

Now revised and updated!
Practical, proven strategies for getting to "yes"

Negotiating

FOR

DUMMIES[®]

2nd Edition

Real-world tips
to get better deals
and more money

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Michael C. Donaldson
Entertainment lawyer and lecturer

Foreword by David Frohnmayer,
President of the University of Oregon



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**by Michael C.
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I have known Michael Donaldson since our days in law school together. We share fundamental values about our human community, and I agree about how honest negotiation can help us realize those values.

Now that I've reviewed the final text, it is gratifyingly obvious that this is not merely a book about techniques. It is not a book about cheap tricks. As far as I know, it is the only book on negotiating that begins with creating a personal or business mission statement that explores and then incorporates your values and beliefs. I strongly agree that people must always negotiate from an informed, deeply held belief system.

This is also the only book on negotiating I have seen that has an entire chapter on listening to one's inner voice. You must hear what your heart and your gut tell you before you can best use the other insights of this book. No practical guide can overrule your inner sense of what is right and wrong.

I am no stranger to high-stakes, complicated negotiations. My own background as the Attorney General of the State of Oregon includes some hefty negotiations. I was one of the three chief negotiators representing all 50 states in a case involving some extraordinarily complicated issues of oil pricing. The case resulted in a settlement exceeding 4 billion dollars. At the time, it was the largest settlement in American legal history. That negotiation took place in some 15 different locations over a period of four years and involved dozens of parties.

From this and other experiences, I know that superficial technique can be no substitute for beginning with an informed, deeply held belief system. The reason I like this book is that it makes clear how every negotiation is premised on alignments of fundamental values. We must understand ourselves and what we wish to accomplish and then develop these values and feeling with those who might seem, on the surface, to be our adversaries. In this book, you will discover how we all may be more effective in resolving the big and little negotiations that our turbulent existence shows us every day.

Dave Frohnmayer, President, University of Oregon
Attorney General, emeritus — State of Oregon (1981-1991)

David Frohnmayer was President of the National Association of Attorneys General (1987-1988). He received that association's Wyman award in 1987 saluting the nation's most outstanding attorney general. He was one of three chief state negotiators in the Stripper Well litigation that led to what was then the largest civil settlement in the history of American law. He was the lead counsel for the states when the settlement was argued in court.

About the Author



Michael C. Donaldson is an ex-Marine. As a 1st Lieutenant, he was selected to be Officer-In-Charge of the first Marine ground combat unit in Vietnam. He went on to earn his law degree from the University of California at Berkeley (Boalt Hall) where he was student body president. He raised his three lovely daughters

(Michelle, Amy, and Wendy) as a single parent and is now the proud grandfather of two healthy and happy grandsons (Soul and Caden). He is an avid skier, worldwide hiker, and award-winning photographer. He competed in the Senior Olympics in Gymnastics, winning gold medals for the parallel bars in 1996, 1997, and 1998 and a silver metal for rings in 1998.

In his successful entertainment law practice, Michael represents writers, directors, and producers. He was co-chairman of the Entertainment Section of the Beverly Hills Bar Association and is listed in *Who's Who of American Law*. His book *Clearance and Copyright* is used in 50 film schools across the country.

Michael travels extensively to universities, annual meetings, and corporate headquarters throughout the United States, Asia, and Europe to lead workshops on the topic of negotiating. His expertise, developed over a lifetime of experience and learning, makes him a highly sought-after speaker. Michael's expansive knowledge of negotiating coupled with his energetic and engaging style delivers powerful results to each seminar attendee.

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Speeches, Seminars, and Consulting

Michael's expansive knowledge of negotiating coupled with his energetic and engaging style delivers powerful results at seminars and keynote speeches.

Free Negotiating Stuff

As a *Dummies* reader, you can visit Michael's Web site, www.michaelcdonaldson.com, and get the following free materials:

Use this special code: NEGOTIATINGCHAMP

Dedication

This book is dedicated with love and respect to:

Sally Tompkins

Anne Laidlaw

Susie Kittleson (1941-2006)

Author's Acknowledgments

I gratefully acknowledge the contribution of so many beloved people whose talent and willingness to help were indispensable:

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Introduction

Welcome to *Negotiating For Dummies, 2nd Edition* — a new and improved way to get what you want in life.

You negotiate all day long, not just on the job but in every situation you encounter — with your boss or your employees, with your vendors or your clients, with your spouse or your kids, even with the serviceperson who comes to your house but doesn't repair the refrigerator after all. All of these relationships call for constant negotiation.

A *negotiation* is any communication in which you are attempting to achieve the approval, acquiescence, or action of someone else. Most people tend to think of negotiation in the business context or in connection with major purchases, such as a home or a car. But you probably spend more of your energy in one-minute life negotiations such as, "Dad, can I borrow the car?" or "Honey, will you please put the seat down?" The lessons in this book apply to both the once-in-a-lifetime, million-dollar deals and the everyday, one-minute life negotiations.

Who Needs to Read This Book?

Everyone.

Face it, you negotiate all day long, and you can do a much better job of it. No matter how you perceive your skills today, they can be stronger tomorrow. And your progress can start with this book.

Many people assume that they know a great deal about negotiating because they have done it so often, but these same people have never given a moment's thought to the fundamentals of successful negotiating. Worse, many people believe that their lawyers are knowledgeable about negotiating simply because they are lawyers! The sad truth is that most people who negotiate for a living are untrained for that part of their endeavor.

Those people who want to understand more about the mechanics of negotiating often decide to take a course, buy a book, or read an article. But all too often, the course, the book, or the article assumes that the reader already knows the fundamentals. This book does not assume anything. I discuss each of the six basic skills that you will use in every negotiation. If it relates to negotiating, it's in here somewhere.

The mission of this book is to help you to negotiate from strength. Understanding the six basic skills used in every negotiation in which you are involved transforms you into a confident and successful negotiator. After you have mastered the six basic skills of negotiating and achieved this position of strength, every tough situation you encounter becomes easier to analyze and conquer.

Students who have attended my seminars tell me that they use my material to get raises, to get promotions, and to close deals. They tell me how they use the course materials to improve the quality of their office life by approaching co-workers using negotiating techniques. One student wrote: “I don’t have to yell anymore.”

Foolish Assumptions

This book is for you whether you are

- ✓ Beginning a career, or just looking to brush up your skills
- ✓ A pushover who never seems to get your way, or a master negotiator — widely admired but constantly striving to improve
- ✓ Unemployed and want a job, or employed and want a raise
- ✓ A teacher searching for a way to get your students to do what you want them to do, or a parent wanting to talk more convincingly with your children
- ✓ A team player who wants to have more input during negotiating sessions, or a team leader going for a specific win in your next negotiation

About This Book

This book is not about tricks or one-upmanship. This book answers your questions and gives you guidance by breaking negotiations down into their basic elements. Call these elements skills, steps, basics, or whatever you like — each has the potential to become your personal negotiating power tool.

I follow the theories of a championship sports camp. Think of the greatest tennis player you have seen in your life. The strokes that this player uses are the same strokes every beginning player learns: the serve, forehand, backhand, overhand, and volley. The difference between the expert and the novice is that the expert has used the basic strokes over and over — at the net, the midcourt, and the baseline — with a friend or coach providing guidance.

Think of this book as your friend and coach, someone to go to when you have a question about negotiating. Just like a tennis lesson, this book identifies each basic skill and then demonstrates its use in every situation. If you practice these skills enough, you can become a world-class negotiator, turning the basic strokes of a negotiation into winning power strokes.

Enjoy the books and movies mentioned throughout the book. In the seminars that I teach, these materials generate genuine fun and lots of progress. And don't think you can only work on your negotiation skills in the workplace. Involve your entire family in your growth as

you develop the practical skills that are at the core of every master negotiator's success.

How This Book Is Organized

This book tackles two different negotiating skills in each part. I analyze and evaluate each skill and provide many different ways to use it. A separate part deals with the special challenges of cross-cultural and complex negotiations. The final part includes top-ten lists to improve your overall negotiating style.

Part I: Preparing to Negotiate

Long before a negotiation begins, one of life's most important questions faces you: Why am I here? Do I really want to enter this negotiation? What are my choices? Too many people let themselves be tossed around by life itself. Take control. Your first negotiation is with yourself. Part I shows you how to prepare yourself for a negotiation, figure out the other side, and put the negotiation in context within the marketplace. All this preparation sounds like a lot of work, but it's the key to real power in any negotiation.

This part is also about drawing lines and setting goals. You need to set your goals and define your limits *before* the actual negotiation begins. After you know your goals and limits, you can decide on your opening offer. Your goals and limits carry you right to the end of the negotiation, enabling you to decide when to close a deal and when to walk away. The very process of setting limits gives you power in a negotiation, because the process forces you to focus on what else you will do if you fail to reach an agreement. I call that your *or else*.