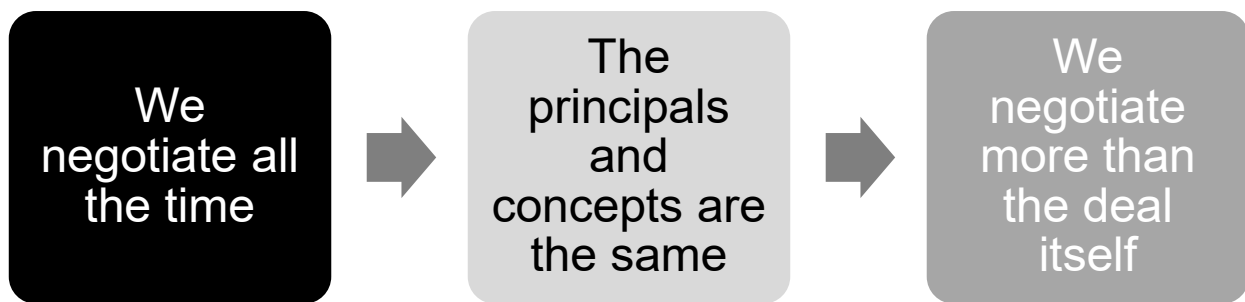


# INTRODUCTION

## When do we negotiate?

Life is a negotiation. We negotiate in business, with our clients, and also with the other negotiators. We tend to forget, however, that every day we are negotiating -- with friends, family, colleagues, spouses/partners, retailers, shop owners, bosses, sales people, supervisors, and service providers.

The important thing to remember is that there is plenty of opportunity to practice the skills and skill sets that will be explored in this course **BEFORE** you try any of this on your clients! Also, one reminder -- **NOTHING** should be done on behalf of a client without the client's formal, written consent.



## Negotiating Starts at Hello

Every phase of every transaction is a negotiation between you and all parties involved.

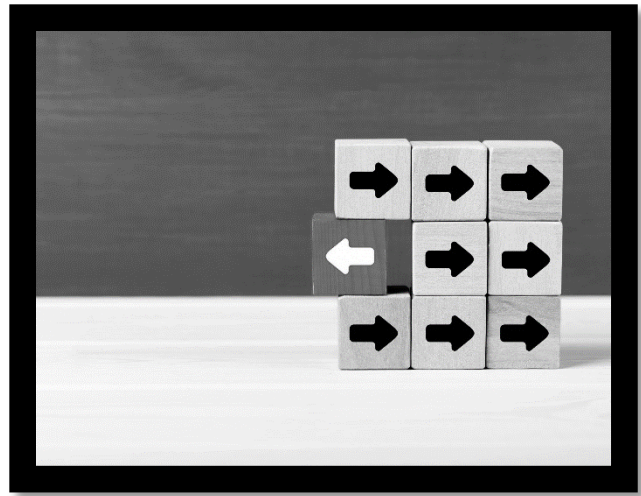
There is no such thing as idle conversation.



# INTRODUCTION

## A Skilled Negotiator

- Helps set realistic expectations
- Determines clients' deal-killers
- Helps clients' set range of acceptability
- Knows the market
- Prepares their clients



## Remember!

Although license laws may say you owe all consumers honesty and some license laws add on fairness:

- You work **FOR** clients and **AGAINST** customers.
- You cannot help a customer or another agent if it harms your client's position or compromises their instructions in any way.
- The interests of the client come first, and you are obligated to negotiate to their advantage.



## Code of Ethics, Article 1

When representing a buyer, seller, landlord, tenant, or other client as an agent, **REALTORS® pledge themselves to protect and promote the interests of their client. This obligation to the client is primary, but it does not relieve REALTORS® of their obligation to treat all parties honestly.** When serving a buyer, seller, landlord, tenant or other party in a non-agency capacity, REALTORS® remain obligated to treat all parties honestly. (*Amended 1/01*)



# INTRODUCTION

## Know What You are Negotiating For

It is important to remind ourselves what we are really negotiating for. This is not about you, the negotiator, winning or losing. It is about your client's perception of value and their important issues.

Since they don't do this all the time, they may not realize how stressful waiting for an answer can be or if their offer will even be considered as serious. Our primary concern is to ascertain the client's tolerance for the stress and their perception of their needs / wants / wishes regarding price, terms and conditions.

In addition, the intangibles that go beyond the price sometimes have much more value. Some of those intangibles might be time, location, condition, status, comfort, lifestyle, safety, etc. Whatever the tangible, intangible and features of interest there are, the negotiation is ultimately about your client's satisfaction **whether or not you believe it to be in their best interests.**



## MODULE 1



# GOLF CLUBS

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BUYING AND SELLING A PRODUCT

# INDIVIDUAL NEGOTIATION -- EXERCISE

## Golf Clubs: Buying & Selling a Product

You will be randomly paired up and put into breakout rooms:

- One of you will play the role of the **Store Manager**, and
- the other one will play the role of the **Customer**.

**You decide who will play which role.**

### The Scenario

- You **ONLY** want “Taylor-Made” woods and irons; graphite shafts.
- You have an entry level set of clubs, but believe “better” clubs will lower your score, improve your overall game, and impress your friends.
- You’ve done your research and know that woods and irons retails for \$2,000. These clubs are available at all shops and golf warehouses.
- The clubs are advertised at a competitor’s shop for \$1,899.
- The Store Manager has put most of the store merchandise on sale, but the ‘status’ clubs that you want are not set to go on sale until next week.



### Instructions

- You will have 10 minutes to buy and sell the golf clubs.
- Your objective is to cut a deal no matter what.
- Take the negotiation as far as you can.

## MODULE 2



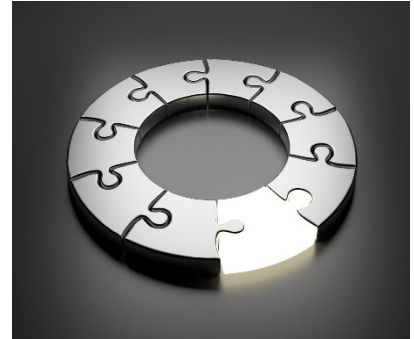
## PROCESS PHASES OF A NEGOTIATION

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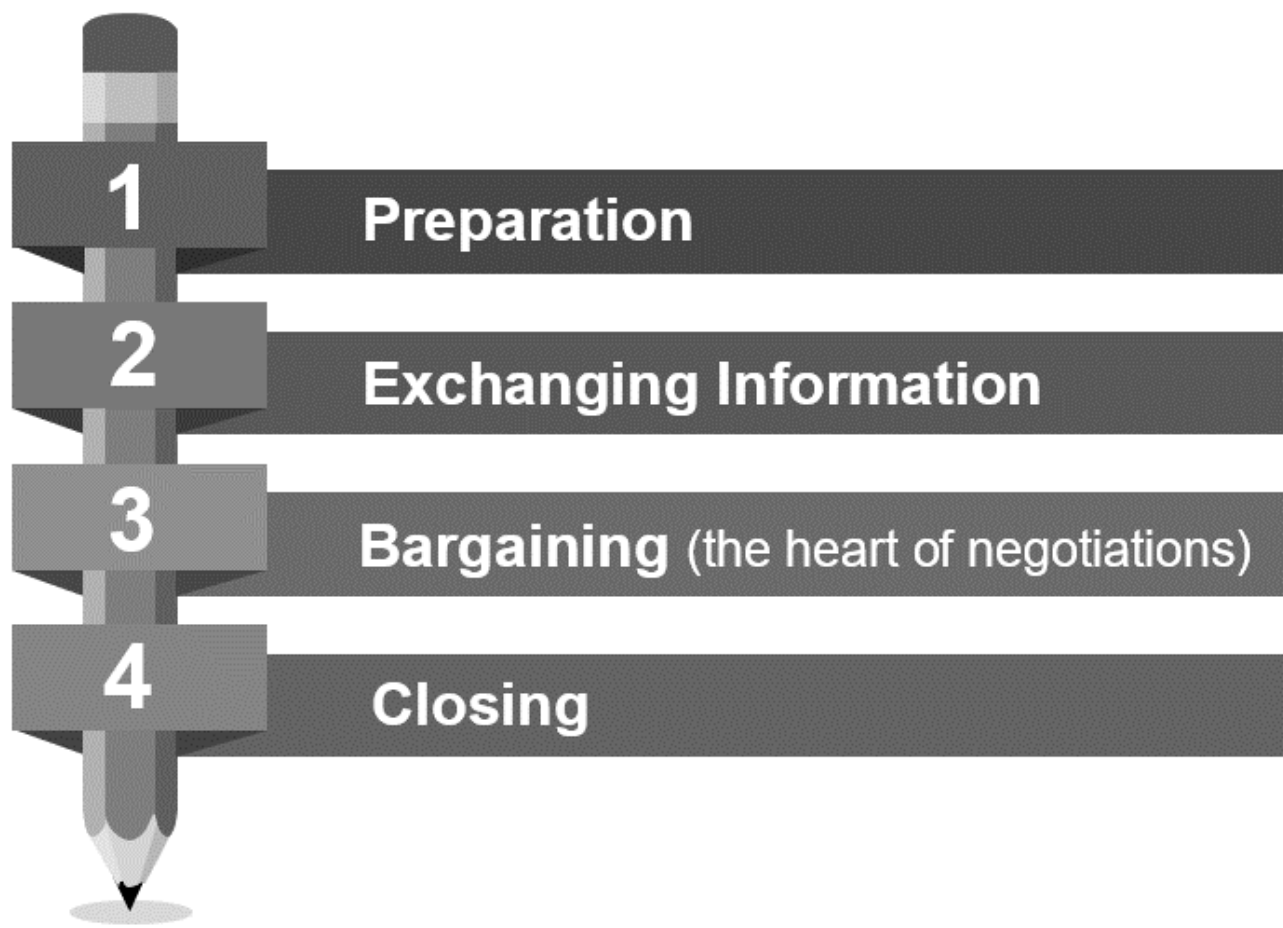
# PROCESS PHASES OF A NEGOTIATION

## Process is Important

- Most of your time should be spent on identifying what the client believes is important.
- Evaluating their needs, wants and wishes is a key element of formulating a successful plan.
- Each segment of the process will be evaluated in detail.
- All phases are important to achieving successful results.



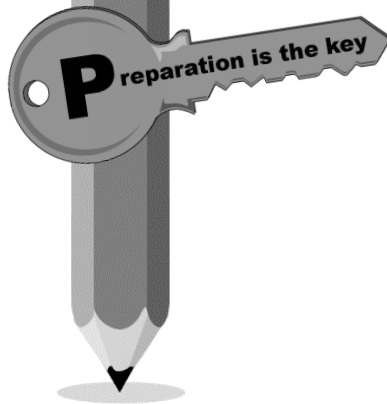
## The Four Phases of a Negotiation



# PROCESS PHASES OF A NEGOTIATION

1

## Preparation



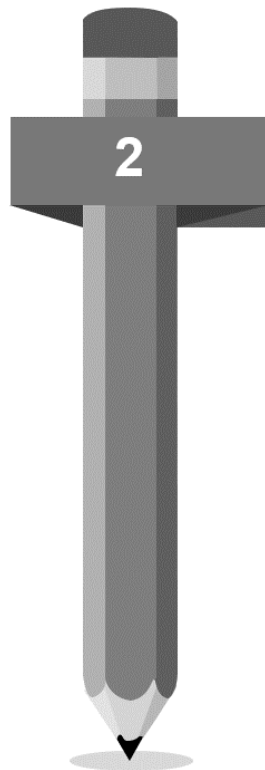
- Set the objectives
- Define the parameters
- Identify the non-negotiables
- Collect information about market conditions
- Evaluate aspects of supply and demand

# PROCESS PHASES OF A NEGOTIATION

**Personal preparation is also important:**

- Approach the negotiation with **self-confidence and a positive attitude**.
- Without preparation, **you will give more than you get from the negotiation**.
- You must be ready to go into the negotiation with the **strongest bargaining position you can**.

## Exchanging Information



## Exchanging Information

- The objective is to secure detailed information for your client and about the dynamics of the transaction in a non-confrontational way.
- The tricky part is deciding what to reveal without breaching your client's confidential information.
- If you rush right into the negotiation without some initial pleasantries, the other party may feel that you are being pushy and aggressive.
- Create an atmosphere of respect, set a positive tone, and project an image of self-confidence.
- If you rush right into the negotiation without some initial pleasantries, the other party may feel that you are being pushy and aggressive.

# PROCESS PHASES OF A NEGOTIATION

## What to Keep to Yourself



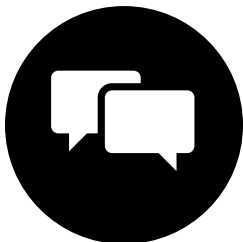
At the start of a negotiation, **don't give a detailed statement about your position on specific issues.** That is a subject for bargaining.

If the other party tries to rush you into stating your bargaining position prematurely, say something like, "That's an important question. Before we get to that, let's make sure we agree on the issues we're discussing."

You don't want to appear secretive or deceptive, but at the same time you don't want to give away your bargaining position.

**Your success in a negotiation depends on knowing what to say, when to say it, and when to be silent.**

## What to Share



- Market statistics and data to support your position.
- Remember to state your position on the issues being discussed in a non-confrontational way.



# PROCESS PHASES OF A NEGOTIATION

A vertical pencil graphic with a grey eraser at the top and a sharpened lead tip at the bottom. The number '3' is written in white on a grey rectangular background that overlaps the eraser.

3

## Bargaining (the heart of negotiations)

- The nuance of trading items of value without conceding on major concessions.
- The utilization of tactics, tools, and techniques to arrive at a mutually agreeable conclusion.

A vertical pencil graphic with a grey eraser at the top and a sharpened lead tip at the bottom. The number '4' is written in white on a grey rectangular background that overlaps the eraser.

4

## Closing

- Having the parties reach agreement on major items that **satisfy all needs, most wants, and some wishes**.
- Results in all parties being satisfied.

## MODULE 3



# What's the Goal?

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ASSESSING THE STATISTICAL PROBABILITY OF SUCCESS

# WHAT'S THE GOAL?

## What's Your Game Plan?

Planning the negotiation is essential and there are several items to consider before you can score a win!



What do you think they are?

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# WHAT'S THE GOAL?

## Keep Your Eye on the Ball

The purpose of a negotiation is to secure the best possible outcome for your client based on all the existing circumstances of the transaction -- after receiving their written permission. It is critical to secure as many facts and circumstances as possible about the:

- motivation
- urgency
- personal details of all parties -- including the other negotiator and their client

These facts will be added to your playbook for their value in the negotiation.

Assessing the statistical probability of success based on a variety of possible strategies and outcomes is essential. You need to be mindful of the supply and demand factors of the market at that price point since that will provide a basis for statistical probability for success, but not necessarily the outcome if you play the game correctly.

You must also assess your client's level of tolerance for risk and stress. Our job is to help them understand that we will do our best to minimize the stress for them but we cannot relieve them of it entirely.

We will also need to get our client's priorities straight since they could be really different from ours. What we value is not important and we must focus on the negotiation's objectives from their perspective.



# WHAT'S THE GOAL?

**Several items to consider before you can score a win!**



So many factors come into play when planning a negotiation. Some items to consider before you can score a win are:

1. Is the market with you or against you?
2. Does your client love it or like it?
3. Are there competing offers?
4. Does the other negotiator have a competing offer?
5. Do you know the other agent? If your history favorable or not?
6. Are the parties motivated to buy / sell?

# WHAT'S THE GOAL?

## Aspects that Are Essential to Consider

- Knowing what your client's needs / wants / wishes are and what they want and don't want is critical to bartering.
- It is also helpful to know what the other negotiator's clients want or don't want based on their needs, wants and/or wishes.
- Another important consideration is to anticipate possible counters to any proposal you make and knowing what your client will allow/not allow for latitude so that you can be pre-authorized to barter unwanted elements.
- The motivation and interests of the negotiator need to be fully explored since that is often the leverage point in many negotiations.
- We need to be open and flexible to alternate methods, options and considerations that could lead to a mutually agreeable resolution for all concerned but most of all, rehearsal is critical.
- You can't be good without practicing the skill sets that will be provided in this course – rehearse!



# WHAT'S THE GOAL?

## All Athletes Train for the Big Game

What do you know about the other negotiator and how they do business?

In addition to learning about the pressures, target, and needs that might influence your opponent, you might also want to try to get some idea of their usual negotiating approach.

- Do they typically start out with an unreasonable offer?
- Do they try to rush the negotiation?
- Do they try to frame the issues to their own advantage?



# WHAT'S THE GOAL?



## Negotiating Plan Worksheet

We have provided a template for you – pages 174-175 in the Appendix.

Next time you have a big negotiation do the prep work you need to be successful. Use the Negotiation Game Plan Worksheet to organize your thoughts.

Start with stating the negotiating partner and negotiating topic. Then start listing and rank ordering your client's needs and interests. Then fill out what you think are the other party's needs and interests.

Then, go over the most important terms your client wants and also think through your thoughts for the other party's most desired terms.

Next, think through your client's target and walk away price ranges. And, codify what your BATNA is (Best Alternative to a Negotiated Agreement).

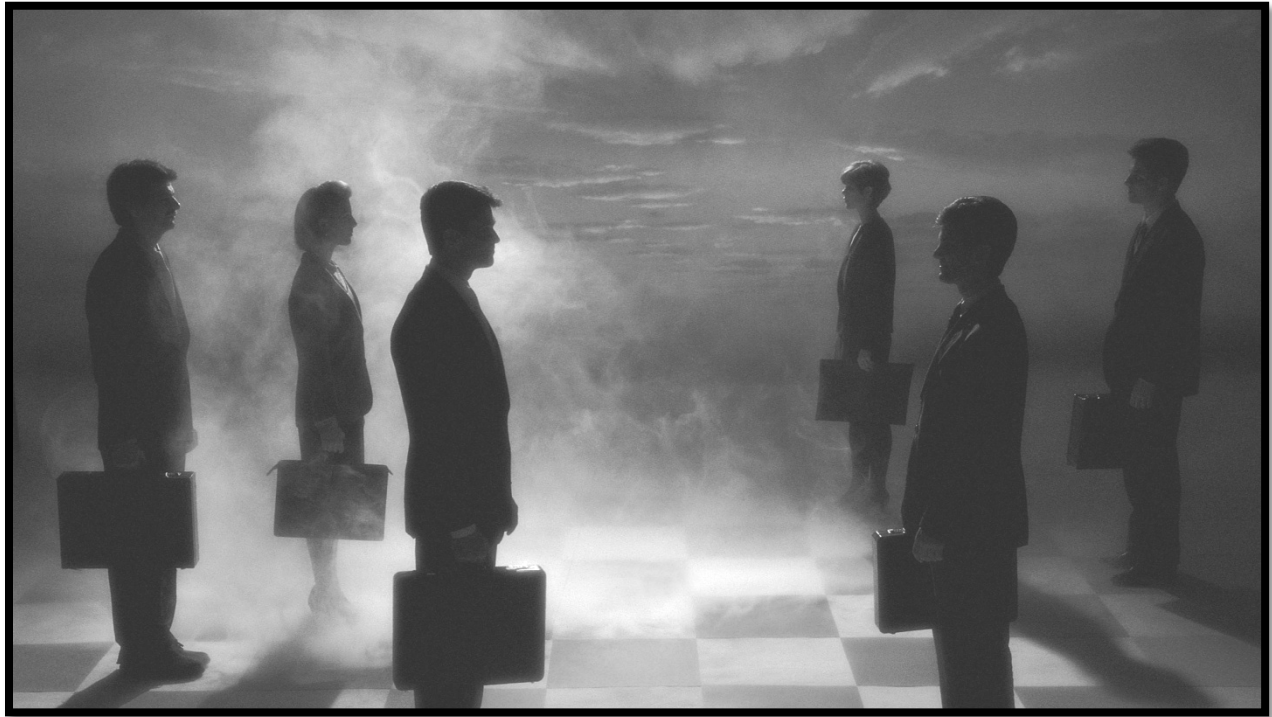
Once you do this, then tackle some of the tactics in the negotiation, including what your communication and relationship development strategies are.

Thinking through your game plan will set you up for a higher probability of success in your negotiation.

NEGOTIATING GAME PLAN WORKSHEET - continued		
Agent on Other Side		
Date		
Negotiating Topic (price, terms, inspection, etc.)		
<b>Needs &amp; Interests</b>		
Rank Order	Description	Other Party Insight
1		
2		
3		
4		
5		
<b>Desired Terms</b>		
Rank Order	Description	Other Party Insight
1		
2		
3		
4		
5		
Price Range		Target =
		WAP (Walk-Away Price) / Max =
<b>BATNA Strategies (Best Alternative to a Negotiated Agreement)</b>		



## MODULE 4



# Types of Negotiators

---

ROLE OF THE NEGOTIATOR AND THE EGO

# TYPES OF NEGOTIATORS

**It's all about the other negotiator.  
If they don't know how to pass the baton, it will make for a difficult race!**



The reality is that you can't even begin to negotiate price, terms or conditions until you get past the other negotiator.

- Knowing their negotiating style, temperament, ego, and hot buttons are pivotal to crossing the finish line
- Most people who negotiate have never been trained and don't know how to play the game
- To take fair and ethical advantage for the benefit of your client you need to know how not to damage the ego of the other negotiator
- Know the difference between a bad negotiating agent and client
- We should not punish someone for doing their job -- we have to understand each other's roles

## TYPES OF NEGOTIATORS

## Recognizing a Skilled Negotiator

Write down some of the skills / traits / attributes that you think a skilled negotiator possesses:

This image shows a blank sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

# TYPES OF NEGOTIATORS

## Recognizing a Skilled Negotiator

A handful of personal characteristics and social attributes contribute to successful negotiations. Nobody has all the traits of a world-class negotiator, but these skills are worth developing if you hope to improve your negotiation skills.

The problems occur when you're dealing with someone who doesn't have these skills. Your responsibility is to get the job done no matter whose job it is. It may be necessary, when dealing with an agent that has not been trained as a negotiator and behaves badly, to go above and beyond. Sometimes this means that for the benefit of your client, you need to extend yourself beyond your own job to get it done.

Partnering for a successful resolution may mean that you need to jump through extra hoops to accommodate the other agent and their perception of how the transaction will or should go.

- Patience, persistence, and creativity
- Calm, balanced, and organized
- Keen listening skills
- Shows empathy
- Sensitive to nonverbal cues
- Doesn't take things personally
- Innovative and creative problem solver
- Flexible
- Integrity, honesty, and trustworthiness
- Understands that knowledge is power
- Professionally secure
- Sets their ego aside – not vested in the outcome
- Knows their legal responsibilities and also knows if you know yours
- Is prepared, understands priorities
- Secures as much information as possible about the parties and situation

# TYPES OF NEGOTIATORS

## Collaborating with Your Opponent

Collaboration is also a perception. Cultivating a positive relationship with the other negotiator is key.

### Once Done You Can:

- Agree to disagree
- Respect that the other person has a different job and objectives than you
- Admire a job well done even though you may not have prevailed

### Cultivating that Relationships Take:

- Time
- Trust – both given and earned
- Skills possessed by both negotiators
- Enough positive experiences together

# TYPES OF NEGOTIATORS

## Understanding What the Other Negotiator Wants

Whether you like or respect the other player or not, it is critical to create a sustainable positive experience for the other negotiator to secure a competitive advantage for your client.

- Create a sustainable positive experience for the other negotiator to secure a competitive advantage
- Subordinate your ego to attain results
- If the other person is a "legend in their own mind", tact and diplomacy will be required
- You may need to do the other person's job to get the job done
- No matter what the professional abilities of the other party are, certain basic psychological realities are in play

## Understanding What the Other Negotiator Needs

Human nature is consistent -- the other negotiator wants what anyone wants:

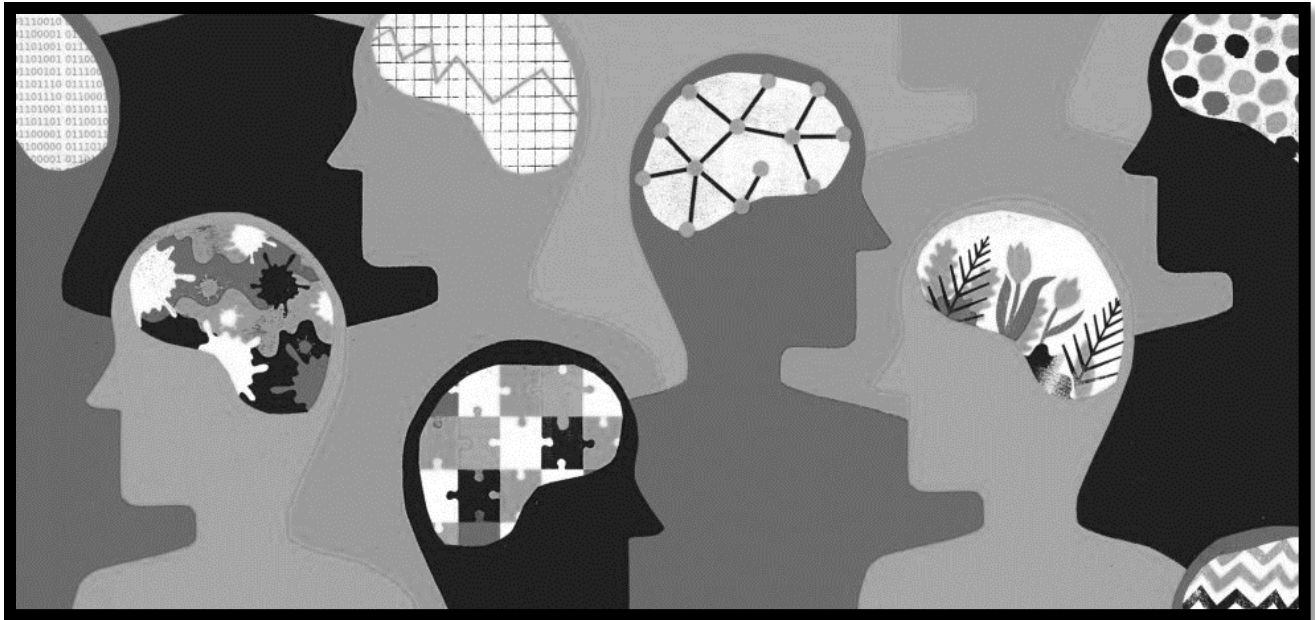
- Want results that need to have meaning or matter
- Few like surprises or change in forms, procedures, customs
- People want to be trusted and relied upon
- Everyone wants to be listened to without interruption
- In general, people want to be treated nicely and be liked
- Most appreciate and some expect to be "wined and dined"
- People need a good explanation to help defend the request
- Everyone thinks they are honest, fair, kind, ethical, professional and responsible even when they are not
- No one wants to be "caught in a corner" or given ultimatums
- People prefer to avoid future risks or problems when possible
- Most want recognition for results and recognized as successful
- Most prefer to work easier, not harder
- Meet goals without compromising integrity

# TYPES OF NEGOTIATORS

## The Seven Deadly Sins of Negotiating

<b>PRIDE</b>	→	Be prepared to compromise.
<b>GLUTTONY</b>	→	Don't bite off more than you can chew.
<b>ANGER</b>	→	Handle objections calmly.
<b>COVETOUSNESS</b>	→	Prioritize wants and needs.
<b>ENVY</b>	→	Know your competitor's strengths and weaknesses – AND your own.
<b>SLOTH</b>	→	Do your homework.
<b>LUST</b>	→	Don't look desperate to settle.

## MODULE 5

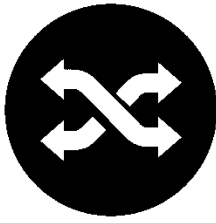


# Negotiating by Style

THE INFLUENCE OF PERSONALITY STYLE



# NEGOTIATING BY STYLE



## The Importance of Versatility in the Negotiation

### Versatility Defined

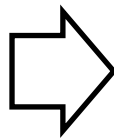
- Being adaptable
- Adjusting your openness and directness
- Adjusting your pace and priority
- Maintaining client comfort throughout the buying and selling process

### Change the Rules

Dr. Alessandra explains it this way in his book – *The Platinum Principle*:

#### THE GOLDEN RULE

Treat others as ***you*** would like to be treated.



#### THE PLATINUM RULE

Treat others as ***they*** would like to be treated.

# NEGOTIATING BY STYLE



## Reminders:

We are not here to judge people. None of these styles is the best, or better than another. All have pros and cons.

By discussing 'types' or 'styles' we are not attempting to put people in boxes or stereotype anyone. Understanding someone's behavioral style isn't mutually exclusive with getting to know them. If you can quickly pick up on another person's needs-based cues and adapt your own behavior, you'll learn to value others more genuinely.

Implementing versatility requires you to improve your listening skills. Good listening enriches relationships and can help build a lasting rapport that is not superficial.

Versatility is not manipulation. We are talking about learning to 'speak their language'. It isn't considered manipulative to speak French when in Paris. It's something you do briefly to be more compatible. You don't alter your basic nature while in France. Your ideas don't change – but how you present those ideas change. Versatility doesn't change you or your clients – it empowers you by making your communication skills work in a way which best relates to those around you.

Understanding the four basic styles will allow you to read and respond to others, reducing friction. It will also help you see why *you* do what you do – that reduces friction, too.

Clients differ and have different expectations of the process. They give us signals when their expectations are not met. We need to be aware of the signals and adapt to them – they will not adapt to us.

# NEGOTIATING BY STYLE



## Insights & Practical Ideas

In this section, we will be focusing on the needs of the buyers and the sellers. In order to facilitate a transaction that meets the needs of the clients, agents must be able to:

**Identify** how a person's behavioral patterns influence what that person wants, needs, and expects from us and others, as well as how that person communicates those wants, needs, and expectations.

**Adapt** to people in a way that will reduce their tension, increase cooperation, prepare the clients for the largest single monetary transaction they are likely to make in their entire lives and promote trust in the process.

The bottom line is the purchase or sale of real estate is likely to be the most financially intense transaction your clients will ever make. It not only is a financial milestone – it is an emotional one as well. How you assist them in this transaction is critical in making it a successful, stress free transaction.

It is imperative that we adapt to the needs of our clients to assist them in achieving their goals.

### How to identify social styles

Yours



Your client's

### Be aware of the styles' selling preferences

### Ways to modify our behavior

### How versatility will

Increase your business



Reduce your stress

# NEGOTIATING BY STYLE

## Identify Your Personality Style

To start, it is important that you recognize your personality style. The exercise below will assist you with this. It is important to determine your style if your goal is to create an environment for your clients that works for them – not for you!

### EXERCISE: What Describes You?

Circle the words that most describe you in your **business relationships**.

Precise	Skeptical	Decisive	Confident
Suspicious	Perfectionist	Frank	Domineering
Analytical	Unforgiving	Direct	Demanding
Introvert	Reliable	Impatient	Quick
Serious	Deep	Practical	Adventurous
Low Key	Worrier	Entertaining	Optimistic
Adaptable	Patient	Spontaneous	Animated
Supportive	Loyal	Cheerful	Interrupts
Shy	Listener	Loud	Gregarious
Consistent	Stable	Enthusiastic	Creative

# NEGOTIATING BY STYLE

This Person is Analytical

## Analytical

Precise	Skeptical	Decisive	Confident
Suspicious	Reliable	Frank	Domineering
Analytical	Unforgiving	Direct	Demanding
Introvert	Reliable	Impatient	Quick
Serious	Deep	Practical	Adventurous
Low Key	Worrier	Entertaining	Optimistic
Adaptable	Patient	Spontaneous	Animated
Supportive	Loyal	Cheerful	Interrupts
Shy	Listener	Loud	Gregarious
Consistent	Stable	Enthusiastic	Creative

This Person is a Driver

## Driver

Precise	Skeptical	Decisive	Confident
Suspicious	Perfectionist	Frank	Domineering
Analytical	Unforgiving	Direct	Demanding
Introvert	Reliable	Impatient	Quick
Serious	Deep	Practical	Adventurous
Low Key	Worrier	Entertaining	Optimistic
Adaptable	Patient	Spontaneous	Animated
Supportive	Loyal	Cheerful	Interrupts
Shy	Listener	Loud	Gregarious
Consistent	Stable	Enthusiastic	Creative

# NEGOTIATING BY STYLE

## This Person is Amiable

Precise	Skeptical	Decisive	Confident
Suspicious	Perfectionist	Frank	Domineering
Analytical	Unforgiving	Direct	Demanding
Introvert	Reliable	Impatient	Quick
Serious	Deep	Practical	Adventurous
Low Key	Worrier	Entertaining	Optimistic
Adaptable	Patient	Spontaneous	Animated
Supportive	Loyal	Cheerful	Interrupts
Shy	Listener	Loud	Gregarious
Consistent	Stable	Enthusiastic	Creative

Amiable

## This Person is Expressive

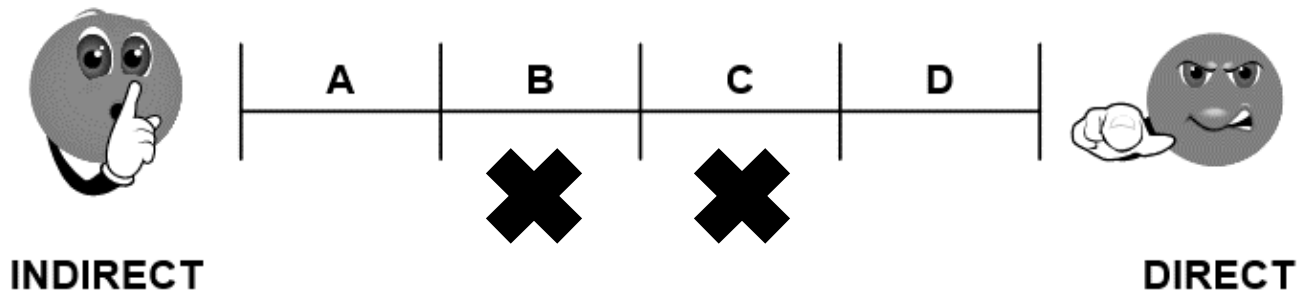
Precise	Skeptical	Decisive	Confident
Suspicious	Perfectionist	Frank	Domineering
Analytical	Unforgiving	Direct	Demanding
Introvert	Reliable	Impatient	Quick
Serious	Deep	Practical	Adventurous
Low Key	Worrier	Entertaining	Optimistic
Adaptable	Patient	Spontaneous	Animated
Supportive	Loyal	Cheerful	Interrupts
Shy	Listener	Loud	Gregarious
Consistent	Stable	Enthusiastic	Creative

Expressive

# NEGOTIATING BY STYLE

## Assertiveness (Directness)

The amount of involvement a person uses to influence the thoughts and actions of others.

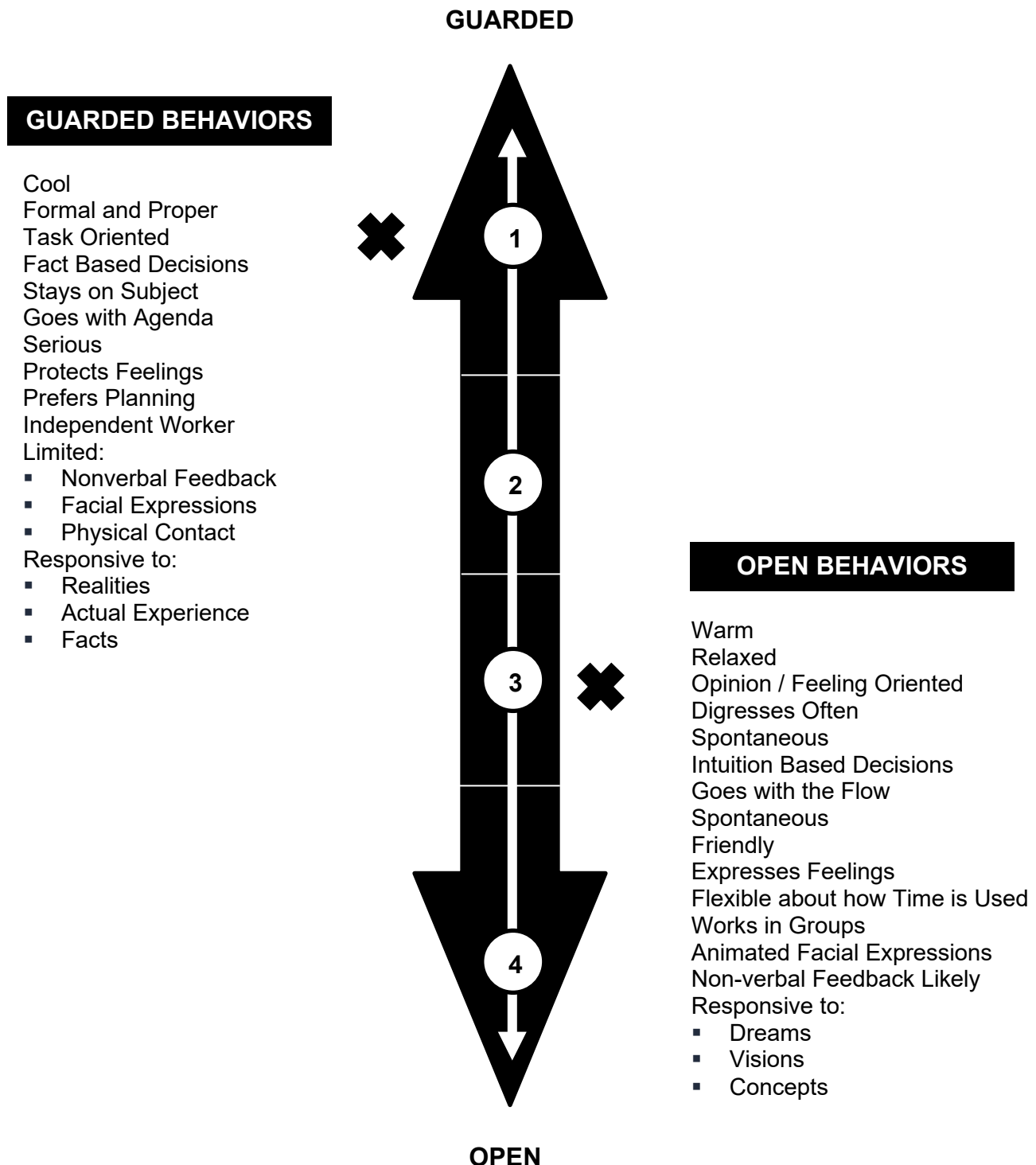


INDIRECT	DIRECT
<i>Perceptions of Behavior</i>	<i>Perceptions of Behavior</i>
Avoids Risk	Takes Risk
Slower to Decide	Swift Decisions
Infrequent: <ul style="list-style-type: none"> <li>Contributor to Group</li> <li>Use of Gestures</li> <li>Voice Intonation</li> <li>Expression of Opinions</li> </ul>	Frequent: <ul style="list-style-type: none"> <li>Contributor to Group</li> <li>Use of Gestures</li> <li>Voice Intonation</li> <li>Expression of Opinions</li> </ul>
Patient – Cooperative	Impatient – Competitive
Diplomatic	Confronting
Listens and Asks	Talks and Tells
Reserved – Understated	Intense – Assertive
Tends to Follow Rules / Policies	Tends to Bend Rules / Policies
Gentle Handshake	Firm Handshake
Intermittent Eye Contact	Sustained Eye Contact

# NEGOTIATING BY STYLE

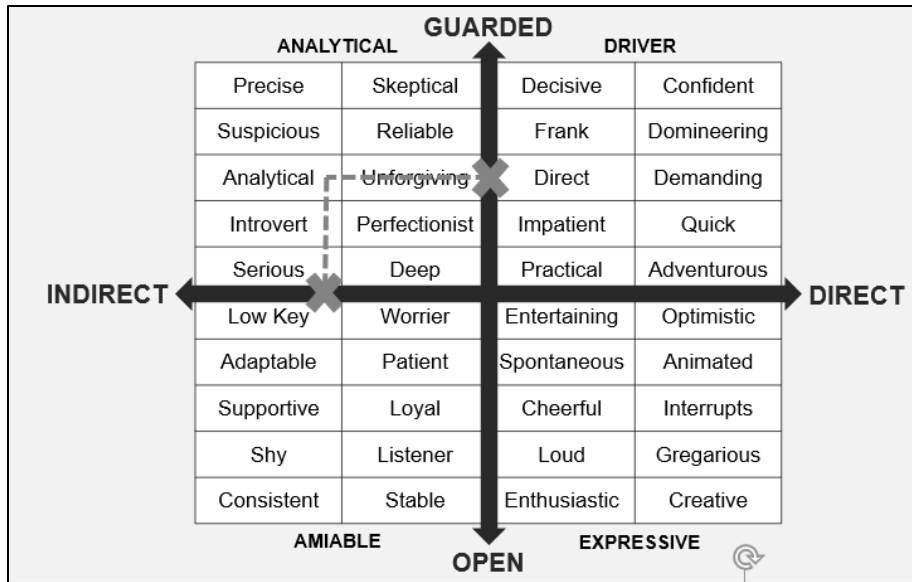
## Responsiveness (Openness)

A person's readiness and willingness to outwardly show thoughts and feelings and accept openness from others.



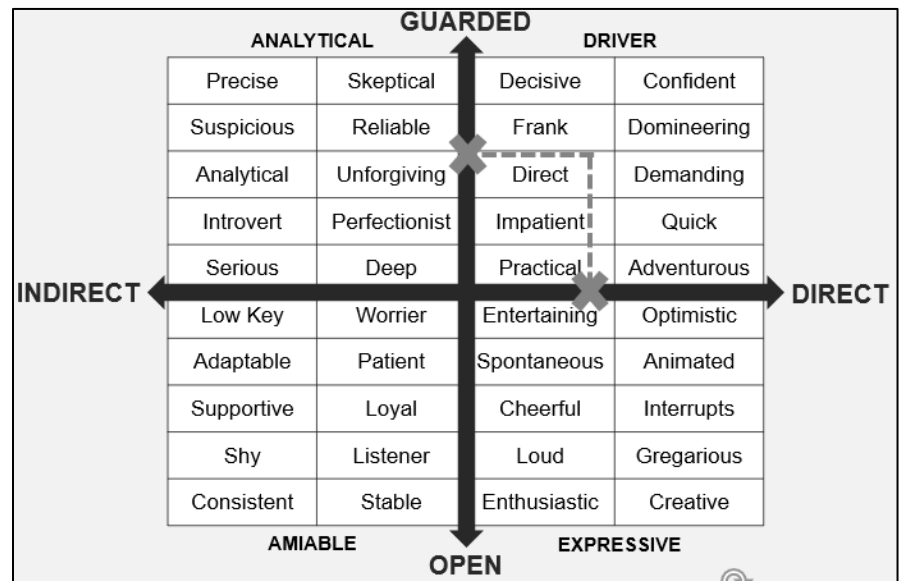


# NEGOTIATING BY STYLE

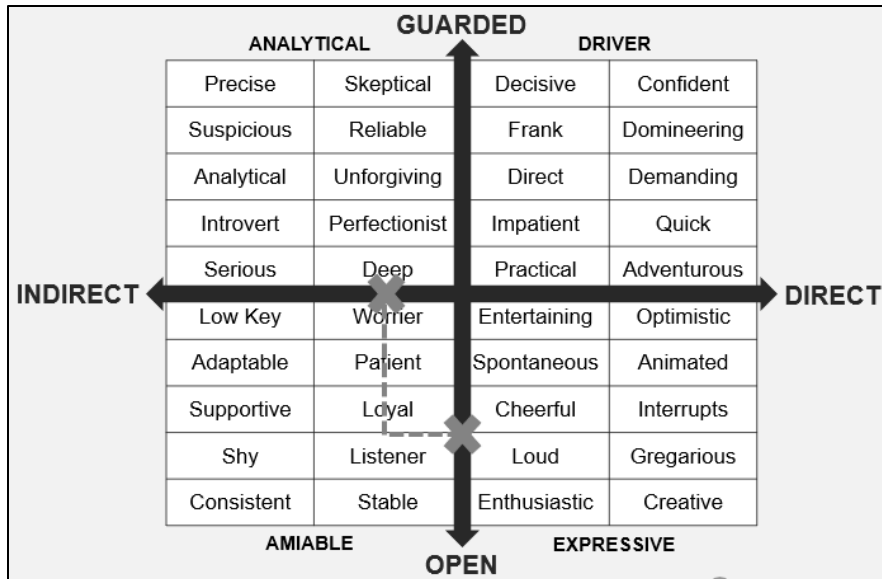


This person is  
**INDIRECT &  
GUARDED**

This person is  
**DIRECT &  
GUARDED**

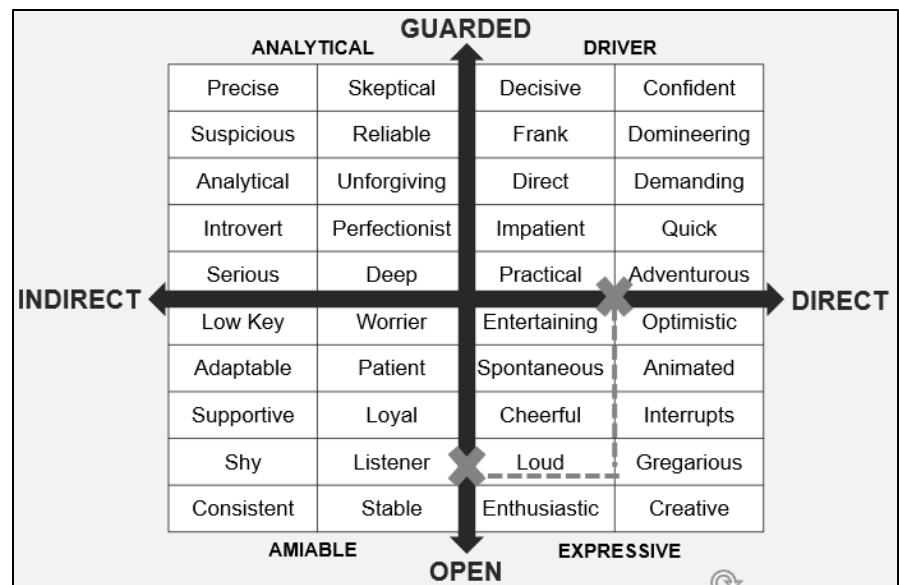


# NEGOTIATING BY STYLE




This person is  
**INDIRECT &  
OPEN**

This person is  
**DIRECT &  
OPEN**



# NEGOTIATING BY STYLE

Not always just one – can be a combination!

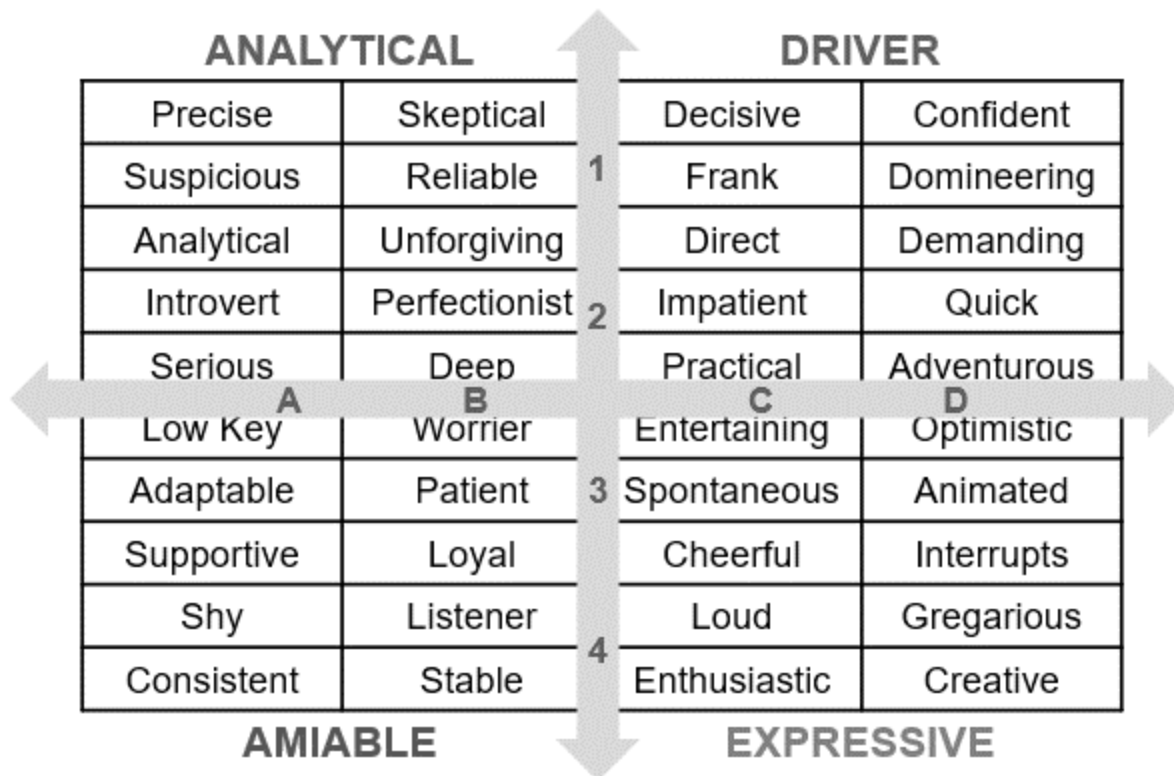


This person is an  
**EXPRESSIVE  
DRIVER**

Analytical		Driver	
Precise	Skeptical	Decisive	Confident
Suspicious	Perfectionist	Frank	Domineering
Analytical	Unforgiving	Direct	Demanding
Introvert	Reliable	Impatient	Quick
Serious	Deep	Practical	Adventurous
Low Key	Worrier	Entertaining	Optimistic
Adaptable	Patient	Spontaneous	Animated
Supportive	Loyal	Cheerful	Interrupts
Shy	Listener	Loud	Gregarious
Consistent	Stable	Enthusiastic	Creative
Amiable		Expressive	

# NEGOTIATING BY STYLE

Did any change? Did that exercise change your style?



# NEGOTIATING BY STYLE

## EXERCISE: Meet the Clients

### BETH SMITH – SELLER

- Beth's house is neat and spotlessly clean.
- The decorating is sparse and functional but not expensive.
- Beth is dressed businesslike and conservative when you meet with her.
- Beth likes things compartmentalized, organized, precise, factual and carefully planned.
- She wants to know exactly what your game plan is to get her home sold and mentions a couple times about everyone following the 'rules'.
- She is pouring over your charts and graphs regarding the market, sales and the comparables you brought showing the proposed price of her home.
- She uses phrases like "I'd like the facts – pro and con – evidence of what's happening in the market" and "exactly how did you arrive at this price?"
- She asks about your previous experience, credentials, and detailed examples of how you will proceed.
- You know she's not about to rush into a decision; in fact, her last words to you emphasize her determination to carefully weigh the decision and interview other agents.
- As she says goodbye, her handshake is formal, her eye contact intermittent, and her manner proper.
- You get the feeling Beth is a logical, cautious, well disciplined, steady, conscientious, efficient and independent person who takes pride in maintaining high personal and professional standards.

**What is Beth's Personality Style?**

# NEGOTIATING BY STYLE

## EXERCISE: Meet the Clients

### JAKE MARCUS – SELLER

- Jake's condo is also his office.
- It is lean and impressive: decorated to express the power and prestige of the occupant.
- On one wall hangs an oil painting; another, a large planning calendar. Floor-to-ceiling cases contain books, magazines and reference volumes.
- When you walk in, Jake greets you, grasps your hand firmly and says, "How are you?" Without waiting for an answer he adds, "Please sit down. I've got thirty minutes set aside for our meeting." He fixes a steady, intense, expectant gaze on you as if to say, "Two of our thirty minutes are already gone, so let's get down to business."
- As you talk, he asks questions about how your company and you can get his home sold in the least amount of time, for the most money, with the least amount of inconvenience to him.
- His pace is fast, his manner straightforward and controlled. During your conversation, you hear phrases like, "Let's cut to the core of this", "What's the bottom line?" and "Where's all this leading?"
- You're struck by Jake's forceful, emphatic, impatient, decisive, serious style. At one point, when he disagrees with what you were saying, he leans back in his chair, crosses his arms, shakes his head, and says, "Wrong!" He understood your point and clearly explains his objections in a cool, businesslike, concise manner.
- He terminates the meeting exactly thirty minutes from the time you walked in.
- As you leave, he repeats that he'd like a written proposal containing details on dates of advertising, exact prices, scheduling of open houses and your entire marketing plan, by the end of the week – all on one page.

**What is Jake's Personality Style?**

# NEGOTIATING BY STYLE

## EXERCISE: Meet the Clients

### MARGIE JONES - BUYER

- You meet Margie for the first time at a local coffee shop and she is running a bit late.
- Her style of dress is fashionable, yet casual. Her handshake is firm and warm, her eye contact friendly, her smile broad and spontaneous.
- You ask her to tell you a little bit about what she wants to accomplish. Fifteen minutes later, you know her complete family, financial and professional history. Her delivery is entertaining: lively, stimulating, upbeat.
- She laughs, gestures and exaggerates a lot. Her manner is extremely persuasive, you suspect she could easily sell you!
- You hear expressions like, "We'll go over the specifics later", and "I don't need all those numbers".
- She seems impressed by your company's great web site, the signs you have all over town and believes that the state-of-the-art technology will help you to help her find the right property.
- Throughout the meeting, her energy, enthusiasm, and vitality never slow down.
- As you walk out, she is laughing and joking, and she urges you to help her make things start happening right away.

**What is Margie's Personality Style?**

# NEGOTIATING BY STYLE

## EXERCISE: Meet the Clients

### PHIL BREWER - BUYER

- Phil's a friend of yours and you meet him at one of his favorite restaurants. The walls hold autographed photos of patron families (celebrating birthdays, anniversaries and weddings), baseball teams and local clubs.
- The head waiter knows your friend well. Upon your late arrival, he shows you to your table. "Sorry to be late," you say. "Don't worry," responds your friend. "I've just been returning some emails. Are you having a tough day?"
- As you launch into the gory details of your morning, you are reminded that your friend is a wonderful listener.
- As lunch arrives, the topic of your now lively discussion is travel plans to your upcoming high school reunion.
- When the main course arrives, you both notice the meal could use some warming, but he hesitates to say anything to the waiter: "I hate to trouble him. He's so busy".
- You finish your meal well before your friend does. Before the check arrives, the discussion of his move begins.
- He listens, quietly as you explain the process and what the steps need to be. He listens, intently, placing more attention on you than the meal. He asks questions about "who else lives in that building" and "we'll need to get my sister and her husband to see it too". He indicates he'd like to look at that property as quickly as possible but when you hesitate, he says "I don't want to make your day any more hectic, if today's not good we can do it another time."
- His lunch never does get finished. As you walk from the restaurant he remarks, "Just give me a call when you have some time".

**What is Phil's Personality Style?**



# NEGOTIATING BY STYLE

## Priority Issues

RELATIONSHIP FOCUS	TASK FOCUS
Clients ask themselves:	These clients need something different:
<ul style="list-style-type: none"><li>▪ Is this person trustworthy?</li><li>▪ Will this accomplish my needs?</li><li>▪ Will I be able to work with this person?</li><li>▪ Does this person care about me – or only the sale?</li><li>▪ Does this person have a clue?</li></ul>	<ul style="list-style-type: none"><li>▪ Energy focused on keeping the sales relationship goal directed.</li><li>▪ Can't spend too much time socializing.</li><li>▪ Focus your energy to move the sales process along.</li><li>▪ Can this person get the job done?</li><li>▪ Does this person have a clue?</li></ul>

When the focus doesn't match, it creates tension! Remember – different people need different percentages. It's not always 50 / 50!

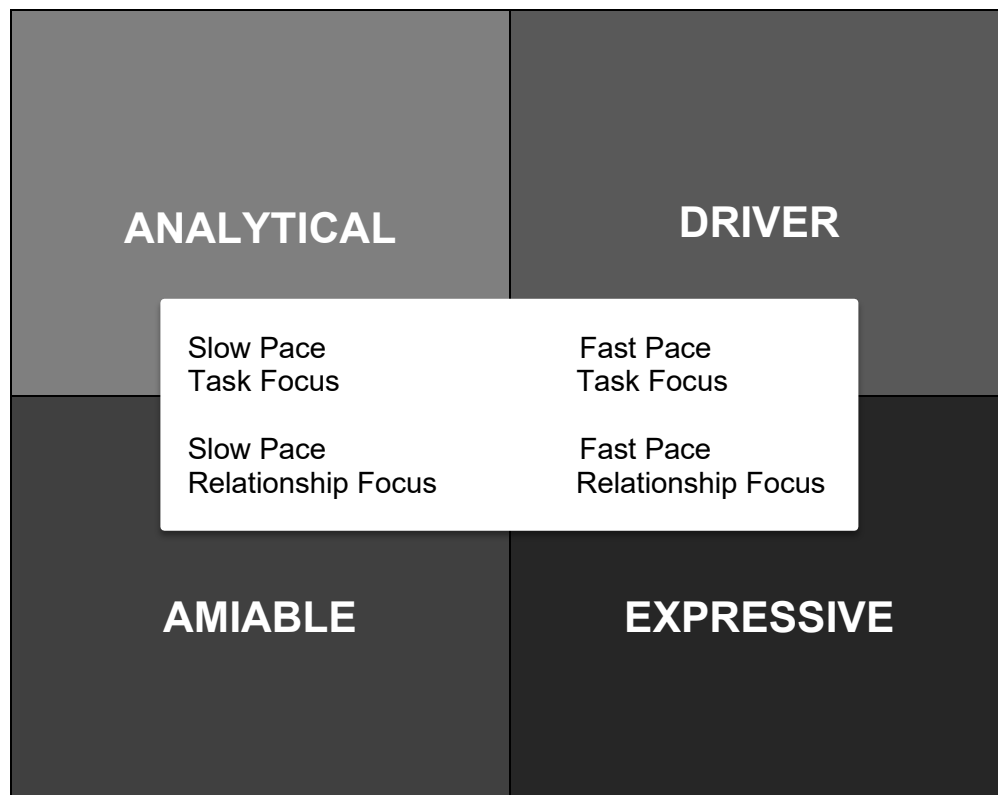
# NEGOTIATING BY STYLE

## Pace of Transaction and Priority

Each personality style has a preference for the pace of the transaction.

**Expressives and Drivers like a fast pace.**

**Amiables and Analyticals like a slower pace.**



## NEGOTIATING BY STYLE

**Now you know the personalities. How will you negotiate?**

In your groups, decide how you would negotiate with your clients in the following situations.

## GROUP 1      BETH SMITH – YOUR SELLER      ANALYTICAL

## BETH SMITH – YOUR SELLER

## ANALYTICAL

There is an offer on Beth's property, and she would like more. The buyer is being stubborn and not budging. Beth's been on Zillow and Trulia looking at the price they have given for her property and believes that the offer is low. Your CMA shows that the buyer is offering a fair price. You had it listed at \$250,000 and the offer is for \$239,000. Beth's motivation is to purchase a condo closer to her new job. The condo's she is looking at are in the \$350,000 to \$400,000 range.

[illegible]

## NEGOTIATING BY STYLE

## GROUP 2 MARGIE JONES – YOUR BUYER EXPRESSIVE

## GROUP 2 MARGIE JONES – YOUR BUYER EXPRESSIVE

## GROUP 2 MARGIE JONES – YOUR BUYER EXPRESSIVE

You have been showing Margie homes for over two months. She has looked at more than 40 properties. She is looking for the 'right' property. None of them 'spoke to her' until this one. It was just listed two days ago, and it is at the very top of her price range. She can afford it – but is afraid she'll have to make too many adjustments to her lifestyle if she has to pay more than full price. There were four other showings today and when you spoke to the listing agent, she said there was even more activity over the weekend. She is a renter with a month-to-month lease so she's 'not in a hurry'.

This image shows a blank sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

# NEGOTIATING BY STYLE

**GROUP 3**

**JAKE MARCUS – YOUR SELLER**

**DRIVER**

Jake argued with you about the price and, because his condo was drop-dead gorgeous with all the upgrades you can imagine and a great home office set-up, you agreed to take it about \$30,000 higher than you wanted and listed it at \$500,000. Comps showed \$420,000 to \$430,000. There is an offer of \$480,000 which would make it the most expensive condo ever to have sold in his building. Jake wants \$490,000. Jake has already put money down on a new condo and is scheduled to close in 60 days – although the builder has said he *might* consider postponing the closing if needed.

# NEGOTIATING BY STYLE

## GROUP 4

## PHIL BREWER – YOUR BUYER

## AMIALE

Phil is the buyer who has the offer on Jake's condo. You have reviewed the comps with your client, Phil, and explain that it is priced high and should sell between \$420 and \$430,000. Phil wants it and is impressed with the fact that a couple of minor local celebrities live in the same building. He has brought his parents, his sister and a few friends through to get their opinion – all have said it is fabulous but a bit pricey. Phil has over \$100,000 for a down payment and is in no hurry – he is still at home with Mom and Dad.

# NEGOTIATING BY STYLE



## GAME PLAN TO WORK BETTER WITH ANALYTICALS

THEY ...	SO YOU ...
<ul style="list-style-type: none"> <li>Are concerned with aggressive approaches</li> </ul>	<ul style="list-style-type: none"> <li>Approach them in an indirect, non-threatening way</li> </ul>
<ul style="list-style-type: none"> <li>Think logically</li> </ul>	<ul style="list-style-type: none"> <li>Show your reasoning</li> </ul>
<ul style="list-style-type: none"> <li>Seek data</li> </ul>	<ul style="list-style-type: none"> <li>Give them all of it in writing</li> </ul>
<ul style="list-style-type: none"> <li>Need to know the process</li> </ul>	<ul style="list-style-type: none"> <li>Provide explanation and rationale</li> </ul>
<ul style="list-style-type: none"> <li>Proceed with caution</li> </ul>	<ul style="list-style-type: none"> <li>Allow them to think, inquire and check before they make decisions</li> </ul>
<ul style="list-style-type: none"> <li>Prefer to do things themselves</li> </ul>	<ul style="list-style-type: none"> <li>When delegating, let them check on other's progress and performance</li> </ul>
<ul style="list-style-type: none"> <li>Want other to notice: <i>their accuracy</i></li> </ul>	<ul style="list-style-type: none"> <li>Compliment them on their thoroughness and correctness – when appropriate</li> </ul>
<ul style="list-style-type: none"> <li>Gravitate toward quality control</li> </ul>	<ul style="list-style-type: none"> <li>Let them assess and be involved in the process</li> </ul>
<ul style="list-style-type: none"> <li>Avoid conflict</li> </ul>	<ul style="list-style-type: none"> <li>Tactfully ask for clarification and assistance</li> </ul>
<ul style="list-style-type: none"> <li>Need to be right</li> </ul>	<ul style="list-style-type: none"> <li>Allow them to find the best or 'correct' answer</li> </ul>
<ul style="list-style-type: none"> <li>Like to contemplate</li> </ul>	<ul style="list-style-type: none"> <li>Tell them <i>when</i> a task needs to be done – and <i>why</i></li> </ul>

# NEGOTIATING BY STYLE



## GAME PLAN TO WORK BETTER WITH EXPRESSIVES

THEY ...	SO YOU ...
<ul style="list-style-type: none"> <li>▪ Are concerned with approval and appearance</li> </ul>	<ul style="list-style-type: none"> <li>▪ Show them that you admire and like them</li> </ul>
<ul style="list-style-type: none"> <li>▪ Seek enthusiastic people and situations</li> </ul>	<ul style="list-style-type: none"> <li>▪ Behave optimistically and provide an upbeat setting</li> </ul>
<ul style="list-style-type: none"> <li>▪ Think emotionally</li> </ul>	<ul style="list-style-type: none"> <li>▪ Support their feelings when possible</li> </ul>
<ul style="list-style-type: none"> <li>▪ Want to know the general expectations</li> </ul>	<ul style="list-style-type: none"> <li>▪ Avoid involved details – focus on the ‘big picture’</li> </ul>
<ul style="list-style-type: none"> <li>▪ Like changes and innovation</li> </ul>	<ul style="list-style-type: none"> <li>▪ Vary their routine – avoid requiring long-term repetition</li> </ul>
<ul style="list-style-type: none"> <li>▪ Want others to notice – <i>them</i></li> </ul>	<ul style="list-style-type: none"> <li>▪ Complement them personally and often – post accomplishments for others to see</li> </ul>
<ul style="list-style-type: none"> <li>▪ Often need help getting organized</li> </ul>	<ul style="list-style-type: none"> <li>▪ Do it together</li> </ul>
<ul style="list-style-type: none"> <li>▪ Look for action and stimulation</li> </ul>	<ul style="list-style-type: none"> <li>▪ Keep up a fast, lively pace</li> </ul>
<ul style="list-style-type: none"> <li>▪ Surround themselves with optimism</li> </ul>	<ul style="list-style-type: none"> <li>▪ Support their ideas and don’t poke holes in their dreams; show them your positive side</li> </ul>
<ul style="list-style-type: none"> <li>▪ Want feedback that they ‘look good’</li> </ul>	<ul style="list-style-type: none"> <li>▪ Mention their accomplishments, progress and your other genuine appreciation</li> </ul>



# NEGOTIATING BY STYLE



## GAME PLAN TO WORK BETTER WITH DRIVERS

THEY ...	SO YOU ...
▪ Are concerned with being #1	▪ Show them how to win
▪ Think logically	▪ Display reasoning
▪ Want facts and highlights	▪ Provide concise data
▪ Strive for results	▪ Agree on goal and boundaries – then support them or get out of their way
▪ Like personal choices	▪ Allow them to 'do their thing' within limits
▪ Like change	▪ Vary routine
▪ Prefer to delegate	▪ Look for opportunities to modify their work load
▪ Want others to notice: <i>their accomplishments</i>	▪ Compliment them – post accomplishments for others to see
▪ Need to be in charge	▪ Let them take the lead – but give parameters
▪ Tendency towards conflict	▪ If necessary, argue with conviction on points of disagreement, backed up with facts, don't argue on 'personality' basis

# NEGOTIATING BY STYLE



## GAME PLAN TO WORK BETTER WITH AMIABLES

THEY ...	SO YOU ...
<ul style="list-style-type: none"> <li>▪ Are concerned with stability</li> </ul>	<ul style="list-style-type: none"> <li>▪ Show how your idea minimizes risk</li> </ul>
<ul style="list-style-type: none"> <li>▪ Think logically</li> </ul>	<ul style="list-style-type: none"> <li>▪ Show reasoning</li> </ul>
<ul style="list-style-type: none"> <li>▪ Want documentation and facts</li> </ul>	<ul style="list-style-type: none"> <li>▪ Provide data and proof</li> </ul>
<ul style="list-style-type: none"> <li>▪ Like personal involvement</li> </ul>	<ul style="list-style-type: none"> <li>▪ Demonstrate your interest in them</li> </ul>
<ul style="list-style-type: none"> <li>▪ Need to know in a step-by-step sequence</li> </ul>	<ul style="list-style-type: none"> <li>▪ Provide an outline and/or 1-2-3 instructions as you personally walk them through it</li> </ul>
<ul style="list-style-type: none"> <li>▪ Want others to notice <i>their patient perseverance</i></li> </ul>	<ul style="list-style-type: none"> <li>▪ Compliment them for their steady follow-through</li> </ul>
<ul style="list-style-type: none"> <li>▪ Avoid risk and changes</li> </ul>	<ul style="list-style-type: none"> <li>▪ Give them personal assurances</li> </ul>
<ul style="list-style-type: none"> <li>▪ Dislike conflict</li> </ul>	<ul style="list-style-type: none"> <li>▪ Act non-aggressively, focus on common interest</li> </ul>
<ul style="list-style-type: none"> <li>▪ Accommodate others</li> </ul>	<ul style="list-style-type: none"> <li>▪ Allow them to provide service or support for others</li> </ul>
<ul style="list-style-type: none"> <li>▪ Look for calmness and peace</li> </ul>	<ul style="list-style-type: none"> <li>▪ Provide a relaxing, friendly atmosphere</li> </ul>
<ul style="list-style-type: none"> <li>▪ Enjoy teamwork</li> </ul>	<ul style="list-style-type: none"> <li>▪ Provide them with a cooperative group</li> </ul>
<ul style="list-style-type: none"> <li>▪ Want sincere feedback that they're appreciated</li> </ul>	<ul style="list-style-type: none"> <li>▪ Acknowledge their easy-going manner and helpful efforts, when appropriate</li> </ul>

# NEGOTIATING BY STYLE

Now, consider your style. Remember the exercise you did earlier? Here are some tips on how each style can increase the adaptability to other styles.

## ANALYTICALS NEED TO:

- |  |   |
|--|---|
| <ul style="list-style-type: none"><li>▪ Openly show concern and appreciation</li><li>▪ Try short cuts</li><li>▪ Adjust more readily to change</li><li>▪ Adapt and accept disorganization</li></ul> | <ul style="list-style-type: none"><li>▪ Work on timely decision making</li><li>▪ Initiate new projects</li><li>▪ Compromise</li></ul> |
|--|---|

## AMIALES NEED TO:

- |   |  |
|---|--|
| <ul style="list-style-type: none"><li>▪ Say no occasionally</li><li>▪ Take some risks</li><li>▪ Accept logical changes</li><li>▪ Verbalize feelings appropriately</li></ul> | <ul style="list-style-type: none"><li>▪ Finish tasks without oversensitivity to others</li><li>▪ Pay more attention to detail</li><li>▪ Be more direct in addressing business issues</li></ul> |
|---|--|

## EXPRESSIVES NEED TO:

- |   |   |
|---|---|
| <ul style="list-style-type: none"><li>▪ Control time and emotion</li><li>▪ Try to be more objective</li><li>▪ Follow up on promises</li></ul> | <ul style="list-style-type: none"><li>▪ Concentrate on the job at hand</li><li>▪ Try a more logical approach</li><li>▪ A little more checking, specifying, organizing</li></ul> |
|---|---|

## DRIVERS NEED TO:

- |   |  |
|---|--|
| <ul style="list-style-type: none"><li>▪ Be more relaxed – pace themselves</li><li>▪ Become more open, patient listeners</li><li>▪ Develop patience, sensitivity and empathy</li></ul> | <ul style="list-style-type: none"><li>▪ Genuinely compliment others</li><li>▪ Act less hastily – more cautiously</li><li>▪ Identify with the clients</li></ul> |
|---|--|

# NEGOTIATING BY STYLE

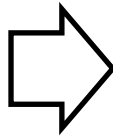
## It's Up to You!

Don't forget the importance of versatility in a negotiation.

(Dr. Alessandra – *The Platinum Principle*)

### THE GOLDEN RULE

Treat others as ***you*** would like to be treated.



### THE PLATINUM RULE

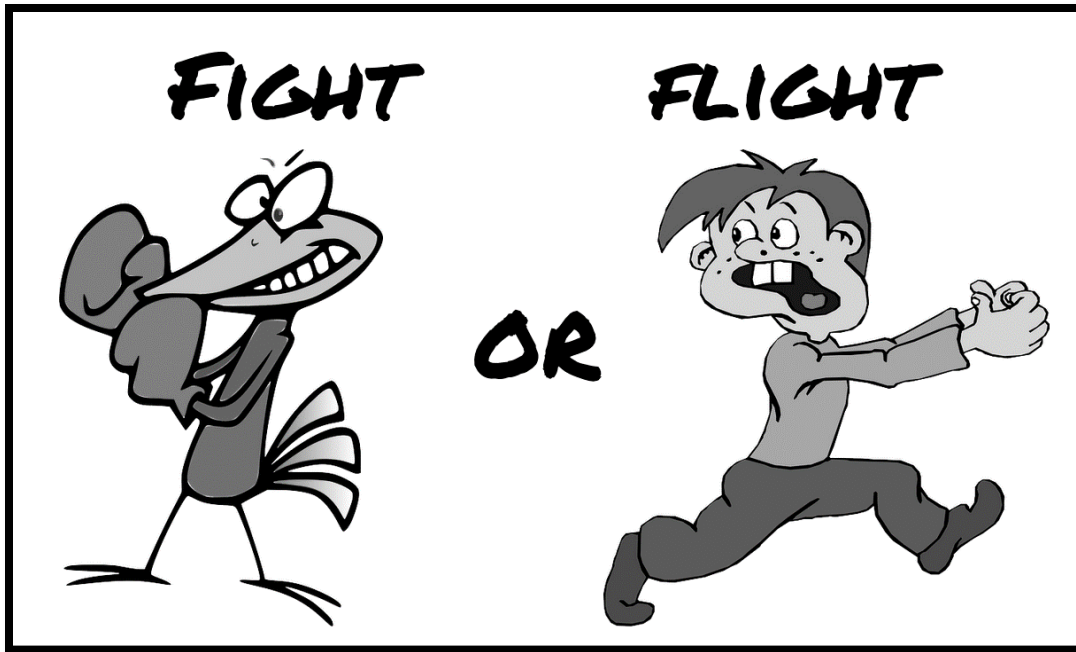
Treat others as ***they*** would like to be treated.

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Now you understand the different personality styles. When conflict comes into the picture, the basic reaction of most people is fight or flight!

In this next module, we will be reviewing conflict styles.





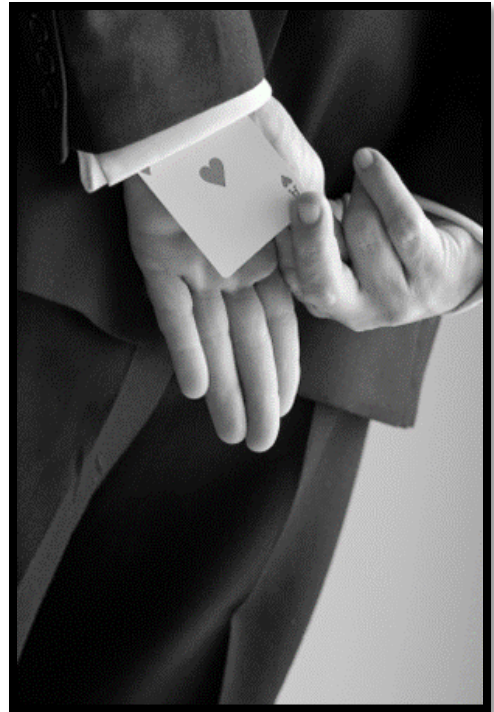
## **Conflict Behavior Types**

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# CONFLICT BEHAVIOR TYPES

Now you understand the personalities. When conflict comes into the picture, the basic reactions are fight or flight!

- Win-Lose and Lose-Win depend on market conditions and the probability of success.
- You potentially “win” if the market is on your side.
- You probably “lose” if you are against the market.
- Beating the odds requires skill, information, and a clear understanding of how to play your hand.
- Outcomes can change when information is leveraged, and strategies and tactics are skillfully used.



# CONFLICT BEHAVIOR TYPES

## The Five Conflict Modes or Styles

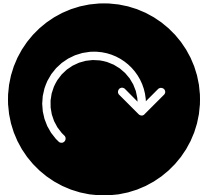
According to the Thomas-Kilmann Instrument, there are five prevailing conflict modes, or styles. We each reflect a preference for one style above others, but there's a place for each one and with practice, we can learn to use them all at the appropriate time.



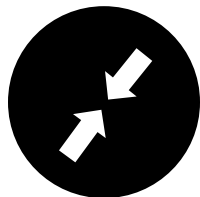
**COMPETING**



**ACCOMMODATING**



**AVOIDING**



**COMPROMISING**



**COLLABORATING**

# CONFLICT BEHAVIOR TYPES



**COMPETING**

## **Very Assertive Style** (the goal is to 'win')

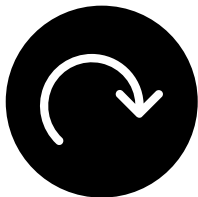
- More emphasis on winning than on nurturing a long-term relationship.
- You steamroll your way to victory.
- Suitable when we are convinced we are right, or in a very strong bargaining position, when there's a lot to gain, when success is vital, or there's little time for niceties.
- The downside of competing aggressively is that it can leave the other side feeling resentful and uncommitted.



**ACCOMMODATING**

## **Highly Non-Assertive Style** (the goal is to 'yield')

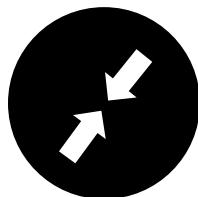
- Puts the relationship ahead of our own short-term interests and accepts a less than ideal outcome in the interests of peace.
- We'll live to fight another day by giving ground now.
- Useful when we realize our position is weak, or when we are building emotional credit with our counterparty.
- The risk is that they take their gains for granted and expect us to be a pushover next time.



**AVOIDING**

## **Classic Non-Engage Style** (the goal is to 'delay')

- We'd rather put off confrontation or avoid it altogether.
- Suitable when we just don't care to argue, or when the conflict is trivial and not worth the dispute.
- Right now may be the wrong time, or we may be lacking authority to act immediately, or missing vital information which would help us to negotiate.
- Can be effective in buying time, but it is frustrating to deal with.



**COMPROMISING**

## **"Split the Difference" Approach** (the goal is to 'find the middle ground')

- Sees the combatants meeting in the middle.
- When both parties give up equal portions of their objectives, neither gets exactly what they want, but it seems a fair and reasonable way to settle differences.
- Compromising doesn't exactly optimize the relationship, but doesn't harm it much either.
- It's the knee-jerk solution: easy to grasp and pragmatic when time is short. But it may miss some valuable nuances and potential gains.



# CONFLICT BEHAVIOR TYPES

## Why You Should Never Split the Difference



**LOSE**

**LOSE**

'Split the Difference' is an example of lose-lose because usually people make compromises on **MAJOR** concessions and can leave 'money on the table'. This scenario means that when finished -- parties are **NOT** satisfied.

- Only untrained players believe it's a good idea to "split the difference"
- 'Split the difference' mentality is usually where parties make major concessions
- No satisfaction is felt, and resentment occurs
- If 'compromise' occurs early during the offer/acceptance phase the deal has a higher probability of falling apart later
- Clients may expect the agent to "contribute" since they conceded early on to put the deal together
- It only gets worse from that point forward

# CONFLICT BEHAVIOR TYPES



## COLLABORATING

### Win-Win Solution

- Involves really understanding the other side's interests.
- It disregards a quick solution in favor of more creative and constructive ways to solve problems.
- It takes effort and active listening skills
- This is the solution which serves both parties' best interests and builds our relationships in the longer term.
- Reserve it for when the outcomes justify the investment.

## Partnering for a Win-Win



WIN

WIN

Satisfaction is gained / felt in a win-win scenario. Since concessions are made on minor items -- it causes little distress.

- The win/win format generally results in a completed transaction where the clients are satisfied, and nobody blames you.
- The relationship with the co-broking agent remains intact and any concessions made are generally on minor items only.

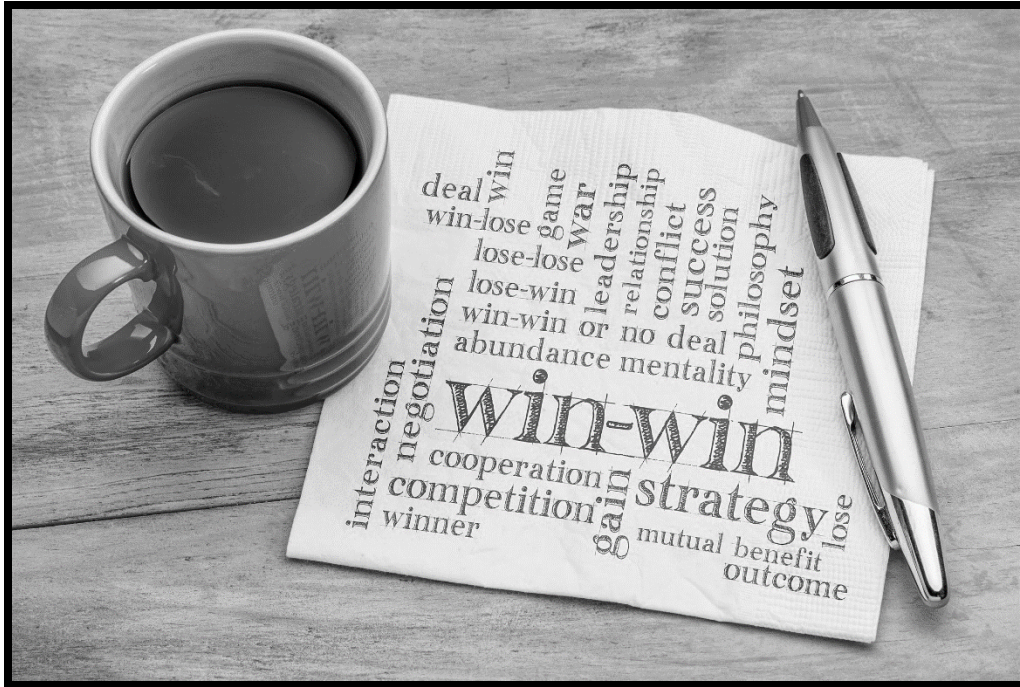
It is important to realize that the win/win is just a perception, not necessarily a reality. If the clients are happy, then it was a good deal for them.

# CONFLICT BEHAVIOR TYPES



- ✓ Set your ego aside
- ✓ Always remain professional and calm
- ✓ Build trust with the other negotiator by under promising and over delivering
- ✓ Exceed expectations by meeting dates, deadlines, appointments
- ✓ Remain flexible and open to alternate opinions and objectives of others
- ✓ Have empathy for the situation of others without compromising goals
- ✓ Create focus of joint problem solving
- ✓ Listen, listen, listen
- ✓ Ask lots of open-ended questions requiring more than a 'yes' or 'no'
- ✓ Learn everything you can about the situation, the issues and the participants
- ✓ Analyze and understand the needs of the parties involved
- ✓ Set and prioritize reasonable goals; anticipate responses

## MODULE 7

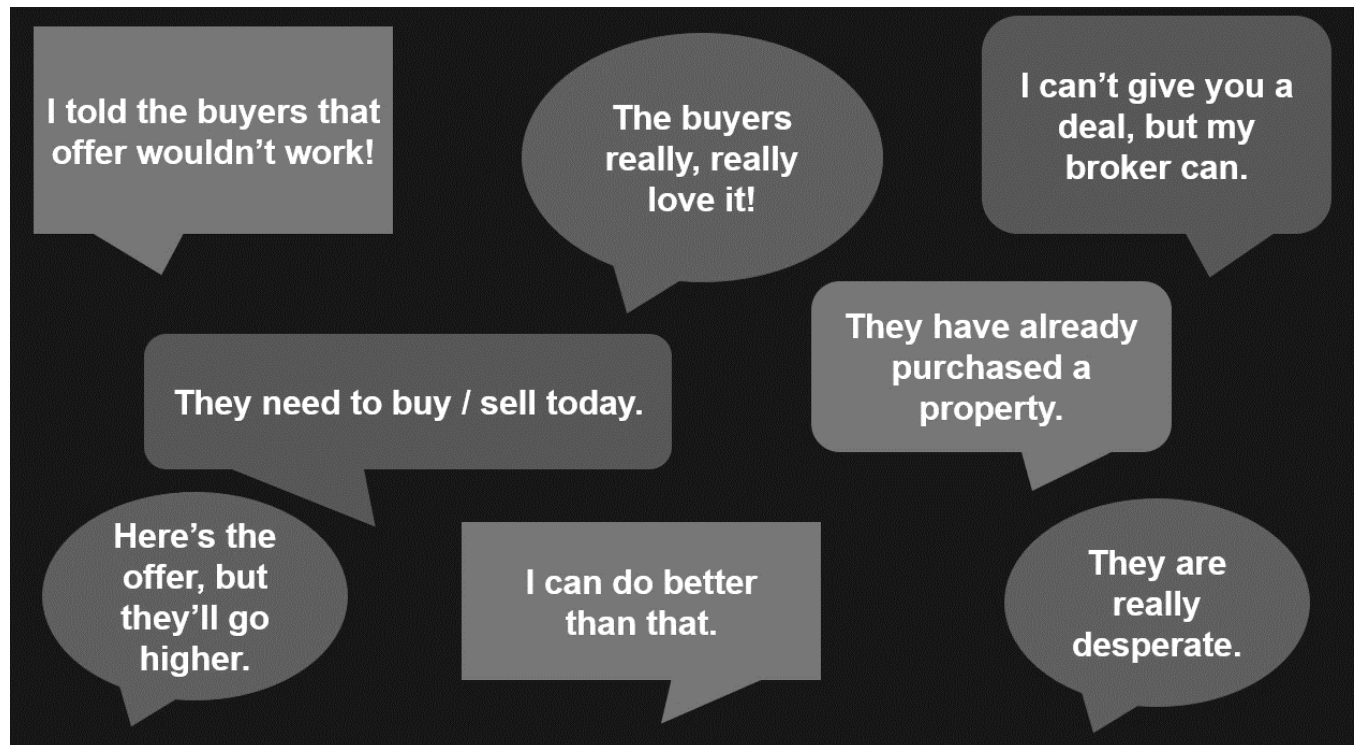


# Establishing a Strong Bargaining Position

## POSITIONING THE NEGOTIATION

# ESTABLISHING A STRONG BARGAINING POSITION

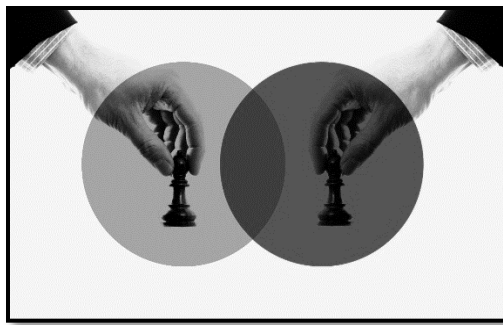
## Dumb Things People Say During a Negotiation



# ESTABLISHING A STRONG BARGAINING POSITION

## Three Bargaining Formats

<b>Positional Bargaining</b>	<ul style="list-style-type: none"><li>▪ Competitive stances demonstrated as demanding</li><li>▪ Win – Lose; Lose – Win; and Lose – Lose</li></ul>
<b>Value Negotiating</b>	<ul style="list-style-type: none"><li>▪ Cooperative stance that uses partnering for a win – win without compromising a client's needs or wants</li></ul>
<b>Hypothetical Bargaining</b>	<ul style="list-style-type: none"><li>▪ Exploratory exercise with other negotiator that does not commit anyone, but tests attitude, possibilities, and 'bright lines'</li><li>▪ "What if", "If / "Then" and "Wondering" concepts used to find creative options</li></ul>



In the bargaining phase of the negotiation there are many options, but it is important to realize that more often than not:

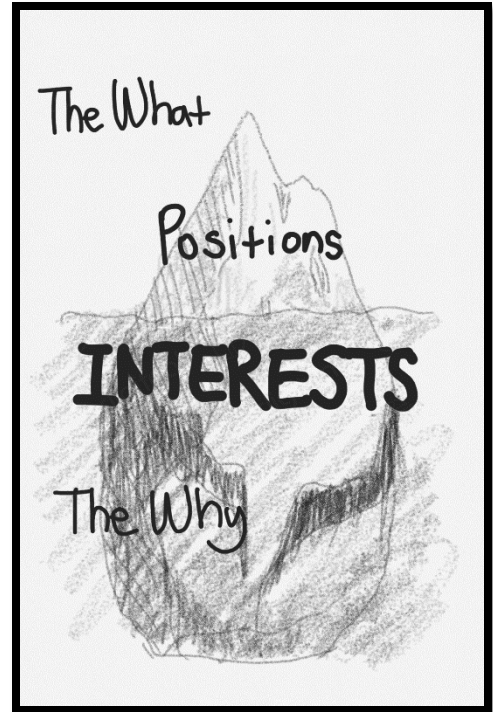
- **Novice and untrained agents use the positional bargaining format** which is a competitive stance.
- The **value negotiating and hypothetical bargaining formats** are where the **trained negotiators play**.
- These two formats appear more collaborative, but in reality they are just creative ways to explore where the edges of the other party's position really is.

# ESTABLISHING A STRONG BARGAINING POSITION

## Positional Bargaining

- A strategy where one or both sides retain extreme positions.
- Price is often the focus with little attention to any other 'value' components.
- There is little concern for mutual interest.
- Egos and bullying can play a major role.
- Major concessions are expected to obtain compromise.
- Deadlock and deals that fall apart are commonplace.

This is where novices play.



# ESTABLISHING A STRONG BARGAINING POSITION

## Value Negotiating

- Trained and skilled negotiators play here
- Satisfaction remains high among the parties involved
- Focus on finding common ground on the major items and needs of all clients
- Effort to find and respect the 'non-negotiables' of the other parties
- Bargaining only on the minor items where one party deems something valuable that the other party views as value-less

## Valuable and Valueless



Finding an item – real or intangible – that is valuable to the opposing side but valueless to your client.

It could be time, money, or an item that can be traded to forward your client's position.

It cannot be something of value to both parties because then you are trying to negotiate and trade a major component.

Bargaining is done with minor considerations.



# ESTABLISHING A STRONG BARGAINING POSITION

## Examples

### Seller Client

Seller clients are moving to Florida so the snowblower and the lawn equipment are valueless to them, but they need more time to close.

It is using the valueless item to trade for time. If the buyers are flexible, time is less of an importance than the items that would have value to them – items they would have to buy or replace.

### Buyer Client

Time is the important factor for your buyer client because they either have a rate lock or lease expiring.

Home inspection revealed an electrical issue and plumbing issue that would be a \$1,500 expense. Buyers' brother is an electrician and father a plumber. They can trade reduced or no repair credit (valueless to them) for a closing that suits their desired timetable.

## Creating a Mutual Gain Solution

The goal isn't to get the biggest piece of the 'pie', but to 'expand the pie' by coming up with a range of options.

- Value negotiating is brainstorming with the other parties to "expand the pie" by coming up with a range of options
- The objective is to gain consensus on as many items and terms as possible without touching the non-negotiables of each party
- Identify issues that may still have value but were previously negotiated away and can be set aside for future negotiations

# ESTABLISHING A STRONG BARGAINING POSITION

## Hypothetical Bargaining



So how can “hypothetical bargaining” actually help? The great thing about this format and why it is so effective for this type of situation is that the negotiators can ‘review’ what happened and try to explore other options had their clients chosen a different path. It really is playing the “what if” game and it doesn’t commit anyone to any particular path. The next time you find your deal stuck – maybe this might be an option that you want to consider!

- Skilled and trained negotiators utilize this concept three ways – putting deals together and keeping them together and bringing them back from deadlock
- This format of bargaining allows the negotiators to revisit the terms and conditions of the negotiation in a hypothetical way
- A powerful exploratory exercise with the other negotiator that does not commit anyone but tests attitudes, possibilities and the identification of ‘bright lines’
- Utilizes the concepts of “What if”; “If/then” and “Wondering” to find creative options
- Example – “I know your clients were set on this term but what if we did this \_\_\_\_\_, would they reconsider that?”

# ESTABLISHING A STRONG BARGAINING POSITION

## Establishing Your WATNA and BATNA

In most negotiations, the parties are influenced by their assumptions about what they think are the ***alternatives to a negotiated agreement***.

It is often the case that the parties have an unrealistic idea of what these alternatives are, and they are unwilling to make concessions because they think they can do just as well without negotiating.

These are two common terms / acronyms you should be familiar with in negotiating:

WATNA	BATNA
Worst Alternative to a Negotiated Agreement	Best Alternative to a Negotiated Agreement

## BATNA – Best Alternative to a Negotiated Agreement

BATNA helps us realize that representing clients requires us to help them ***understand and assess the edges of their objectives*** in a transaction negotiation.

For us to negotiate on their behalf:

- We need to know at what price (higher for a seller and lower for a buyer) they no longer want the transaction and what needs to stay or go for that price.
- Once the edges of the objectives are clearly identified by the client, the negotiator can assess the range of play options available to bargain.

## Why is BATNA so Important?

BATNA is often used in negotiation tactics and should *a/ways* be considered **before** a negotiation takes place. It is never wise to enter into a serious negotiation without knowing your BATNA. The value of knowing your best alternative to a negotiated agreement is that:

1. It provides an alternative if negotiations fall through.
2. It provides negotiating power.
3. It determines the reservation point (the worst price your client is willing to accept).

# ESTABLISHING A STRONG BARGAINING POSITION

## Price is Not Just a Number!

- Price is the terms and conditions that make that number either acceptable or not acceptable.
- If all you're doing is negotiating a number, that is an arena for novices. A number has no meaning unless all applicable items contributing to that number are acceptable or not acceptable.
- Value is determined by the intangibles, the terms, and the conditions that correlate to a number.

## Identifying Your WAP (Walk-Away Price)

Before starting a negotiation, both buyers and sellers can benefit from setting a “walk-away price”. Consider it a safeguard measure. An amount below (for sellers) or above (for buyers) the walk-away price can signal the end of the negotiations.

Your walk-away price is considered the **least attractive deal you would accept** before walking away from the bargaining table.

- Keep it secret
- Remain firm
- Obtain concessions if WAP changes
- Be prepared to walk away

It is important to keep your WAP (Walk-Away Price) to yourself, especially if it is significantly less than the initial offer.

If the other party knows that you will be willing to take a lot less than you are offering, then you will be negotiating from a position of weakness.



# ESTABLISHING A STRONG BARGAINING POSITION

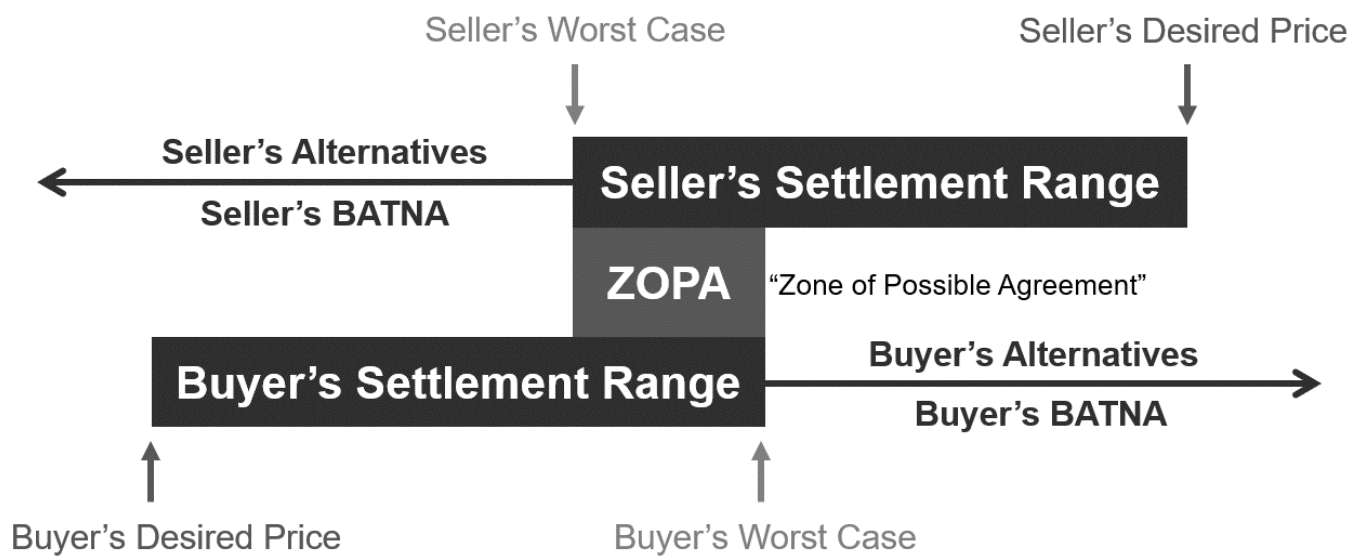
## Identifying Your ZOPA (Zone of Possible Agreement)

This is the area in which the final price will sit. Within that ZOPA you will ideally end up with a price closer to their WAP than yours.

The Zone of Possible Agreement is where an agreement is most likely to occur. If you hint at where your WAP is, the other party will be less likely to come to an agreement that is substantially better than that.

## Illustration of BATNA & ZOPA

The following diagram illustrates each party's BATNA (seller and buyer). The ZOPA is where the bargaining can take place.



# ESTABLISHING A STRONG BARGAINING POSITION

## What's the Alternative?

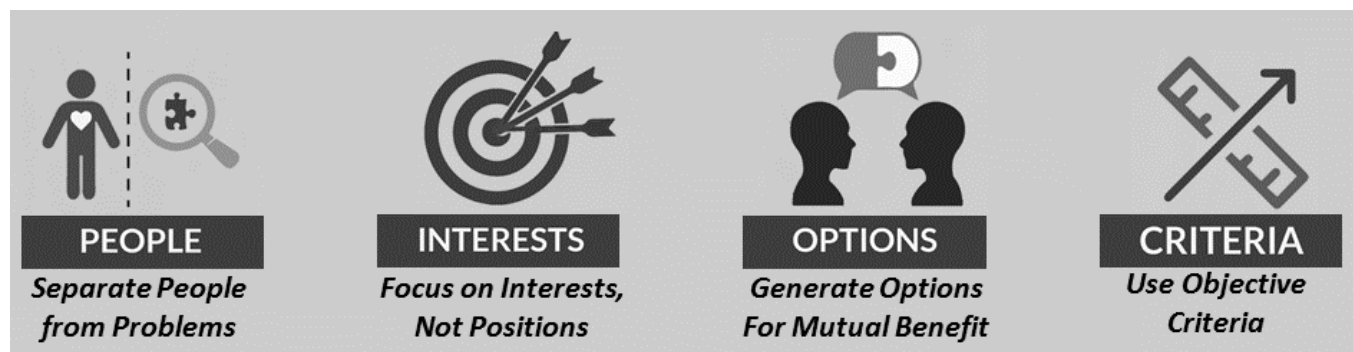
### Principled Negotiation

A principled negotiation is an approach to conflict resolution outlined in the book, *"Getting to Yes."* (Roger Fisher & William Ury).

- It includes four fundamental principles of negotiation and three obstacles people might face in the process.
- It is often referred to as creating a "win-win" deal -- can help you achieve your objectives and satisfy the other party's expectations by taking the all-or-nothing attitude out of the picture.

The 4 Fundamentals of Principled Negotiations are:

- **People** (separate people from problems)
- **Interests** (focus on interests, not positions)
- **Options** (generate options for mutual benefit)
- **Criteria** (use objective criteria)



# ESTABLISHING A STRONG BARGAINING POSITION

## Positional Bargaining vs. Principled Negotiation

(adapted from Fisher & Ury, authors of *Getting to Yes*)

Principled negotiation emphasizes deciding issues on their merits rather than through competitive haggling or excessive accommodation. The chart below illustrates the differences between 'positional bargaining' (soft and hard) and 'principled negotiation'.

POSITIONAL BARGAINING		PRINCIPLED BARGAINING
Soft	Hard	Principled
Friends	Adversaries	Problem-Solvers
Goal is Agreement	Goal is Victory	Goal is an outcome reached efficiently and amicably
Make concessions	Demand concessions	<b>Principle 1: Separate the people from the problem</b>
Be soft	Be hard	Be soft on people, hard on the problem
Trust others	Distrust others	Proceed independent of trust
Change your position	Dig into your position	<b>Principle 2: Focus on interest, not on positions</b>
Make offers	Make threats	Explore interests
Disclose your bottom line	Mislead as to your bottom line	Avoid having a bottom line, rather define your BATNA
Accept one-sided losses	Demand one-sided gains	<b>Principle 3: Invent options for mutual gain</b>
Search for the single answer: the only one they will accept	Search for the single answer: the one you will accept	Develop multiple options to choose from
Insist on agreement	Insist on your position	<b>Principle 4: Insist on objective criteria</b>
Avoid a contest of will	Win a contest of will	Try to reach a result based on standards independent of will
Yield to pressure	Apply pressure	Reason and be open to reason' yield to principle – not to pressure

# ESTABLISHING A STRONG BARGAINING POSITION

## The Wants and Needs

What do **THEY** want?

These framing questions will help you start the process:

- What does my opponent need?
- What does my opponent want?
- What is most important to them?
- What is least important to them?

What do **WE** want?

After you have identified the wants and needs of both sides, look for areas of overlap. These will be the starting points for establishing mutual ground.



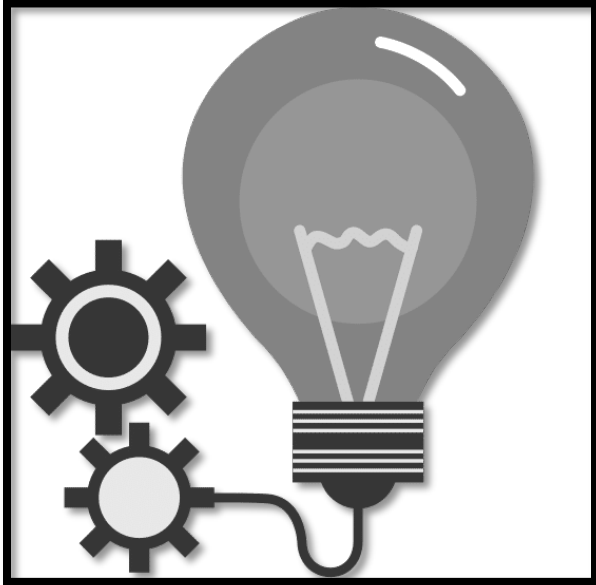


# ESTABLISHING A STRONG BARGAINING POSITION

Here is a process developed by Harvard Law School to develop a BATNA.



- ✓ List all alternatives to the current negotiation – what could you do if negotiations fall through?
- ✓ Evaluate the value of each alternative – how much is each alternative worth to your client?
- ✓ After determining your BATNA, calculate the lowest-valued deal that you're willing to accept.



## **RESOURCES: Appendix, pages 162-163**

We have provided a “Negotiation Preparation Checklist” adapted from the Harvard Law School program on Negotiation.

The checklist will position you to prepare as thoroughly as necessary to create value and claim value in your next negotiation.



# Negotiating Strategies

## TACTICS, TOOLS, AND TECHNIQUES

# NEGOTIATING STRATEGIES

## Power Play Strategies

“Playing conditions” of a negotiation which can psychologically neutralize a negotiation or a negotiator.

- They can be used in conjunction with tactics – both verbal and non-verbal.
- You don’t use all of them at once or even in the same negotiation.
- Market conditions may affect which strategies you use.

## Why the Power Play Strategies are Important

You need to know if the market conditions are with you or against you.

The importance of the power play strategies is to know whether or not you have the power of these perceptions on your side.

### ON YOUR SIDE

No need to use that power offensively



### NOT ON YOUR SIDE

Only used defensively to neutralize the power of the other negotiator

# NEGOTIATING STRATEGIES

## The Main Power Play Strategies

<b>1</b>	<b>COMPETITION</b>	Perception that the product or services are similar and interchangeable
<b>2</b>	<b>LEGITIMACY</b>	Perception that the Law, Rule, Price, Policy, Market Condition is non-negotiable
<b>3</b>	<b>EXPERTISE</b>	Inherent respect or recognition for a title, degree, designation, experience level – earned or rewarded
<b>4</b>	<b>PERSUASIVENESS</b>	Agreement or understanding of the reasons, rationale, position, perspective of one party to justify a stance
<b>5</b>	<b>TIME</b>	Recognition that time can either be our friend or enemy working for or against us

# NEGOTIATING STRATEGIES

## Tactics & Counters

Tactics are selectively chosen to change the conditions of the negotiation.

- Used in conjunction with or to counteract the Power Play Strategies
- They secure items, concessions, terms, and conditions that will benefit your client's position
- They are not all used at the same time
- Certain situations will be enhanced using a specific tactic while others will not

Here is list of the most common tactics, their definitions and suggested counters:

Tactic	Definition	Counter
<b>Silence</b>	Personifies a statement/point; the first to speak loses	Patience & don't speak
<b>The Flinch</b>	Knee jerk reaction signifying horror, disgust, chagrin	Don't react & just restate your position
<b>Framing</b>	Creates an illusion of what to expect. There is a reverse Frame as well.	Focus solely upon the value that separates the parties (re-frame)
<b>Trade-Offs &amp; Nibbling</b>	Creative way to trade items of seemingly no importance for items of value after the deal has already been negotiated	Ask for something in return
<b>Considered Response</b>	Adds value to the item being requested if other party believes you need time to think	Patience for a response
<b>Say 'NO' Once More</b>	'No' may just mean 'not right now'; persistence in resubmitting the same offer	Be polite and let them know that it is always worth another try
<b>Walk Away/Walk Back</b>	Attempts to create an urgency to negotiate deeper or lose the deal	Let them walk away; leave the door open for their return or re-open negotiations with a new piece of info.

# NEGOTIATING STRATEGIES

## Tactics & Counters – continued

Tactic	Definition	Counter
<b>Limited Authority</b>	Benefit of not being decision maker; allows ability to blame on decision maker	Reinforce that no decisions are yours and you must secure direction from client
<b>Unbundling</b>	Negotiating one minor item at a time rather than displaying all items requested	Insist you hear the entire request including all parts
<b>Bottom Line / Final Offer</b>	Presumes that you will provide your bottom line so as not to waste time	Never respond to request. Instead, have them make their top dollar proposal
<b>Crunch</b>	Never reveals that there is competition and then asks if you can do better than that	Anticipate the statement, restate your position and punctuate with 'silence'
<b>Cookies / Throw-Aways</b>	Loading an offer strategically (needs 1st, wants 2nd, wishes last) so that you know what to give or hold (depending on the market environment) and then trade for money or time	Know the value of what is being traded and secure more of what your client wants
<b>Dumping</b>	Reasons for why the offer was not what you asked	Know the difference between important items versus red herrings
<b>Time Invested</b>	Presumes the longer people are invested in the process, the more they will want it to work	Hours in a Seller's Market = days or weeks in a Buyer's Market, so use time wisely
<b>Mirroring</b>	A way to seek out more information or clarity by leveraging the other negotiator's own words.	Repeat the last few words of the other negotiator with an upward or downward inflection to denote clarity or confusion.
<b>Positioning</b>	Occurs when you frame the way you wish to be perceived by the opposing negotiator.	This can be accomplished in the initial communication you engage in with the opposing negotiator. Know what you are attempting to accomplish by your positioning.

# NEGOTIATING STRATEGIES

## Negotiations in the Movies

We are going to take a look at a negotiation analysis of a scene from “Pirates of the Caribbean”.

- Jack has no ship or allies
- Barbossa is immortal, has a ship and a crew
- Jack wants Barbossa’s ship
- Barbossa wants to become mortal again



Here is link to the clip so that you can review it again after the course:

<https://youtu.be/8oDVpfEEJkw>

# NEGOTIATING STRATEGIES

## Negotiations in the Movies

### Pirates of the Caribbean – Takeaway Lessons Learned

#### Lesson

**Enter the negotiation confident, even if you are not in a position of power.**

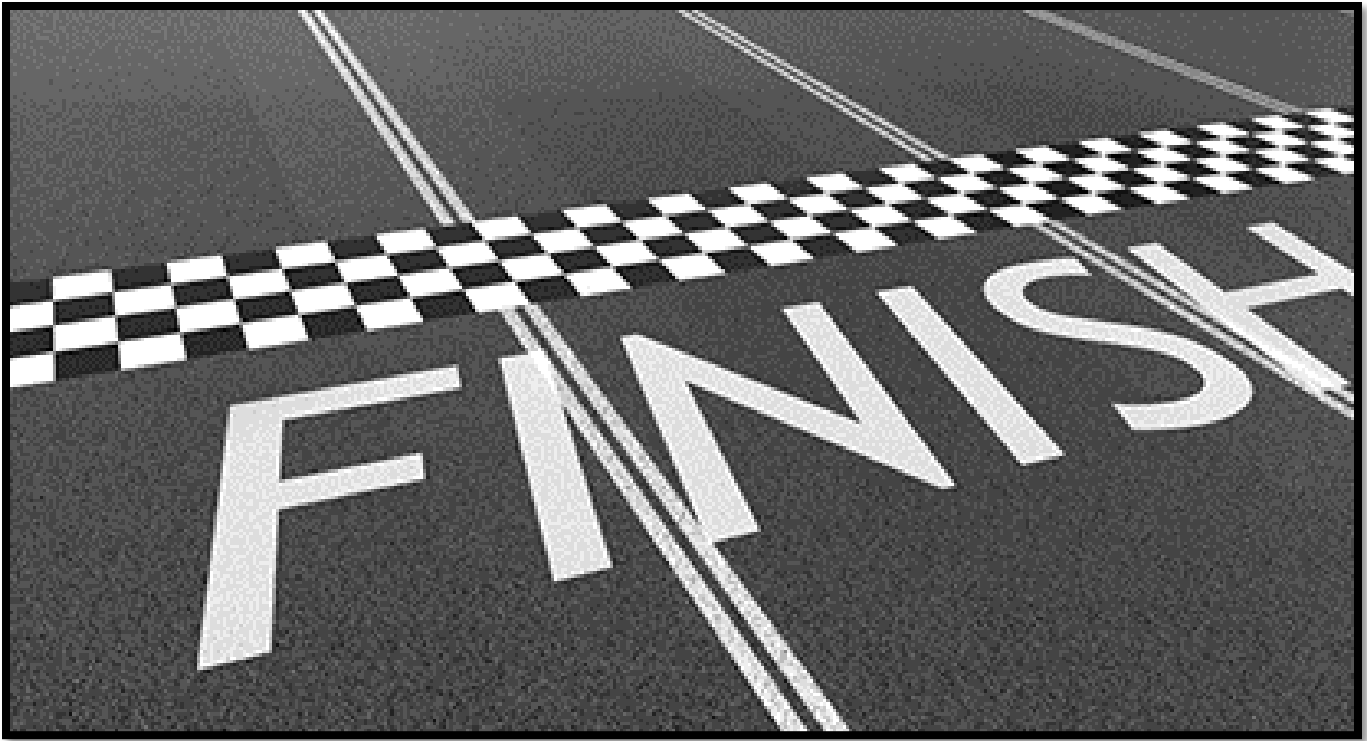
- Jack begins positively and light heartedly – establishes a friendly and willing atmosphere
- Opponent asserts authority and puts opposition on back foot (Command and Threat)
- Jack then uses Leverage and Reverse Psychology (regains position of power through knowledge and surprise)
- Jack uses scare tactic – puts pressure on Barbossa to strip him of power
- Jack makes an Appeal to Reason and Flattery (makes suggestion sound appealing and logical)
- Jack makes Concessions and Appeal to Pride (lures Barbossa into thinking he is more important and is getting the better end of the deal)
- Bluffs and appeals to logic (maintains Barbossa's feeling of control while luring him into following Jack's advice)

#### Lesson

**Understand what is and isn't acceptable in a culture (pirate culture)**

- Jack uses Trust to Gain Leverage (establishes a common ground to obtain a level playing field)
- Slicing and Appeal to Authority (attempt by both parties to gain a better outcome. Jack uses a gift to close deal)
- Deal closed – power balance
  - Barbossa lost his chance for mortality
  - Jack regained his ship
  - Barbossa gained a better ship
  - Jack gained immortality and everyone's trust
  - Barbossa gained 20% of Jack's revenue





# How to Break a Tie

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ISSUES OF DEADLOCK

# HOW TO BREAK A TIE

## Deadlock

Some offers are DOA – dead on arrival from the onset – since the parties may not be serious or motivated.

Deadlock is a different scenario – the desire to consummate the transaction is there but other emotional factors interfere with attaining the objective. Issues that can create deadlock are:

- When parties can't envision a win/win outcome
- It can be an emotional response to a demanding position or unyielding personality
- Can occur if negotiators haven't 'framed' the negotiation properly
- Will occur when one party walks away or issues a "take it or leave it" ultimatum
- May indicate an unmotivated party
- Tempers and egos are usually involved
- One or more negotiators lack creative solutions



# HOW TO BREAK A TIE

## How to Move from Deadlock

For any number of reasons, a deal can 'deadlock' – but that doesn't have to be forever for a skilled negotiator.

Sometimes NO just means, not right now. Here are a variety of options to try when your deal gets stuck or when all parties consider that it is over. These are to be used after the deal dies and depending on the market conditions that can mean days (in a seller's market) or weeks (in a buyers' market) as a rough example.

- Take a "Time-Out"
- Bring in some new information to restart the conversation
- Re-establish common ground on a personal level with the other negotiator by change to rebuild rapport
- Change the Negotiator – 'Good Cop/Bad Cop'
- Change Level or status of the negotiator
- Change the location venue
- Change the "shape" of risk
- Adjust Minor Concessions
- Use 'Hypothetical' bargaining techniques to explore alternatives

## Your Examples

What are some situations you have found yourself in, and how did you resolve them?

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# HOW TO BREAK A TIE

## Using Hypothetical Bargaining When the Deal is ‘Stuck’

How can “hypothetical bargaining” help? The great thing about this format and why it is so great for this type of situation is that the negotiators can ‘review’ what happened and try to explore other options had their clients chosen a different path. It really is playing the “what if” game and it doesn’t commit anyone to any particular path. The next time you find your deal stuck – maybe this might be an option that you want to consider!

- This format allows the negotiators to revisit the terms and conditions of the negotiation in a hypothetical way
- A powerful exploratory exercise with the other negotiator that does not commit anyone but tests attitudes, possibilities and the identification of ‘bright lines’
- Utilizes the concepts of “What if”; “If/then” and “Wondering” to find creative options
- Example: “I know your clients were set on this term but what if we did this \_\_\_\_, would they reconsider that?”

# HOW TO BREAK A TIE

## Dealing with Difficult Issues

Most people are willing to negotiate in good faith. They don't resort to tricks or intimidation. But – every so often, you might encounter someone who takes a less principled approach.

## Personal Attacks

There are several reasons why negotiators sometimes engage in personal attacks.

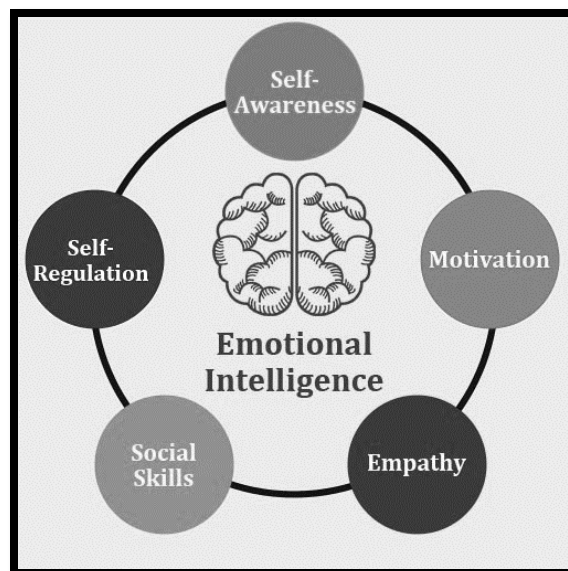
1. They may think it will give them an advantage in the negotiation.
2. They may see any disagreement with their position as a threat to their self-image.
3. They may feel that they are not being treated fairly or respectfully.



## Controlling Your Emotions

Recognizing and controlling emotions is an aspect of “emotional intelligence”. In a negotiation, emotional intelligence involves recognizing how you and the other party are responding emotionally to the discussion.

You will recognize when the emotional temperature is rising beyond where it should be, because discussions will become less focused, voices will be raised and the silences will be all the more silent.



# HOW TO BREAK A TIE

## Neutralizing Anger

Sometimes people emotionally derail, but don't assume that you or the situation have caused it. There are times when people didn't get enough sleep or there has been an issue on the home front with kids, parents or significant others – so many things could have impacted the other negotiator where life has gotten in the way.

Rather than react – just try to give the benefit of the doubt and attempt to derail the assault – even if you have had a less than great relationship in the past.

Here are a variety of “responses” that can disconnect the negative reaction and break the chain of verbal abuse.

- “I sense you're upset” ...
- “Are you mad at me or just angry?”
- “Are you having a really bad day today? This is not like you.”
- Drop the phone and let the person run out of steam
- If it's an email – don't respond right away, if at all
- Call a ‘time out’ and state that everyone should connect at a better time
- Provide an opportunity for everyone to ‘walk back’ and save face by stating that although the last encounter wasn't entirely productive, you are willing to move forward



# HOW TO BREAK A TIE

## 10 Common Hard-Ball Tactics to Watch Out for

If you want to prevent your negotiation from disintegrating into hard-bargaining tactics, you first need to make a commitment not to engage in these tactics yourself. There are typically better ways of meeting your goals, such as building trust, asking lots of questions, and exploring differences.

Some negotiators seem to believe that hard-bargaining tactics are the key to success. They resort to threats, extreme demands, and even unethical behavior to try to get the upper hand in a negotiation. In fact, negotiators who fall back on hard-bargaining strategies in negotiation are typically betraying a lack of understanding about the gains that can be achieved in most negotiations. When negotiators resort to hard-bargaining tactics, they convey that they view negotiation as a win-lose enterprise. A small percentage of negotiations that concern only one issue, such as price, can indeed be viewed as win-lose negotiations, or distributive negotiations.

Here is a list of the 10 hardball tactics in negotiation to watch out for from the authors of *Beyond Winning: Negotiating to Create Value in Deals and Disputes* (Robert Mnookin, Scott Peppet, and Andrew Tulumello).

1. **Extreme demands followed up by small, slow concessions.**
2. **Commitment tactics.**
3. **Take-it-or-leave-it negotiation strategy.**
4. **Inviting unreciprocated offers.**
5. **Trying to make you flinch.**
6. **Personal insults and feather ruffling.**
7. **Bluffing, puffing, and lying.**
8. **Threats and warnings.**
9. **Belittling your alternatives.**
10. **Good cop, bad cop.**

On the next page, we have provided these in detail with explanation.

# HOW TO BREAK A TIE

## 10 Common Hard-Ball Tactics to Watch Out for

*Beyond Winning: Negotiating to Create Value in Deals and Disputes* (Robert Mnookin, Scott Peppet, and Andrew Tulumello).

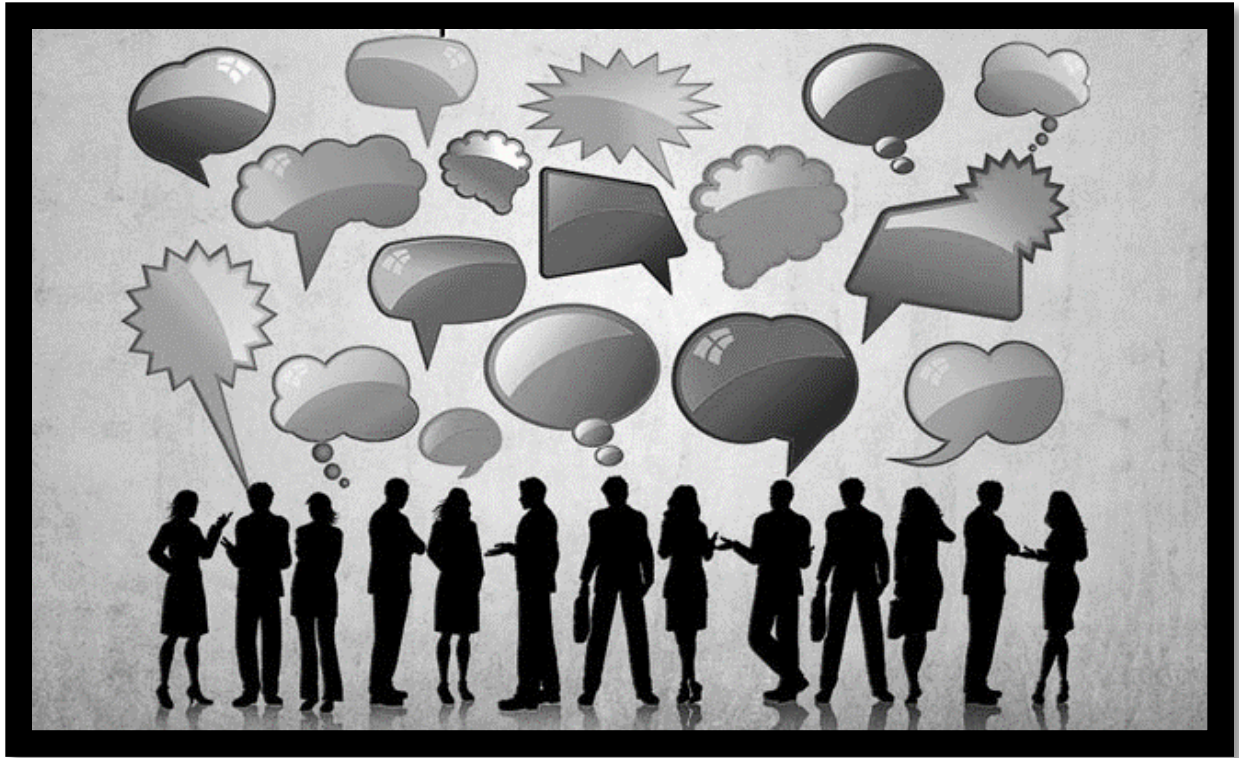
1. **Extreme demands followed up by small, slow concessions.** Perhaps the most common of all hard-bargaining tactics, this one protects dealmakers from making concessions too quickly. However, it can keep parties from making a deal and unnecessarily drag out business negotiations. To head off this tactic, have a clear sense of your own goals, *best alternative to a negotiated agreement* (BATNA), and bottom line – and don't be rattled by an aggressive opponent.
2. **Commitment tactics.** Your opponent may say that his hands are tied or that he has only limited discretion to negotiate with you. Do what you can to find out if these commitment tactics are genuine. You may find that you need to negotiate with someone who has greater authority to do business with you.
3. **Take-it-or-leave-it negotiation strategy.** Offers should rarely be nonnegotiable. To defuse this hard-bargaining tactic, try ignoring it and focus on the content of the offer instead, then make a counter-offer that meets both parties' needs.
4. **Inviting unreciprocated offers.** When you make an offer, you may find that your counterpart asks you to make a concession before making a counteroffer herself. Don't bid against yourself by reducing your demands; instead, indicate that you are waiting for a counteroffer.
5. **Trying to make you flinch.** Sometimes you may find that your opponent keeps making greater and greater demands, waiting for you to reach your breaking point and concede. Name the hard-bargaining tactic and clarify that you will only engage in a reciprocal exchange of offers.
6. **Personal insults and feather ruffling.** Personal attacks can feed on your insecurities and make you vulnerable. Take a break if you feel yourself getting flustered, and let the other party know that you won't tolerate insults and other cheap ploys.
7. **Bluffing, puffing, and lying.** Exaggerating and misrepresenting facts can throw you off guard. Be skeptical about claims that seem too good to be true and investigate them closely.
8. **Threats and warnings.** Want to know how to deal with threats? The first step is recognizing threats and oblique warnings as the hard-bargaining tactics they are. Ignoring a threat and naming a threat can be two effective strategies for defusing them.
9. **Belittling your alternatives.** The other party might try to make you cave in by belittling your BATNA. Don't let her shake your resolve.
10. **Good cop, bad cop.** When facing off with a two-negotiator team, you may find that one person is reasonable and the other is tough. Realize that they are working together and don't be taken in by such hard-bargaining tactics.



# HOW TO BREAK A TIE



- ✓ Separate the people from the problem. Don't let personalities get in the way of negotiating.
- ✓ Focus on interests, not positions. Consider what both parties want and need.
- ✓ Expand the range of options. One way to overcome an impasse in a negotiation is to expand the range of the discussion.
- ✓ State the terms of an agreement in specific, clear terms.



# Venues for Negotiations

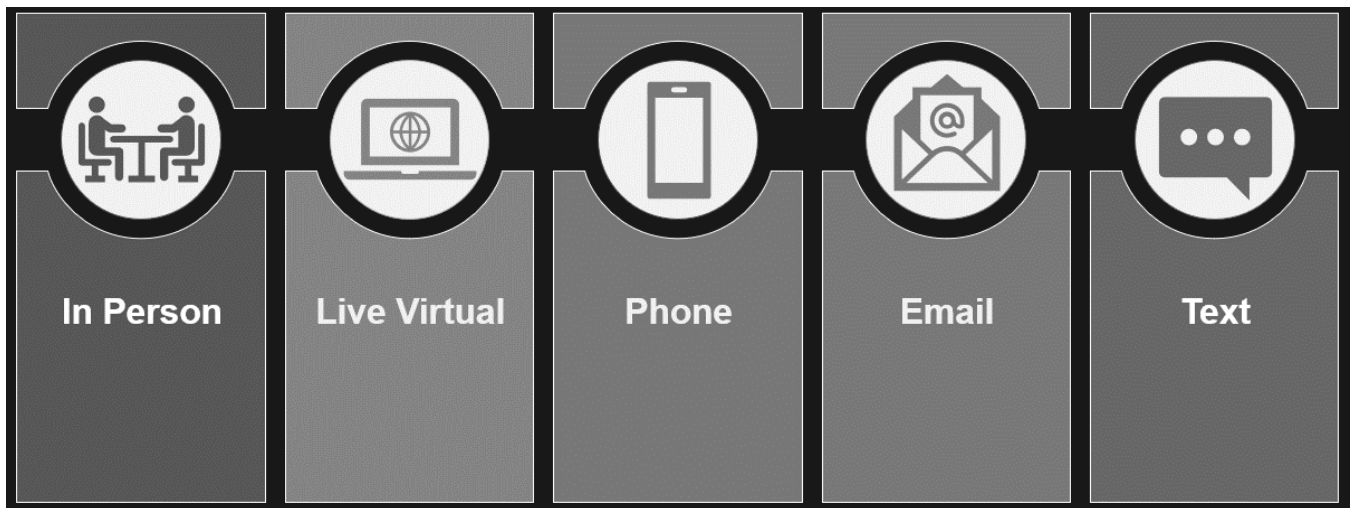
THE SPECTRUM OF COMMUNICATIONS

# VENUES FOR NEGOTIATIONS

## Communication Options for Negotiations

Not all negotiations take place in person – many of the negotiations that agents do are actually non-live formats where we are using text, email, phone and live-virtual venues for communication. Generational considerations may also determine the communication bias that is used or expected.

Your job is to be flexible when it comes to communication and to realize that all people do not communicate in the same way and then to communicate in the manner that is comfortable for **them – not you!**



# VENUES FOR NEGOTIATIONS

## The Perils of Using Texting and Email in a Negotiation

For busy professionals, text message and email contract negotiations between agents is becoming increasingly common. Unfortunately, it is not the most legally sound way to negotiate a deal.

Courts are still determining how best to apply traditional contract law to emails, text messages, and other types of electronic communication.

In any case, the basic principles of contract law will still apply. In order for a business contract to be enforceable, there must be a valid offer and acceptance, supported by consideration. If one party sends a text message or email proposing different terms, the offer is considered rejected, and the contract formation process starts fresh. In addition, the parties must also intend to be contractually bound. While intent need not be expressly conveyed in the electronic communication, it must be clear that the parties intended that the agreement be legally binding.

To avoid a costly breach of contract lawsuit, below are five tips for text and email message negotiations:

1. **Expressly convey your intentions.** The court will analyze what you said during text message contract negotiations, not your subjective intentions, when evaluating whether a valid contract has been formed. Therefore, it is imperative to memorialize everything in writing.
2. **Put the other party on notice.** If you do not want to be bound by the terms discussed via text or email, make it clear to the other party that your electronic correspondence should be considered non-binding, and that any agreement is contingent upon the execution of a physically executed, formal written contract.
3. **Clear up any confusion.** If you suspect that the other party may be interpreting your text or email exchange as the basis for a binding contract, it is imperative to take swift action, in writing, to correct any misconceptions.
4. **Be mindful of accidental contract amendment.** Texts and emails can also amend the terms of an existing agreement. Therefore, it is important to be equally mindful that you do not unknowingly waive or modify an important contract term via electronic correspondence.
5. **Train your agents/team.** Make sure your agents/team understand the risks of negotiating via electronic correspondence, including the unintentional formation of a binding agreement.

# VENUES FOR NEGOTIATIONS

What are the benefits and risks of texting in negotiations?



BENEFITS	RISKS

# VENUES FOR NEGOTIATIONS



## Benefits and Risks of Text Negotiations

### BENEFITS:

- States what needs to be said.
- Communication between people that are 'familiar'.
- Sets expectations for a quick response.
- Perfect for price counter-offering or minor questions / concessions.
- Should be treated like a 'verbal' conversation.

### RISKS:

- Auto-correct can dramatically alter the message or intent. Re-read messages before sending.
- May feel impersonal and abrupt leading to false impressions.
- Can be misunderstood or misinterpreted – especially if emotions are running high.
- Can be considered a binding action or commitment.

# VENUES FOR NEGOTIATIONS

The attitude in communication is:



**7%**

by **Words**



**38%**

by **Tone**



**55%**

by **Body Language &  
Facial Expressions**

Because of this, we know that texts and email lack the vocal and visual clues of an in-person meeting. Misunderstandings are more likely without these cues.

If you happen to know the other party well, this may be less of an issue if you are familiar with their texting and email style.

# VENUES FOR NEGOTIATIONS

What are the benefits and risks of email in negotiations?



BENEFITS	RISKS



# VENUES FOR NEGOTIATIONS



## Benefits and Risks of Email Negotiations

### BENEFITS:

- Practical and time efficient
- Your body language hidden
- Control over the message sent
- Written record and keeps all parties informed and on same page
- Can restate conversations and exchanges for liability reasons

### RISKS:

- Loss of vocal cues may decrease ability to sense a change in tone which may imply a lower sense of trust and rapport
- Never assume emails are private since they could be shared and people can be 'blind copied'
- Can't take advantage of body language and auditory cues

# VENUES FOR NEGOTIATIONS

## Negotiating via Email

**Use** email in a negotiation when:

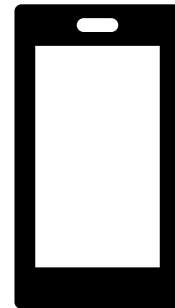
- The topic is clearly defined
- The topic does not require extensive discussion
- The expected response is relatively simple
- There is little possibility of misunderstanding

**Do Not Use** email in a negotiation when:

- The topic is complex
- The topic requires extensive discussion
- The topic is likely to stir up strong emotions

# VENUES FOR NEGOTIATIONS

What are the benefits and risks of phone negotiations?



BENEFITS	RISKS

# VENUES FOR NEGOTIATIONS



## Benefits and Risks of Phone Negotiations

### BENEFITS:

- Practical and time efficient
- Your body language hidden
- Take notes and confirm key discussion points via email
- Ask most important questions first and those that require explanation so you can leverage later
- Use noises

### RISKS:

- Unexpected call – unprepared – pressure to answer quickly
- Can't read the body language
- Other person may avoid calls

# VENUES FOR NEGOTIATIONS

## Negotiating via Telephone

- Pay attention to particular points.
- Listen actively. Don't interrupt the other party; don't spend your 'listening time' figuring out how you're going to respond to them when they finally stop talking. The better you listen, the better you can learn, and the more likely you will be able to respond in a way that improves the negotiation's result.
- Don't let the immediacy of a telephone call force you into fast, unwise decisions. There is nothing wrong with requesting more time to think about the terms discussed.



# VENUES FOR NEGOTIATIONS

## Managing Live Virtual Negotiations

Videoconferencing can be a rich communication medium that allows for win-win bargaining and mutual gain.



- It allows people to learn from each other's visual and verbal cues.
- Through laughter, frowns, raised voices, and hand gestures, negotiators can build rapport and understanding.
- Allows parties to communicate both verbally and nonverbally.
- Enables them to jointly view and discuss documents.

## Challenges

### Limited Visibility

- Keep your hand gestures within the frame so that your counterpart can see them.
- Minimize sound and visual distractions on your end as much as possible.
- Make sure the area behind you is neutral and professional and be sure to dress for business.
- Resist the urge to check your e-mail or attend to matters offscreen.

### Technical Difficulties

- Anyone who videoconferences regularly knows that technical difficulties are par for the course. It's not unusual to have trouble linking up or to suddenly lose audio and/or video during a meeting.
- Such glitches may interrupt the flow of a negotiation or leave us feeling irritated, which could keep us from negotiating at our best.
- Practice using new videoconferencing apps before important meetings, but keep in mind that technical difficulties may still crop up.

# VENUES FOR NEGOTIATIONS

## Managing Live Virtual Negotiations

### Challenges

#### Privacy & Security

- The possibility of being secretly recorded is a risk in any type of negotiation, video negotiations may be especially easy for your counterpart—or perhaps some other interested party—to record.
- In addition, there could be others quietly listening in and perhaps even advising your counterpart offscreen.
- For this reason, when security is critical, but trust is low, you may want to make an extra effort to negotiate in person.

### Helpful Tips

- Always turn your camera on. This will encourage the other party do the same.
- Frame yourself within the camera. Being too close affects the way that you look to your counterpart and could distort non-verbal signals.
- Remember that you are always visible - even when others are talking, your non-verbal communications are constantly sending messages.
- It's the same for the other party. Always watch everyone even when they are not talking.
- You are born with an innate ability to communicate nonverbally, so understand and use it effectively.
- Using all aspects of your communication -- words, tonality and non-verbal cues -- will help enhance your negotiating outcomes.

### Proceed With Caution!

All of these types of communications can be viewed differently in a court of law!

## MODULE 11



# Sounds & Non-Verbal Communication

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# SOUNDS & NON-VERBAL COMMUNICATION

## Sounds that Signal

The use of sounds can be an amazing technique and can be effective when used selectively and appropriately.

Here are some examples –

- Oh?
- Mmmmmmm
- Uh-oh!
- Ahhh
- Ooooooo
- Really
- Uuuuuuuusch
- Seriously

## Why are These Important Tactics to Use?

They are used to disarm the negotiator (or any person making the request/statement) and those sounds signal a variety of reactions.

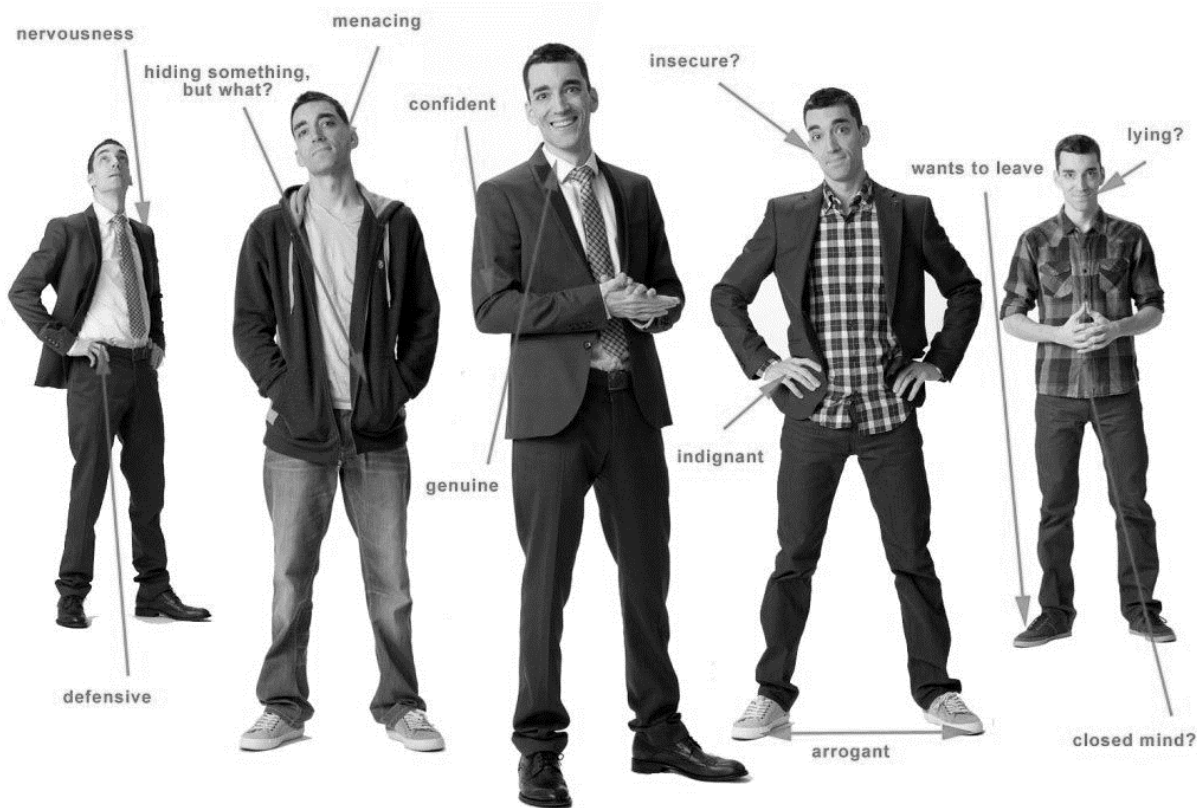
They can be used in person, combined with a body reaction or they can be used over the phone with equal success.

The sounds are a subtle indicator that makes the person suggesting the request question whether it is a good idea or not.

Sounds can imply that the other party should reconsider, retract and/or amend their request.

# SOUNDS & NON-VERBAL COMMUNICATION

## Non-Verbal Communication



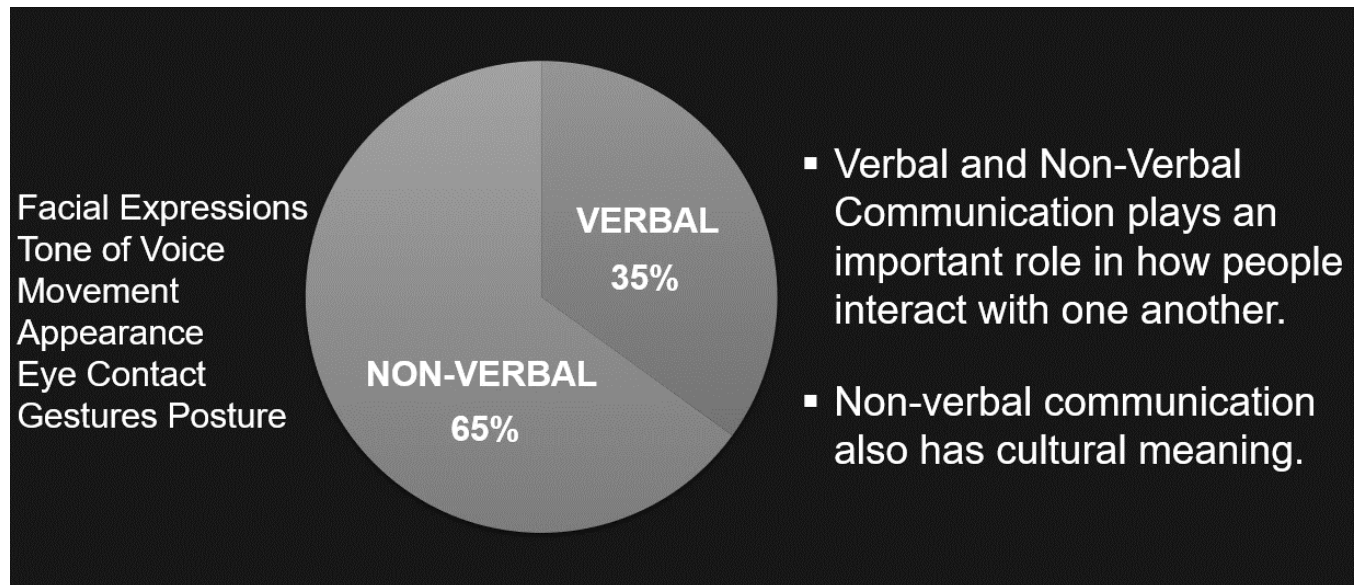
Would you like to know when a prospect is ready to buy even before he or she does? Would it be of value to read a handshake, understand what a client's posture has to say, or demonstrate your own personal authority without saying a word? Could you increase sales through a better understanding of nonverbal communication? **The answer is yes, absolutely yes!**

Nonverbal communication is more than reading and interpreting body language.

- It accounts for more than half of the meaning in any face to face encounter.
- To make sales, control an agenda, or understand a prospect or client, you can't afford to leave half the meaning to chance.

# SOUNDS & NON-VERBAL COMMUNICATION

## The Importance of Non-Verbal Communication



The importance of non-verbal communication is real since 65% of what is not said can tell more than the 35% that is being said.

- Often conveys more info than verbal communication
- Usually believed over verbal communication
- Primary means of communicating emotion
- People have a harder time controlling nonverbal signals
- More readily available face-to-face but is available online (emojicons, caps, etc.)
- Available by phone (tone of voice, speed, pitch)
- People are highly sensitive to nonverbal emotional behavior, specifically facial expressions

# SOUNDS & NON-VERBAL COMMUNICATION

## Types of Non-Verbal Communication

Non-verbal communication takes many formats – when you remove the words, some indicators to watch/listen for are:

<b>Ways of Talking</b>	Are there pauses for emphasis? Are certain words stressed more than others that are uncharacteristic?
<b>Posture</b>	Is the person slouching or standing straight? Posture can signal confidence or defeat.
<b>Appearance</b>	Manner of dress speaks volumes. Whether the person is dressed formally or casually is not the point (unless the attire is completely inappropriate for the event which can signal maverick or rebel) – but are they untidy which can signal disorganized or are they completely appointed which can mean they are fastidious in every way.
<b>Head Movements</b>	Is the head movement in concert with the words that are spoken or are they opposite?
<b>Hand Movements</b>	These can signal whether or not someone is comfortable or closed. For example, the wringing of the hands can signal agitation and/or stress.
<b>Eye Movements</b>	Is there eye contact at all or is the person avoiding contact because of what the eyes reveal? Blinking, winking, staring, etc. all convey different things about the state of mind of the individual.
<b>Facial Expressions</b>	Usually pretty straight forward. Few individuals can maintain the 'poker face' and hide what the face can generally reveal.
<b>Body Contact</b>	Touching can be either subtle or overt, but body closeness is another consideration. The 'arm's length transaction' refers to body proximity which is about 2 arm lengths from the other party -- which can represent someone's comfort zone. When someone stands closer, some may feel very uncomfortable, perceiving the other to be invading their personal space or comfort zone.
<b>Sounds</b>	These have already been addressed, but have a huge impact in revealing how someone feels or what someone really means.

# SOUNDS & NON-VERBAL COMMUNICATION

## Sending Signals

Although the individual body parts are important, it is really the entire body that tells the story. It can often signal things that the negotiator never wanted to reveal.

While body parts can indicate how someone is feeling, it is not the entire story -- just an indicator.

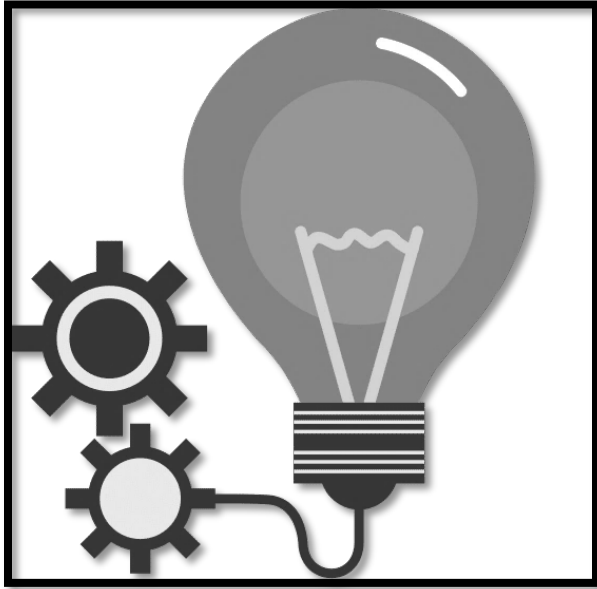
How the body parts are positioned can indicate a variety of emotions that are contrary to the words being said.

The skilled negotiator is a keen observer of the volumes of non-verbal clues being offered.



# SOUNDS & NON-VERBAL COMMUNICATION

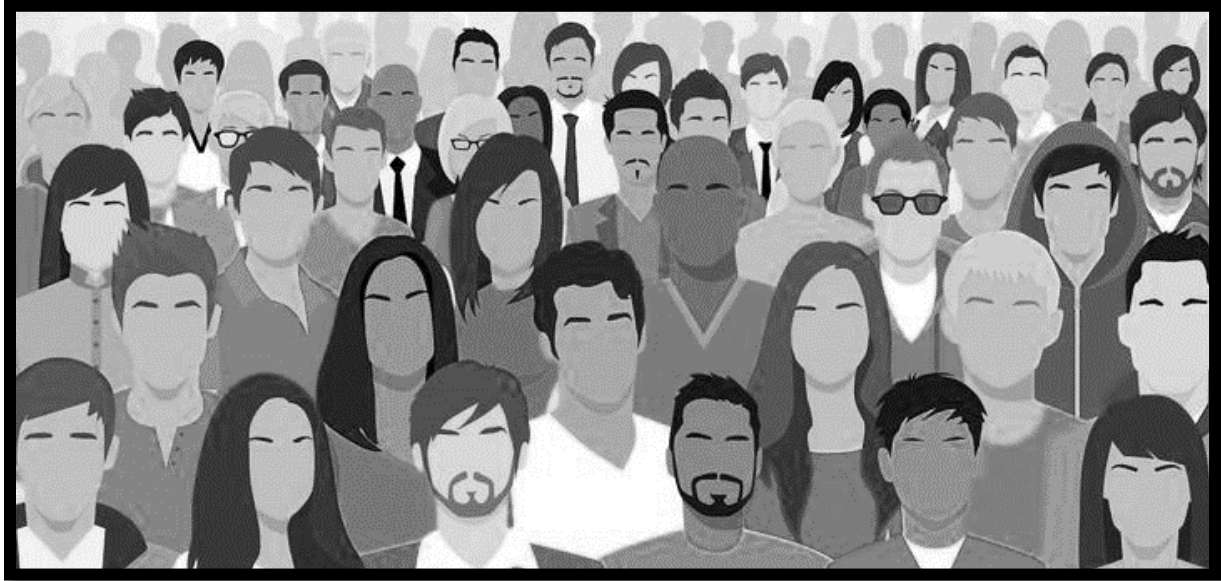
**RESOURCES:** Appendix, pages 164-167



We have provided a complete listing and interpretations of:

- Eye Movements
- Facial Expressions
- Head Movements
- Arm / Hand Positions
- Hand Movements / Gestures
- Handshake
- Leg Movements / Positioning

## MODULE 12



# Gender & Culture

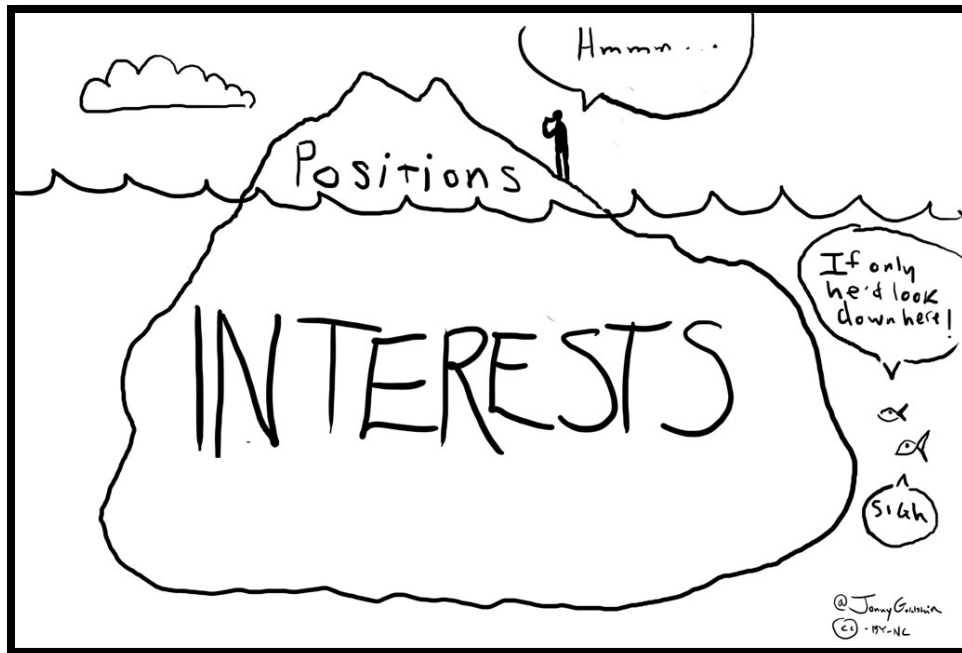
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HOW GENDER & CULTURE CAN IMPACT A NEGOTIATION

# GENDER & CULTURE

## Positioning

**Positioning** occurs when you frame the way you wish to be perceived by the opposing negotiator. If you position yourself properly, the negotiation will flow more effortlessly and you will have enhanced its outcome before entering into the negotiation.



## Positioning Basics – Every Player Has a Position

Whenever possible, it is best to meet at the office, but sometimes a 'home visit' is required.

- Generational implications can affect dedicated positions in a family's living spaces
- Families with Senior members may have specific places for them at the dining table – rather than sit, wait until you are placed
- Boomers may or may not have specific seating arrangements, but he/she should be the focus of your attention
- GenX & Y may be more relaxed, but courtesy alone require that you wait until placed.

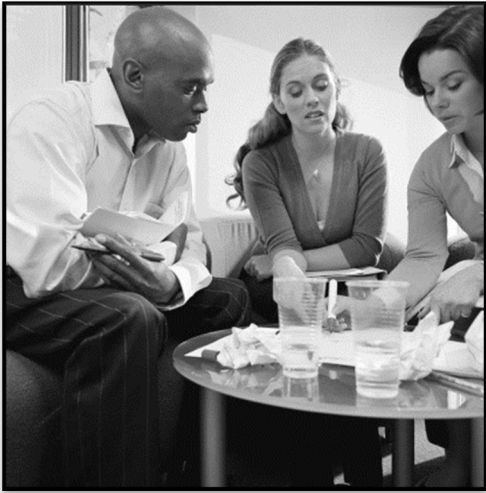


# GENDER & CULTURE

## Gender & Positioning

Remember the 'animal kingdom' – don't get too close to someone else's partner.

Some folks may consider this silly but rest assured, this is very real. No matter what the makeup of the couple, unintentional mirroring of the wrong party can undermine negotiations and rapport-building.



- Framing or Mirroring is the concept
- Female agents align physically with female consumer
- Male agents align physically with male consumer
- Aligning or mirroring your body with the opposite gender can be construed as an intrusion and will undermine rapport
- Proximity of closeness is also another consideration since personal space needs to be respected

## Cultural Adjustments

Although you should never predetermine how a person within a culture will absolutely react, there are certain things to consider before entering into negotiations.

- Genders may not be viewed or treated as “equal” so never bring your bias to the table.
- Different cultures may have different expectations of bartering, length, and process of negotiations or even when a negotiation starts.
- Business negotiations could begin before business is even brought up or discussed – it could begin at the presentation of a business card or even seating at a table.
- Dress, drink, and food can play a pivotal role so do some research before jumping in and making any assumptions.

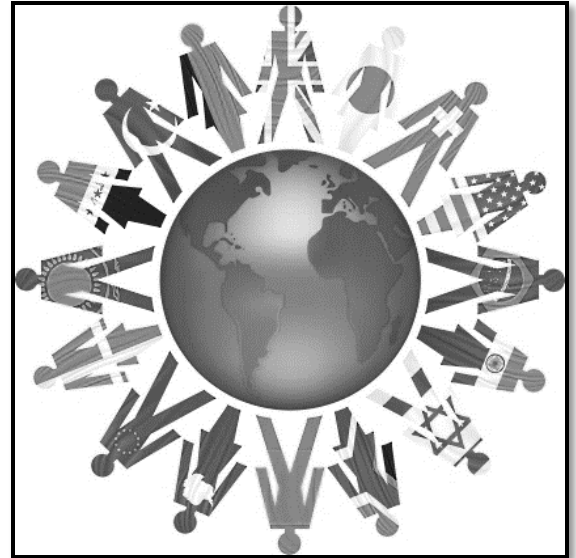


Cultural background, accent, language, behavior, and religion are just some of the cultural barriers to communication.

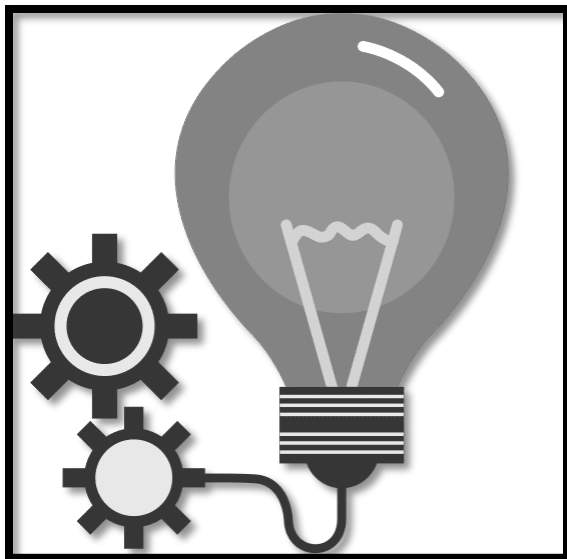
# GENDER & CULTURE

## Cultural Adjustments – continued

- Genders may not be viewed or treated as “equal”
- Different cultures may have different expectations of bartering, length and process of negotiations
- Business negotiations could begin before business is even brought up or discussed
- Dress, drink and food can play a pivotal role



**RESOURCE:**        **Video**



If you are interested in more information on gender and race in negotiations:

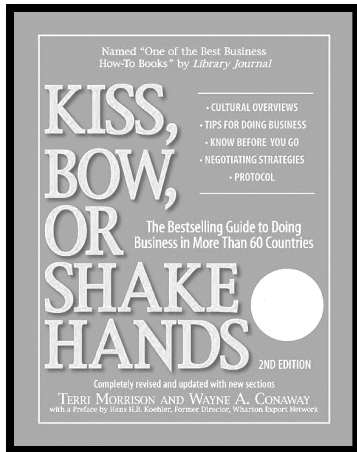
**Professor Leigh Thompson**  
**Kellogg School of Management**

**“Negotiation Theory & Research: Gender & Race”**

- 1 hr. / 26 min video of a seminar she did
- Video link:        <https://youtu.be/2aHtwLEg8R4>

# POSITIONING

## References on Cultural Impacts to Negotiations



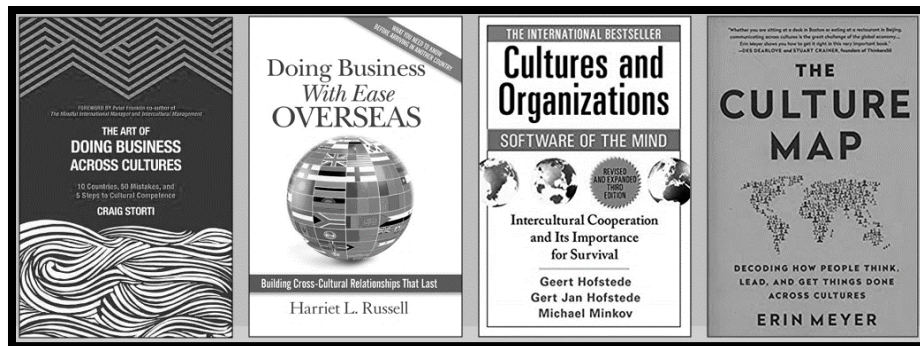
*Kiss, Bow, or Shake Hands*, By Terri Morrison & Wayne A. Conaway

Best-selling guide to doing business in more than 60 countries

You can find it on Amazon

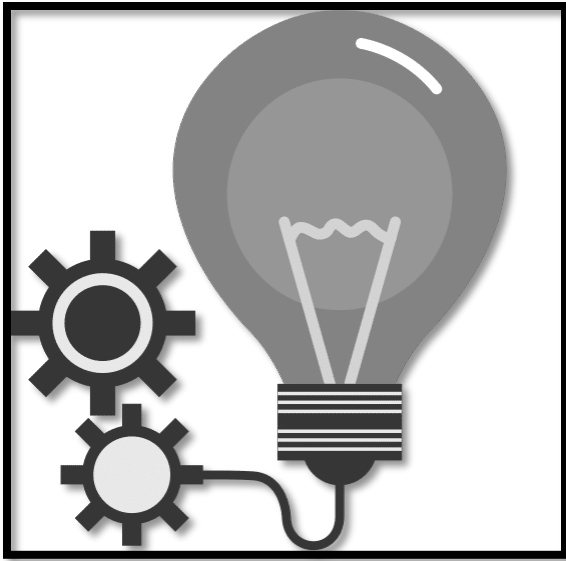
Additional books on doing business with different cultures. You can find them all on Amazon.

1. The Art of Doing Business Across Cultures (Craig Storti)
2. Doing Business with Ease Overseas (Harriet L. Russel)
3. Cultures and Organizations (Geert Hofstede, Gert Jan Hofstede, Michael Minkov)
4. The Culture Map (Erin Meyer)



# POSITIONING

**RESOURCE:**        **Positioning Basics - Appendix pages 168-171**



When meeting with clients or the other negotiator(s) – where you sit, and the shape of the table can be important. We have provided samples in your Appendix:

## Table Styles for Best Positioning

- Cooperative
- Combative
- Neutral



- ✓ Anticipate difference in strategy and tactics that may cause misunderstandings
- ✓ Analyze cultural differences to identify differences in value that expand the pie
- ✓ Recognize that the other party may not share your view of what constitutes power
- ✓ Find out how to show respect in the other culture

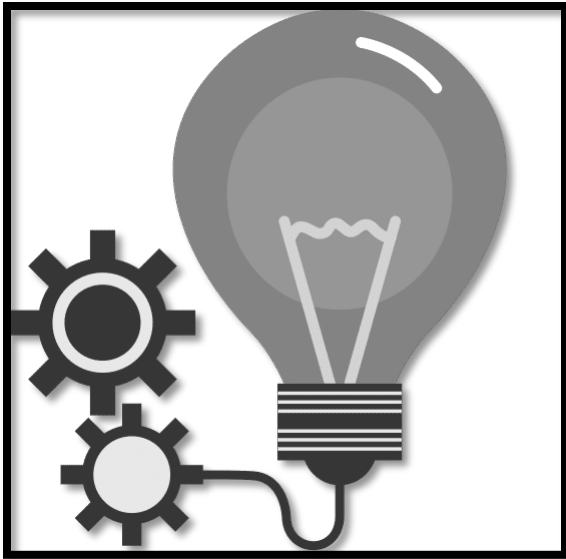


# **Tips for Negotiators**

YOUR PLAYBOOK

# TIPS FOR NEGOTIATORS

We have put all the tips in the Appendix of your Workbook for easy access and reference. We will just review a few here in class.



**RESOURCES:**      **Appendix pages 160 – 161**

## Negotiation Strategies & Tips

<b>Establish Rapport</b>	<b>Show Empathy</b>
Master active listening. The more the other party talks, the more time you have to build rapport and uncover their wants.	Build connection and trust – these are the foundations to communications.
<b>Create Safety with “No”</b>	<b>“That’s Right”</b>
Pushing for a “Yes” too fast can create distrust. To move things forward, invite people to say “No”.	Aim to get to these 2 magic words, as they can transform your negotiation.
<b>Create an Illusion of Control</b>	<b>Shape Reality</b>
Nudge others to reach the conclusion you want, thinking it’s <i>their</i> solution.	Find and use leverage to get the best possible deal. Never split the difference.
<b>Find the Black Swans</b>	<b>Prepare Yourself</b>
Find unexpected or hidden information that can change your results.	Be prepared to bargain hard with seasoned negotiators.

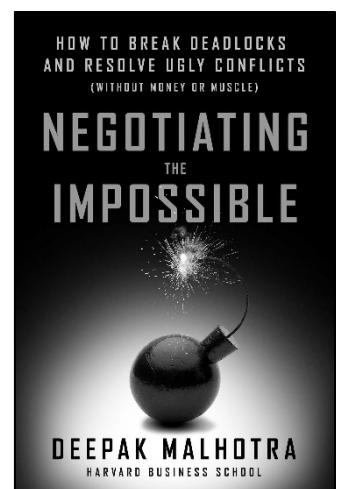
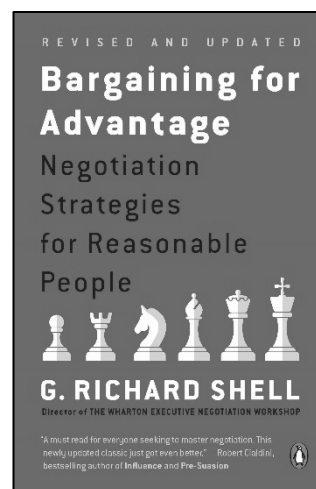
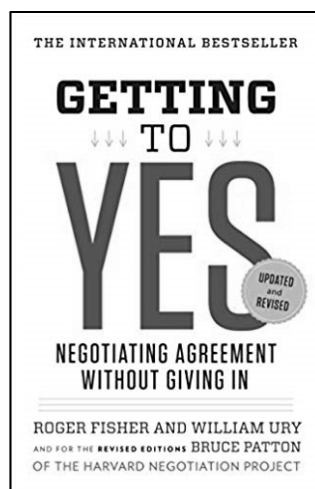
# TIPS FOR NEGOTIATORS



- ✓ Study the other negotiator and satisfy hot buttons
- ✓ Listen for the 'story' without interruption
- ✓ The most important information is given before someone stops talking
- ✓ Take notes
- ✓ Challenge all facts
- ✓ Don't be afraid to negotiate big differences
- ✓ Know the value of 'time'
- ✓ There is no substitute for good planning
- ✓ Look for a good outcome for all parties, but a better one for your client
- ✓ Uncover needs and motivations of the parties

## Additional Resources

These are some best-selling books on negotiation. All are available on Amazon.



# TIPS FOR NEGOTIATORS

## Negotiations in the Movies – for Fun and More!

Movie / Video	Link
Seinfeld – Kramer’s 25% negotiation	<a href="https://www.youtube.com/watch?v=7NK5Uo0tSBg">https://www.youtube.com/watch?v=7NK5Uo0tSBg</a>
Erin Brockovich – Lame offer	<a href="https://www.youtube.com/watch?v=BGX4nMrnxg0">https://www.youtube.com/watch?v=BGX4nMrnxg0</a>
Monty Python – Life of Brian – Haggle Scene	<a href="https://www.youtube.com/watch?v=u75XQdTzXRc">https://www.youtube.com/watch?v=u75XQdTzXRc</a>
The Fifth Element – the Negotiator	<a href="https://www.youtube.com/watch?v=9TyxxLHfBwE">https://www.youtube.com/watch?v=9TyxxLHfBwE</a>
Steve Jobs – We’re not negotiating	<a href="https://www.youtube.com/watch?v=tF0inVRgt14">https://www.youtube.com/watch?v=tF0inVRgt14</a>
Intolerable Cruelty – This is just a negotiation	<a href="https://www.youtube.com/watch?v=w1EhS9BmQRw">https://www.youtube.com/watch?v=w1EhS9BmQRw</a>
Wedding Crashers – Mediating the divorce (salty language, but great example)	<a href="https://www.youtube.com/watch?v=LJahwN_dKb4">https://www.youtube.com/watch?v=LJahwN_dKb4</a>
The Negotiation Process – Funny Real Estate Clip	<a href="https://youtu.be/HPs_hMo5Hyk">https://youtu.be/HPs_hMo5Hyk</a>
Deal With It (Adam Sandler Movie)	<a href="https://www.youtube.com/watch?v=0CdixDzE7I0">https://www.youtube.com/watch?v=0CdixDzE7I0</a>

## Negotiation Instruction videos You Can Watch On Your Own

Movie / Video	Link
Stanford Graduate School of Business	<a href="https://www.youtube.com/watch?v=rCmvMDrCWjs">https://www.youtube.com/watch?v=rCmvMDrCWjs</a>
Alan McCarthy’s Top Ten Tips	<a href="https://www.youtube.com/watch?v=oy0MD2nsZVs">https://www.youtube.com/watch?v=oy0MD2nsZVs</a>
Negotiation Tutorial Role Play – Lynda.com	<a href="https://www.youtube.com/watch?v=BA0DParCiww">https://www.youtube.com/watch?v=BA0DParCiww</a>
Negotiation Strategies/Tactics – Brian Tracy; High Performance Leadership	<a href="https://www.youtube.com/watch?v=O0eniBUBgD0">https://www.youtube.com/watch?v=O0eniBUBgD0</a>
Kellogg School of Management – Northwestern University	<a href="https://www.youtube.com/watch?v=bMWLimhNfTI">https://www.youtube.com/watch?v=bMWLimhNfTI</a>





# **Putting the Tactics & Techniques into Action**

FIELD SIMULATIONS

# PUTTING THE TACTICS & TECHNIQUES INTO ACTION

## Negotiating Phase

You are still bound by License Law and the Code of Ethics.

If you need a refresher on these, take the ABR and SRS.



### \*License Law Issues

- Timely present all offers to and from the client unless the client has waived this duty
- Cannot negotiate directly with someone else's exclusive client without written permission from broker
- Could be license law issues if agents are not protecting the interest of their clients

\*Every state has different laws, but sure to check your own state's license laws.

# PUTTING THE TACTICS & TECHNIQUES INTO ACTION



## National Association of REALTORS® Code of Ethics

There are several Standards of Practice from the Code of Ethics that you need to be mindful of – even when negotiating. Please keep in mind that this is a brief review. Here is a link to the most recent copy of the full Code of Ethics --

<https://www.nar.realtor/about-nar/governing-documents/the-code-of-ethics>

### Article 1, SOP 1-3

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REALTORS®, in attempting to secure a listing, shall not deliberately mislead the owner as to market value.

### Article 1, SOP 1-6

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REALTORS® shall submit offers and counter-offers objectively and as quickly as possible. (Adopted 1/93, Amended 1/95)

### Article 1, SOP 1-7

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When acting as listing brokers, REALTORS® shall continue to submit to the seller/landlord all offers and counter-offers until closing or execution of a lease unless the seller/landlord has waived this obligation in writing. Upon the written request of a cooperating broker who submits an offer to the listing broker, the listing broker shall provide, as soon as practical, a written affirmation to the cooperating broker stating that the offer has been submitted to the seller/landlord, or a written notification that the seller/landlord has waived the obligation to have the offer presented. (Amended 1/20)

### Article 1, SOP 1-9

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The obligation of REALTORS® to preserve confidential information (as defined by state law) provided by their clients in the course of any agency relationship or non-agency relationship recognized by law continues after termination of agency relationships or any non-agency relationships recognized by law. REALTORS® shall not knowingly, during or following the termination of professional relationships with their clients:

1. reveal confidential information of clients; or
2. use confidential information of clients to the disadvantage of clients; or
3. use confidential information of clients for the REALTOR®'s advantage of third parties unless:

# PUTTING THE TACTICS & TECHNIQUES INTO ACTION



## National Association of REALTORS® Code of Ethics

### Article 1, SOP 1-9 - continued

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- a) clients consent after full disclosure; or
- b) REALTORS® are required by court order; or
- c) it is the intention of a client to commit a crime and the information is necessary to prevent the crime; or
- d) it is necessary to defend a REALTOR® or the REALTOR®'s employees or associates against an accusation of wrongful conduct.

Information concerning latent material defects is not considered confidential information under this Code of Ethics. *(Adopted 1/93, Amended 1/01)*

### Article 1, SOP 1-12

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When entering into listing contracts, REALTORS® must advise sellers/landlords of:

1. the REALTOR®'s company policies regarding cooperation and the amount(s) of any compensation that will be offered to subagents, buyer/tenant agents, and/or brokers acting in legally recognized non-agency capacities;
2. the fact that buyer/tenant agents or brokers, even if compensated by listing brokers, or by sellers/landlords may represent the interests of buyers/tenants; and
3. any potential for listing brokers to act as disclosed dual agents, e.g. buyer/tenant agents. *(Adopted 1/93, Renumbered 1/98, Amended 1/03)*

### Article 1, SOP 1-13

---

When entering into buyer/tenant agreements, REALTORS® must advise potential clients of:

1. the REALTOR®'s company policies regarding cooperation;
2. the amount of compensation to be paid by the client;
3. the potential for additional or offsetting compensation from other brokers, from the seller or landlord, or from other parties;

# PUTTING THE TACTICS & TECHNIQUES INTO ACTION



## National Association of REALTORS® Code of Ethics

### Article 1, SOP 1-13 - continued

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4. any potential for the buyer/tenant representative to act as a disclosed dual agent, e.g. listing broker, subagent, landlord's agent, etc., and
5. the possibility that sellers or sellers' representatives may not treat the existence, terms, or conditions of offers as confidential unless confidentiality is required by law, regulation, or by any confidentiality agreement between the parties. (*Adopted 1/93, Renumbered 1/98, Amended 1/06*)

### Article 1, SOP 1-15

---

REALTORS®, in response to inquiries from buyers or cooperating brokers shall, with the sellers' approval, disclose the existence of offers on the property. Where disclosure is authorized, REALTORS® shall also disclose, if asked, whether offers were obtained by the listing licensee, another licensee in the listing firm, or by a cooperating broker. (*Adopted 1/03, Amended 1/09*)

### Article 3

---

REALTORS® shall cooperate with other brokers except when cooperation is not in the client's best interest. The obligation to cooperate does not include the obligation to share commissions, fees, or to otherwise compensate another broker. (*Amended 1/95*)

Standards of Practice:

- 3-1
- 3-2
- 3-3
- 3-4
- 3-11

## ADVANCED FIELD NEGOTIATIONS

### Putting the Power Tools into Action



# PUTTING THE TACTICS & TECHNIQUES INTO ACTION

Understanding the tactics, techniques and power tools is one thing, but learning how to recognize them being used and using them effectively requires practice.

**Time to have some fun with our field simulations!**

## TEAMS

- You will be put into pairs of two (or three) in breakout rooms
- On each team, you decide who will play which role from the Field Simulation

## INSTRUCTIONS

- Read the first Field Simulation on page 147 in your Workbook.
- You will rotate for each of the 3 Field Simulations.
- Before beginning the negotiation, read the Fact Pattern and Profiles in your Workbook.
- During the negotiation, your team can break to re-strategize if necessary.
- The objective is to:
  - Get the deal one, and
  - Understand how to use the tactics, techniques and power tools and explore their effects
- Stay in the **character of the individual you are assigned to play.**

**These scenarios (all materials) are copyrighted and proprietary and cannot be replicated or used outside of the RENE course offering.**

# PUTTING THE TACTICS & TECHNIQUES INTO ACTION

## FIELD SIMULATION 1: FSBO and BUYER AGENT

THE PLAYERS	THE SITUATION
<ul style="list-style-type: none"><li>▪ <b>FSBO:</b> Stanley &amp; Marcia</li><li>▪ <b>Buyer Agent:</b> Kathy or Kevin</li></ul>	<ul style="list-style-type: none"><li>▪ Seller's market</li><li>▪ You are meeting in-person with the FSBOs</li><li>▪ Cape Cod Colonial style home with no mortgage balance</li><li>▪ Listed at \$195,000</li><li>▪ Property and mechanicals well maintained</li><li>▪ Interior is a throw-back to the 70's and 80's, but everything else is in pristine condition</li></ul>

### PROFILE OF FSBO: Stanley & Marcia

- Have lived in family home for over 40 years
- Both are starting to have medical issues. Marcia recently had knee surgery and Stanley has high blood pressure.
- Daughter, Rachel, and family moved out of state a few months ago
- Rachel is pressuring them to sell and move in with her – which they are not excited about
- They are stressed over packing up 40 years of personal and prized possessions, losing their independence, friends and privacy
- They have meticulously maintained their home and take pride in the flower gardens, manicured lawn and overall property condition – but the upkeep is starting to wear them down
- Rachel has assured them they have everything they need in their new in-law apartment waiting for them and can leave all of their stuff behind since it's old and outdated anyway
- Rachel's Realtor friend did a CMA a few months ago before she moved indicating a listing price range of \$185,000 - \$195,000
- At Rachel's insistence, instead of using the Realtor friend, she thinks her parents can sell the property themselves and list it at \$195,000
- All they need is a sign on the lawn since they live on a busy street.
- Rachel can put the listing on one of those FSBO sites. After all, how hard can it be?



# PUTTING THE TACTICS & TECHNIQUES INTO ACTION

## PROFILE OF BUYER AGENT: Kathy / Kevin

- Seasoned professional with high moral compass
- Top producer, and active in the location association
- Hold several designations – SRS, ABR, SRES, RENE
- It's a seller's market – listings have been selling as fast as they go on the market and over asking
- Clients – Jordan and Justin – are first time home buyers
- They love their agent and have signed a buyer agreement for 3% to their buyer agent
- Although Justin is a veteran, VA financing is not the best option since they have lost in multiple offer situations before
- They are now approved for a conventional loan, but are becoming disillusioned with the buying environment and choices.
- They have been driving around for months in different areas and neighborhoods they like
- They just saw a FSBO sign being put out on a front lawn and stopped to ask the guy how much it is, only to find out it is in their affordability range
- They tour the house with the homeowner and then call their agent and tell him/her to come over right away so they can make an offer

## FIELD SIMULATION 1: FSBO and BUYER AGENT

### ASSIGNMENT:

One of you play the role of: **FSBO – Stanley and Marcia**

One of you play the role of: **Buyer Agent – Kathy or Kevin**

- Develop your strategy
- Stay in the character of the individual you are assigned to play
- Begin the negotiation and take a break to re-strategize if necessary ...
- Get the deal done; understand how to use the tactics, techniques and power tools, and explore their effects
- Be prepared to report out to the class

## PUTTING THE TACTICS & TECHNIQUES INTO ACTION

<b>FIELD SIMULATION 1: FSBO and BUYER AGENT</b>
---

## NOTES FROM TEAM REPORTS:

[illegible]

# PUTTING THE TACTICS & TECHNIQUES INTO ACTION

## FIELD SIMULATION 2: BUYER AGENT and LISTING AGENT – Seller's Market

THE PLAYERS	THE SITUATION
<ul style="list-style-type: none"> <li>▪ <b>Buyer Agent:</b> Mandy or Matthew (personality is Driver)</li> <li>▪ <b>Listing Agent:</b> Lisa or Louis (personality is Expressive)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Seller's market with an accepted offer of \$325,000 with no other offers on the table</li> <li>▪ Negotiating issues with the Inspection Phase</li> <li>▪ Buyer's are pre-approved</li> <li>▪ Property built in 1967 and has gas heat, gas hot water, city water and sewer</li> <li>▪ Sellers are the original owners of the property</li> <li>▪ Seller Property Condition discloses 2 layers on the roof which was done in 2000; new gas furnace in 2010; new hot water tank in 2018; updated kitchen in 2005 w/ newer cabinets and granite counters</li> <li>▪ Contract includes all appliances (which were newer and in good working order); light fixtures; paddle fans, and window fixtures</li> </ul>

(Profiles on next page)

# PUTTING THE TACTICS & TECHNIQUES INTO ACTION

## Field Simulation 2 - continued

### PROFILE OF BUYER AGENT: Mandy or Matthew

- Seasoned professional who is detailed oriented and has an excellent reputation
- Holds several designations – ABR, RENE, SRS, & C-RETS
- Gets the deal done and cooperates well with most agents
- Has a team of accomplished agents that also have advanced credentials to help represent clients
- Representing Sarah and Steve – newly married and first-time home buyers
- Conventional financing with down payment coming from parents and wedding gifts
- Have an accepted offer and has just done the inspection
- Inspection reveals an inground capped pipe near the foundation which turns out to be an abandoned underground oil tank
- You have emailed the Listing Agent with repair requests authorized by the clients (and their attorney)
- You are irate since nothing about that underground oil tank was revealed on the seller's property condition form and what else could the seller's be hiding?
- You have just been informed that the seller will negotiate with the buyers, but **you are NOT** to be involved from this point forward
- Your buyer clients are livid by the omission of the oil tank and if they are to move forward, their agent cannot be involved
- The husband, Steve, loves the property but Sarah is upset and is not sure anymore. She no longer trusts the sellers.

# PUTTING THE TACTICS & TECHNIQUES INTO ACTION

## PROFILE OF LISTING AGENT: Lisa or Louis

- Only been in business a couple of years
- Left a corporate marketing job
- Works in an office where manager controls all of the training and the culture is “Fake it ‘til you make it”.
- Only does the required CE for license renewal
- Has not earned any designations or certifications because you see them as a waste of time and money
- Did 4 transactions last year and fit those in between your busy family life and club responsibilities
- You got the listing after it expired from another agent who obviously couldn’t get the job done
- Sellers – Roz and Gary – were recommended by mutual friends after the listing expired
- They are extremely demanding & pay no attention to your pricing or marketing strategy
- Price adjusted and re-listed at \$349,900
- Everything sells quickly, but this property lingered a bit
- Finally got an offer from some agent out of town who thinks they know it all
- Inspection revealed an underground oil tank and some other minor issues the sellers forgot to disclose
- The buyer agent sent an email accusing your clients of lying
- You share the buyer agent’s email with your clients rather than having them ‘shoot the messenger’
- Your sellers are now furious at being accused of lying and do not want the buyer agents involved anymore. They will only deal directly with the buyers

## FIELD SIMULATION 2: BUYER AGENT and LISTING AGENT - Seller’s Market

### ASSIGNMENT:

**One of you play the role of:**                    **Buyer Agent – Mandy or Matthew** (Personality: Driver)

**One of you play the role of:**                    **Listing Agent – Lisa or Louis** (Personality: Expressive)

- Develop your strategy
- Begin the negotiation and take a break to re-strategize if necessary ...
- Get the deal done; understand how to use the tactics, techniques and power tools, and explore their effects
- Be prepared to report out to the class

## PUTTING THE TACTICS & TECHNIQUES INTO ACTION

**FIELD SIMULATION 2: BUYER AGENT and LISTING AGENT – Seller's Market**

**REVIEW NOTES FROM TEAM REPORTING TO CLASS:**

This image shows a blank sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

# PUTTING THE TACTICS & TECHNIQUES INTO ACTION

## FIELD SIMULATION 3: BUYER AGENT and LISTING AGENT – Buyer's Market

THE PLAYERS	THE SITUATION
<ul style="list-style-type: none"><li>▪ <b>Buyer Agent:</b> Shirley or Sam (Pushy, Controlling, Rigid)</li><li>▪ <b>Listing Agent:</b> Christie or Cameron (Ethical, Responsive, No Drama)</li></ul>	<ul style="list-style-type: none"><li>▪ Buyer's market at the high limit of this market area</li><li>▪ Lots of inventory in the range of \$1M - \$1.5M</li><li>▪ Buyer pool is <b>very</b> limited</li><li>▪ Built in 1990</li><li>▪ Price reduced by \$150K to \$1.1M after sitting on the market for over 122 days</li><li>▪ Pool needs new liner and 2<sup>nd</sup> floor bedroom roof leaking</li><li>▪ Dated guest bath and wallpaper in bedrooms</li><li>▪ All other rooms in great condition – but dated</li><li>▪ Kitchen recently remodeled</li><li>▪ Driveway is original and needs attention</li><li>▪ Landscaping professionally maintained</li></ul>

(Profiles on next page)

# PUTTING THE TACTICS & TECHNIQUES INTO ACTION

## Field Simulation 3 - continued

### PROFILE OF BUYER AGENT: Shirley or Sam

- Seasoned top producer and extremely well connected
- Spouse is a successful divorce attorney
- Although likable, other agents refer to you as “Slip & Slide Shirley / Sam”
- Flirts with the edge when it comes to laws and the Code of Ethics
- Primary objective is to get both sides of the deal even if it really doesn’t make sense for the clients
- ‘Pockets / hides’ listings from the open market MLS for awhile to field some buyers and get extra business
- Convinces clients he / she knows what’s best for them and minimizes materials issues as stuff that everyone deals with when owning a property
- Works with a variety of lenders that can get the job done – some not above board
- Anything to get it done – even if rates and fees not best for client. Shirley / Same owe a substantial amount in back taxes that are due, and penalties and interest are really racking up
- Has a set of buyers that don’t want anything you have listed, but you see a listing with a higher than “normal” co-broke fee that could work.
- Your buyers have a cash hardware store business, so the down payment won’t be an issue
- You can get them financing, but the interest rate ‘won’t be pretty’

(Profile of Listing Agent on next page)



# PUTTING THE TACTICS & TECHNIQUES INTO ACTION

## PROFILE OF LISTING AGENT: Christie or Cameron

- Younger professional with a team
- Has earned the ABR, SRS, RENE, and C-RETS credentials to effectively represent clients in a legal and ethical manner
- Very consultative and responsive to clients
- No drama approach to business and works well with others
- Comfortable with technology
- Primarily uses email and text
- Has a team of other agents with their same values
- Has a great network of family, friends, and business associates
- Spouse is moving up the corporate ladder in a tax accounting firm and works long hours
- This listing is the property of one of his / her business colleagues
- The listing is a great one, but really needs the right buyer who can see value in the area and has renovation contacts
- Your seller clients are beginning to lose patience since they have not received a reasonable offer to consider
- They also can't understand why their property is sitting on the market when some of their friends from the club are getting showings and selling. Their properties are also at different price points.

## FIELD SIMULATION 3: BUYER AGENT and LISTING AGENT – Buyer's Market

### ASSIGNMENT:

### ASSIGNMENT:

**One of you play the role of:**            **Buyer Agent – Shirley or Sam** (Pushy, Controlling, Rigid)

**One of you play the role of:**            **Buyer Agent – Kathy or Kevin** (Ethical, Responsive, No Drama)

- Develop your strategy
- Begin the negotiation and take a break to re-strategize if necessary ...
- Get the deal done; understand how to use the tactics, techniques and power tools, and explore their effects
- Be prepared to report out to the class

## PUTTING THE TACTICS & TECHNIQUES INTO ACTION

<b>FIELD SIMULATION 3: BUYER AGENT and LISTING AGENT – Buyer's Market</b>
---

**REVIEW NOTES FROM TEAM REPORTING TO CLASS:**

This image shows a blank sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

# APPENDIX

**Key Points and Take-Aways**

Page 159

**Quick Tips**

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**Negotiation Preparation Checklist**

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**Body Language Meanings**

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**Positioning – Gender & Tables**

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**Developing Your BATNA**

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**Negotiating Game Plan Worksheet**

Pages 173-174

**Four Behavior Types**

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**The Skilled Negotiator**

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**RENE Certification – Next Steps**

Page 177

**Buyer & Seller Counseling Presentation Templates (REBI Product)** (last page – not numbered)

**RENE Certification Application**

(last page – not numbered)

# APPENDIX

## Key Points and Take-Aways

<b>How &amp; When</b>	Negotiations are a constant part of life. You negotiate with clients, other agents, vendors, etc.	
<b>Preparation</b>	Before you begin a negotiation, you need to define what you hope to get out of it, what you will settle for, and what you consider unacceptable.	
<b>Personal Preparation</b>	<p>If you understand your position, there is no danger that you will “lose” the negotiation. During and before, you should always be:</p> <ul style="list-style-type: none"><li>▪ <b>Polite:</b> it never reduces your argument</li><li>▪ <b>Firm:</b> removes perceptions of weakness</li><li>▪ <b>Calm:</b> facilitates persuasion and compromise</li><li>▪ <b>Do not take things personally</b></li></ul>	
<b>Remember the Process</b>	<ul style="list-style-type: none"><li>▪ Preparation</li><li>▪ Opening Position</li><li>▪ Bargaining</li><li>▪ Movement</li><li>▪ Closing</li></ul>	
<b>Skills</b>	<ul style="list-style-type: none"><li>▪ Effective speaking</li><li>▪ Effective listening</li><li>▪ A sense of humor</li><li>▪ A positive attitude</li><li>▪ Respect</li></ul>	<ul style="list-style-type: none"><li>▪ Self-confidence</li><li>▪ Emotional intelligence</li><li>▪ Persistence</li><li>▪ Patience</li><li>▪ Creativity</li></ul>
<b>Techniques</b>	<ul style="list-style-type: none"><li>▪ Prepare, prepare, prepare</li><li>▪ Pay attention to timing</li><li>▪ Leave your ego behind</li><li>▪ Ramp up your listening skills</li><li>▪ If you don’t ask, you don’t get</li></ul>	<ul style="list-style-type: none"><li>▪ Anticipate compromise</li><li>▪ Offer &amp; expect commitment</li><li>▪ Don’t absorb their problems</li><li>▪ Stick to your principles</li><li>▪ Close with confirmation</li></ul>

# APPENDIX

## QUICK TIPS

---

- ✓ Set your ego aside
- ✓ Always remain professional and calm
- ✓ Build trust with the other negotiator by under promising and over delivering
- ✓ Exceed expectations by meeting dates, deadlines, appointments
- ✓ Remain flexible and open to alternate opinions and objectives of others
- ✓ Have empathy for the situation of others without compromising goals
- ✓ Create focus of joint problem solving
- ✓ Listen, listen, listen
- ✓ Ask lots of open-ended questions requiring more than a 'yes' or 'no'
- ✓ Learn everything you can about the situation, the issues, and the participants
- ✓ Analyze and understand the needs of the parties involved
- ✓ Set and prioritize reasonable goals; anticipate responses
- ✓ List all alternatives to the current negotiation – what could you do if negotiations fall through?
- ✓ Evaluate the value of each alternative – how much is each alternative worth to your client?
- ✓ After determining your BATNA, calculate the lowest-valued deal that you're willing to accept
- ✓ Separate the people from the problem. Don't let personalities get in the way of negotiating.
- ✓ Focus on interests, not positions. Consider what both parties want and need.
- ✓ Expand the range of options. One way to overcome an impasse in a negotiation is to expand the range of the discussion.
- ✓ State the terms of an agreement in specific, clear terms
- ✓ Anticipate difference in strategy and tactics that may cause misunderstandings
- ✓ Analyze cultural differences to identify differences in value that expand the pie
- ✓ Recognize that the other party may not share your view of what constitutes power
- ✓ Find out how to show respect in the other culture
- ✓ Study the other negotiator and satisfy hot buttons

# APPENDIX

## QUICK TIPS - continued

---

- ✓ Listen for the 'story' without interruption
- ✓ The most important information is given before someone stops talking
- ✓ Take notes
- ✓ Challenge all facts
- ✓ Don't be afraid to negotiate big differences
- ✓ Know the value of 'time'
- ✓ There is no substitute for good planning
- ✓ Look for a good outcome for all parties, but a better one for your client
- ✓ Uncover needs and motivations of the parties
- ✓ Pricing is key
- ✓ Don't hurry the process
- ✓ Be willing to walk away
- ✓ Respect other side's priorities
- ✓ Think impression
- ✓ Aim for win-win
- ✓ Don't give without getting
- ✓ Not over when contract signed
- ✓ Not about us!

# APPENDIX

## RESOURCES

---

### ▪ **Negotiation Preparation Checklist**

(adapted from the Harvard Law School program on negotiation)

1. What do I want from this negotiation? List short-term and long-term goals and dreams related to the negotiation.
2. What are my strengths—values, skills, and assets—in this negotiation?
3. What are my weaknesses and vulnerabilities in this negotiation?
4. Why is the other party negotiating with me? What do I have that they need?
5. What lessons can I apply from past negotiations to improve my performance?
6. Where and when should the negotiation take place?
7. How long should talks last? What deadlines are we facing?
8. What are my interests in the upcoming negotiation? How do they rank in importance?
9. What is my *best alternative to a negotiated agreement*, or BATNA? That is, what option would I turn to if I'm not satisfied with the deal we negotiate or if we reach an impasse? How can I strengthen my BATNA?
10. What is my *reservation point*—my indifference point between a deal and no deal?
11. What is my *aspiration point* in the negotiation—the ambitious, but not outrageous, goal that I'd like to reach?
12. What are the other side's interests? How important might each issue be to them?
13. What do I think their reservation point and BATNA may be? How can I find out more?
14. What does their BATNA mean in terms of their willingness to do a deal with me? Who has more power to walk away?
15. Is there a *zone of possible agreement* (ZOPA) between my reservation point and the other side's? If there clearly is no room for bargaining, then there's no reason to negotiate—but don't give up until you're sure. You may be able to add more issues to the discussion.
16. What is my relationship history with the other party? How might our past relationship affect current talks?
17. Are there cultural differences that we should prepare for?
18. To what degree will we be negotiating electronically? Are we prepared for the pros and cons of negotiating via email, teleconference, etc.?
19. In what order should I approach various parties on the other side?
20. What is the hierarchy within the other side's team? What are the patterns of influence and potential tensions? How might these internal dynamics affect talks?

# APPENDIX

## RESOURCES - continued

---

### ▪ **Negotiation Preparation Checklist** (continued)

21. What potential ethical pitfalls should we keep in mind during the negotiation?
22. Who are my competitors for this deal? How do our relative advantages and disadvantages compare?
23. What objective benchmarks, criteria, and precedents will support my preferred position?
24. Who should be on my negotiating team? Who should be our spokesperson? What specific responsibilities should each team member have?
25. Do we need to involve any third parties (agents, lawyers, mediators, interpreters)?
26. What authority do I have (or does our team have) to make firm commitments?
27. Am I ready to engage in interest-based bargaining? Be prepared to try to create value by trading on differences in resources, preferences, forecasts, risk tolerance, and deadlines.
28. If we disagree about how the future plays out, can we explore a contingency contract—that is, stipulate what will happen if each side's prediction comes true?
29. What parties not yet involved in the negotiation might also value an agreement?
30. Have I practiced communicating my message to the other side? How are they likely to respond?
31. Does the agenda make room for simultaneous discussion of multiple issues?
32. Is an agreement likely to create net value for society? How can we reduce potential harm to outside parties?



# APPENDIX

## RESOURCES - continued

---

### ▪ Body Language Meanings

#### Eye Movements:

- |                                 |                                  |
|---------------------------------|----------------------------------|
| ▪ Looking Right:                | guessing, storytelling, creating |
| ▪ Looking Left:                 | recalling, retrieving facts      |
| ▪ Up to Right:                  | visual imagining                 |
| ▪ Up to Left:                   | recalling images                 |
| ▪ Right Side:                   | imagining sounds                 |
| ▪ Left Side:                    | remembering sounds               |
| ▪ Right Down:                   | accessing feelings               |
| ▪ Left Down:                    | rationalizing, self-talk         |
| ▪ Wide Eye:                     | appeal, interest                 |
| ▪ Rubbing Eyes:                 | disbelief, tired, upset          |
| ▪ Rolling Eyes:                 | frustration                      |
| ▪ Blinking:                     | excitement, pressure             |
| ▪ Eyebrow Flash, Raise:         | recognition                      |
| ▪ Direct Eye Contact Talking:   | honesty or faked honesty         |
| ▪ Direct Eye Contact Listening: | interest, attentiveness          |

#### Facial Expressions:

- |                                 |                          |
|---------------------------------|--------------------------|
| ▪ Pasted smile:                 | fake                     |
| ▪ Tight Lipped smile:           | withheld feelings        |
| ▪ Twisted smile:                | sarcasm, mixed feelings  |
| ▪ Smile & head tilt looking up: | coy, playful             |
| ▪ Bottom lip jutting out:       | upset                    |
| ▪ Forced laughter:              | nervousness, cooperation |
| ▪ Biting lip and nail biting:   | tension, frustration     |
| ▪ Teeth grinding:               | tension, suppression     |
| ▪ Chewing gum:                  | tension, suppression     |

# APPENDIX

## RESOURCES - continued

---

### ▪ **Body Language Meanings** (continued)

#### **Facial Expressions: - continued**

- **Smoking/Chewing pen:** self-comfort
- **Pursing lips:** thoughtfulness or upset
- **Hand over mouth:** hold back, suppression

#### **Head Movements:**

- **Head nodding:** agreement
- **Slow head nod:** attentive listening
- **Fast head nod:** impatience
- **Head held up:** alertness, neutral
- **Head held high:** superiority, arrogance
- **Head tilted:** thoughtfulness
- **Head forward:** interest
- **Head tilted down:** criticism
- **Head shaking:** disagreement
- **Head down in response:** negative, disinterested
- **Head down when performing:** defeat
- **Chin up:** pride, defiance

#### **Arm / Hand Positions:**

- **Crossed arms:** defensive, reluctance
- **Clenched fists:** hostile
- **Gripping upper arm:** insecurity
- **One arm across body clasping other arm:** nervousness
- **Adjusting cuff:** nervousness
- **Front and rear fig leaf:** nervousness
- **Any arm crossing body:** nervousness

# APPENDIX

## RESOURCES - continued

---

### ▪ **Body Language Meanings** (continued)

#### Hand Movements / Gestures:

- **Palm open:** honest, open
- **Palm up, fingers up:** defensive, instruction to stop
- **Palm down:** strength, dominance
- **Palms up weighing:** seeking answer
- **Finger point:** emphasis, aggressive
- **Point and wink:** confirmation
- **Finger in air:** emphasis
- **Wagging:** warning
- **Steepling:** pensive, contemplative
- **Thumbs up/down:** agree/disagree
- **Touching nose:** lying/doubt
- **Pinching bridge:** negative evaluation
- **Ear tug:** indecision
- **Stroking chin:** thoughtfulness
- **Neck scratching:** doubt, disbelief
- **Wringing:** frustration
- **Hands on hips:** confidence, readiness
- **Removing glasses:** preparing to speak

(continued on next page)

# APPENDIX

## RESOURCES - continued

---

### ▪ **Body Language Meanings** (continued)

#### **Handshake:**

- **Handshake palm down:** dominance
- **Handshake palm up:** accommodate
- **2 hand shake:** honesty, trustworthy
- **Equal vertical:** non-threatening
- **Pumping:** enthusiasm
- **Weak:** weak, not assertive
- **Firm:** confidence
- **Arm clasp:** seeking control, paternalism

#### **Leg Movements / Positioning:**

- **Leg/toe direction:** attentiveness
- **Uncrossed:** open
- **Parallel:** proper
- **Crossed:** caution
- **Figure 4 leg cross:** independent, stubborn
- **Same with hand clamp:** resistant
- **Open (males):** combative; sexual posturing
- **Splayed legs standing:** ready for action
- **Legs intertwined:** insecure
- **Knees buckled standing:** under pressure
- **Foot forward standing:** directed toward dominant group members
- **Rapid foot movement:** nervous, hiding

# APPENDIX

## POSITIONING – GENDER & TABLES

---

### ▪ Positioning Basics – Every Player Has a Position

**Whenever possible it is best to meet at the office but sometimes a ‘home visit’ is required.**

- Generational implications can effect dedicated positions in family living spaces
- Families with Senior families may have specific places for them at the dining table – rather than sit, wait until you are placed
- Boomers may or may not have specific seating arrangements but he/she should be the focus of your attention
- GenX/Y may be more relaxed but courtesy alone require that you wait until placed.

### Gender & Positioning

Some people may consider this silly, but rest assured, this is very real. No matter what the makeup of the couple, unintentional mirroring of the wrong party can undermine negotiations and rapport-building.

- Framing or Mirroring is the concept
- Female agents align physically with female consumer
- Male agents align physically with male consumer
- Aligning or mirroring your body with the opposite gender can be construed as an intrusion and will undermine rapport
- Proximity of closeness is also another consideration since personal space needs to be respected

On the next few pages, we will look at some examples of positional negotiating.

# APPENDIX

## POSITIONING – GENDER & TABLES - continued

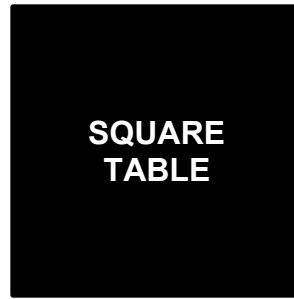
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- Table Styles for Best Positioning (rank order)



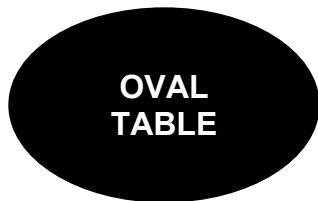
**ROUND  
TABLE**

**Rank # 1**



**SQUARE  
TABLE**

**Rank # 2**



**OVAL  
TABLE**

**Rank # 3**



**RECTANGULAR  
TABLE**

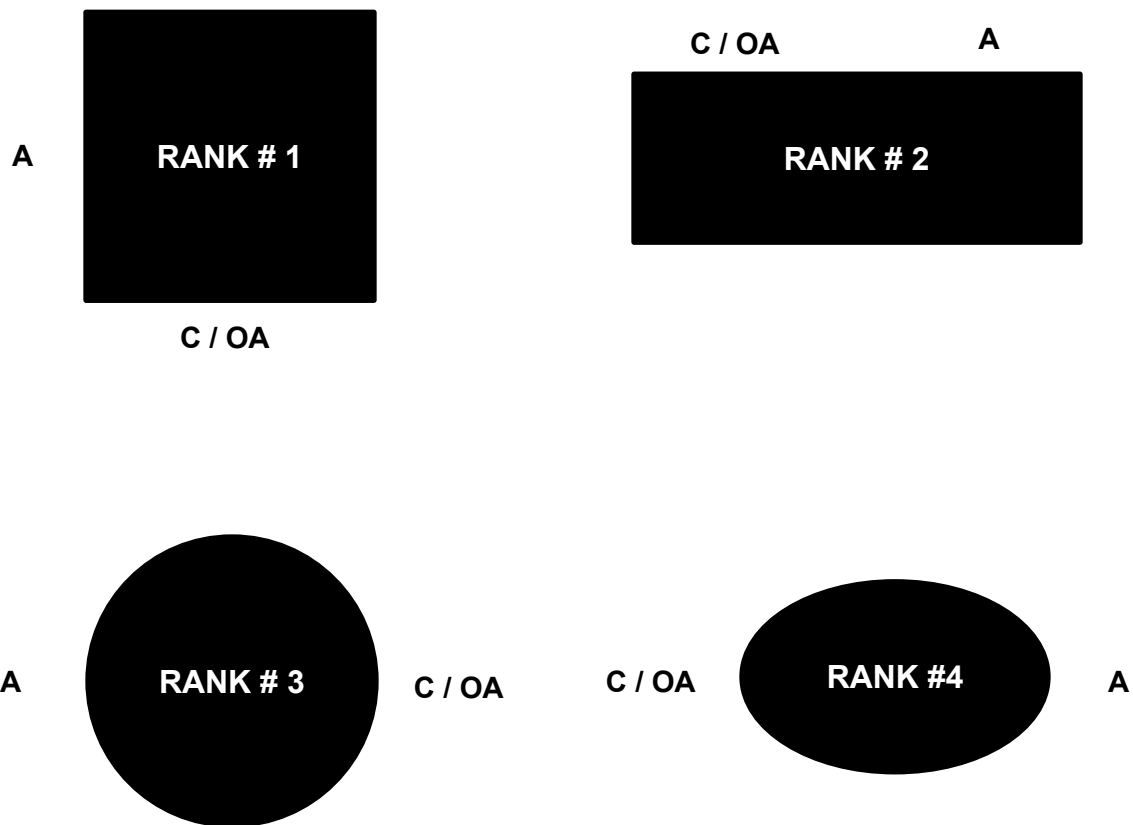
**Rank # 4**

# APPENDIX

## POSITIONING – GENDER & TABLES - continued

- Positioning by Same Gender

Key: **A** = Agent  
**C/OA** = Client or Other Agent (same gender as agent above)

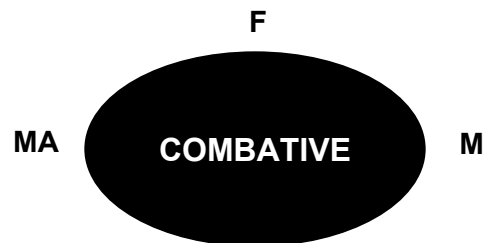
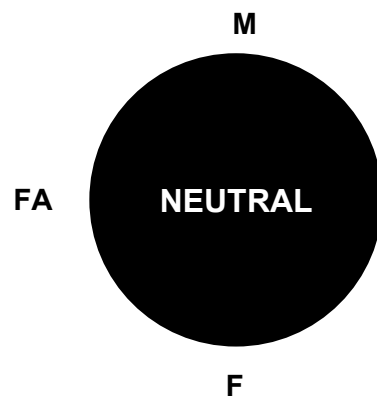
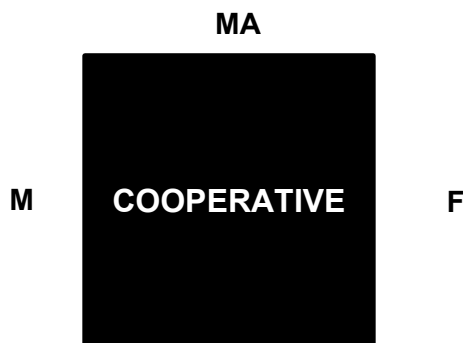


# APPENDIX

## POSITIONING – COUPLES - continued

### ▪ Positioning by Type

Key: F = Female  
FA = Female Agent  
M = Male  
MA = Male Agent





# APPENDIX

## DEVELOPING YOUR BATNA

---

Source: [www.pon.harvard.edu/publications/](http://www.pon.harvard.edu/publications/)

According to the Harvard Law School's Negotiation Program, trained negotiators should:

1. **List your alternatives.** Think about all the alternatives available to you if the current negotiation ends in an impasse. What are your no-deal options?
2. **Evaluate your alternatives.** Examine each option and calculate the value of pursuing each one.
3. **Establish your BATNA.** Choose a course of action that would have the highest expected value for you. This is your BATNA—the course you should pursue if the current negotiation fails.
4. **Calculate your reservation value.** Now that you know your BATNA, calculate your **reservation value**—the lowest-valued deal you are willing to accept. If the value of the deal proposed to you is lower than your reservation value, you'll be better off rejecting the offer and pursuing your BATNA. If the final offer is higher than your reservation value, you should accept it.

# APPENDIX

## NEGOTIATING GAME PLAN WORKSHEET

---

Next time you have a big negotiation do the prep work you need to be successful. Use the Negotiation Game Plan Worksheet to organize your thoughts.

Start with stating the negotiating partner and negotiating topic. Then start listing and rank ordering your client's needs and interests. Then fill out what you think are the other party's needs and interests.

Then, go over the most important terms your client wants and then also think through your thoughts for the other party's most desired terms.

Next, think through your client's target and walk away price ranges. And, codify what your BATNA is (Best Alternative to a Negotiated Agreement).

Once you do this, then tackle some of the tactics in the negotiation, including what your communication and relationship development strategies are.

Thinking through your game plan will set you up for a higher probability of success in your negotiation.

(Template on next page.)

# APPENDIX

## NEGOTIATING GAME PLAN WORKSHEET - continued

Agent on Other Side			
Date			
Negotiating Topic (price, terms, inspection, etc.)			
<b>Needs &amp; Interests</b>			
Rank Order	Description	Other Party Insight	
1			
2			
3			
4			
5			
<b>Desired Terms</b>			
Rank Order	Description	Other Party Insight	
1			
2			
3			
4			
5			
<b>Price Range</b>	<b>Target =</b>		<b>WAP (Walk-Away Price) / Max =</b>
<b>BATNA Strategies (Best Alternative to a Negotiated Agreement)</b>			

# APPENDIX

## Four Behavior Types

There are four behavior types commonly observed within negotiation settings.

Review how to recognize each of the behaviors and the best way to proceed in a transaction with people exhibiting each characteristic.

The 'My Way or the Highway' Behavior		The 'Sweet Talker' Behavior	
<b>Characteristics</b> <ul style="list-style-type: none"><li>▪ Assertive</li><li>▪ Dominant</li><li>▪ Decisive</li><li>▪ Competitive</li></ul>	<b>Advice</b>  Call out aggressive behavior and stand your ground.  <b>Best Approach</b>  Suggest, don't strong arm.	<b>Characteristics</b> <ul style="list-style-type: none"><li>▪ Influential</li><li>▪ Confident</li><li>▪ Enthusiastic</li><li>▪ Receptive</li></ul>	<b>Advice</b>  If they're friendly, be friendly back – simple!  <b>Best Approach</b>  Meet them on their level.
The 'Devil's in the Details' Behavior		The 'Let's Not Rock the Boat' Behavior	
<b>Characteristics</b> <ul style="list-style-type: none"><li>▪ Meticulous</li><li>▪ Analytical</li><li>▪ Aloof</li><li>▪ Patient</li></ul>	<b>Advice</b>  Do your research and provide in-depth information.  <b>Best Approach</b>  Preparation, preparation, preparation.	<b>Characteristics</b> <ul style="list-style-type: none"><li>▪ Cooperative</li><li>▪ Dependable</li><li>▪ Accommodating</li><li>▪ Unassertive</li></ul>	<b>Advice</b>  Master the art of give and take.  <b>Best Approach</b>  Slow, steady and stable.

# APPENDIX

## The Skilled Negotiator

This is a quick review of some of the negotiating skills, tips, and concepts we have covered so that you can put them into action!

### Remember – Negotiating Starts Before the Offer!

- During the Buyer or Seller Counseling Session
- When setting an appointment
- During a showing
- During feedback

### Review: Profile of a Skilled Negotiator

- Ego in check
- Asks questions – and listens
- Prepared
- Aware of the market
- Creative problem solver
- Gets that it's a win-win

A skilled negotiator also understands that their **preparation, behavior, abilities, and attitude** can directly affect the outcome – both positively and negatively.

- Helps set realistic expectations
- Determines clients' deal-killers
- Helps clients' set range of acceptability
- Knows the market
- Prepares their clients

### Who is the Other Negotiator?

You also must be able to identify the other negotiator. Are they:

- A top producer
- A rookie
- Other?
- Look in the MLS for their production

# RENE CERTIFICATION – NEXT STEPS



Thank you for attending the RENE Certification Course!

After successfully completing the RENE Certification Course, you qualify for certification!

## What Happens Next?

---

- The course sponsor **first** needs to submit the course roster. The Real Estate Business Institute (REBI) will not have any record of your attendance until that class roster is submitted. How quickly that happens all depends on the course sponsor as it is their responsibility.
- Once the roster is received, please allow REBI 10 business days to process.
- REBI will then be able to verify your course completion and will send you an email with the Application to complete.

## Your Next Steps for Certification

---

- Submit the Certification Application – on our website:  
[https://www.rebinstitute.com/REBI/Credentials/RENE/RENE\\_Application.aspx](https://www.rebinstitute.com/REBI/Credentials/RENE/RENE_Application.aspx)
- Include your one-time \$159 credentialing fee. There are **no annual dues or membership.**

## What Will I Receive after Submitting My Application?

---

- You will receive an email from REBI with a link to download your personalized certification certificate.
  - NOTE: We will only certify you after receipt and processing of the course roster and your completed Application and fee.

**Only upon receipt of confirmation from REBI  
may you begin utilizing the credential and/or acronym.**