JIM CAMP

The Power of NO

Nightingale Conant

Program Transcript
The Power of NO

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Nightingale-Conant Corporation
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CD1 — The New Rules of Negotiating

**JIM**  Hi, this is Jim Camp.  This is my mission and purpose for you with this program, to help you discover there’s a whole word of systematic negotiation you’re not aware of.  A system with a step-by-step structure that will always keep you safe and give you opportunities for success you could not imagine before you spent time with me. There are new rules to negotiation, and we’re writing them.

**Announcer**  When confronted with the enumerable day-to-day negotiating challenges at work and in your personal life, most people start to guess about how much they should give up in compromise just to make the other side happy.  Jim Camp has a better way for you to negotiate: just say no.

Jim Camp, the world’s number one negotiating coach, now shows how to release the emotional pressure that’s part of any negotiation by using his proven system of safe, decision-based negotiation that enables you to meet all your objectives without needless, wasted compromises or giveaways.  In this contrarian, effective, and inspiring program, you’ll learn that saying no is not about being hard-nosed or defiant.  Rather, it stops everyone in their tracks, clears the air, and allows you to get at what the real issues are.  It’s a proven and amazingly effective system that avoids unwarranted assumptions, needless compromises, and wild guesses.

With Jim Camp’s system, you’ll learn how to stop being needy, banishing emotional responses such as, “I must keep this customer’s business,” or “I have to sell this house now,” and start focusing on what you can control yourself.  How to get to the heart of the issue through the art and science of asking the right questions.  You’ll learn that there is no such thing as a logical decision.  The cutting-edge neuroscience behind all decision making.  How to find out who the real decider is and stop negotiating with the unqualified.  You’ll be introduced to the powerful concept of theory of mind and how it poisons any negotiation.  And you’ll learn how to be thoroughly prepared for every negotiation you’ll walk into.

The rules of negotiating have changed.  Win/win is no longer working.  We live in a compromised and assumptions-based world.  But Jim Camp flips conventional wisdom on its head, and, in the process, makes you a more effective negotiator with clients, customers, neighbors, and co-workers.  Through Jim Camp’s proven system, you’ll get everything you want and build solid, lasting relationships with those you negotiate with.  Any time you enter the negotiating arena, you’ll be armed and ready.

And now, the Nightingale-Conant Corporation is very pleased to bring you Jim Camp and *The Power of No.*
JIM Well, let me introduce myself. I’m Jim Camp. Forty years ago, I began building my system of negotiation. And 25 years ago, I began coaching it. As we record this, I’m coaching more than $8 billion this month in negotiations globally. We’re in China, Iraq, India, Africa, Australia, and the United States. So for the next six hours, I hope you’ll let me be your negotiations coach as we explore the most important human performance event you participate in every day.

So who’s Jim Camp? I guess the best way to answer that is it depends on who you talk to. If you talk to my publisher, Random House, they’ll tell you I’m a world-class bestselling author, printed in 12 languages. But if you ask my grandchildren, they’ll tell you I’m their pap. But, if you ask my clients, my clients will tell you, “Jim Camp is the founder of the Camp Institute of Negotiation, and he’s our coach.” If you asked a neuroscientist who built my institution and courses to mastery, he’d tell you I’m an inventor. But if you ask me, I’d tell you right now, I’m a coach. And now I’m going to coach you.

For the last 25 years I’ve been teaching my clients my system of negotiation and support their everyday efforts behind the scenes, in all types of negotiations. We’re out there trying to reach agreements all over the world, in every imagined capacity you could think of, from human resources negotiations to conflict resolution to sales contracts, purchasing contracts, just across the spectrum. Anything that involves an agreement.

But I want to tell you I really am a coach. My university training was Ohio State University under Woody Hayes. When I graduated from Ohio State University, the state of Ohio gave me a coaching credential in sports – football, basketball, baseball – and I really had Woody Hayes as my mentor as a coach, and that’s what I really wanted to be. Unfortunately the Vietnam War came along, and I went off to become a pilot in the Air Force.

But I really want you to have a picture of what a coach is. A coach is a person who’s mastered a human performance event. What a coach does is they build a system that’s made up of principles, rules, and laws, and then they put them in alignment to solve the real problems the events produce. And that way they can help their player maximize their success. And that’s exactly what we’ve done with the Camp System of Negotiation.

Now one thing I want you to be aware of, great coaches – and I do strive to be a great coach – first of all, are great students of the event. Then they work very, very hard to become great teachers of the event. And then they work very hard at creating discovery and help their students build the performance they’re looking for.

Now you’re probably wondering how did I learn these skills. Well, to be very honest with you, I went off active duty in 1973, and I sold water softeners in my first selling effort. And I got tired of getting kicked in the teeth. I did exactly what I was told. The gurus who wrote up
the scripts taught me five or six different closes; they taught me a lot of slick things to say. I went 0 for 40 in my first three weeks in the field. I got paid by commission, I was starving, had a young family, and I hated it.

I was so frustrated that I just went back to those 40 people and out of frustration just said to them, “Look, please just tell me no. I don’t want to bug you; I don’t want to chase you; I don’t want to come running around here. I don’t want you to not want to me here. Just tell me no, and I’ll close out and leave.” And a miraculous thing happened. A person said, “Well, Jim, I just couldn’t afford it last month, but I can afford it this month, so I really do want a water softener.” I went back to everybody I’d called on that first three weeks. And I don’t remember exactly, I sold 16, 20 water softeners. And I never looked back. I started putting my system together. I discovered the power of no. And even more importantly, I started taking a hard look at how people make decisions, what drives decisions. So we’re going to dig into this in a very in-depth fashion. And in this six hours, I’m going to get as far into this as I possibly can.

I’ve been asked by audiences all over the world who’s inspired me. And you know, I was born very fortunate. I had a great set of parents. My father was an entrepreneurial-type man from Appalachia who clawed his way up the ladder, if you will, to build his own company. My grandfather came to this country to build a steel mill for Jessup Steel in Washington, Pennsylvania. My coaches had a great influence on me. I’m a child of the greatest generation. All of my uncles and cousins worked very, very hard, raised their families, were all veterans of World War II, so I was lucky to be around that environment.

But my coaches started having an adult impact on me. Coach Hayes introduced me to Ralph Waldo Emerson, and I studied Emerson’s essay on compensation effect. I recommend you study it every day of your life, also. It’s one of the greatest documents ever written on human performance.

But you know what I really discovered is, I started digging into the greatest human beings on the planet. You know, they all had the same characteristics, the same traits. If you think about Gandhi, if you think about Winston Churchill, if you think about Abraham Lincoln, Franklin Delano Roosevelt, George Washington, the founding fathers, they all were great negotiators. They were really great at making agreements. My gosh, look what they built, look what they accomplished. But those characteristics ring true. When you read Washington, you discover – and we’ll talk about this later – he was purpose-driven. And he had a great ability to create vision for others and get people to agree with him to drive the mission forward. So, I’ve been blessed by those people, and I truly do have heroes.

Now my purpose and my mission purpose for you is really very simple. All I’m trying to do is help you discover there’s a whole new world of systematic negotiation that you’re not aware of. A system that delivers you a step-by-step structure that will deliver opportunities of success to you, you can’t imagine. If you’re used to being a win/winner, you’re way behind. Things have changed. And we’re going to dig into all that. And hopefully I’ll help you discover how poorly aligned win/win is to today’s world and today’s world of neuroscience.
So that will lead us right into how things have changed. How we negotiate will be looked upon in the coming years as one of the most monumental events going on in our lifetime. Oh, it’s going to be hidden, and it’s going to be kind of behind the scenes, but personally I don’t think there’s anything more important in the world than someone grasping the concepts to bring about agreements.

Every one of us makes agreements. Everything we’ll ever have in this lifetime will come from the decisions we make and the agreements we make. So there’s nothing more important in our life, and this whole game has changed. And honestly, neuroscience has changed it for us. All the guessing that went on back in the ’50s, the ’60s, driven by compromise; win/win is driven by assumptions and compromise, and both are wrong in a world of neuroscience. All this stems from collective bargaining. And collective bargaining was invented by Congress to solve labor union problems. So collective bargaining is truly not negotiation.

Now I’m going to rattle a few cages out there and tell you that conflict resolution as we know it is driven by collective bargaining requiring compromise. It’s wrong also. Conflicts are created by unnecessary compromise. They’re not solved. Real conflict solutions come driven by vision. So let’s dig into that.

I liken it to the blacksmith. If you were the village blacksmith and you had a strong business shoeing the horses, repairing the harness, boarding the animals, if you had a strong business doing all that and you were standing outside of your stables, and the first automobile, the first horseless carriage, came popping and banging and roaring into town, what would you do? Would you catch on to the change? Or would you turn your back and say it’ll never go forward. It’s all right in front of you. What vision would you have? What decision would you make? Well, you have the same thing going on today with what I’m trying to help you discover.

I’ve been driving change in the world of negotiation publicly since my first book came out 10 years ago, and it’s a Wall Street bestseller. It’s called Start with No. And this whole program is based on the power of no. And I want to help you really discover what that’s all about.

I personally witnessed change. I’ve seen change. I just don’t teach and pontificate on negotiation; I dig in with my clients and I support them day in and day out for years, coaching. And I’ve done everything in my power to drive change. And the world is changing, and Nightingale-Conant is now presenting this program because they get it; they see it. They see what’s going on.

In 1973, the world was enamored with compromise and win/win. In fact, people celebrated how people were able to compromise. Make the pie bigger is disingenuous. Relationship is an overused word. Partnership is outright disgusting at best. At best it’s a deception; at worst it’s an out-and-out lie. Partnership is defined as taking financial responsibility. So when someone throws “let’s partner on this,” does that mean you’re going to write me a check? Ask yourself that question as you hear those kinds of words.
Then let’s start with real neuroscience here. If I said to you, how do you make decisions? What would you say? How do you make a decision? Logically? Intellectually? Now I know we’re all very, very proud of our education, and should be. And I’m a great supporter of higher education. My grandson right now is at the University of Chicago as a freshman. All of my children graduated from college, some from the Ivy League, some from prestigious public schools like Georgia Tech, and I’ve got to tell you, I’m a big believer in education. But don’t let it fool you. Again, I’m going to ask you, how do you make your decisions? Do you make them emotionally? Logically? How much emotion’s involved?

Now I’ve questioned audiences for 25 years: How do you make your decisions? And I hear things like – from 99.9% of the attendees – I hear things like “Well, it depends on the negotiation.” “It just depends on who I’m talking to.” Okay, good. So it’s a business negotiation. Some people say, “Well, I like to be 80% intellectual and 20% emotional. Well, if I’m dealing with my wife, I’m probably going to make it 90/10 emotional.” Well let me tell you, if you think that you make logical decisions or intellectual decisions, you’re missing the boat. Decisions are 100% emotional at all times. Neuroscience has proven to the world that it is impossible to make a logical decision or an intellectual decision. It’s 100% emotional.

I think of Captain Sully landing in the Hudson River. And you would probably think the appearance is he’s absolutely logical. And I was a jet pilot, so I know a little bit about what I’m talking about. When he flew into that flock of geese – actually the co-pilot was flying – picture, you’re at 3,000 feet, and suddenly your engines are winding down. You fly through a flock of geese; you smell burning flesh in the cockpit. He looks at the engine failure; he takes over the aircraft and begins immediately to do what we call boldface items. Restart the engines. Go through the check list. Captain Sully is flying the aircraft. He’s making a turn out over the water, and he’s now descending. He requests permission to return to LaGuardia; he knows he can’t make it. He then requests permission to go to Teterboro in New Jersey. As he sees his angle attack and his aim point, he realizes he can’t make it. The sink rate’s too great.

Calmly he says, “Can’t go to Teterboro. I’m in the Hudson.” Calm, cool, and collected. You’ve listened to the tapes, I’m sure. You’ve watched the performance of him landing in the water. And you would think all those decisions that he had to make, the hundreds of decisions that he made instantly were all logical. And they weren’t. They were all calmly made emotionally because he was safe from his training. That’s how it works.

When you see a surgeon perform in the operating room with cool, calm, collectedness, you’ll see the nurse or assistant wipe the sweat from the brow, but they still appear calm, cool, and collected, as they try to save that person’s life. They’re still making emotional decisions and checking them intellectually in milliseconds. But their emotions are calm because of that training. They’re not afraid. They’re just focused on solving the problems and making good decisions, and their emotions are calm as ice.
So don’t be fooled. You make your decisions, I make my decisions, the world makes their decisions emotionally, 100%, with vision. Vision. That’s how we’re going to get started in this discussion.

Now what I’d like to do right now is just spend a moment with you, and I want to identify the greatest human mistake we make in seeking agreements and in negotiation. The greatest single failing by humans in any negotiation is the desperate effort to manage the unmanageable. And I want to say that again. The greatest failing we have in our negotiations is to try to manage the unmanageable. It’s impossible.

In every negotiation, in every agreement, the result comes from someone else’s decision. Every decision that brings about agreement for us comes from someone else. And sadly, if we believe that we can control or manage others’ decisions with compromise and logic, we’re leaving millions on the table. It’s impossible; it can’t be done. If we’re trying to manage others’ decisions, control others’ decisions with compromise and logic, we are leaving millions on the table. I can’t say that strongly enough. We can only influence others’ decisions with vision and knowing exactly what we want. If we work with the world of their vision and we know exactly what we want, we have a chance to influence their decisions. Not control them, but influence them.

Let me tell you a quick story, and this is a true story, and it’s going on right now in the world. I won’t name the clients; I won’t name the adversaries – oh, by the way, adversary, if you hear that word during this recording, I want you to be aware that I define adversary as respected, key word, respected. Everything we do is in respect of others. Respected opponent. My wife Patty used to be my most respected opponent, but now it’s my granddaughter Farah, the newest-born grandchild. So that gives an idea of what I really mean by adversary. Respected opponent.

But here’s the story. One of my clients, a California company, is a high-tech company with over 1,800 patents. They found that one of their competitors has stolen five of their patents and are competing against them with their own intellectual property, and they’re dead to rights. Have you ever wondered, Why, that should be easy to solve. I mean, if we made our decisions logically, the CEO of the other company, the adversary, would say, “Oh, boy, I’m caught. I better call up that company and negotiate with them, and hope I can come to an agreement that keeps me in business or at least helps my shareholders.”

Now, you would think that would be a logical decision, right? Wrong. Now the lawyers are involved. The lawyers on our side alone are asking for a fee to deal with this case of $8 million to start. That logical program doesn’t exist. The other side, the adversaries, decided they’re going to try to force the issue. Now what does that CEO see? He sees his vision as that if I play this tough enough, they’ll give me a better deal in the end. So he’s logically going to bring this about? No, no, no. It’s all emotional. That’s happening right now, all over the world.
I promise you as we progress through this, we’ll get more into neuroscience and the
discoveries of neuroscience that are all around us now and are in their infancy really. But let’s
get started and talk about system. I want to be sure you understand system.

When I say the word *system*, what does that really mean to you? And I like to tell this
story because it really applies to system. Many years ago I was a young man in pilot training in
the Air Force in Big Spring, Texas. A place called Web Air Force Base. And this is back in the
Vietnam time. And I was young and I was full of fire, and I wanted to be Steve Canyon, and I
remember the first day on the flight line in a T-37. And I sat in the back of the room. L. A.
Bienvenu was my instructor, a Distinguished Flying Cross recipient. I was with real, real pilots.
And immediately Major Miller came in the room and called attention. We all jumped to
attention.

We were all told to take our seats, and as soon as I sat down, he said, “Camp.” I jumped
to my feet, “Sir, yes Sir.” He said, “Camp, you’re out there on the runway, you’ve just taken off
in a T-37, you’re 300 feet above the ground, you’ve accelerated 250 knots, both engines quit,
what are you going to do?”

“Oh…” Now I’d flown light airplanes, and all of you light-airplane pilots out there know
that you got to find a place to land. Runway was behind me, interstate highway was in front of
me, and I said, “Sir, which runway?”

He said, “You dumb blank, it doesn’t matter.” Now I’m going to show you how smart I
was; I was a second lieutenant. “Oh, but Sir, yes it does, Sir. It does matter. Because if it’s a
north runway, the north complex, I’m going to bleed off energy; I’m going to make a left-hand
turn. I’m going to put the landing gear down. I’m going to land on the freeway.” “No, you
dumb blank. You will eject. Sit down.”

Now I hated Miller. I mean, I would never drink a beer with that guy at the bar. He was
not one of my favorite people. Now my emotions calmed down. Later that day they took us to
the parachute shop and showed us how the parachute worked. And the young sergeant
systematically showed us every piece of the parachute, how it functioned, how it worked, when
it was inspected, how the chute was packed. It was all systematized. Step by step by step.
We do this first; we do this second; we do this third.

Everybody left the parachute shop but me. I had to ask the sergeant the question,
“Sergeant, does this parachute always work?” “Sir, we’ve had 117 crashes of this aircraft and
114 successful ejections.”

And I kind of stuttered, “Uh… uh… Sergeant, what happened to the other three?”
“Well, sir, they didn’t even try to eject, and I was at the last crash site, and we were removing body parts from eight feet down in the desert.” That got my attention.

Just after that, they took us to the flight line for the initial walk-around to the T-37 Tweet, we called it. And this flight line sergeant was pointing out all the checkpoints of the T-37 we were going to be looking at to pre-flight the airplane. And we went all the way around the aircraft, and we got back to the cockpit, and he talked about the egress system. Notice “egress system,” the ejection seat, and he talked briefly about it and what we had to pre-flight it: be sure the pins were out before we took off, etc. Everybody left. I stayed with the sergeant, of course, “Sergeant, does this ejection seat always work?”

Now I’m starting to catch on. “Sir, we’ve have 117 crashes of this aircraft and 114 successful ejections. Three people have not ejected, and I was told their body parts were recovered from eight feet under the desert.” Light bulbs start going off.

Now at some point in this story I usually ask my audience, when eight months later I’m flying a T-38, the white rocket, the F-5 freedom fighter, the Talon, the trainer that goes supersonic, the black MiG in the movie Top Gun, which many of you might have seen. I’m flying that airplane; I get a hydraulic over-temperature, number one engine, the left engine, port engine. Throttle effect the engine; retard idle. Throttle effect the engine off. Light remains on for 30 seconds. Eject. Those are my boldface. I still remember that all those years later.

Now, would I eject? What would I do? What would this young lieutenant do who, when he first started, was going to land on the freeway. People in the audience told me, well, you’d look for a place to land. Others say, no, no, no, you’d eject. And I asked the question, Why? Why would I eject? They’d look at me a little bit nonplussed. And the reason I would eject is because I had mastered – and we’ll talk about this later – I had mastered the system of egress. I had been trained in the ejection seat. I knew what it felt like to eject. We had practiced it. I had parasailed. I’d been taken up and released from 300 feet and landed. I was comfortable. I had a system. As long as I was in level flight and 130 knots, at any altitude, I could eject safely. I knew what to do at high altitude; I knew what to do at low altitude. My emotions were in check. I wasn’t afraid. I had a system. I had a step-by-step system. Just like Sully in the Hudson.

Now I want to add something about Captain Sully, who to me is a hero. Do you know that that airplane was equipped with a ditching switch? Even the engineers had a system to help that airplane ditch. When you flip that switch, as long as you had electrical power, as many holes as possible in the airplane would be closed so water couldn’t come in when you ditched. Dozens of jets have ditched and passengers remain safe. That’s what a system does, and that’s what we’re going to start to talk about as we move forward.

Now the most important first step in any system is to define the event. Remember egress system? Well now we’re going to talk about negotiation system, and the very first step is a definition of negotiation.
Now I’ve got to tell you a quick story. I had a young author send a book to me, and I’m flattered that he would send it to me and ask me to review the book about negotiation. And I’m always interested in what I’m going to get when I do these reviews. And lo and behold he sends me a book, and on the very first page he declares there is no definition for negotiation. That negotiation can’t be defined because it means so many different things to so many different people. I didn’t go any further. Negotiation is definitely defined. It’s defined by a definition I found in the English Oxford Dictionary in Hong Kong in 1975.

Here’s the definition, and we’re going to talk about this in depth. “Negotiation is the human effort to bring about agreements between two or more parties with all parties having the right to veto.” The human effort to bring about agreements between two or more parties with all parties having the right to veto. Think about that. What does that sound like to you? What does it mean to you? There’s so much in this definition, that – so much to get us off on the right foot – we’ve got to dig into it. Let’s start in the beginning: human effort.

Written, spoken, translated, human communication, back in the day, maybe smoke signals, flashing lights at sea, Morse code, teletype, Pony Express with letters. Think of all the different efforts that have been put forth by humanity to try to help someone come to an agreement. So, that’s correct. In my eyes I see that.

Two or more parties. I can’t tell you the importance of uncovering all the parties who are involved in the agreement. So certainly that’s covered. There’s certainly at least two, and oftentimes many, many more. In fact, that’s a great weakness we have to uncover, and we’ll work on that in the system.

The right to veto. Now think about that for a moment. The right, the human right. It’s a powerful word. What did our founding fathers do with the king? They became so pushed over taxation, they exercised their right to veto and died for it. How do we start wars? By denying someone else’s right to veto. Tell me what Kaddafi’s doing today? Now I’m not politically taking a stance on right or wrong here; I’m just asking you to think about what is Kaddafi doing today? People are dying, his country is being destroyed, buildings are being destroyed. He’s exercising his right to veto. Now the consequences are dire, but what do we do to someone who denies another person the right to veto in this world?

Now stay with me on this. What happens when you are somewhere and someone is trying to exert power or leverage or being disingenuous in partnership to get you to say yes? How do you react to that? What happens to your emotions? Do they go up? Do you become frustrated? Or do you compromise unnecessarily because you have no other step to go to. Because the only thing win/win taught you was to compromise. And you assume that’s the best deal you’re going to get. You have nowhere to go.
The right to veto. Most powerful point to start the system with. Oh yes, there’s a definition of negotiation, and it’s a powerful piece to the puzzle. And you know what? The neuroscientists I talked to tell me it’s perfect science. We’ll talk about this more in detail as we dig into this.

Now let’s take a look at the word *no*, and the power of no. Where does all that come from? What is no, really? What is it to you? Well, to the professional negotiator it’s simply a decision, and it’s a decision to be changed. But do you know what the really great pros know? And what I teach and coach? They know that no maintains a status quo. It’s the safest decision our adversaries can make. Change is scary. What happens when someone proposes the bank bailout? Oh, my gosh! Change! And you have people terrified, but they gain comfort when they say no because it maintains a status quo. So no is nothing more to the professional negotiator than a decision to be changed. The word *yes* brings change and that’s scary.

But you know, there’s something else that’s very interesting about the word *no*. When you give someone permission to say no to your ideas, the emotions go down, the effectiveness of the decisions go up, and they’re allowed to really look at what you’re proposing. They’re allowed to hold it in their hands, to see it in their mind’s eye, to turn it around. To try to envision all the different complexities that might come with that thought, that idea. But here’s a key ingredient: great negotiators seek the no because they know that’s when a negotiation begins.

I’d like you to stop listening to this program right now. I’d like you to go out, get out of your car, get up from wherever you’re sitting, go engage someone and say, “I have an idea, but I’d like you to please be comfortable saying no to this idea.” And then watch what happens. Something nondescript, something no-risk, so you can begin to embrace the power of no and what no really delivers to you when you have your arms completely around it.

Now I’d like to spend a few minutes with you and help you discover something I think that’s very important to you. And I learned this from Coach Hayes in coaching classes at Ohio State and throughout my time with him, which was about 12 years. Action, reaction, and re-reaction. We have an action. Someone reacts. Have you ever heard the rule, a body in motion tends to remain in motion, a body at rest tends to remain at rest until acted upon by an outside force? Emerson said that for every action there’s an equal and opposite reaction. So, our opportunities for success do not come with our action. They begin to develop for us in our re-reaction. So action, reaction, re-reaction.

We just talked about the word *no*. If someone says no to you, how do you react? Are you panicked? Are you offended? Are your feelings hurt? You have to have a system, a step-by-step progression so that your reaction and your re-reaction give you those opportunities for success, not compromise, not assumption, not weeping and worrying about when. So that when someone says no to you, okay, it’s a decision. My reaction is where do I fall short? When someone says
no to you, try that. Take it out there with you. When someone says no to you, just ask the question, where am I falling short? What have I failed to help you see? You’ll find that as we move further into this, we’re going to dig into more and more of your reactions and your re-reactions. So let’s get started on the Camp System and talk about how it’s now separated into two very important pieces.

On the left-hand side is how we behave. All the behaviors we have to master. And on the right-hand side is our hard structure, so that all the reactions we get, all the visions we get from our adversaries, we put in the proper compartment. That compartment gives us a step-by-step progression. So we know where we are at all times in the most elaborate negotiations. I’ve coached negotiations where we’ve actually had more than 800 engagements. That meant 800 preparations, 800 what we call check lists, and debriefings we call log. So the behaviors on the left; the structures on the right. Let’s get started with behaviors on the left as the first area we’ll talk about.

Now, within those behaviors we have to realize what we can manage, what we can control. Now we hit on this a little earlier when we talked about the attempts to manage someone else’s decisions; so what can we really manage? What can we really truly control? And how do we do it? Well, when you really boil it down, you start to discover I can manage my activity by habit. For example, have you ever noticed that you might brush your teeth at a certain stage in the morning, maybe when you first wake up? Or you drink your first cup of coffee or you start the coffee first. I know when I get up in the morning, the very first thing I do is I brush my teeth, comb my hair, and go in the kitchen and start a pot of coffee. Those are habits of activity. That’s what we manage with habits. We control what we do with habits. And you’ll notice, if you have a habit and you’re out of sync, it’s a little frustrating, and you work to get back in sync. So we’re going to build activity habits, and we’re going to build behavior habits.

Now behavior is what we say, how we say it, what we do. Now here’s the key to all of this, you’ll notice I’ll talk about what we can manage, what we control. How many of you attempt to manage results? How many of you manage results? Or attempt to? Now think about this for a moment. And I like to tell this story. I want you to think about this. Here’s an eight-year-old child; it’s the summertime; they’ve got their Little League uniform on, and they’re going to the game, but before they leave, Mom calls Johnny or Betty up and says – into the kitchen, calls them into the kitchen – and says, “Now, I want you today, your goal,” now Mom thinks she’s going a great job here, “your goal is to hit a home run.”

Notice that use of the word goal, defined as action to an end. I know, I’m a stickler on what words mean. But bear with me as we go through the program, because words are everything.

“The goal, Johnny and Betty, is to hit a home run.”
Now let’s talk about what just happened. What’s Mom trying to do? She’s trying to manage results. She thinks she’s helping, and bless her heart, it’s all she knows. So Johnny or Betty go to the ball park. They get up to bat. Now think about what they can really manage. They can’t manage the home run. That’s impossible because they may not get a pitch that they can hit. They may get four walks that day. But, they can put their feet in the right position; they can bend their knees just so; they can set their hands with the bat in their hand properly. They can work very, very hard at calming their emotions, blanking their mind, seeing the ball, and hitting the ball, if they get a pitch they can hit.

Now think about what happens to Johnny or Betty when they’ve got three balls and no strikes their first time at bat. They’re trying to manage the result. Do they try to hit a bad pitch? Do they swing at the wrong pitch? Maybe, maybe not. Maybe they get the perfect pitch. And if they hit a home run, might they falsely believe they managed a home run? But if they wouldn’t have gotten the pitch, they wouldn’t have hit it.

Now, now let’s say they walk the first time up. Next time up the count is 3 and 2. What happens to Johnny or Betty’s emotions when they try to manage the result? Does their decision making become affected? Might they be rolling inside emotionally talking to themselves? Might they be easily distracted? I think you get the point. So what we try to manage is only our activity and our behavior.

Now we know from neuroscience that decisions are 100% emotional. And then we justify them intellectually. So how do others react to us? How do they see us? What is their vision of us? How do we appear? Who talks in negotiation? Now think about this a moment. If someone attacks you, how do you re-react? How do they see us in our reaction? Are we cool and calm or do we lose our temper? Or do our emotions get heightened?

Quick story: Grandma Camp’s farm in Claysville, Pennsylvania, back in the late ’40s and early ’50’s. As a child we used to slaughter hogs in the fall. And during the hog slaughter, we used to render the lard; we used to render it down to make lye soap. My job was to keep the fire under the kettle nice and even. Kind of a bed of coals, if you will, so that the mixture didn’t bubble up too aggressively. And my little five-year-old brother used to sneak down to the barn and get little tin cups and he’d put kerosene in those cups, and he’d sneak around the fire when I wasn’t looking, and he’d throw kerosene on the fire, and it’d flare up. And my Grandpap would come and give me a swat on the backside and say, “I told you not to let that fire flare up.” That’s when I see in our reactions when we are aggressively approached. Now, how do we appear to others? Do we do that?

Transactional analysis came out in the ’60s and it’s kind of interesting. There are three sets of tapes in our brain that said. There’s the parent taping; there’s the adult taping; and there’s a child taping. Now this isn’t going to be an in-depth lesson in transactional analysis, but I want you to think about this. The parent tape is divided into two sections. There’s the nurturing
parent. When I think of the nurturing parent I think of Grandma Barlow. When I think of the critical parent, I think of my dad when I’ve done something wrong. That makes up the parent tape.

The adult tape is just one tape, one large tape, and it’s all the knowledge we acquire. I’ll tell you what it’s like: it’s like a computer being updated with new information. When I was a child, I told my grandma I wanted to be a fighter pilot. And she looked at me and said, “No you can no more do that than fly to the moon.” Well, my adult taping got updated when Neil Armstrong stepped out on to the moon. You could fly to the moon. So that’s what the adult tape looks like.

Now the child tape is made up of three sections: rebellious, adaptive, and natural. Now I want you to put that child taping aside; there’s no place for child in negotiations and how we appear to others. But I want you to think of that nurturing parent and our behavior; take the nurturing parent, applying adult information. That’s where we’re going to go in this section of behaviors of our system. That’s where we’re going to focus. The greatest failing in the system is to maintain that nurturing parent stature.

Very quickly – I just had a very well-trained CEO who I’ve coached for a long time and hundreds of millions of dollars in negotiations, who was in a personal negotiation on a land project, and he got attacked by the adversary. The adversary was very aggressive. And he blew it. He’ll tell you today, “Coach, I went straight to the critical parent, probably threw in some rebellious child. I lost it. You got to help me recover it, but I did lose it.” That’s probably the biggest failing we have in the system is nurturing and remaining in that nurturing parent position.

Now let’s talk about the worst habit that we all have, and it comes from Mother Nature. It’s genetic. Every healthy mind on the planet has it, and I promised we dig into neuroscience, so here we go. It’s called theory of mind. Theory of mind. Now I remember as a young person my dad saying to me, “When you assume something, son, you make a rear end out of you and me.” And I always held that close to me. And the more I went into negotiations and the more I went into bringing about agreements, the more I realized the less I knew. And one of the rules in our system is the greatest strength of a professional negotiator is to not know.

Now I didn’t have scientific evidence of this when I started. But, boy, do I feel vindicated today through neuroscience. Win/win is built on logic, and it feeds right into the greatest human weakness in the human mind, and that’s theory of mind. Theory of mind is our brain’s efforts to predict or to believe we know what someone else is going to do or say. What actions they’re going to take, how they’re going to respond.

Don’t you love it? You sit in a meeting and someone says, “Well, based on my experience with this adversary, if we don’t offer up an 8% discount, I know what they’re going to do. I know what they’re going to say. I’ve seen this before.” Think about that. How could that person possibly know what another human being is going to do?
I was coaching a sales manager and a team in California. And this team had stopped at this client every day, every Friday morning, once a month for two years to try to win the account. Two years they stopped to see this head of purchasing. And for two years, the head of purchasing was distracted, grumpy. They just couldn’t break through to him.

Well, one Friday they couldn’t get there in the morning. And they didn’t get there till late in the afternoon, Friday. And it was like this was a completely different person. They were calling on someone they’d never met before, in their eyes. Easy to talk to, very focused on the conversation, interested in opening negotiations, a whole different world appeared. Had they not been required to stop once a month to see that head of purchasing, their theory of mind could have kicked in; they could have assumed that this person was never going to buy from them.

But, when the meeting ended that Friday afternoon, the salesman looked at this gentleman and said, “You know, I’ve been coming here for two years, and it’s never been quite like this before.” And he, the head of purchasing, said, “You know, that’s interesting. You know, I’m diabetic and I really don’t get my mornings going till about 11:30 or 12:00, just about lunchtime. By then my insulin has kicked in, and I really have better afternoons.” Had theory of mind kicked in, that salesman may have stopped calling on that person. So you must understand, must grasp, get your arms around theory of mind. We have to stop assuming. We have to stop thinking we know what others are going to do or say.

For example, $200 million request from proposal from one of my sales vice presidents. Opened the RFP, just saw that it was from an industry giant, and it was big, and the phone rang. And the purchasing folks on the other end of the phone said, “This is very important to us. We’re having a meeting right now to eliminate potential suppliers. And it’s very important that we know what level of discount you provide a client of our stature.” Now what assumption would you like that sales manager to make? What theory of mind would they want to present logically in this process?

I promise you he was well coached and well trained in the system, and didn’t offer up any compromise. In fact, the opposite’s true. He asked the question, “Well, what do you assume our pricing to be?” They came back, “Well, we looked at your catalog and it’s $1.5 million for your X-2 machine.” He said, “Oh, my goodness. We have a problem. That pricing’s not correct; it’s actually higher than that, and it could go much higher depending on the configuration required. So when could I meet with your team of engineers to discuss the validity of the RFP?” System turned that whole opportunity into an advantage and created a vision of a much higher price for that purchasing person who tried to tactically take advantage of theory of mind. You see, that’s what they call PICOS, and that’s what takes advantage of win/win trained negotiators.

So now that we know we’re up against this theory of mind and that every human brain attempts to do this, and we have to build the habit, and we can build the habit of getting rid of our assumptions, let’s talk about assumptions and how we get rid of them.
There are two ways we can get rid of assumptions. And I want to caution you on the first. Research. How many of us really do research? How many of us really dig in and do enough research?

You know, one of the things the Internet does, it ties us to the world. But how many of us just go to a website of an adversary, look at the website, and think we’ve done research? In fact, how many of us make assumptions of everything that’s on that website is correct? So we even have a real problem with how we do research. How many of us dig in and find out who their adversaries are, who they’ve negotiated with? What they stand for? How many of us go to do the real due diligence required? Research in itself is artwork. And one of the keys to your system is going to be able to develop research. That could be a whole series of training in itself.

The second way we could do research – and I like it much better than actually going out and looking at data like we talked about on the Internet or reading about it in books – and that’s asking questions. Questions. Now this is the most important piece to the puzzle for creating vision, and let’s talk about it. Let’s talk about what questions to do. Let’s start with verb-led questions. Notice I put that term, that part of the English language, verb in front of that. Verb-led questions.

What is a verb-led question? “Is this something you can do? Do you think this is correct? Is this right? Isn’t this great? Isn’t this exactly what you want?” Those verb-led questions – is, are, do, can would, could, should – those types of questions are terribly dangerous. And let’s talk about why. On this behavior side of our system, what response do you get from a verb-led question? What’s the response? You get yes or no. Isn’t that correct? Yes or no. What are we searching for with a verb-led question? How many people are trying to drive an agreement by trying to get a yes?

In fact, back in the ’50s there is some psychological evidence that if you could ask a verb-led question seven times and get seven yeses, the person couldn’t say no on the eighth question. That’s pretty manipulative; that’s kind of sad. Thank goodness that’s gone by the wayside. But think of the number of verb-led questions that are asked that are driving for yes. Remember our definition of negotiation, and the right to veto? How are we seen by the adversary? Are we seen being denying the right to veto? Most dangerous question we can ask. The key to a verb-led question – and this is a rule of ours – never ask a verb-led question unless we know the answer prior to asking it.

But there’s one more killer problem here. One more. And that’s the word maybe, possibly. All those types of responses to those verb-led questions that we can get. And you know what? Remember re-reaction? How do we react when someone says maybe? What do we do? What are you currently doing? Giving them a week to think it over? Allowing them off the hook? You’re much safer to ask them to please just – it’s okay – just say no to this. “Now, Jim, you’re confusing me here. Why would I do that? Why wouldn’t I take the week to let them think it over?”
Think back, when does a negotiation begin? It doesn’t end with no. It begins with no. Just say no to this and let me ask you, where did I fall short? That automatically continues negotiation. But when you allow them time to think it over, neuroscientists tell us that the science is that the mind becomes confused when a decision is not made. Vision is destroyed. Fears set in when a decision is not made.

I remember my oldest son going to pilot training. He’s currently a colonel in the United States Air Force, and a top pilot. And, in fighter lead-in training, one of his fighter lead-in colonels flew with him, and when they debriefed, he said, “Camp, you sure fly a hard airplane. You fly this airplane hard.” Meaning you move it around hard. “But I’ll tell you one thing, Camp, you sure make decisions. So we can fix the hardness. We can fix it because you at least make decisions.”

That’s what I’m trying to help you discover. You’re safer for them to say no and go away than to leave their mind befuddled. Because what happens to the human mind is there is no vision without decision. So if a decision’s not made, nothing’s seen. And in the logical world, the mind is confused.

Do you remember the movie *The Last Samurai*, and Tom Cruise is trying to learn the art of the sword as a samurai? And remember they keep hitting him and beating him? And the young boy went up to Tom Cruise after he’d just been knocked down and pointed to his head and said, “Too many minds. Too many minds.” Tom wasn’t reacting with instantaneous decision. He was thinking it through. And you allow someone to think it over, you’re creating too many minds for them. I strongly recommend that you avoid the verb-led question and you never accept a maybe.

We’ll talk about setting agendas later. But now let’s go transition to the great question. And notice I’m going to use the term “interrogative-led question.” *How, what, why, when, where, who,* sometimes *which.* Those are vision questions. And when asked properly, create vision, lower emotions for the other side, and enhance their decision making to discover and really see what you’re bringing forward. So there are some things that are important to you in asking the interrogative-led question.

The length of the question. I recommend strongly that if there are six words in an interrogative question, you work to reduce it to five or four. But never more than six, because words tend to get lost. The longer the question, the more confusion sometimes we create.

Another point about asking questions. Please, be calm, be nurturing, relax, and don’t pile a question onto a question. Have you ever seen someone who asked you two or three questions in a row, and it’s almost like, Gee, which one do I answer first? Or Wow, I can’t even remember the first question. So that’s something we really got to work in to our habits. We have a rule in
the system: no talking. And you’ll find that when we get really good at the interrogative question, we’re able to really truly reduce the amount of time we’re talking and the more time we can create vision and discovery. I like the rule 80/20: listen 80, talk 20.

Another problem we have is we make statements that don’t create vision, yet we think we’re creating vision by making those statements. Hence, when we prepare our preparations, we actually write out our questions we’re going to ask. Now I’ve got another rule for you on these questions. And I want you to think in terms of less is more. If you have more than five or six questions, you’ve got a real problem, because you’re going to have such a confusing vision it’s going to be very difficult for you to help them discover what they’re seeing. It’s going to be very important to you that you K-I-S-S, keep it simple, silly. Remember, less is more.

Now there’s a key to asking the interrogative question. If we think through what we’re delivering, what we’re proposing, everything on this planet that we can think of has a feature or a benefit to the other party. Let me give you an example. Maybe a service is a feature of what we do, but the benefit is removing risk. So how would we build a question, an interrogative around either one of those? What is service to you? Five words. How important is risk? Where does risk fit in? So we take those features, we take those benefits, think all of that through, and that’s how we apply them to the interrogative-led question.

What I’m going to talk about next is fuel to the system, and that’s where we’ll start our next session.
CD2 — The Fuel to the Negotiating System

**JIM** Now, let’s dig into fuels of the system that take away from this theory of mind and empower us so that we conquer our theory of mind and we make no assumptions. Now fuel to the system, you heard me talk earlier about nurturing. Nurturing can be done in numerous ways. It can be done with a statement. That’s a good question, interesting question. Glad you asked that question. Or it can come from a no-risk answer. For example, they ask you, what is your pricing? Or what is your very best price? Well, that’s an interesting question; we’re not sure. It could be much more than you’d expect to pay. So by making an answer that’s no-risk, we now have positioned ourselves that nurturing allows us to reverse, to come back with an interrogative question. So we come back, and we can ask an interrogative question: What is the biggest challenge you face? How important is this? But, so we can pick a question that turns that opportunity of theory of mind, we don’t make an assumption on the answer they want to hear; we have a system to nurture and then reverse.

We have to be able to travel throughout our system comfortably back and forth as we fill those compartments we talked about earlier. So fuel to the system is the area that we use to be able to accomplish that.

Now we talked about nurturing parent earlier. But let’s talk about how people make decisions. We know that decisions are made emotionally, 100%. Our job is to help the other party be as calm in their emotions when they make the decisions as possible. Our job is to be an influencer that allows comfortable decisions. So nurturing is a key ingredient.

How do we nurture? Well, we can begin by making a statement that’s comfortable. For example, when someone says to you, “I’m not sure this fits.” We might connect that. That’s a nurturing move. And when they say, “I’m not sure this fits.” “That’s interesting. Tell me more.” And we allow them to continue to talk. That’s a nurturing move that allows them to stay in control of the discussion.

We also have the opportunity to reverse their questions to keep their vision growing and expanding. A reverse is the ability to answer a question with a question. But it must be preceded by a nurturing movement. For example, if I’m sitting across from someone or you’re sitting across from someone and they ask a question, we can make a nurturing move just by pausing and backing up and sitting back in our chair. That’s a nurturing reaction, allowing them comfort.

We speak in low tones. We speak in a slow progression of words. We don’t appear aggressive when we nurture. Now a nurturing statement may sound like this before you would ask a question, “That’s a good question.” “That’s interesting.” “Well thought.” “I haven’t thought of it that way.” “What else do you see?” So we come back with that question. So that nurturing progression is a critical link to being able to keep them and their world talking about their vision.
Now we know we’re going to ask interrogative questions; we’ve talked about that. And when we have them prepared, it’s much easier to reverse. But please always keep in mind that that nurturing reaction is the key step to being able to reverse. We’ve got to develop that habit. It’s so important to us.

Next, as we’re developing and helping the adversary, our respected opponent, develop vision, a key habit is going to be our ability to “three plus.” And we’ve learned psychologically that we have to ask the question, and our rule is what we call “three plus,” the ability to ask a question three or more times until we get the true answer or the correct answer. That means we’re going to stay around a topic, the subject, three or more times.

For example, if the risk provided by the service is so important, we might ask, where does risk fit in? “Gee, that’s interesting.” “How do you see risk being managed?” “What service provides that?” So we’ve asked around that topic three times. Our ability to continue to nurture throughout this process is the key ingredient to getting to three plus, to asking a question three or more times.

In a very large negotiation in Korea, a CFO that I was coaching flew from California to Korea to confront and negotiate with a CEO of a Korean company. What was going on wasn’t making sense. This was an $80 million contract, and so we were very concerned about what was taking place and if we should even sign a contract with this company. And because of that concern, we had prepared four questions for the CEO, just four. And Bob, the CFO, the very first question, he ended up and he kept notes – which we’ll talk about a little later on – he kept notes that he had asked that first question nine times, and without getting a valid answer.

And on the ninth question, the CEO of the Korean company created the vision, “When we sign this contract and you sign the contract, then I’m not going to pay you and you can sue me in Korean court. And eight or nine years from now we can settle it.” Bob was flabbergasted. Of course we didn’t sign the contract. Of course we didn’t do business with that Korean company. And when Bob reported to the board of directors back in California on what had transpired, they could not believe what had happened. And Bob explained it to them and they just shook their heads. Three plus is a very powerful, very important tool to you that you’re going to be able to apply to your system.

Now, I want to take just a couple to really talk about connecting. We talked about it just briefly a few minutes ago as a nurturing move. But it’s also very important to allow that vision creation to keep going without us making statements or stepping into the vision.

For example, “I don’t see how this fits.” “Interesting. Tell me more.” “You always seem to come up with ideas that I don’t get, like, help me here.” Those connections, those nurturing statements will keep the adversary in their world talking about their vision.
So when you begin your negotiations, prepare your fuel to the system. Know the questions you want to ask and be prepared to ask them. And establish the goals, the behavioral goals of nurturing. Write it down on the paper. Write down that you’re going to reverse. Keep your questions to a minimum. Don’t pile on. Write down that you’re going to three plus. Put it in writing. Write down that you’re going to connect. You’ll be surprised how much calmness and comfort it will give you and how safe you’ll feel.

What I’d like to talk about now is the bad deal, the negative environment. And I’d like to talk about the behavioral tools that deliver that, shall we say, solution to the truly negative negotiation. Now, remember the rule, a body in motion tends to remain in motion, and a body at rest tends to remain at rest, until acted upon by an outside source? It’s the same thing with the human mind as it swings from emotion to intellect. Emotion to intellect. It’s a swinging pendulum. But it’s also a pendulum in an emotional arena when fear sets in, discomfort sets in. When frustration sets in. When those negative thoughts set into the negotiation of the adversary, they have to be dealt with.

Let me give you an example. Let’s pretend just for a moment that you failed. You failed. You didn’t deliver on time. You weren’t able to provide what was supposedly to be provided on Friday. It was important to your adversary. So you get that proverbial call that says, “I can’t believe you did this to me. You guys, I’m going to get rid of you. I’m going to throw you out. This is just not acceptable. You always seem to do this to me in the critical time.”

How do we deal with that negative engagement? How do we recover? How do we bring it back to a more reasonable state so that we can continue in our system and develop the visions that will drive the decisions where we’d like to go?

Well, it’s called a “strip line.” I learned this a long time ago from what I consider to be one of the greater negotiators on the planet. And he taught me that if we come back and profess in a positive way, if we push that we’ll make it up to you, we’re better than that and that it was just an honest mistake and we’ll fix it and we come back with some positive message, all we’re going to do is drive them to a more emotional negative position. This is what we call strip line. So when we enter into negotiation, we’ve already prepared strip lines that can be applied. We’ve literally thought them through and written them out. They sound something like this. “It probably appears worse than even you see it. What would you have us do?” Notice we made that very negative statement even more negative than them. And then followed with an interrogative to start to gather up their vision of a solution. May even be as bad as, “You probably should fire us.” “It appears to me this is not recoverable for us.” “What would you like us to do?” “How do you see it?” So again, you’ve constructed your interrogative prepared to follow that very negative statement.
Now let’s take the person that’s super-positive. This works the other way. “This is the greatest thing I’ve ever seen.” “This is going to be a winner.” “This is going to be a big hit.” “You know, I have the same vision you have, but I’m more cautious because we have a lot of work to do.” Now notice I’m positive, but I’m not as positive. And I’m pulling that positive position to the pendulum back more to center. There’s a lot to do, there’s a lot of work to do. So that we don’t have that over-emotional positive feeling that crashes on us in the middle of the night. So what we’re looking for is keeping that pendulum and helping influence the pendulum of the adversary, keep it more centered at a more reasonable place emotionally.

Very important tools. And we actually have in our system a light negative strip line, a light positive strip line. It just depends on the behavior and how we react to the action of the adversary and what’s been created.

What I’d like to talk about now is what we do to our self and our behaviors. How many of us have the habit of using the word need inappropriately? I know that sounds a little simple, but it’s so critical in our behaviors in our system. Where I’m going with this is if I ask you — and I’ve asked many audiences over 25 years — to define the word need, how would you define it? What would be your dictionary definition of the word need?

I can’t tell you the number of times I’ve asked the audience and someone in the audience says, “Well Jim, it’s simple. It’s something we want.” And lo and behold, someone will go, “No, no, it’s what we require. It’s something we have to have.” And very quickly discovery takes place, that it is something we have to have.

But what do we do? We program our mind daily and we create what we’ll talk about in neuroscience a little later on, a fixed mindset. And we’ve got to work on our fixed mindset. And I will explain that later. But right now, so what do we do? We use the word need. “I need to go by the post office.” “I need to call Bill.” “I need to be sure that I have stamps for those envelopes.” I need, I need, I need.

One of the things I want to talk to you about need and the importance of need is that actually my publisher in discussions with me has asked me if I wanted to write a book on just the word need. It’s such a dynamic piece of the puzzle of our behavior and how we think.

Think about someone who talks over someone else. And think about how that appears to others. How about when we leave long-winded messages showing excitement, getting enthusiastic, how do we appear to the predator? But you’ll see it all around you. So your assignment is to watch others as they demonstrate need, but more importantly I want you to watch yourself and how much need you demonstrate.
What we’re looking for here is we want you to show want. We want an agreement, we want a deal, but we don’t *need* a deal. Stop using the word *need* freely and flippantly in your lifestyle. I need to do this, I need to do that. Start thinking in terms of wanting. I want to accomplish this. I would like to accomplish that, if possible. It’s a whole different mindset.

Think about when we give someone the right to veto. How much need are we showing? That simple gesture will bring down the emotions in the adversary. That will back the predator off. It’s okay if you say no to this. By giving the right to veto, that’s demonstrating clearly a want to work together, not a need to.

I once had a person say to me, “Jim, I’ve got a contract for training right here in front of me, and it’s for $10,000 less than yours.” And I said, “You know, you probably should sign it.” Now we know, we talked about this, this is strip line. But think about it, “You probably should sign it.” How much need am I showing? It truly is a mindset of one. When you slow your voice, when you lower your voice, there’s no need. When you have no excitement, when you pull back from the excitement and say I’m not sure I want to get excited because there’s so much work ahead. What is the demonstration? What is the adversary envisioning of you? How are they reacting to your actions? Your reactions? So keep that in mind. Want, not need. It’s so important to you; it’ll carry you a long way down the road.

When I dig into the word *need* and I ask the audience about need, lo and behold something required. So then I ask, “Well what is required?” And everyone will kind of look around and they’ll say, “Well, uh, air. You got to have air.” Good. “Water. Food. Procreation.” We go through a litany of those items.

Air. I ask about air. What happens if we don’t have oxygen? I hear someone flippantly say, “Well, we’re in trouble.” Well, how much trouble? What happens if you don’t have oxygen? “Well, you have death.” Now think about that a moment. The three, four, five questions, we’ve gone from *need* not being a very important word to meaning if we don’t have something, we have death. And we’re programming our mind every day in this emotional arena.

So what happens when someone cancels an appointment? Do you get emotionally afraid? Are you fearful that this isn’t going to happen? What do we do? What do we demonstrate? How many of us demonstrate fear because we don’t have a system, we don’t know where to go? Need is absolutely a part of our behavior that we’ve got to stop demonstrating. Sit back in your chair; don’t lean forward. Speak slowly, comfortably. Don’t get excited and speak fast. The how we are seen by the other party, how we are seen by the adversary. If we give off the keys of blood in the water, need, that is we need to make this deal, how many of us leave multiple voicemails, voice messages full of information? How many of us spill our beans in the lobby hoping that they logically will pick up on something? These habits have to be changed. That’s what the system is all about. The behavior of demonstrating need can be your greatest weakness. We need to make a deal. We need to be right. We begin to start arguments. We tell quickly. We don’t slowly ask. All of these reactions in the environment alert the predator, the adversary, to go after us to drive for compromise.
Now let’s talk about the predator for a moment. I don’t want you to be fooled by terms like *partnership, relationship.* I don’t want you to be fearful of when they say, “We should throw you out.” There are a myriad of tactics out there being used against you every day to take advantage of a weak win/win compromise mindset. Predator. Let’s talk about that for a moment.

Why do our eyes face forward? Why do your eyes face forward? Then I would ask, Why do the tigers eyes face forward? We’re predators. The tiger is a predator. The tiger has large teeth to rip flesh. So do we. Human beings are the most terrible predators on the planet. Who do they attack? They go after the needy, the weak, the injured, the old. When we talk fast, with a high-pitched voice, with words close together, how do we appear? When we rush to an appointment, when we say, “Just give me 10 minutes; let me show you what I got.” What have you done to yourself? So this term *need* is very, very important to you.

So as we dig into the system even further, I want you to recognize that what we’re doing is we’re giving you those steps to take you out of that position, out of that fear position, into a confidence position and enhanced decision making.

Now the next area I’d like to talk about is agendas. Agenda is an activity goal that we want to make sure that we set. We also want to be aware that it’s also behavioral habit, and you’ll find that when we get into structure, it’s going to fit into structure.

Now there are two types of agendas. There’s the mini agenda and there’s the major agenda. For right now, we’re going to talk about the mini agenda and how it fits and how it applies and why it must be a habit. Agendas are made up of five possible sections. Only two are required. But there are possibly five sections.

The first one is a problem. Problem. Now a problem is anything we see – now notice this; please listen closely – it’s anything we see holding back our opportunity for success. Anything we see.

The second – and this one in the early going for you will be very important to you but will eventually fade in importance – and that’s our baggage. The history of what we bring to the negotiation. And the mini agenda arena, a sample of our baggage might be, “I hate to deal with this person. They always step on my words. They always try to take charge.” “They really never listen to me.” That’s an example of a historical “our baggage” when we know we’re going to approach someone.

The third point that may exist, may not exist, now they may not be problems and there may not be our baggage. The third is their baggage. This is the one area where I’m going to ask you to make an assumption and really think through your assumption. What history might exist that you’re aware of that they might have baggage? Have you ever made a proposal to them
before? Or ever approached them on a topic before that maybe they didn’t agree with and you have thoughts about that? Have they ever expressed negative thoughts to you in the past? Is there some possible baggage they may be carrying that may affect this negotiation as we work to set an agenda?

Now number four is a required item. What you want. What you want is required in a mini agenda. What you want is absolutely required. Now, think about this for a moment. We talked about the definition of negotiation, and we know that decisions are emotional, and we know they’re driven by vision. Now this is not a rule to the system, but this is something you should always check – does what you want include a decision from the other party? Almost always it should include a decision.

Now if we’re going to ask a decision of the other person, always, now this is a rule, you must have the behavioral habit of giving them permission to say no first. So it might sound something like this, “You can reject this. I’ll understand if you have to reject this, but I hope you’ll embrace that we can talk about this topic, that we can move from this topic to this topic. I think that will really help the conversation.” So we’ve set a mini agenda that they’re going to say, no; it’s okay; we can move to another topic. So we’ve actually gotten what we wanted.

What happens next is required. That is the fifth step in agenda. And it’s important to us because we have to negotiate and reach agreement on what’s going to happen next. So going back to what we just wanted, movement to another topic, and when we finish that topic, “I think it’ll be clear to you what I would like to see next as we move back to this topic. Is that fair?” So we negotiate that; that happens next. We negotiate that agenda.

Agendas of any type must be negotiated. We cannot expect someone to do something without having their agreement that they will do it if they see it. We can’t just move around without getting an agreement. We appear needy; we appear aggressive; and that’s exactly the wrong behaviors we’re looking for in the behaviors portion of our negotiation system.

In our behaviors, in that world of behaviors in our system. I want to talk to you about a concept that is extremely important to you. We’ve talked about nurturing; it’s a great weakness. One of the behavioral habits that we have to develop and we have to really, truly be cognizant of is how we appear. Again, we’ve mentioned that before, but there’s a tool I want you to think about. There’s a mindset. There’s a way to come across to others.

Now there’s a theory out there that goes back a ways, but it really creates a vision for us, and I think it will really open your eyes. And I want to start with a story.

Many, many years ago one of the great business leaders in Ohio’s history was a professor of marketing at an Ohio State University. To give you an idea of the scope of Professor Coleman’s impact, there’s a gentleman by the name of Les Wexner in Ohio. You all might know
who Les Wexner is. Les Wexner is the founder of the Limited stores. And over the course of his lifetime has done many, many things for our society. The Les Wexner Center for the Arts, I could go on and on. His greatest influence was Professor Coleman.

When world leaders wanted to talk about marketing or talk about business, they would call upon him. He worked for presidents of the United States. A man of great stature. He was also a partner of my father’s. And I remember when I started my small company in the late 70s he wanted to be a part of my company. He found it interesting that someone young like me would want to do that, and he found it to be fun.

He came into our building, one of the most distinguished learned gentlemen in the world, and I had my whole team assembled to greet him. And I remember he walked in, took off his coat, I addressed him as Professor Coleman. He said, “Jim, I’m Art. Come on. Please don’t, please don’t do that.” And he went through everyone on the staff and shook their hands and told everyone the same thing. “Please be comfortable with me. This is not a good start,” He said. He was doing what I call humanity. He was humanizing himself. He was putting himself on a level that he could communicate with children and walk with kings. You probably heard that statement before. He was not okay on purpose.

Now if you think about President Reagan, you think about President Clinton, you think about a lot of the great speakers, a lot of the greats that have a way of being human. And it’s very important that you, in your behavioral habits, that you develop your ways of being more human. One of the things I do, whenever I enter a negotiation, I loosen my tie and roll up my sleeves. That’s just one way to allow others to feel comfortable.

Now think about this for a moment: Why are soap operas so special? Why have they gone for years and years and years? Because people feel okay by seeing others less okay than themself. How many times have you seen an event where you wanted to reach out to someone. Maybe an older person walking, trying to get across the street in traffic, and you slow and help them. You want to help those who are human and have a different situation. So bear in mind your humanity.

I don’t care where you are in the world, every culture. I’ve been to Moscow for the supreme court of Russia three times for symposiums. I’ve been to China. I’ve been to the Middle East. I’ve been everywhere you can think of and meeting with people. I’ve never studied their cultures and pretended I knew their cultures. What I did do was every possible demonstration of respect while they taught me their cultures. I found that that not okay-ness enlists their help every time. I’ll begin very early on with a statement that I’m not very good at languages. My apologies, and I apologize greatly. I know that I’m going to make mistakes with your culture. Would you please help me? I don’t want to ever show disrespect to anyone. And you’d be shocked at how all the peoples of the world will help you. That’s what I call humanity, being human.
The next point in your behavior that I’d really like to throw out to you, and I learned this from the great coach Woody Hayes, Emerson teaches that you can never pay back; you can only pay forward. You can never pay back; you can only pay forward. Now the key to this whole concept here is no one can see us at any level other than we see ourself. One of the challenges in avoiding needless compromise is having the ability to stay within the system and stay disciplined and create vision. And we can build that by how we pay forward. We can build our self-image and literally plant our feet and get exactly what we want because we see ourself deserving it.

It’s very interesting; I work with a lot of very wonderful CEOs and business leaders. People of real success. And every single one of them are extremely focused on what they’ve accomplished and what they’ve done for others. It’s shocking when layoffs come, how my CEOs to the person suffer the emotional distress of letting down their employees, even if it’s an economy out of their control. So that self-image will drive your behaviors in the negotiation. The more you see yourself comfortable, the more you see yourself deserving, the more you see yourself giving by paying forward, the more you’re going to find the habits, the behaviors are going to come out in how you behave in the negotiating environment.

Let’s move into structure. Let’s move into the second part of our system, and let’s talk about the various compartments that have to be filled up.

When I was a child, I used to thrill going to the steel mill to watch my grandfather and uncles work in the mill there in Washington, Pennsylvania, Jessup Steel. And I remember as a youngster the mill was lined up in a straight line, long building, and at one end came in the raw materials, and I remember this big crane overhead, and it would move from compartment in the mill to compartment. And eventually, all the way down at the other end, it would move finished steel out of the mill into the trucking or railroad terminal there to move the steel off into the marketplace. And I always marveled at how that crane moved back and forth and the operator up there in the cab – I’m sure you get the picture.

Well, negotiations are structured exactly the same way. If you think back on the neuroscience of decisions and how decisions are made, they’re made emotionally with vision; then we know that vision is going to drive the negotiation. So in our first compartment the vision that’s created is where we write it down.

Now how do we create that vision? Well, remember, we ask questions. So compartment A is vision of pain or problem. It’s what our adversaries see that will drive this negotiation. If we don’t have that, the rest of the compartments have no value. In fact, that anchor, that ejection seat, that life raft, is where we will return time and time again to assure our success in the negotiation. Because if we can’t move through the rest of the negotiation, that’s the area we’re missing, that’s the area we’re lacking.
Now we talked about logic, and we talked about emotion and neuroscience. If you think about the number of times that you’ve gone into a negotiation with reams of data, stacks of information, PowerPoint slides, elaborate presentations, what have we created? We’ve attacked the emotional arena on the intellectual, logical side of the brain. We’re pushing logic again to manage or control the negotiation. But when we create vision and when we use our tools, our behaviors to create vision, we are able to develop that vision we call section A. Section A to our structure.

Now there’s some other critical key components here. When’s the last time you were in a negotiation where one single person could make the decision? So what must we do? We must uncover how the decisions will be made. And when we do, we have to go back and fill compartment A with everyone’s vision to be sure that we’re on the right track as we work to solve the vision problem, the pain.

Now there’s an interesting thing about compartment A. Compartment A will dramatically drive the rest of your system. It will open the doors required. Now this is not a rule, but I want you to think about this: you want to open a negotiation with someone and you think you’re at the right place in the organization. Here’s a hint: if you’re anywhere below the CEO, you’ve got a real challenge, because you’re putting yourself in a position where you may struggle to uncover the real vision of the problem. Why is that? Well, who has the vision is going to be critically important to you. And how that vision is developed is going to be critically important to you.

Years ago with one of the world’s industry giants, our team received an RFP, a request for proposal. And that request for proposal came from a vice president of purchasing. A person designed to limit our scope in uncovering the problems that we hope to solve that would drive the negotiation. That was their job. So my CEO said, “Jim, what do we do here?” Well, we have to negotiate and open this negotiation on many levels. It’s one thing to respond to the RFP with our vice president of sales, but how do you, Mr. CEO, respond to this critical RFP? And who in our organization should respond? Where does engineering fit in? Where does our service team fit in? How do we know the RFP is sound?

Because we have this structure in place and because we know what goes there and who has to participate, we were able to develop our compartment A across many levels of the organization. So we had over the course of a year and three months of negotiating more than 800 preparations. And we began with four levels. We began with engineering, we began with sales, we began with service, and we began at the CEO level. CEO to CEO, and we engaged them in four separate structures of negotiation. Now that’s what the system can do for you. It can literally line out each step of the way. But when you have compartment A and you have it flushed out, it becomes pretty easy to move to compartment B.

Now let’s talk about compartment B for a moment. Compartment B is budget. It’s the budget, the price of the negotiation. And now, believe me, on our side we have a price that’s paid and we’ll talk about that next. What’s more important is the price they’re going to pay.
What is the compartment made up of? Budget is made up of four areas. And not every negotiation has all four areas all the time. But, let me give you an example.

The first budgetary item is time. Now think about that for a moment, time. When you were a child, did you ever stare at the clock in school? I remember I did. At Indianola Junior High School in Columbus, Ohio, I used to stare at the clock, in the cafeteria the last period in study hall, and literally watch the seconds tick by, dragging by, waiting for the bell to ring. Time went slowly. Didn’t have much value to me. Now that I’m older, time flies by, and I don’t like to waste time. So it depends on the individual. So here’s what we do. We give it a value of 1x, one unknown, because each of us has a different picture of time.

Second component of budget is energy. Energy. Now I’ve been blessed my whole life with a lot of energy. And, so I kind of take it for granted. But you may have a different thought on energy. Energy is simply burning calories; I realize that. But the point I want to really help you discover here is that energy is a key ingredient when you compromise. Have you ever noticed in the very difficult labor negotiations that everything gets finished in the 11th hour? It’s who gets tired the quickest. I know one of the tactics and strategies of international travel is when someone travels from around the world, a lot of the win/win negotiators try to tire out the other party. The jet lag, heavy dinners, alcohol. You’ve probably experienced some of these. The drag on our energy that impacts our emotional decision making and causes us to weaken in our resolve. Has that been done to you? If so, how many times? But we give energy a value of 2x. Two unknowns.

Now, if you put 1x time and 2x energy and multiply them together, 2 times 1, of course, is 2. So that’s the value of the negotiation to that point. The more time, the more energy, the more value.

The third component of budget price to negotiation is money. Money. Now let’s talk about that. Money has different values to different people. I do realize that. And it is an unknown, so we give it a value of 3x. But now think about this, if they put in their time, if they put in their energy, and they’ve invested their resources, it has a value of 3x. So 3 times 2x is 6x. 2 times 1 is 2. 2 times 3 is 6. Now the growth becomes exponential.

Now, it’s kind of interesting when you think about it; I remember as a youngster, I carried newspapers, and I remember putting my time and my energy into those newspapers going out in the cold, collecting money, rain or snow, and saving my money, and I bought a bicycle with my money. I saved up and bought a bicycle. The value of that bicycle... that bicycle never sat out at night. That bicycle was never ridden by anybody else. And when it got a scratch on it, I agonized over it. I valued it. Same thing happens in negotiations.

Now, the fourth component is the critical component to budget, and that’s the emotional component. And it’s divided into two sections. One is fear of failure. When it appears failure is imminent, that’s a heavy price to pay. But just as heavy a price is the exhilaration of success just
around the corner. That emotional engagement we’ll put a value of 4x to it. So 1 times 2 is 2. Time and energy. 2 times 3 is 6. Money added to time and energy. 4 times 6 is 24 when you tie in the emotion. Now let’s take a look at both parts of emotion.

How many times have you been fearful that this just wasn’t going to be successful? That you were going to fail? The PICOS strategists do this every day. They plant the image and expectation of failure. Now, I want to be sure you realize that in our system we talk about the rule of no expectations, good or bad, ever. We don’t expect anything. We do everything in our power, everything in our power to have no expectation.

Now it’s very, very important: think about the times when someone said to you, “I don’t think this is going to fly. This price just isn’t going to work. This term is going to have to be changed or we’re not going to be able to do this.” So what’s happening to our expectation? What’s happening to our emotions? What’s happening to our decision-making process? Is it becoming flawed with fear?

And let’s go the other way. What about the disingenuous negotiation, “This looks great. This looks like this is really going to fly. I think I can get this through the committee. I think you can plan on signing this next Friday.” Now what’s happened to our expectations? Now what’s happened to our emotions? They’re through the roof. We’re ready to celebrate; we’re ready to break out the champagne. But then when we get the call on Friday that it looks like this just isn’t going to work, in fact, I’m not sure it’s recoverable. Now what happens to our decision making? We crash. And what do we do? We go to the team to gain compromise. We go get permission to lower our price, to change our terms, to compromise our offering.

All of this is driven because of our mindset. A compromise-based win/win, assumptive, logical mindset. Those things take advantage of us. So when we think in terms of budget, we have to be cognizant in our structure of Who is investing the time? Who is investing the energy? Who is responsible for the money? Who is the most emotional, either negatively or positively? We’ve got to keep track, and we actually plan and execute negotiations to increase the budget.

Let me give you an example. I was coaching a small laboratory in the Midwest a few years back. And this was a team of four executives that had their major contract with a French pharmaceutical chemical company. And this contract was critical to their long-term success. And we had planned for three or four months who to execute this negotiation in France with the French CEO of this conglomerate in Europe.

The date arrived, the team got on the airplane, purchased the tickets, flew to Paris. Now that’s a big investment for a company like this. Four people investing the time, the energy, the serious money, more than $20,000 in hotel and airline accommodations, and the emotions, no matter how hard we worked to have no expectation of this taking place. It’s just something very difficult to work with to not have those expectations.
The Power of NO by JIM CAMP

The team arrived, dinner, wine, tour of Paris. Good night sleep. Next day more tours. Tours of the factory. And the following day was scheduled to begin the discussions with the CEO.

Well, lo and behold, at 9:00 that evening before the next day’s discussions, the phone rang, and it was the assistant to the CEO, who was suddenly called out of Paris and had to travel in a difficult situation, with sincerest apologies, but, that the senior vice president had full authority to negotiate with them the next day. What do you do? What have they done? They’ve driven my team’s budget to the hilt. So what do you do? What would you do? Would you work with the senior vice president? What’s the problem?

We knew that the CEO’s vision of the problems to be solved were different than the senior vice president’s. And because of that, we weren’t comfortable with the decision process. And we knew they were driving our budget. So we thanked them very much, exercised our right to veto, and we renegotiated an agenda to meet in the next two or three weeks in America so that the French team could come to us.

It eventually worked out. We got everything we wanted. It was extremely well done, and the company moved on. But because of the structure, we were able to enhance our decision making and eventually get everything we wanted without putting ourselves at risk with unnecessary compromise. And we sure didn’t make the assumption that the senior vice president could make the decision.

Budget is driven by A, vision. It’s easy to fill a budget across the spectrum when you have the vision of the problems of everyone involved.

Now let’s talk about decision, and this is the most difficult section of our structure. This is C section of our structure, decision making.

We have a rule in the Camp System of Negotiation: never, never negotiate with the unqualified. How many times in your lifetime have you negotiated and given up all your precious information, even given compromise to the unqualified? Someone who couldn’t make a decision? It’s a terrible position to be put into. So it’s very important that we work hard across the spectrum using our behaviors to gain the vision of the entire decision process.

And one of the interesting steps as we move through negotiations is we’ll find ourselves uncovering new influencers and decision makers within the process. For example, a simple team of engineers, there may be one engineer who is more driven with more vision than, say, another engineer, and may become more critical in our decision process. Or there may be an engineer that’s hidden, that we don’t know about, and we try to work very diligently to uncover who that person is and to gain their A, their vision, of the problems as we see them.

It’s a very difficult task to uncover the decision process. But we have to do it. And we use our system to do it. We ask interrogative questions. How will this decision be reached?
Who will be involved? Three plus. Who would make this decision? And continue the negotiation, continually working to uncover the decision-making process of this organization. I can’t stress to you enough that until you’ve engaged as many people as possible in their decision-making process, it’s going to hamper you and fall short.

Now, in this decision process, you’re going to encounter “blockers.” We call them “blockers.” These are the unqualified. These are the people that can’t really make the decision. And we have to work very hard to work with the blockers. Now I know one of the fears out there is you don’t want to offend someone by going over their head. I’ve heard it 500 times. Well, we have the solution for that. Remember back in behaviors we talked about agenda. Let’s review agenda. Problems, our baggage, their baggage, what we want, what happens next.

So when we encounter a blocker, what does it call for? It calls for an agenda. Mr. Blocker, I have a real problem. The problem is, is that I can’t go back to my organization without speaking to your entire decision team. I’m just required. And if I don’t do that, they’re going to take it out of my hands. So what I would like for you is to take a look at what we’re proposing, and if you agree that what we’re proposing fits the problems as you’ve described them, is that you and I go together to the rest of your decision team. But I can’t give you proposals and ideas without that opportunity. It will be taken out of my hands.

So by setting that agenda, by negotiating an agenda, we’re able to deal with a blocker. So in your decision-making section in your structure, under C, this is where you identify the blockers, and that’s how you prepare to deal with a blocker.

I want to talk to you about a most important behavioral habit that has to be developed. And it’s a behavioral goal when you enter these difficult negotiations. And it’s what we call blank slate. And mastery of blank slate is critical to your success, along with all these other behaviors. Blank slate is the ability to practice and work to practice to silence your little voice, to silence your mind. You want to be completely reactive in the environment. You want to be completely calm of emotion.

I was talking to Mark Teixeira, one of the great baseball players of the New York Yankees. He and my son went to college together at Georgia Tech. And Mark came to a football game my son was playing in, and we were talking about hitting a baseball.

And I asked Mark, I said, “Mark, what’s the most important thing that you do with your mind when you’re batting?” “Well,” he said, “Mr. Camp, I don’t think about anything; I just try to relax and see the ball. I just try to put a good swing on a ball, but I have no thoughts in my mind. I just try to calm my mind and see the ball.” And it’s the same thing in negotiations. We want to be able to absorb. We want to be able to re-react, because that’s where we know our opportunities for us lie, is in that ability to blank slate. So it’s important to us. Extremely important to us that we develop the habit and master blank slate. We want to be re-reactive in the environment. So the next time someone’s talking to you, work to just listen.
Now I’m going to give you an activity, an activity that will really enhance your blank slating. If you’re not a note taker, if you believe that you can just listen to someone and remember everything they say, you’re fooling yourself. Please stop fooling yourself. Copious notes are a key ingredient to the system, because copious notes will help us quiet our mind and empower us to blank slate. And as we take copious notes, and as we’re writing down what’s being said, we’re able to formulate our next reaction.

So remember Tom Cruise and “too many minds”? We don’t want to be in that position in negotiation. We want blank slate. We want calm mind. Calm mind empowers all the other tools that allow us to nurture, reverse, three plus, connect, be not okay, deliver our questions in a calm voice. Work very, very hard to blank slate.

So let’s take a moment and let’s review. Let’s talk about the predator. Let’s talk about how we, as human beings, are programmed in our mind. We’re predators. We’re looking for the advantage. That’s why you have this program. That’s why you purchased it, seeking some advantage. So how do we deal with this? How do we appear in the environment? We want to appear effective, appear confident. We want to appear calm, collected, capable. That appearance and effectiveness is critical to us in the environment. Who do you want to negotiate with? Someone who’s all over the map and needy? Or someone who’s effective and solid?

So all of these behaviors – this first part of the system – are absolutely critical components to your success. Remember, nurturing could be our most important weakness. Pay attention to that. Our humanity is critically important. How we structure our questions, how many words are involved, how we deliver the question. Slow pace. Blank slate. What it does for us. The activity goal of taking notes to enhance our ability to blank slate. All of these things that we’ve talked about in our behaviors empower us in our system.

We’ll continue with more on structure in our next session.
You remember I talked to you earlier about the crane going through the steel mill. I hope you have a vision of what we’re talking about. You know, that crane can go backward and forward. We talked about mini agenda. The mini agenda is where we’re going to be able to move back and forward throughout our structure as we implement our system. Now let’s talk a little bit about the major agenda, which is compartment D of our system.

There’s a reason major agenda is put in place where it is. Remember, agendas must be negotiated. There must be an agreement between both parties of what’s going to take place. So, major agenda must be put in place prior to our ever providing a solution. So before we ever present our critical pieces to the solution, to the puzzle in the negotiation, we want to have a major agenda in place.

Now let’s talk about major agenda for a moment. There’s really no difference in what makes up a major agenda. There’s five parts; two are required.

One, problems. What are the problems we see in this negotiation? What are we addressing? Let me give you an example. You’ve uncovered all of the vision of pain in A, all the visual problems everyone sees. You’ve done a great job of that. You have absolutely a full budget from the adversary. You have all the decision process uncovered and vision collected from those decision makers. So now you’re about ready to present your solution. But, there’s a major problem. The solution is going to be much more difficult than they had hoped for. They have a poor vision of what it’s going to take to solve this problem. That’s a problem you’ve got to deal with. That’s a problem that has to go into an agenda and be dealt with before you spill all of your solution information in the presentation step, which we’ll talk about next.

Or maybe the solution is going to be much higher in cost than they anticipated. Or maybe the solution is going to have much more risk than they had hoped to take. But any problem you see that could interfere with a successful conclusion is a problem you have to work with. It’s a problem you have to present in this negotiation, and you must negotiate it out. You must negotiate their agreement that they see the problem and they acknowledge it.

Now our baggage, it’s what we carry into the negotiation. If we have a history of experience with this adversary, there may be some baggage involved. So we want to be sure that if we can’t dump that baggage, then we want to present it, and it becomes a problem. Notice it actually transitions from step two up to step one and becomes a problem to be dealt with. For example, let’s say that our baggage is that they were slow payers in the last contact. And that’s not acceptable this time. Well, that could be a real problem. So we want to transition that up to the problem and deal with it. Their baggage, the only time in the system that we talk about, allowing you to make assumptions, that is step number three. And if there’s a history, again, and we can assume that it might repeat itself, that could be a problem. Now, normally we try to dump any baggage and not deal with it at all. But if we can’t get rid of this and can’t dump it, it moves to number one and becomes a problem.
Now what we want is our fourth step. And this is a required piece to the agenda. There may not be problems, there may not be baggage, there may not be any assumptions on our part, but we must know what we want. We must do step four. And we must clearly explain what we want.

Now remember, we talked earlier about a decision. So we almost always want to put… give them permission to reject what we’re about to present. Of course we hope they’ll embrace, but we want to be sure they’re comfortable knowing they can reject. And all we ask is, is a discussion if there’s a rejection; all we ask is an in-depth discussion on where we fell short.

Step five, of course, is what happens next. And it could be that in-depth discussion we just talked about. That could be what happens next. Or it could be if they embrace what we recommend, then we schedule the next steps to be sure that that gets implemented. But the key is, is that major agenda must be put in position before we ever present our valuable information, and it must be negotiated.

Now I want to be sure that you have your arms around this, in the “what we want” area. They may say to you, “Look, we need three days… we need five days… we need two weeks to make this decision.” And if that’s the case and you agree to it, that’s fine. But bear in mind you must three plus this agenda, that that decision will be made in three weeks, and you’ll ask that question three times. And in the what the next step is, you’ll actual nail down the day and time to receive the decision. You’ll actually nail down the date and time when you receive their rejection or their acceptance of what you’re proposing. Remember, step four, D, is major agenda, and it must always be in place prior to going to step E, presentation.

So let’s talk about presentation. Goodness knows you’ve been doing that your whole business career, and you’re learning how to do PowerPoints and you’re learning how to put all these fancy presentations together, and that’s all great. But I’ve got a couple things for you I want you to think about. The greatest presentation you’ll ever give, they’ll never see. Now let me say that again. I know that’s kind of crazy, but the greatest presentation you’ll ever participate in is one they’ll never see.

Let me tell you a story. This was a $220 million capital equipment contract with one of the largest adversaries in that arena in the world. This was a negotiation to remove the incumbent capital equipment supplier from the floors of this industry giant and replace them with my client’s equipment. When I say to you the greatest presentation you’ll ever give they’ll never see, is we actually negotiated with the chief operating officer of this industry giant. We had so much vision of problems and pain that we negotiated an agenda that we would not even attend the presentation. We would sit outside. And he, this chief operating officer of the adversary, would make the presentation of our solutions to his committee himself. So actually, they made the presentation to themselves. It was an amazing, amazing event. My client got full price for their capital equipment, and we didn’t even make the presentation.
Now just yesterday I negotiated an agenda with an organization where the chairman of
the board made a presentation to his board of directors of enrolling all of his organization in the
Camp Institute of Negotiation. So they literally presented to themselves our information.

Now, how do you do that? How do you get such agreements that enable you to, shall we
say, give you every opportunity for presentation success? Here’s the key. The key is A, the
vision of the problems, the vision of the pain. If you’ve done a great job in A, it’s easy to
negotiate such agendas. But, more importantly, how do you stop them from seeing a
presentation? How do you stop them from doing that? If you’re in their world, if you’re dealing
with their vision, and you have prioritized those and negotiated with them that, here’s the biggest
problem, one. Number two problem. Number three. Number four. And you’ve laid those out in
proper order, and you three plus that with a decision process, you will find that when you begin
to present to one, when you present concisely to two, you present concisely to three, you present
to four, you’re in their world, they won’t see your presentation. That’s presentation step, and
that’s really all I have for you in presentation.

So let’s move to the final step. Let’s move to the step that allows us to tie multiple
engagements together. Picture a nautilus shell. It circles; it seems to go forever. Negotiations can
absolutely appear that way also. They can almost appear in a sphere. And how do we get those
connections, that chain started so we become all-encompassing? That’s where we call upon our
prep end step. The prep end step allows us to prepare for the next negotiation, negotiate the mini
agenda that moves us into the next negotiations, or allows us to transition to end the negotiation.
The key here is, is this is your connection, your bridge, to other negotiations.

Now, for example, do you remember I talked earlier about the CEO, the head of
engineering, the head of services, and the head of sales engaging on this request for a proposal.
That’s four different negotiations. We have four different structures feeding one large structure.
How do we connect them? We connect it with the prep end step through a mini agenda.

So, for example, at the end of the CEO negotiation, all we wanted from that negotiation
was directions on how best to work with the board of directors. If that’s what we wanted, and
their eight boards of directors, we now have a prep end step to eight new negotiations to eight
new miniature structures. So D and E, the final two compartments, presentation and prep end,
that’s our transition into the next negotiation, or it ends negotiation. But I’d like you to get your
arms around that. That’s where you’re going to connect to the next negotiation, in that prep end
step.

Now I want to take you back to behaviors for a moment and mini agenda. When we
structure that agenda, we build good, solid interrogative questions; we set our behavior goals of
three plus, nurture, reverse connect; we use all those tools as we advance the negotiation through
the structure. I want to be sure you see this, so let me do a recap. Let’s be sure you have the
vision, the structure, the compartments. Remember I talked about the crane moving back and forth. You’re going to move back and forth for your structure of negotiation. You’re going to be able to go from front to back, back to front. Remember, you’re going to use your mini agenda to negotiate going back and going forward. So keep that in mind.

You’re going to approach that structure just like that steel mill. Remember the crane. I talked about the crane. As compartments in the mill needed to be filled for the mill’s running and the mill’s success, your compartments are going to be filled, and you’re going to move back and forth through your structure to fill those compartments. If one of those compartments aren’t full, it’s going to give you a warning, impending problems. Success is driven by the more you work to fill those compartments. Use your mini agenda just like the crane in the mill. You move through the compartments, be sure they’re full.

Now let’s talk about A. I just want to be sure that you have a vision of the importance, the dynamics of A. A is their vision, their world, their pain. It’s the place where you are always safe. You’re going to find that the moment you transition into your world and start talking about what you’re doing, what you’re delivering, what you want to talk about, you’re going to lose that safety. So you always want to transition to A & B in their world.

Remember, then, tools you’re going to use are all of your behaviors we’ve talked about. That life raft, that ejection seat, that driving force in the negotiation, their vision, that’s where they’re going to make their decisions. That’s going to have to be in place. So that’s compartment A. Then we talked about budget and the importance of building the budget, the time, the energy, the money, the emotion. Remember we talked about how we make decisions and the more budget involved in negotiation, the clearer the vision’s going to be. And vice versa. The clearer the vision, the more we can magnify the budget. All in the name of decision making.

C, the third compartment, we cannot present our critical information. We can’t spill our beans to the unqualified. We have to work very hard to dig into the decision process. Again, a lot of mini agendas moving through the decision process, gathering up all of those individuals, all of their vision, and keeping track of that. That goes in our structure.

D, major agenda. Must be in place prior to spilling our information.

E, presentation. We must work to give a presentation they don’t see. Remember, the key to doing that is being able to prioritize all those visions.

And then, lastly, in the last compartment, the prep end step. It’s very, very important that we realize we negotiate the bridge to the next negotiation structure. That’s how you tie your negotiations in to multiple, multiple negotiations.
That structure provides you the step-by-step roadmap to your success in negotiations.

I mentioned early in the program that we were going to blend neuroscience in here just to help you discover that these things are scientific in nature and important that you be able to get your arms around this.

In neuroscience, the neuroscientists talk about growth mindset and fixed mindset. And many times we get ourselves locked in to a mindset and don’t even understand it or realize it. I’d like to tell you a story. A long time ago, as a young man, I was flying jets, and I was thinking in terms of maneuvering the aircraft as a tactic. And one of my flight instructors said to me, “Camp, you’re thinking tactically. You can’t think tactically; you’ve got to think with principle. You’ve got to work with principle. Principle defeats tactic every single time. If you’re thinking tactic, tactic is something that people can take advantage of with principle.”

So what we’re talking about today and our system of negotiation is all a series of principles. This is not tactical. For example, as a young man, when I was selling those water softeners we talked about early in the program, I actually was so mad at my failure that I went out and demanded people tell me no. I did it in a nice way, but when I first did that and had that success, I thought I was pretty slick. I thought I’d come up with a tactic. I thought I really was on top of it.

But it wasn’t until I really discovered the right to veto and that definition from the Oxford Dictionary, people have the right to say no, I discovered it’s a foundation principle of what we’re doing. And it served me well as a principle ever since.

So what I’m asking you to think about is tactic versus principle. Don’t fall into a trap as you listen to this program, as you try some of these things, have some success; don’t pat yourself on the back. Don’t celebrate that you’re double, triple reverse or your Statue of Liberty play, what we call in football, that tactic, that trick is a principle. It’s not. It’s not something you can count on. Delve into this. Dig into the material. Become a student of the principles, of the rules, the laws of human behavior, and how agreements are really made. You’ll find that as long as you’re principled, there’s not a PICOS tactic or a win/win tactic or any of those tricks that people pull up on you, or that you read about in books from gurus who claim they’ve got the tactics and tricks to give you the advantage. Don’t fall into that trap. Study the principles.

As I study the great thinkers, and I’m currently studying George Washington, Washington was a purpose-driven person. And he worked very hard at creating vision for his troops, including leading them into battle, including him helping them discover the value of their sacrifice to bring the country about, to bring the United States of America into being. Those are all principles. All the great ones were principle-driven. They’re not tricksters or tactics. It’s principle. Principle always defeats tactic. Please keep that in mind.
Let me give you an example of what I’m talking about when I talk about tactic versus principle. We face tactics every day in the world of negotiation. PICOS negotiators – and we will talk about PICOS in detail in the program – but they’re tactic-driven. For example, one of their tactics is to attack the other party, to call them a poor partner, a weak partner, an arrogant partner. And they’ll accuse you of destroying the relationship. And they’ll push their tactics to drive your emotions to create fear to bring about compromise.

One such situation took place with one of the world’s largest computer manufacturers who has to remain nameless. But they told my client that they were being replaced; they were being thrown out. And it was simply because my client wouldn’t give the price decreases that they demanded.

Now, when I say that principle defeats tactic, let me explain. We know that decisions are 100% emotional, driven by vision. And the purchasing person pushing that sales team of my client demanded the price reduction or they were going to be thrown out. Now remember in a system we talked about negotiating with the qualified. Well, who’s responsible for the decisions in the organization in the adversary? In this case, it was the fab managers who held all the responsibility for financial production, and the P&L, the profit and loss statement for that factory. So who should we be negotiating with?

Now we knew that our product was superior; we knew that our delivery record was impeccable. We knew that if we didn’t get a price increase it was going to be very difficult to function in the environment and to continue the level of service and research and development required to keep our customer, the adversary, at the front of the game. So we opened negotiations across the spectrum with 12 factories, and explained to them and helped them discover that we were unfortunately being removed. We couldn’t help it, purchasing had demanded a price decrease, and it was unfortunate, but we couldn’t continue to supply the products and services and advance the technology without the R&D dollars. So we actually need a 7% price increase. Purchasing was demanding an 8% price reduction, and we knew we needed 7% price increase.

So their tactics of accusing us of being a bad partner, destroying the relationship, was disingenuous at best. We knew principally that if we drove the vision of failure and in our decision-making process, and we did, the outcome was assured. Our principle negotiation system defeated those tactics. We got our price increase. That’s a 15% swing from what they demanded. That’s an example for you of principle defeating tactic.

I want to talk about some tactics that are used against you out there. Now these are well thought through, and what I’m going to talk about is so prevalent that it’s actually destroyed industry in America and in other parts of the world. This whole strategy that I’m going to talk to you about takes dramatic advantage of win/win negotiators. So let’s talk about it. It’s called the Program for the Improvement and Cost Optimization of Suppliers: PICOS.
Now let me give you a view of the overall strategy. The overall strategy of PICOS is to get immediate price reductions. Please remember two-thirds of our European profit was generated by price reductions we got from our suppliers. Second, secure long-term price reductions from all suppliers. Third, sort out the first- and second-tier suppliers. Only single source with significant price reductions 18 to 40% that are firmly backed and tied into fixed-price long-term contracts. How’s that for a strategy?

Now let me tell you exactly what’s wrong with the PICOS strategy. Let’s talk about the tactical overview. It says establish well-qualified, well-trained, and articulate purchasing clones in all business units to implement the following practices: Plan extensive supplier price reductions for each model. Send out inquiries around the world in search of the lowest unit price. Establish short- and long-term price reduction targets and go very low. Know your potential winning suppliers and their competitors inside and out, long before you begin to negotiate, and play first- and second-tier suppliers against each other. Always use these underlying themes.

Identify and prey on the enemy as our competitive companies, not us. Understand the balance of power between each supplier. Keep taking the temperature with vendor ratings and supplier council meetings. Offer exaggerated growth and future order quantities as bonuses. Start working with the likely winning suppliers as early as possible on price reductions that are termed cost-reduction improvements. Before awarding the deals, establish long-term contracts as the ultimate goal. Establish the long-term contract rules. Establish the non-price factors like tooling cost and R&D are not allowed.

Resist any suggestion that supplier costs are not controllable. For example, raw materials, we don’t give price increases because of their raw materials. Focus all activities on dramatically and immediately reducing the unit price. Tie up the short-term unit price. Nibble away at the price and terms even at the midnight hour. Always appear to be in a desperate hurry, but never in reality take as much time as needed. Pull the long-term deal out of the cupboard. Always, always intensely squeeze more out. Get the supplier to sign.

Managing the chosen suppliers. Introduce suppliers to our corporate commodity councils. They’ve got to believe that what they bring to us is a commodity. Totally involve each supplier’s top and upper management. Get commitments that the supplier’s middle management would never make. Request that each supplier provide you with detailed information on the cost profit structure of the products it currently or proposes to sell us. Don’t be afraid to ask for their financials. Don’t accept raw material indexes as cost information when a supplier proposes a price increase. Get the cost profit information. Establish a friend/buddy relationship with middle- and low-level supplier people to pass cost profit and competitive information to us. Turn them into our agents. Be prepared indirectly and under pressure to bluff and lie. Destabilize each supplier’s people with many urgent meetings and many demands for more and in-depth information. Set new deadlines for suppliers to meet, but defer decisions to increase their anxiety.
That’s the outline of PICOS. How many different ways can they drive your budget if you have a win/win mindset? If you have a compromise-based mindset, you’re in trouble.

Now how do we tie this to neuroscience? All of these tactics, all of this strategy, is designed to take advantage of a win/win compromise mindset. If you believe that decisions are made logically, if you believe that compromise is required in negotiation, and if you have that mindset, you have real problems against this strategy. The fear will be overwhelming. You have no control, no chance of aligning a team with such a mindset. The fear will run rampant. People will be unwitting agents. Your own people will literally argue for the adversary and these engagements.

Now, neuroscience tells us that the most critical piece to the puzzle of mindset is growth mindset. Now, what that means is that we recognize consciously that the human mind has a tendency to trap itself in a fixed mindset. So, if our mindset is fixed, that the only way to negotiate is with win/win and compromise, we don’t stand a chance against those strategies. That’s what you’re witnessing out in the field.

The world has spent millions, if not tens of millions of dollars, in training PICOS negotiators to take advantage of win/win and compromise. It’s very interesting; there are organizations that will spend 30 and 40 days in training, full days, to be able to master these tactics. So when someone uses the word *commodity*, if your mindset is that you are bringing forward a commodity, I don’t care what it is, then you’re locked in a fixed mindset that’s really going to hurt you in negotiations. If you are not aware that their bluffing and lying is part of what they’re doing, then you’re in a weak position.

Let’s talk about what you’re up against: PICOS, the Program for Improving Cost Optimization and Suppliers. And what’s interesting, if you take the word *commodity*, what does that word mean to you? What is a commodity? Or take the word *partner*. What is a partner? Or take the word *relationship*. What is a relationship?

When you look at those words and you go into dictionary, a commodity to me is corn or wheat or soybeans or hog bellies. A relationship to me means some things work together somehow, but without a family relationship, without a word in front of it, it doesn’t register with me. So what’s going on? What’s taking place? What’s happening here?

Well, what’s happening is that, the mindset – and a neuroscientist teaches that we have a tendency as human beings, our brains lock themselves into a mindset. It’s a fixed mindset. And that fixed mindset becomes the holy grail of how we think and how we check our decisions that are emotional. So think about it in terms of this, when we have a fixed mindset that compromise is required in negotiation, we open a whole can of weak worms that cost us a fortune.

We’ve been talking about PICOS, and we’ve been talking about tactics and principle and how principle overtakes tactic. I want you to think about an insidious tactic that’s actually perceived as a principle.
How many of you understand the term BATNA. Best Alternative Negotiated Agreement. The fallback, the key to preparation for negotiation. Now I want you to think about this for a moment. Decisions are made emotionally, 100% with vision. Logic has nothing to do with it. I want to give you the concept of theory of mind. It’s a neurological term, neuroscientific term, theory of mind. That’s the greatest weakness in the human mind, and I believe we talked about it a little earlier. And that’s where we think we know what someone else is going to do or say.

I coached a negotiation last week that I want to share with you. We talk about this concept or this scientific theory of mind, this neuroscientific term for how the brain tries to predict exactly what others are thinking and what they’ll say. And it dawned on me as a young man; I watched Henry Kissinger do this in the Vietnam War when he predicted that the North Vietnamese would come to the bargaining table and they would think better of us if we gave them a bombing halt during some of the holidays. And I think back on that and I lived that, and he couldn’t any better predict what Ho Chi Minh was going to do than I could. So this theory of mind is really a dangerous animal.

Now in this coaching session I had one of my very best clients – I had five people in the room, one head of HR, and four attorneys. Three of the attorneys I’d never coached or worked with, and we were thrown into this negotiation for this termination of an employee, a high-level employee, involving a severance package. And I have to tell you I observed theory of mind firsthand. Everybody had an opinion. We spent one hour listening to what people thought would happen, what they thought could happen, what they thought the other party would do. All these assumptions, all these crystal-ball moves. And then, when it came time to decide to prepare for the negotiation, lo and behold, the compromises came out. Well I think we ought to offer this, because I think they’re going to do that. And I think this should be our fallback position.

And I went through this for about an hour. Finally, the attorney I’d worked with many times said, “Hey, team, let’s prepare properly. Coach, go ahead now; let’s get our preparation in place.” And we’ll talk about that preparation later. But that gives you a concept of theory of mind. And the dangers of theory of mind. And I experience it every day. Please keep that in mind.

Now think about BATNA, and think about how many times you might have sat around and be facing a negotiation and wondered, Gee, I wonder what I have to give up to get this deal? I’ve literally been in negotiations preparations with teams when I first began working with a team and they would sit around deciding how much they should give up.

Now think about theory of mind. We have mindset, fixed mindset, growth mindset, neuroscience teaches about, and it also teaches about theory of mind. Compromise is not even a tactic in negotiation, let alone a principle. It’s just a choice; it’s a decision, and a weak one at best.
So as I go through and deliver this program to you in the power of no, I want you to take a hard look at what neuroscience is doing to change the world of negotiation.

How many of you succumb or fall to artificial deadlines? Remember we talked about budget earlier; how many of you fall for artificial deadlines? Or someone sets a deadline, what are they trying to drive? They’re trying to drive your emotions into a fearful state so that you’ll compromise, or so that you’ll deliver your compromises early so they can demand more compromise. That’s what you’re up against. There are strategies out there doing it.

I’ll never forget one of the industry giants telling my client that if the proposal wasn’t delivered with an 8% discount by Friday at noon, we would be kicked out of the negotiation and the effort to win the business. Now think about that a moment. We have the right to veto. We didn’t agree to that agenda. In fact we did reject that agenda. Did we get kicked out? No. Actually we got the deal at full price, the one we proposed the week later. We didn’t have enough information.

So when you think of terms of BATNA, when you think in terms of fallback positions, what are you doing? Check yourself. Are you living in a fixed mindset? Is your theory of mind taking over for you? That you know what’s going to happen? Grab ahold of the principles, embrace them, and realize that there is power in no.

I want to tell you a true story about BATNA. An organization I was coaching was trying to penetrate the Korean market with capital equipment. And the chairman of the board asked me to travel to a board meeting because he had something very important that he needed help with. His senior vice president of Asia was bringing his team back from Asia to talk about penetrating the Korean market and was going to be making a presentation to try to convince the board of directors that in order to penetrate the Korean market, they needed to give – make a gift and give – $80 million in capital equipment to a Korean company. I was surprised to say the least and went to the meeting.

Lo and behold, one by one, they stood up and presented their ideas of penetrating the Korean market to the board of directors and to giving $80 million in capital equipment to a Korean company. I was shocked. And here’s what they said. “This is our very best fallback position. We’re convinced and our Korean partners” — notice the term partners — “are convinced that in order to penetrate the Korean culture, a gift is always required. And that the gift required of us would be $80 million in capital equipment.” Now that’s a perfect example of how it takes advantage of a fallback position. Their fixed mindset was a win/win compromise-based mindset, and their only hope was to give away $80 million in capital equipment.
Well, that didn’t really work that way. We began coaching that day and began creating vision for the Koreans of just what that capital equipment would deliver. We sold that equipment to the Koreans at full price. But that’s a perfect example of what PICOS tactics and a fixed mindset based on compromise and win/win can do to the organization. So if you’re preparing BATNAs, if you’re assuming that you know what someone else will do so you’re compromising your precious offering, your resources, your dollars because you think that’s sound preparation, you’re really, truly hurting yourself and leaving massive amounts of money on the table.

So let’s talk about the principle that we just talked about in the example, the principles that were involved, and we can name a few very quickly. The American team that was assigned to the Asian theater who brought this to us had no concept of the right to veto. They had no idea that they could say no to the Korean organization making such demands upon them. Their mindset was completely locked in compromise and win/win, and it was a very weak position to be in. But they had no concept of the principle of saying no.

You ask yourself the question, Why was that capital equipment so important to the Korean team? Why was that capital equipment so important to the Korean adversary? If they could get it for free, that’s amazing. But why did they want the equipment? Now the American team dealing with the Korean company absolutely believed that this was a logical decision by the Koreans. And they were going to make the logical decision to give this equipment in good faith. And all the business that would flow from that, that’s where they would recover the profits. They were completely lost on the concept of the principle of vision driving decision.

BATNA is an amazing thing. It’s such a weak tactic in negotiations, it just boggles the mind.

I’ve got a story I’ve got to tell you. I was visiting a very large company, and I was being introduced to many of the high-level executives, and I really enjoyed my visit. And as we walked by one large office, there was a gentleman there working at a whiteboard. And I want you to really think about this, just think about this. I was introduced, and he had a whiteboard. And on the left-hand side of the whiteboard, he had dates. And at the top of the board, he had $18 million written on the board. And then you go down to the next date below, and he drew a line out, and his first compromise, his first fallback position, was $17.2 million. And so the board continued, and he had mapped out 25 compromises, and as long as the other side kept pushing back, he had a fallback position. And I asked him, I said, “Wow, that’s very interesting. What are you doing?”

He said, “Oh, this is how we prepare our BATNAs. This is how we prepare our fallback positions. Now we know that a product, our services, the whole package, the number we really want is $18 million. That’s a real number for us. It’s not inflated. But what we do is then we prepare our fallback so that we don’t upset the customer and hurt the relationship. We don’t ever
want to appear to be antagonistic or aggressive. We want to be logical about this and have a logical progression of compromises and BATNAs so that at the end they really like us.” And I found that very interesting. A $4 million series of compromises so they’ll like you and really like you in the end.

And I think about this, and I want to share with you some thoughts. One, let’s talk about theory of mind. Theory of mind is where the mind struggles to know what the other side’s going to do. It’s one of our greatest failings, one of our greatest weaknesses, what the other side’s going to say. How many times have you been at a party or how many times have you been engaged socially and someone says, “Don’t say anymore. I know what you’re thinking; I know what you’re going to say.” How many times has that happened to you?

So we sit down and we think we know, and this is all part of the human makeup, scientific brain studies tell us that this is a weakness. We don’t have a crystal ball. But then think of the terms of decision making. We’re approaching those BATNAs logically. But we don’t make our decisions logically; we make them emotionally with vision. So how would we make a decision to compromise without even knowing the vision of the other party? We do it out of fear. We make an emotional decision driven by fear. Of hurting the relationship, destroying the business opportunity, of not getting the business opportunity because we think decisions are made logically, we think that logic is involved in decision making, and the only tools we have are win/win compromise and assumptions. All that works against the new neuroscientists today. The changes are so dramatic in what’s going on in the world of negotiation, it won’t be long that no one will be standing at a board playing the BATNA game. They’re going to be starting preparing properly – which we’ll talk about later in this program – perfect preparation.

But right now I just want you to get your arms around what happens when we have a fixed mindset. We’ve got to train our mind to grow. Growth mindset. We’ve got to be open. And what we also have to do is be very aware that that theory of mind can really hurt us. If we think we know what someone else is going to do and we think we’re logical, we’re leaving money on the table. Millions of dollars. And that’s what you’re up against. PICOS, a whole strategy to take advantage of you, to plant words, to create fear. It’s all there. BATNA, the fallback position.

I once exchanged with a professor on the Internet a discussion about BATNA. And the professor actually said to me, “How in the world can you prepare for negotiation if you don’t have fallback positions so that you can finally get to some solution so you get something out of the negotiation?” And I was absolutely astounded. When I asked the question, Why should I settle for something? Why don’t I work for exactly what I want? Why don’t I create vision of all that I deliver in the negotiation, knowing that vision will drive their decision, knowing emotional vision will be what will decide the outcome? His response back to me was, “Decisions aren’t emotional. In the business world they’re driven by logic.” Absolutely wrong. Pay close attention. Become a student. It’ll pay you dividends.
So let’s just wrap up here some of these concepts we’ve been talking about. Principle overcomes tactics. Be aware that there are tactics out there that are driving your emotions. Because you don’t have a system, because you don’t have a step-by-step process based on principle, those tactics are causing you to leave great amounts of money on the table and out of the game. For example, pay close attention to people setting false deadlines. Pay close attention to disingenuous words like commodity and partnership, relationship. Pay attention to threats. Why would they threaten you? Only to drive your compromise. Be aware of their strategies. People out there learning strategies to take advantage of a compromise, assumption-based mindset.

And remember, BATNA is absolutely the weakest position you can operate from. It really, truly reinforces a weak fixed mindset. We want to move to a growth mindset. So keep that in mind as you move forward though this program.
It’s very important that I give you the secret to the Camp System of Negotiation and the actual foundation anchor for everything we do in our negotiations system.

All of you are aware and remember Thomas Edison and his great contributions to society. And I want to tell you a story about Thomas Edison and the light bulb. For the last 25 years I’ve asked a question of audiences literally all over the world: Who invented the light bulb? And just about everyone that responded in the audience would say, “Well, Thomas Edison, of course.”

Well, it’s interesting. Thomas Edison didn’t invent the light bulb. He refined it and improved it with his team. What he actually did was he purchased the rights to the light bulb from a Scotsman, who he then hired to come on to his team to continue the research and development of the light bulb. So I ask the question, Why did Thomas Edison buy the light bulb? And invariably the audience would respond, “Well, he wanted to sell light bulbs.” Well, wait a minute. There was no electrical industry at the time. It was just experiments here and there. So why did Thomas Edison buy the light bulb? What drove him to make that decision?

Peter Drucker, in his great work, wrote a book called *Innovation and Entrepreneurship*. And in there he talks about Edison’s mission and purpose. Now, when I began coaching, I started really studying mission and purpose and, of course, I needed a definition. So I want to share with you a definition of *mission and purpose*, and this really is the most powerful concept I’m ever going to help you try to discover. It’s the long-term aim – it’s defined in a dictionary as long-term aim – continuing task and responsibility of an individual, an institution, or an organization. Edison’s mission and purpose was defined as to bring electrical appliances and electrical energy to the world. That was his mission. That was his purpose.

Now there are some keys to mission and purpose that may kind of surprise you. If I were to ask you, what is your mission and purpose with this CD program you’ve purchased? What is your mission and purpose here? You may come back and respond to me with “I want” or “I would like,” because that’s a common answer I find in questioning audiences for the last 25 years. Because we want to always focus on ourself. But in this case, mission and purpose is always – and it’s a rule – is always provided in the adversary’s world to their benefit with no benefit, money, or influence, or power to us. I want to say that again. This is a rule: a valid mission and purpose can only be written in the adversary’s world – remember, respected opponent – to their benefit. Nothing in return to us.

Now we’re going to talk about preparation later on, and you’re going to find there’s a place for what you want. Absolutely. But for right now, I want you to clear your mind and think through with me. Edison’s mission and purpose was to bring electrical energy and appliances to the world. He saw the value of all of it. So what drove his decisions as he brought this forward? Well, his vision of what he wanted to deliver to the world drove his decision to get the light bulb involved. He believed that the world would see the benefits of electrical energy quickly through the light bulb.
So here’s what he did. He invested his own dollars and built dynamos in New York City – actually built dynamos to develop electrical energy. He paid for and wired a full city block of New York and hooked his dynamos up to that full city block of New York. And then, once the light bulb was effective enough and developed enough, he turned on that city block and he created a vision for the world of what electrical energy could do, all driven by his mission and purpose. Hundreds of thousands, maybe millions of dollars were invested, difficult decisions were made, all driven by his mission and purpose.

Now you know that what came out of that mission and purpose was General Electric. You know, we bring good things to life. That’s the legacy Thomas Edison left with mission and purpose.

But let’s dig into this a little further and do some grandiose thought-provoking things here, and let’s talk about Winston Churchill. I’ve studied Winston Churchill heavily. What was Winston Churchill’s mission and purpose when the war began with Germany? His mission and purpose was to save the free world. Think of the decisions that were made. Think of the decisions that were difficult. Do we invade Europe? Do we invade Africa? How many troops will we need? How would we build the alliances required? That mission and purpose, that vision of saving the free world from tyranny and the black, if you will, the black ugly horror of Nazi Germany, think of the decisions that were taking place with Winston Churchill. What was his mission and purpose in giving his speeches on the BBC? I have a set of those recordings that I bought in London, and you can hear his mission and purpose ring true in those speeches. Maybe you remember the one, “We’ll fight them on the beaches, we’ll fight them on the landing grounds, we’ll fight them in the fields.” He created vision for all the listeners to share his mission and purpose.

Lincoln at Gettysburg and a very few words eloquently gave our country a mission and purpose that would eventually bring the country back together. It would also change the way we looked at government from that day forward – driven by mission and purpose.

Horace Greeley, once a publisher of the newspaper in New York, loved to attack Lincoln and wanted to know Lincoln’s purpose, and this letter’s well published. And Lincoln responded with, “If you would ask my intent, my purpose, it would be to unite the union. If I could do that by freeing the slaves, I would. If I could do that without freeing the slaves, I would. Any decision I would make would be to unite the union. That’s my purpose.”

So, mission and purpose drives our decisions and how we make our decisions with our vision. It gives us a path. Now think back to our definition of negotiation – the human effort to bring about agreements between two or more parties with all parties having the right to veto. When you’re asked to do something that goes against your mission, your purpose, or that would interfere with your mission, your purpose, that mission and purpose is going to be driven by that decision and you may have to veto. You may have to say, “I’m sorry, I can’t do that. In fact, I’ll
actually let you down if I do do that,” because your mission and purpose is to their benefit. They may not see it. That’s your job. But mission and purpose will drive those decisions, and it fits perfectly with our definition, and it fits perfectly with the neuroscience of decision making, which, again, we’ll talk about a little later on in detail. Mission and purpose is going to become your foundation.

Think about the giant events of your lifetime, and you’ll start to realize that every endeavor of great magnitude was driven by a mission and purpose. Do you remember Kennedy’s quest to put us on the moon by the end of the decade? How’s that for a mission?

In the military, I flew missions. We had mission briefings. We knew our long-term aim. We knew our overall mission and purpose for that launch of the aircraft. And then, when we got back, we would debrief how well we did on that mission. So, mission and purpose is going to become the anchor that’s going to be the root of everything you do in negotiations.

Now let’s talk about mission and purpose and let’s talk about how you build one. You know, it’s pretty tough when you think of it. When we’re talking about long-term aim, continuing task, and responsibility of an individual, organization, institution – of a country for that matter – and think about the lack of mission and purpose that you see all around you, if you and I could sit down together and talk today and spend two or three hours, I could help you discover all the failings around us.

People say we’re giving this country away. Why are we giving this country away? Well there’s numerous reasons, as you know. One of them, of course, is the mindset of compromise being required. We make logical decisions, we believe, which are false. But if you really think about why people say we give this country away, in many cases, industry, society, individuals are not functioning with a mission and purpose. It’s void from their negotiations. It’s the greatest weakness in the environment of negotiation. It could become your greatest strength if you can change your mindset from a fixed mindset to a growth mindset.

But we have to build a mission and purpose. It has to be to our adversary’s benefit. It can bring nothing to us. So how do we do that? Well, everything on the planet, every thought has a feature and it has a benefit. Let me give you an example.

I have a coffee cup here at the table in front of me. It’s a ceramic coffee cup. That’s a feature – ceramic. It’s a coffee cup for goodness sakes. What’s the benefit? Well, there may be a couple. It holds 12 ounces instead of 8, so it gives me a large enough quantity; I don’t have to refill very often. That’s a benefit. It tends to keep the coffee hot, which is the way I like it. That’s a benefit. It has a nice big handle. My hands are fairly large, so it’s comfortable for my hands to hold. That’s a benefit. Now the feature to that holding, of course, is the handle.
Now I know I’m being ridiculously simple here, but once the mind – and this, by the way, will be the hardest thing you will ever take on to get this right. Learning how to build a valid mission and purpose is the most valuable thing you’ll ever do, and it’s going to be the hardest thing you ever do. And we’re going to dig into this when we get into preparation, but for right now, let me give you an example.

Just recently, I coached a team of attorneys and chief of human resources at a $2 billion company, and it was a termination of a very high-level individual who had failed to perform. A lot of visibility to the company, a lot of visibility to the area, the city the company was in, just a lot of potential visibility – very important.

Let me set the stage for you. So this person had been let go. I’ll use that term rather than fired. They’d been relieved of their duties. When they were relieved of the duties, the human resource specialist came up with a severance offer of six months’ pay. Now this young lady that was separated from the company was offended. She felt that she hadn’t been given a chance. She felt that the company had, in many other cases, allowed people to move to other positions to remain with the company and keep their career. This young lady had moved from – with her family, brought her family, her husband and children – from Las Vegas, Nevada, to this city that they were now in. The husband had resigned his career in Las Vegas to come to this position with her, and he was struggling to find employment. So there are a lot of emotional factors involved in this situation.

One, she rejected the severance offer from the human resources person. Now human resources, that person’s offended and very emotional about this. Now think about what tools they have to deal with this based on conventional wisdom today of win/win. All they have is compromise; in their mind, they’re locked to compromise.

Well the CEO who I coached and I coach a lot of very large negotiations in this organization, but a lot of people have no visibility to me. They don’t even know I exist. But the CEO’s concern that this become so visible it could really tarnish the image, so he calls me, says, “Jim, please help our chief legal counsel” – who I’ve worked with before – “to solve this.” Now we have a head of human resources and four attorneys and myself on the telephone.

And so I listened to the debriefing, and I hear that she’s threatened – she has a $2 million demand on the table – she’s threatened a lawsuit of sexual harassment of various legal terms that I won’t even dig into, and so the threat is very real.

Not only that, the very attorneys from the company I’m working with feel that there may be a case for a jury that this company hasn’t done enough in working with women in leadership positions and that it was very heavily weighted with male leadership. So they were just very afraid. The visions they were conjuring up as we discussed this were really kind of off the chart.
And so they asked me if I had enough information, and I said, “Well yes we do. So let me ask you, what’s our mission, what’s our purpose here?” And the human resources lady, who’s been offended by this lady’s rejection by the way, blurted out, “It doesn’t matter. We’ve just got to get her off our backs and out of our hair. Our mission and purpose is get this done today.” Well, that’s an example of our world, what we want. Is it even feasible? Is this that simple? Can anybody have a magic wand to make this go away?

The other three attorneys said, “Well, look, Jim, every case is different. We have no long-term aim here” – after I’d explained the definition – “We have no long-term aim. We have no responsibility, other than to get this out of our hair as quickly as possible.”

So I’m up against four people with a mindset driven by fear, logic, and compromise. That’s all they have. So I asked a few questions. And I asked the question, “Well why don’t we adapt this mission and purpose? Let me just give it to you and see what you think of this. How about we provide – I’m going to use the name Betty, not the real name – Why don’t we provide Betty the opportunity to discover that her future could be easily secured in this area in another position by allowing a severance package that boosts that opportunity? And I asked them to write that down. So we stayed there for a while. And then I said, “What’s the problem we face?” And the whole group immediately transitioned back to their fear and their compromised positions.

One attorney said, “I think we could settle this for $750,000.” Now realize the severance package was $138,000. He already jumped to $750,000 in compromise.

The HR leader said, “I’m not sure that’ll do it. I know her. She’s very aggressive. I’m sure the attorney’s working on a fee that he gets to share in the reward once they get to us. This could be a couple-million-dollar award to her by a jury. I think we ought to really please her with a million dollars. I think that would make her happy.” Notice the words “I think.” Remember we talked earlier about theory of mind and assumptions, thinking we know what another person would do.

Lo and behold, another attorney said, “No, I think we ought to only offer her $500,000.” So everyone is groping. Now the chief legal officer steps forward and allowed the team to voice themselves, and I really appreciated that because I think it helped. And the chief legal counsel said, “Stop. Let’s go back. Coach?” – he calls me coach – “Coach, what would you recommend?” I said, “Well let’s go back to the mission and purpose. She’s going to make her decisions emotionally with vision. What’s our mission and purpose say? We want to provide her the opportunity to discover, moving forward with her career in this city in a positive, reasonable fashion. I believe we should stay there.”

They said, “Well what would you do?”
“Well, I think the real problem is that we don’t know what Betty sees. And our CEO has offered to support her efforts in a new career in this very city. This is a very powerful company inside this city. It’s perceived as a great company. That’s one of the reasons I’m with you. And the problem is we don’t know what value she puts upon that because she doesn’t know he’s willing to do that. So why isn’t our next step to help her discover what he’s willing to do so that she can determine what value that might have for her and her family? And she can surely reject it. She can absolutely reject what we offer to her.

“So I would suggest that Tracy, who is dealing with Betty, say this. I would suggest that she say ‘Betty, I think I’ve failed to help you really discover what’s in your severance package. Are you aware that our CEO would like to support you in your efforts in the city to get a new career? I think I’ve failed to tell you that, that he’s willing to provide not only written support, but take calls from other CEOs and other companies and talk about your capabilities and what you could do for them.

‘Now, Betty, what I would like to propose is this, and you can say no to this.’” – remember our definition of negotiation and she has the right to veto – “‘Betty, you can say no to this. I don’t want you to feel pressure over this, but what we propose is that you take your severance package of $138,000 – that’s six months – and, remember, that includes insurance COBRA for your family, that includes private school for that six months for your daughter, and your pay. And we also propose that our CEO support you as required to help you. Now you can reject that. Now, honestly, I hope you’ll embrace it. And what I would like to see is if it’s okay with you, if you would just call me and give us your decision next Monday; then we can go from there.’”

Now, of course, the attorneys, other than the chief counsel, were silent. And they said, “Well, what happens if she doesn’t take it?” And my response as a coach is, it doesn’t matter. We’re safe. She has the right to say no, and then we’ll work with our mission and purpose and try to move this thing forward and see if we can discover what she really requires. But the negotiation isn’t going to end with her saying no. It’s just going to begin. And they were kind of nonplussed. They’d never heard of such a thing.

And the lady in charge of human resources actually attacked me. It wasn’t good enough for her. She wanted this done today, and she didn’t care how much it cost. And that’s when the chief legal counsel said, “Whoa, wait a minute. The reason Coach is here is because we don’t want to pay something exorbitant. Not only is it that we don’t want to pay the money, we want the money for the company, but we also don’t want to set a precedent within this company and in the community that you can just sue us at the drop of a hat. I would really like this executed, and let’s see what happens on Monday.”
But I want to go back to what drove that whole discussion with the attorneys and the head of human resources. That was driven by mission and purpose. What are the features? What are the benefits that drove that mission and purpose? It’s the communication spoken and the letter. That’s the feature, and the benefit is that a good light is cast upon her as a future employee for another company.

Well, the result was kind of interesting. On Monday of this week, she accepted $138,000, all driven by mission and purpose. Mission and purpose and your ability to develop one is going to be the most important single factor you’re going to gather from this session. I hope you’ll pay close attention to it.

There are six characteristics I want to talk with you now about that are required for peak performance in a human performance event like negotiation. I hope you’ll listen to them over and over again and push back on each one because discovery of these six will help you greatly as you try and work your way through changing your world of negotiation. These will serve you well as you work to gain great success in your negotiations.

Now let’s talk about where these six come from, and you can disagree with any anytime. You can say no to any of these. But let me tell you where they come from. They came from the great European armies, all the way back to Attila the Hun. And what they are are the six human requirements that you should work to improve on every day. Every disciplined organization in the world has a list like this.

Now, I didn’t invent this list. I actually got this list from the Continental Army’s Manual that George Washington put together. This list is actually now taught at the military academies here in the United States and in many academies around the world. But I want you to really dig into this.

Now the first characteristic that I really want you to think about – and if you never get anything else from this program, if you can get this, this will absolutely pay you dividends. Pass this on to your family, your loved ones, your children, your friends, your associates.

Number one on the list is effective decision making. We must work every day to be more effective in our decisions. Now we know our decisions are driven by vision, and so, it’s very important that we work every day to envision, to see, to make great decisions.

The only responsibility we have in life, if you really boil it down, are the decisions we make. Now think about this for a moment. When we make a decision, what happens to us? What happens to our brain? Our emotions come, and we get teed up for the next decision. It’s when we don’t make decisions that we vacillate, that we lose opportunities.
The beauty of being an effective decision maker: if you make an ineffective decision but you are effective in working on your decisions, what will you do? You’ll make another decision to try to correct it.

I learned flying airplanes that there’s no such thing as a perfect flight. You’re constantly correcting for decisions that were made, constantly making decisions, correcting – maybe a change of course, a slight change of altitude, a slight change of throttle setting. Decisions, decisions, decisions. Decisions calm the mind. I want to tell you a story. I think this will help you.

Many years ago, in a T-38 in pilot training, the T-38 was a supersonic trainer, and I remember my first flight in a T-38. It was a familiarization flight they called it. And the instructor in the back did all the flying. All I had to do is observe, to see what was going on. I wasn’t required to make any decisions. And as I sat there at the end of the runway, he kind of talked me through what he was doing.

Now to put this in perspective for you, the T-38 accelerated from zero to 10,000 feet of altitude in nine seconds. I know that’s hard to believe, but can you envision looking down the runway. The instructor says, “Afterburners full.” You make the decision to look at the instruments to show that they’re lit. You release the brakes. You accelerate to 155 knots in a second or two. You raise the nose five degrees. As soon as you hit the five-degree mark, you raise the gear, you raise the flaps, and you stand throttles to idle, and you’re going through 7,000 feet that fast.

How can a mind work that fast? How could I ever make decisions? I was so emotional, I was lost. I was in a fog. I was glazed over. I couldn’t make a decision.

Three weeks later, I took off in that airplane by myself and did that. My brain caught up. Now there’s a whole neuroscience behind that, we’ll spend some time on a little later on. But those decisions, when we make them and we learn to make them, are calming, and they give us the opportunity to do things we can’t imagine.

Number two: And we talked earlier about mission and purpose. But I want you to think about, if we’re effective enough to build a valid mission and purpose that enhances our decision making, we’re giving ourself every opportunity to support number one and be more effective in our decision making. So, number two is building mission and purpose statements. It almost becomes a thought process. We spend our time thinking in terms of what’s my mission, what’s my purpose in this discussion? What am I trying to provide to, or what am I delivering, what am I bringing? So mission and purpose is number two.
Number three, and I’m going to spend a little time on this with you: The word goal is terribly overused and misused in society. Remember back in behaviors we talked about the word need and how we program our mind. And we suddenly discover its death. That if we don’t achieve what we think we need, we actually program our subconscious. Well, think about how we use the word goal. Well, my goal is to make a million dollars. Is that a valid goal? How do we think? If my goal is to make a million dollars, can I do that? Can I control the results of someone else writing me a check, or a group of people writing a check to me that equal a million? Can I control those decisions? Can I manage those?

A goal must be manageable. What can we manage? We can manage two things, and we talked about this before. We can manage our activity habits, what we do with the 24 hours in a day. And we can manage, by habit, how we behave. We covered that in behaviors. We talked about that.

Remember, we talked about the activity of taking copious notes in our negotiations to quiet our little mind, to blank slate, like Mark Teixeira does when he hits a home run for the Yankees.

Goals must be manageable. So, we set activity goals, and we set behavior goals. Now when we set those two goals, we achieve something very important, and let me see if I can help you discover this. By taking that activity and that behavior, we can accomplish objectives, another misused word. What is an objective? It’s something that, once achieved, can be used again and again to forward our long-term aim.

Now I want to go back just a second and give you the definition of goal. A goal is defined by Webster’s as an action to an end – an action to an end. That’s what we do with our activity. That’s what we do with our behavior. We set a goal; we perform; it ends. But once we achieve an objective, we can use it again and again for two purposes. One, we can forward our mission and purpose, and, two, we can use it to support our fourth characteristic. But I want to spend a little time on objective to be sure you see it.

Twelve years ago, I wrote a book called Start with No. It took me a year. So my activity goal on a daily basis was to spend a certain amount of time, and I would set an activity goal to write and work on the book. And then I would set a behavioral goal to ask myself questions for clarity of what I was writing before I sent it to the editor. That took me a year of activity goals and behavioral goals.

But I also had a series of objectives achieved. For example, when the introduction was completed, that was objective number one, and it supported my mission and purpose. And it also contributed to number four in my plan, which we’ll talk about in a moment. So, I had a series of activity goals and behavioral goals to achieve an objective.
When I finished chapter one and it was blessed by my editor, that was the second objective achieved.

Eventually, when the book was completed, the overall mission and purpose was accomplished.

Now, what happened to my mission and purpose? It changed. I changed from a person under the radar, out of sight of the public; no one even knew I was there. And my mission and purpose overall changed to impact a much larger audience, and so we started all over again.

Now number four is plan. And what’s interesting to me, so many times, people don’t build a plan; they don’t think in terms of plan. But there’s one key rule to planning, and the plan must solve the real problem in a priority order. What’s the one biggest problem to be solved first by the plan? What’s the second biggest problem to be solved by the plan? What’s the third? So we need to prioritize what the real problems are that our plan is going to solve.

We may, as we evaluate our plan, we may have to go back to our goals and objectives and adjust them, but that’s okay. They belong to you. But I promise you that if you’re making effective decisions, you’re focused on mission and purpose that’s valid. And if you’re working with goals and objectives that are valid, and if you’re trying to solve the real problem in your planning, number five becomes very easy.

Number five is laser-like focus. We must keep our eye on the ball. How many times have you heard someone say keep your eye on the ball? Focus. Five is laser-like focus, developing laser-like focus.

Now, number six, for years I used the word trainability as the number six characteristic – critical to our long-term success – trainability. But neuroscience, which we’ll talk about later, changed that for me, and they changed it to growth mindset, always looking for more, better.

One of the things I love about working with my CEOs and my chairmans of the boards, they’re very hungry for new, better. They don’t get locked into a fixed mindset of knowing it all, and, anyway, they’re always willing to listen. They’re always willing to dig into something if they can see it has merit. So, how much growth mindset you have is critical to your success. This program is an example of how you’ll respond to growth mindset, or will you stick with your fixed mindset and be so proud of your BATNA? That’s a major question.

I also add coachability to this, because I have a lot of coaches in my life. I’m very coachable, and I think that’s a great, great characteristic to have, so I kind of blend those two in number six.

But let me recap for you these six characteristics, and I assure you, you can build a great organization with just these as you travel forward and expand. You can absolutely achieve negotiating success you never imagined with these six characteristics.
First, effective decision maker. Every day we strive to become a more effective decision maker. Don’t put things off. Don’t procrastinate. Make effective decisions. If you don’t make a great decision, make another one and change it.

Number two, mission and purpose, and remember, this is going to be the hardest, yet most valuable thing you’ll ever add to your track to success in negotiations, and life for that matter – mission and purpose. Remember it has to be in the adversary’s world to their benefit, not to you.

Goals and objectives: goals and objectives must be manageable. Think of the Little League ballplayer that as you coach them, the activity goal is to make a good swing of the bat. The behavioral goal is to blank the mind. Think in terms that you can put your arms around and grab ahold of.

Objectives: once you’ve achieved an objective, you can use it again and again to forward your long-term aim and your plan. In the military, you’ll hear things like “Our objective is air superiority.” You’ll hear infantry terms like “Our objective is to take the high ground like they did with the Union Army at Gettysburg. Having that high ground assured their long-term success if they held on.”

Remember, plan solves the real problem, and the beauty of all this is, if you’re an effective decision maker, you can always change your mission and purpose. You can always change your goals and objectives. You can always change your plan. It belongs to you.

Focus: There is no such thing as multitasking. I don’t believe in it. There’s focus. There’s laser-like focus and there’s effective decision making.

And lastly, growth mindset: The great ones have it. All the great people you could study in this history of humanity, you’ll see they have a growth mindset. And they’re coachable. They listen. They want input. Now, will they always agree with you? Of course not, but that’s what it’s all about as far as coaching is concerned.

This will serve you well. Grab onto these six characteristics. Give them to everyone you care about.

Okay, let’s shift gears a bit. I want to start with a story for you that I think is very important to create the vision for you.

Many years ago, as a very young man, I was at Ohio State University at spring football practice, and the team was gathered around after practice, and Coach Hayes was in the middle of the team, and everyone was listening to him. A man came walking across the practice field. He had a fedora hat and a topcoat. It was kind of chilly, a little bit of rain. He was wearing glasses, and the closer you got, you suddenly realized who it was. It was Vince Lombardi, the famous Green Bay Packer coach who is an icon of the NFL. And, of course, that was a very exciting moment to say the least for everybody there.
And Coach Hayes and he were good friends. And he looked at Coach Lombardi, and he said, “Coach, tell these young men why we have spring football practice.”

And here’s how he began. He said, “I never said ‘Winning isn’t everything; it’s the only thing.’ I never said that. What I said was ‘Winning isn’t everything, but the will to prepare to win is everything.’” He said, “Preparation is the most important one thing you must do in any human endeavor.” And he said, “Don’t ever listen to someone telling you that practice makes perfect. That’s not true. Perfect practice makes perfect.”

So if you have perfect preparation and all the fundamentals are true to science, and if you have perfect practice, you have an opportunity for uncommon success. And we see that every day coaching negotiations.

So what I’d like to do is I’d like to spend some time with you sharing with you the Camp Negotiation Management System. We have a whole system to manage the most intricate, sophisticated, or simple negotiations on the planet.

So let’s start by talking about our checklist, our preparation document, the Camp Negotiation Checklist and what it’s made of. And then I’ll try to give you some examples.

The Camp Negotiation Checklist is a combination of some things we’ve talked about throughout this program. The very first step in the checklist is – you guessed it – mission and purpose – our long-term aim, our continuing task and responsibility.

Now I want you to think in terms of a mission and purpose that’s overarching, meaning all-encompassing, like Edison’s bring good things to life or provide the world with electrical appliances. That’s the overarching mission and purpose.

And under that umbrella, maybe a smaller mission and purpose, just for this negotiation. Like we talked about when we talked about the severance package and the human resources and the attorneys I was coaching. That was a smaller mission and purpose. But every negotiation has its own mission and purpose.

Once that mission and purpose is developed, the second part of the checklist is what we pull from our agenda, which you’ve listened to previously. Agenda – the first item is problems, as we see them. Now I want to caution you. This is not problems that we think they see. This is not our effort to walk a mile in their shoes. This is our effort to look at the negotiation and to see what the real problem is. It could be as simple as they don’t know what we do, or it could be as simple as I don’t know what they’re up against, or it could be as difficult as we’re not even sure who we should be talking to.
And I want to give you an example, because I think this example gives you an idea of the importance. We had a tragedy at one of my coaching clients’, a corporation in Asia, and a person from that country was our sales manager in that country. And, tragically, he committed suicide in the cafeteria at lunchtime in front of a couple hundred employees. Terrible tragedy.

Within hours, our head of human resources in that country was approached by his brother-in-law with a seven-figure demand for the family, restitution. This gentle man had not been dead 24 hours when this brother-in-law came with an unbelievable demand.

Now I want you think about this a moment. What is the real problem? When I started coaching this negotiation, I had some problems that were created by an eagerness to solve the case, including a six-figure number offer from human resources we didn’t even know was offered until I got involved. That’s when the chairman called me and asked me to get into this right away.

But what was the real problem that you see? Well, the real problem I saw was, right off the bat, I don’t know who we should be negotiating with. So the first step after mission and purpose in our checklist is an analysis of the problems we see in this negotiation.

Now, remember, we talked about our baggage. Now we’re going to spend a whole period of time talking about debriefing the negotiation a little later on. But almost every negotiation has a history, and it’s surprising to me when I first take on coaching clients and we first get started, the emotional baggage is dripping. They have so much baggage, so much fear, fear of losing a deal, fear of not being able to continue. It’s just astounding to me. They literally can write volumes on baggage once they understand what it is. Now I encourage the clients to dump the baggage. I encourage you to dump it. Get rid of it. But if you can’t, and you see it as a problem, then that’s exactly where it goes. It becomes a problem in number one. So that becomes one of our problems.

Now, remember, we talked about assumptions; theory of mind is a neuroscientific term. And we talked about this is the only place where you can make assumptions, and it usually comes from history. Usually comes from having prior experience with this adversary. So, what I want you to think about is, what assumptions would you make of the baggage they might be carrying? Because if we can’t dump it, then that becomes a problem and we transition it again, up in problem number one.

Now the next step in our preparation is knowing what we want. Now I have to tell you, that this is one of the greatest failings I find in negotiations. When people first come to me who have a win/win mindset and they’re tired of getting their teeth kicked in, when they have that compromised mindset, that BATNA mindset, this is the biggest weakness. And here’s why. They’re so used to having fallback positions, that they don’t know what they want. They just want to get something. They don’t have a target. They don’t have a solid something they want.
I had an exchange on my LinkedIn group with a doctor who was a strong advocate of BATNA and win/win. And she said to me, “Jim, if you don’t have a BATNA, how can you know where to go to get at least something from the negotiation?” Think about it. Why in the world would I not know what I want in a negotiation, and why would I have planned to not get it? I’m sorry; it just makes no sense to me. But that’s what’s out there. So this is the biggest failing, this number four in our checklist, this “what we want.”

Now, this is not a rule for what you want, but it’s very important that you grasp this. Almost always, you’re going to want a decision from the adversary or adversaries you’re negotiating with – a decision on something that you’re proposing, a solution to one of those problems we talked about earlier.

So what we want to do is we want to be sure that in what we want, that we always put rejection of our ideas first. It’s okay to reject this. The natural tendency that we have, and you’ll see it in yourself, and I’ve seen it in myself, is to just tell me yes or no. Well, I’d like you to reverse that. It’s okay to say no. I’d like you to say yes, but it is okay to say no. I don’t want you to feel pressure on this.

Now that’s so important to you, because remember our principle rule – right to veto. The sooner we acknowledge it, the clearer their decision making is going to be. So clearly knowing what we want and writing it down is terribly important to us.

Now, number five in our checklist is what happens next. Now this is required. We may not have problems, but we do have to know what we want and we do have to know what’s going to happen next.

Now, if you write down on your checklist to be determined, that’s really okay, because you know you want to determine what to do next before you leave the engagement. I just want to be sure that you realize that you can’t leave things hanging when you leave the negotiation.

How many times has someone said, “This is great. Call me on Monday.” We say, “Fine”; we walk away. We call on Monday. They don’t take the call. We call on Tuesday. What’s going on? Fear is off the charts on Wednesday when they don’t call us back. So what’s going to happen next? We’re going to talk on Monday. What time? We’re going to remember our tools of three plus. We’re going to three plus that time. Who’s going to call whom? What’s the number? We’re going to lock that “what’s going to happen next” in. So whatever is going to happen next, we want to have that solidly in place.

Now the sixth step is where we really build the checklist. This is where we take a look at each of the steps and we build what we’re going to say. We call it behavioral goals/script. What we’re actually going to say in negotiation is fully scripted. It’s fully scripted so everyone on our team knows exactly who is going to say what. So this is where we build our problem statements.
This is where we build our interrogative questions. This is where we set our nurturing goal. This is where we set our three plus goal, our reversing goal, our connecting goal. This is where we build how we’re going to behave and what we’re going to say in that negotiation.

Earlier on, I talked about the negotiation with the attorneys and human resources. I literally gave them a checklist and a script. Remember, this area, less is more. Less is more. Small questions, few questions. Now think about this. If you have four good interrogative questions and you three plus each one, if you end up three plussing each one, you’ve asked a minimum of twelve questions. But that creates laser-like focus for you and the adversary, and you create a laser-like vision.

Now next comes our activity goals. Who’s going to run the projector; who’s going to do the PowerPoint; who’s going to take copious notes? I hope everybody on the team’s taking copious notes, because that’s going to be important to us later on. And we’re going to talk about that in the next session.

So we have our activity goals. The whole team knows what everyone is doing in that negotiation engagement.

Lastly on the checklist is any critical research that we think we have to do that we want to carry into our next negotiation or into our debriefing and into our next negotiation. Any critical information, any critical research that we have to go get, that’s the place for that. If there’s documents to be read, that’s where we write it down. If there are other places to visit to gather data and research, that’s where we write it down.

So let me recap: the first piece to the Camp System of Negotiation Management is the Camp Negotiation Checklist. It’s made up of our overarching mission and purpose. You know, the big one. Then the smaller mission and purpose just for that engagement. Then we have an analysis of the problems as we see them. We have our baggage that we transitioned, if we can’t dump it. We have their baggage that transitions the problems if we can’t dump it. We have a clear understanding of what we want across the team. We know exactly what’s going to happen next. We’ve written it down. If we know we’re going to negotiate what happens next based on the outcome of this engagement, we’re going to write that down. We’re going to have our behavioral goals, which will turn into our script. We have our activity goals, which is who’s going to do what. Note taking, any other activity you can think of, maybe even getting the coffee for that matter. And our critical research. That makes up the Camp Checklist for all of our negotiations.

We’ll continue with the second half of our negotiations management system in the next session.
In this session we’re going to start with the second part of the Camp System of Negotiation Management. It’s the debriefing area. Now I realize that very seldom does something start in the world of negotiation from a cold position with no history, if you will. And oftentimes, as a coach, I’ll ask my client to prepare for me a debriefing. In the debriefing there are a lot of things I want to know and a lot of things that are very important.

One of the things that is going to be most important is what’s transpired in the past and what’s brought that about. What’s taken place? So as you approach a negotiation and you begin to start thinking in terms of what you’re going to do for the next engagement, be sure that you have fully debriefed yourself on what’s gone on in the past.

Now, in this session, we’re going to talk about the Camp Negotiation Log.

One of the things I learned in the military is that we would do a checklist, a mission briefing. We would go fly the mission, keep as accurate a record of what transpired as possible, and then we would come back and debrief the mission. And we would write down things that were important to us in that debriefing. And that’s the concept I want you to get in mind because we’re going to take that debriefing and use what we learn in that debriefing to build the next checklist. So it becomes checklist, log, checklist, log, checklist, log.

And I want to assure you that the way you manage a multiple agenda, multiple adversary, long-term negotiation such as some that I’ve been two or more years involved in, is by having a checklist and log. By having a system in place, we have a track that we have run on, and we know exactly where we are and exactly how we got there. And we know what visions created what decisions. We know who was involved, how much they were involved, we’ve identified numerous decision makers, and the management system is going to give you that. So the log is a key ingredient in getting prepared to build the next checklist.

Now, the first area of our log is the area called pain or vision of problems. It’s all driven by vision. Now if you remember when we talked about structure, this is the key area, this is the lifeboat, this is the ejection seat. This is where we go if we’re falling short in a negotiation. This is where we have to go. Notice it’s driven by vision.

Now, what we’re looking for in the log, we want to know what the vision is, the adversary has, and we want to know who that adversary is that has it. So if they’re multiple adversaries in the negotiation, and let’s say it’s Bill, Bob, George, Betty, and Judy, we want to be sure that we write down the vision as they see it. If we three plus that vision, that becomes a very solid guiding light for us as well prepare for the next negotiation. If it hasn’t been three plus or if we haven’t covered that arena, it will show up in the log. So this area of the log becomes critical to us in nature and will be a very important source of information for us as we move through our system.
The second area of the log is going to be the budget, the price of the negotiation. Who paid what? Who attended the meeting? Where did they come from? How much travel did they have to do? How much time did they have to spend coming to this meeting? Or how much time were they on the phone with us? Who showed the most emotion? How much money was spent to bring the team to the meeting? So we want to evaluate and write down each step of the way, the time, the energy, the money, and the emotion that was invested by everyone. Whoever was involved in that negotiation.

Next, we want to write down exactly what we learned about the decision process. In negotiations we’ll find new names will pop up. People who we hadn’t heard of before, people who have different responsibilities than those we’ve engaged so far. The more we can glean in the negotiation from our notes of new names, we create new opportunities of negotiation to uncover more vision. So as we build our log, we use that information to transition to the next checklist.

So the debriefing, though it’s only three compartments, is critical to our success in managing the negotiation. We can look at this log, and we can ask the question of each compartment, “Okay, what vision have we not created? What problem have we not addressed?” Because we have the written record, because we have the examples, it can give us guidance in our decision-making process as we envision where we have to go next. If the budget is not adequate, if people aren’t willing to spend the time or the energy, if they’re not willing to spend the money, and they have no emotional investment, where are we falling short? What does it tell us our next checklist must be? We must go address that. We must go create more vision and the next negotiation to get this budgetary area flushed out. Remember our compartments, and remember our crane moving overhead of our mill. We’ve got to fill those compartments.

Debriefing is a key step in the Camp Negotiation Management System. It’s easy to not pay attention to, but it is a critical piece to your structure of negotiation and to your system. Please prepare your log properly and work at it.

In this session, I want to talk about neuroscience. I’ve mentioned to you a few times that we would get to it later on. I would ask you, if you have the opportunity, to take notes here; there’s a great many things I’d like you to discover.

If you ask yourself the question, How does a great surgeon – a cardiologist or a brain surgeon or any surgeon, any doctor for that matter – what do they go through to become masters of the event they’re involved in in medicine? How do they do that? What are the steps they go through?

When you really start to think about it, I think you’ll discover, as I have, that there’s some things they have done. And I’ll start with high school and the excellence and performance academically in the sciences, in mathematics, in their English skills, their social studies skills.
And they get themselves on a track, a pattern of performance academically. And then they go to a
great university, a great college, and they don’t miss a beat. They don’t have a bad year or a bad
semester. They run on a track of excellence throughout that college and that university, all the
while knowing they’re competing for medical school.

And then they’re selected to a medical school. And in medical school, the performance
and the academic excellence continues. After medical school, they find themselves an intern at a
hospital. Oftentimes they find themselves again competing and working toward excellence.
Grueling hours, difficult situations, all the while… working to master those skills. From intern
they’ll move on to resident, and eventually move on and become fully qualified, truly a master of
their event of medicine.

Now my model, the model that I fall back on in mastery, was being an Air Force pilot.
And I remember I marveled at the first day on the flight line. And I remember walking up to the
building where the flight rooms were, and just behind the building was the ramp in the airplanes
were parked, and of course just the runway right behind that. And overhead these jets were
roaring by at 230, 240 miles an hour, and in formation. And I just marveled that that might be me
some day; that within six months I would be doing that and I would be master of that.

And in my studies of history I learned that I was part of a long line of aviators from the
military, whether it be Air Force, Marine Corps, Army Air Corps, Navy, Coast Guard, that had
experienced this. And when you think of the magnitude – hundreds of thousands of pilots were
trained in World War II, tens of thousands were trained for Vietnam, and do you know, not only
did we have mastery, but we had mastery around the world with like-trained aviators. We didn’t
even have to talk to each other; we could use hand signals and maneuver our jets, even different
types of jets we knew how to move together if by chance we came together in formation. We
could go to a strange base and fly with anyone. Now that’s truly mastery, and that’s what I reflect
on as I try to work with my clients to develop mastery.

For the last 25 years I’ve done everything you can think of to provide mastery; I’ve
written books, I’ve provided workshops, I’ve had cassette tapes, more than 30 hours of
instruction to support developing mastery, and yet I very seldom develop mastery in all that
effort. Why is that?

And now I uncover neuroscience. And I uncovered neuroscience while I’m building my
institute to create mastery for my clients. I actually have one of the leading neuroscientists
applying his patented artificial intelligence to the Camp Negotiation Institute to create mastery,
and it’s phenomenal what’s taking place. After all those years of effort, and I didn’t know why I
was failing, and it was right in front of me.

I have a quote I want to read to you. And it’s a frustration quote, but I think it’s important
that I read it to you because I want you to discover where we’re going with this dramatic change
in negotiation and in how the world makes agreements and how this country’s going to stop
giving away our precious resources. So let me read this quote from Tom.
Now, Tom is a team leader of 14 people that produce revenues exceeding $50 million a year in that team, and they negotiate contracts with some of the most sophisticated organizations in the world.

Here’s what Tom said to me, “Jim,” he said, “so we sit in a room for two days being tortured by PowerPoint while we learn how to do a better job of delivering compromise in our negotiations. We’re taught new tricks, new tactics on how to compromise to get the deal closed. We use words like make the pie bigger, partnership, relationship, and then we work to get them to trust us and like us. And then we still cut our price. What a waste of time. Ten days later, no one remembers what we saw or talked about in the class. We waste two days from work, and our margins still keep going down. All we have is our compromise to work with and frustrated executives demanding more from us.” Now that’s a quote from Tom. That sound familiar?

Now I want to tell you a story. I was visiting Tom at his company, and I’ll never forget this as long as I live. I’d never seen anything like it before; that’s why I’d like to share it with you. Now I mentioned this before, but it bears repeating here. We’re walking down the hall, and I walk by a pretty large office, and there was a large whiteboard, and it kind of looked like something from chemistry class because it looked like a table of elements almost. I want to describe it for you.

And up in the left-hand corner, this senior vice president had written $18 million on the left, and he had put a date beside that $18 million. And down the left-hand side of the board, he explained to me as I was marveling at this – he was so proud of this by the way; he couldn’t wait to expound on this because, “Oh you’re a negotiation expert, Jim. You’ll really appreciate this,” and after I was introduced to him. And down the left-hand side of the board were these dates, and they ran about 35, 40 days. And the bottom date it says “closed deal.” And what had happened was he wrote $18 million first day; then about six days later, he drew a line out past the $18 million and he wrote $17.3 million. And this continued down the board until 45 days. And all the way across the bottom on the right was the final number, $14 million.

And I said, “This is very interesting. What are you doing?”

He said, “Oh I’m planning for my negotiations on this $18 million contract. Isn’t this impressive how I do this?” He was proud of what he was doing. He had sketched every compromise for 45 days it took his company’s contract from $18 million to $14 million. He had determined that he could give up the $4 million.

And I said, “How do you decide to go to the first number?”

He said, “Oh, that’s my first BATNA; that’s my first fallback position. I learned this at Harvard.”
I said, “Really?”

He said, “Yeah, you see if they push back and I think the relationship is in trouble here at
the first step, I don’t want to risk the relationship. I want to be sure that they like me. This will be
my first BATNA, my first fallback. If they push back, that’s where I’ll go.”

I said, “Well how hard do they have to push back?”

He said, “Well, that’s a judgment call. I’m pretty good at it. I’m really good at this so I’ll
know what I should do when I see it.”

And so I said, “Wow, this is really interesting. Do you mind if I take a note or two and
write this down? This is really intriguing to me.” He was so proud of all of those compromise
positions, and he was so proud that at least he’d get something out of this negotiation for his
company.

Now that’s his mindset. That’s all he knows. Logical decision making – and you’ve heard
me talk about this many times – logical decision making with compromise and theory of mind.
He’s guessing what they’re going to say or do, and so if they do that, here’s what he’s going to
do, like he has a crystal ball.

Neuroscience has so shaken me as a coach that I have to share this with you, because this
is what’s going to bring change to the world. I’m absolutely convinced of it. When this gets out
properly, it’s going to change the way the world negotiates. Now you have to realize my passion
for this. I have a mission and purpose over this, and I’ve had it for 25 years.

I had a company back in the early ’80s, and I was negotiating with one of the largest
companies on the planet. Their headquarters in Upper Saddle River, New Jersey. I had attended
a workshop of one of the world’s leading gurus of negotiation in Cincinnati. It’s important they
remain nameless. I took great notes for three days. I bought all the materials; I just worked hard,
as hard as I could. This was so important to my little company. And I had a negotiation coming
up with this industry giant, and I actually spent three days with the founder of this company. I
called him when I knew I had this difficult negotiation, and he took my call. And I said to him,
“I just spent three days with you, and I really have a critical negotiation coming up for my little
company, and I’d like your help. I’d like to pay you to coach me in that negotiation.”

I want to give you a quote in what he said. I never forgot it. I wrote it down, told my
board of directors about it. Here was the quote, “You want us to be responsible for what we
teach? We can’t do that.”
I want you to think about that a moment. I’m a trained, licensed teacher in the state of Ohio and across the country, because my credentials transfer to any state in the country at that time. I’m also a credentialed coach, athletic coach. I can’t imagine teaching anyone anything that I can’t take responsibility for. I can’t even think of it. I was flabbergasted, and I vowed that I would never listen to another guru who wouldn’t take responsibility for what they teach.

In fact, it was so impactful to me that by accident when I started teaching my system to a neighbor of mine way back, I determined myself I’m not going teach him this unless I support him. I’m going to support with coaching, because I know how to coach.

So mastery has been part of my mission and purpose all along, and neuroscience has shaken me, and this is how the world is going to change for the better.

I’m proud of my book, *Start with No*. I went public with my ideas on change in negotiation in about 1998 as the book was being published. Suddenly I found myself in *Fortune* magazine, I was reviewed by the *Harvard Business Review*, and the flag was planted on the mountain and has been mine ever since. And I’m proud of that, and I’m proud to be a change agent. I believe strongly in it. But where does all that come from?

Well, it’s like a blessing to me that neuroscience is upon us. The foundation of negotiation is simply decision making; it’s simply decision making. And neuroscience has identified for us the science behind how we make decisions. It’s very simple: decisions are made emotionally 100% of the time and driven by vision. That’s the science. So science has given us this gigantic nugget that will help us change the world. But the question is, How do we do that?

I promise you I was at dinner last night with a distinguished colleague who said to me, “Jim, how much of this that you’re bringing to the world goes over people’s heads the first time they’ve heard it or read it or seen it?” And I had to say, “Probably everybody.” But the beauty of it is neuroscience has identified for us how to fix that, and that’s thrilling. It’s absolutely thrilling.

I told you about the T-38 and the first flight. What I didn’t tell you was, is three weeks later I was doing that by myself; I literally took the runway by myself and did what I told you about on that first flight. Now to put this in context for you: if you don’t raise the landing gear on a T-38 the moment you get five degrees nose up in that altitude indicator, the airplane can accelerate and actually bend the landing gear backward on the airplane, and you’ll have to eject. It’s dangerous, and they’re never going to let me go by myself if I’m going to make that mistake.

But you think about How did I get to that mastery in three weeks to go by myself? All I did was fly around the pattern, but how did I do that? How did that happen? Well once you see it, once you see it and begin to make decisions, you’ll find that the mind will calm itself, and you’ll make more decisions.
I remember that first ride by myself in a 38. I remember singing to myself as I was flying around the pattern. I was so exhilarated. It actually helped calm me as I made my decisions and worked my way around. Eventually, three or four weeks later, I’m doing that in formation four feet away from the other airplane, and two weeks after that I’m doing it by myself without an instructor.

Now the neuroscience empowered me to do that, I just didn’t know it at the time. But all of this applies to negotiation. All of this applies to the fears you have in your negotiations: fear of losing the opportunity, fear of losing the deal, fear of upsetting the adversary, all these emotion-driven fears.

I did a workshop at Muirfield Village in Dublin, Ohio, at Jack Nicklaus’s golf course in the clubhouse there. And I invited an FBI agent that I had worked with when I helped build the FBI hostage crisis negotiation, their whole training program for their hostage negotiators. And I remember a man in the front row from Toronto, Canada. And I said, “What brought you to our workshop here?”

And he said, “I’m tired of giving and giving and giving, and then being forced and taken hostage and have to give more. And my leadership, they’re worse; they have no solution. They just demand that I produce better numbers. So I feel like I’m just being abused.” That’s the frustration he was experiencing. So neuroscience can fix that.

So what I’d like to do is, I’d like to start with the first term in neuroscience that really grabs me, and that’s theory of mind. Now, in my work, I say make no assumptions, but theory of mind is almost insidious; it almost is impossible to overcome if you don’t know about it. It can absolutely be overcome if you do know about it, but if you don’t know about it, it’s insidious; it kind of grows like a cancer and gets worse and worse.

Because, if you think you know what someone else is going to do or what someone else is going to say or how someone else is going to react, what happens if you’re right? If you were right once, what do you do? You celebrate. You’re proud of yourself – I told you so. I told you what they were going to do. And for goodness sakes, if you’re right two times in a row, now you think you’re godly like, like you have a crystal ball. And if you’re right five out of six times or 10 out of 15 times, you get promoted.

Now what’s happened to us? We believe that we can predict what someone else is going to do. I’ve seen people – and I never had my arms around this before – but I’ve seen people in workshops, hundreds of workshops over the last 25 years, argue with me over decision making. And they would stand up in their chair and they would yell at me that I was stupid for telling people it was emotional. And the audience would look, and they would be baffled. Here was a person so emotional, fighting to be right, they were making their decisions so emotionally they didn’t even know it. Theory of mind is so insidious because it becomes logical.
And you know the higher the education – I have a professor right now from Rutgers
University, who I love working with, who is making discoveries as a professor. He has a PhD.
He’s a very learned man. He’s making discoveries about his own self, how he makes decisions,
how he deals with others. He’s making discoveries about neuroscience and my institute that are
absolutely life-changing to him. They’re actually freeing him. He told me, “I’m free. I now
know what’s going on here. I now know why my colleagues behave the way they do. In meetings
I own meetings, and they don’t even see I’m there. I know they’re making decisions emotionally,
and they spend all their time in logic. My advantages are off the chart. Jim, it’s life-changing.”

I’ve said this to you earlier, I’ll say it again: I am the greatest supporter of education that
I know. My children would tell you that from the time they can walk and talk, we meet our
children at the study table. I learned that from Coach Hayes. My children have gone to the finest
institutions in the country. My oldest grandson right now is finishing his freshman year at the
University of Chicago. And that’s just what we do as a family. So I don’t want you, the listener,
to think I’m not a strong supporter of education. I am.

But it’s how we use that education that neuroscience is now giving us the breakthroughs.
We have to create vision, because we’re dealing in an emotional arena, not logical. It’s insidious.

So this theory of mind actually gives our country away. We know because we’re cultural
experts in Japan. We know what a Japanese person will do in this negotiation. We know what a
Russian person will do because of culture in this negotiation. We’re logical. We know. Think
about that. Think about the Russian missile crisis in Cuba when President Kennedy and Prime
Minister Khrushchev faced off. Think of how we went to the brink of war because people
guessed what other people would do.

Think of how long the Vietnam War was protracted because our leadership knew what
was going to happen. Think of what went on in Vietnam with body count when Secretary of
Defense McNamara instituted the body count philosophy. If we kill enough of them, they’ll
logically give up. Have you ever seen a B-52 strike? It’s devastating to the earth, let alone
humanity. I have a friend who flew dozens of missions in B-52s, and he can tell you what it
looks like. That was all logical. We would predict what they would do if we bombed enough.

Think of the opportunity for change if we just grasp the importance of understanding
theory of mind and defeating that demon, that terrible weakness in the human brain.

So how do we change from theory of mind? How do we change? Now the neuroscientists
have a term, we have a fixed mindset that we can read the crystal ball. That’s the next term, fixed
mindset. How do we go from a fixed mindset that has no principal bearing, that’s incorrect – like
theory of mind and logical decisions and BATNA and compromise – how do we transition from
that, from our fixed mindset and our pride and our ability to predict – that’s a fixed mindset –
how do we transition that to the growth mindset? How do we do that? What do we have to do?
Well the first thing we have to do is recognize the science. We have to make the decision, the emotional decision, we might be wrong. We have to start there. Think about this one based on fixed mindset versus growth mindset.

Years ago I was involved in one of the largest acquisitions or mergers of two airlines in the history of the world. Now there have been bigger since, but maybe none with more implication. A domestic airline was merging or acquiring a global giant, the largest in its industry on the planet. This industry giant was built by aces from World War II, and they had a fixed mindset of global operations and giant aircraft. And they were acquired by a company with a completely different mindset of domestic operations, small aircraft, and just a whole different world. Still flying jets, still flying airplanes, but completely different mindsets.

When those two came together, dozens, dozens of people had to leave. Dozens of the world’s most trained, qualified pilots, more than 80, were pushed out. They couldn’t change their mindset, and the domestic carrier couldn’t change its mindset to embrace either’s knowledge of what they knew.

The more highly trained, the more highly skilled, the more we get locked in our mindset, just like the education we talked about earlier. I saw it firsthand. I witnessed it. Didn’t understand it. Couldn’t figure it out. Made no logical sense. But it happened.

If you think in terms of being proud of the mindset, how do you go from that fixed mindset to the growth mindset? Well, one of the things I discovered back in pilot training and football practice was failing safely, being able to fail in little steps safely. And then evaluating the failure and trying it again. Little failure, try again.

When I first start with my clients, in the past, I’ve asked them to take no-risk situations as they apply the new principles they’re learning. I want them to fail safely. I want you in a position where you’re safe. What my clients discover is that when they use the Camp Management System of Negotiation, they’re always safe; they’re never at risk. But that takes time. I never really understood how to get them there, other than helping them fail safely and doing it over and over and over again. That’s all I had.

But here comes neuroscience, and I’m exhilarated. Neuroscience has the term working mind. And neuroscience teaches us that we all may be a little different here. Some brains have three compartments, and some have as many as five. In a normal functioning brain, it runs three to five. And in these compartments, the way I picture it is a box. And the box has information stuffed into it. And the brain can only handle that information as those boxes are being filled with new information. Until mastery occurs, until it gets locked in and transitions to the back vault, until that happens, those boxes can only hold so much data.
I’m very, very proud of my book *Start with No*, and I tell you, I actually wrote my book with pride at an eighth-grade level. I wanted the world to be able to read my book, and I was told by a lot of people that eighth-grade level is a good, comfortable level. It’s an easy read, and it comes across well, and is simple enough, and easily, easily absorbed.

And I’ll never forget when the book first came out, there was a lot of activity around the book. I had dozens of interviews, CNN, NBC, ABC, CBS, *Wall Street Journal*, and that’s been going on for a long time. If you go to my website, you’ll see all that. You’ll see hundreds of articles written about it. And I was so proud that it was an easy read.

And I’ll never forget the first time I got an e-mail from someone who said, “Jim, thanks for your book. I read it in one sitting from New York to London. I’m not a great speed reader, but I read the whole book; I absorbed the whole book in one ride.” I was so proud of that.

And then along comes the great neuroscientists to tell me that the brain can only hold three to five compartments of data. Well, in that book, there were probably 50 compartments of data.

And then I’ve had people call me and say, “Jim, I’ve got two copies of your book. I’ll tell you why. I’ve got so many notes and so many dog-eared pages I had to get a new book and start writing more notes and more dog ears.”

And I said, the last person who told me that, “You ought to just come to the institute and master the courses, because that’s going to go on for a long time. We can get this done in about 90 days.” And I just laughed, and he laughed. He is now in the courses, but it’s interesting.

And so I learned that in those three to five compartments, neuroscience teaches us that as more data comes in, compartments get emptied. So as the fifth compartment gets full, if you only have four compartments, then the first compartment gets emptied, and it doesn’t go back into the vault; it just goes out and goes away forever. So it just continually dumps compartments as you move through, and eventually if you don’t do this right and master this properly, whatever you have in that compartment doesn’t make it to the vault at all.

So here we are. I remember I started out doing workshops all with the idea of trying to create mastery. I’d do four or five, six workshops a month. My business model was my coaching clients could come to any workshop. I would customize the workshop for them. I would do anything I could, but I had no concept of these compartments. And, of course, neither did they. They just knew that if they did what I told them, it worked and they made money, so they came back and they told others.

But here’s what’s interesting. My book didn’t work because of those compartments; my workshops didn’t work because my workshops would have 20 or 30 compartments, and that would all get dumped out. This CD program has a lot of compartments. I don’t want to try to fool
you here, my mission and purpose in this program – I’m going to read it to you, because I gave it
to you earlier, I want to reinforce this – my mission in the very beginning was to help you
discover there’s a whole world of systematic negotiation you’re not aware of; a system with a
step-by-step structure that will always keep you safe and give you opportunities for success you
could not imagine before you spent time with me, and hopefully maybe someday in the institute.

So how do we learn to master? Well, here we go. Do you remember riding a bicycle? I
remember. I would get up on the front-porch step, I would get on the bicycle, I would push off
down the yard, and I would coast until I either fell to the left or to the right. Didn’t dare try to
pedal. And I would do that until Mom made me come in. Next day I’d get up, I’d go out, and I’d
do the same thing, and lo and behold I’d go further. And by the end of the day, I was going
further than I could imagine. The next day I remember I got up and I pushed off, and I was going
and I was going, and I got to the bottom of the yard, and I turned and drifted up… back up the
yard on a slight grade until I stopped and fell over. Hmm. This is getting pretty neat. I can glide.
And then I tried pedaling.

Now maybe you had a similar experience of riding a bike. I didn’t have training wheels.
They didn’t have training wheels then. But there it was right in front of me how we learn. You
see, riding that bicycle, there are three steps to mastery. Three steps. And here they are. I want to
go through them with you. I want to be sure you have your arms around this.

First of all, the correct information. You must have perfect information in the event. If
you have flawed information, you can never create mastery in the event. Think about that. If your
information is flawed, if you’re using a BATNA, you have no chance of mastering negotiations
as an event. One and one is two. You can master that. That’s correct information.

I told you about the T-38. If you don’t master getting that gear up, if you don’t have the
correct information and you know that at 280 knots that gear is going to fail, if you don’t know
that, that’s absolute scientific-fact information, if you don’t know that, you can’t master putting
the gear up. It’s that simple. If you believe decisions are logical, you can’t master decision
making.

So you have to have perfect information, absolute information. That makes sense.
Absolutely makes sense to me. Think of the doctors mastering their skills. Perfect scientific
information. Also think of the growth mindset that doctors have when they’re out there pushing
the envelope trying to find cures for cancer. They’re now into genetics. They’re pushing out
there.

The step two to mastery is memory reactivation, memory reactivation. Remembering and
using the perfect information in memory reactivation. So we have to take the perfect information,
and we have to reactivate our memory of it. And remember I told you about failing safely? I
discovered that’s memory reactivation. Striving to get perfect information and using it, applying
it perfectly, and adjusting. Memory reactivation of that information.

I was on the right track, but I couldn’t put my hands on it. Now I’m thrilled by this
breakthrough in neuroscience for me, and I hope for you.

Now, step three to learning is dramatic, and this is an amazing thing for me. If we take
memory reactivation of perfect information and then the brain goes to sleep, we actually take a
break, we go to sleep, our brain as we go through this process, no matter how difficult the
information, no matter how hard it is, if we stick with it over time, our brain will build the
connections. Just like building muscle on a weightlifter, our brain will build the
neuroconnections of software that deliver the mastery.

And I think back on the most demanding thing I ever tried to master, flying jets, and I
think back on the hours spent studying the information, writing down… I remember writing
down every single thing I would do in a flight. From the time I walked in the building to the time
I walked out of the building to go home, I would write down every single thing I had to do to be
successful that day. What switch to turn on first, what to look at first when I got to the airplane. I
mean every single step, I would write it down. And then I would rewrite it down. And I would be
exhausted, and I would go home, and I’d review it before I went to bed. I’d wake up, and lo and
behold, the next day I got further down the list before I made a mistake.

I didn’t realize what I was doing. That sleeping time was changing my brain. To this day,
I’m telling you – it’s been over 40 years – I could get in a T-38, which are still flying today – I
would probably be dangerous, but if an instructor would just sit back there and ride with me, I
could work it out. That’s what we’re talking about mastery, and it comes from that rest.

So, again, let me recap all of this. Think about learning to ride a bike, think about
sleeping, how did this all come about? There’s the three steps. Step one, understanding the
correct perfect information. Decision science is perfect information. Taking years to amass. Step
two, taking that perfect information and reactivating your memory. Remembering and then
applying that information. Memory reactivation is step two. And step three is spacing. Spacing
memory reactivation, perfect information, applying it – I like to call it put yourself in overload –
and go to bed. Put yourself in overload, go to bed, wake up, start it all over again. That’s how
you develop mastery.

If you have the valid principles in place, if you have them properly aligned, if you have a
mission and purpose, if you set the proper goals and objectives, if you build the plan to solve the
real problems, if you generate laser-like focus, if you have a growth mindset and are coachable
and open, you can fly to the moon. Neil Armstrong proved it. Earl Nightingale told us about it
years ago. Now it’s true. It can be done, and the neuroscience is here – it’s no longer an accident,
it’s no longer guesswork – the neuroscience is here. The world of negotiation has changed
forever.
CD6 — Self-Management for Negotiating Success

JIM  In this session I want to talk about self-management. Self-management really, truly is our key to long-term success. How we prioritize, what we decide to work with, what we decide to not work with.

So let’s start with some concepts. I want to start with the word time. There’s a very risky situation in your self-management approach when you start thinking about time. Let me give you an example. You hear the words, I have to manage my time. I’ve only got 30 minutes for this meeting. Well, first of all, can you control time? Can you stop and start it at will? The clock ticks. If you’re not careful, that ticking clock can be used against you. It’s extremely important that you realize what you can manage, what you can control. We talked about this before, earlier in the program: you can manage your activity, and you can manage your behavior.

Now our system of what we call the Camp Self-Management System is a model that I took from the United States Air Force in the training of pilots. I know you’ve heard this numerous times. But when you think in terms of the hundreds of thousands of people that have been trained using that model, I think you’ll agree it works. So we take a look at what we can manage, and we break down our system.

For example, activity. How many of us have a “to-do” list? When we go to bed in the evening, we have things we going to do when we wake up in the morning, in priority order. How many of us have an activity goal set, a list of things that we have to do? Could be as simple as mailing a letter; could be as complex as traveling to another city. How many of us have that habit? That mindset?

If we realize that we can self-manage, all we have to do is learn to do what I call an exercise in journal keeping. Now I actually have a three-ring binder that I work with. And I actually have a whole page of self-management tools that I use. So, for example, my activity goals for that day are set down in compartments for activity goals. And as they’re achieved during the day, I check them off.

Now activity is kind of an interesting thing. How we prioritize and what’s most important. How many of you do the easiest first to get it out of the way? And how many of you take the hardest first? I find this kind of human nature – I know it’s my challenge – is I try to get as much off the list as possible as early as possible before I take on the more difficult.

So what I’ve done for my activity is I’ve actually broken it into two sections. I have non-pay activity that’s activity that produces no revenue. And then I have pay-side activity that produces directly revenue.
Now I approach this a little bit like a quarterback on a football team. Everything I do until
the touchdown pass is caught is non-pay activity in my eyes. Until I have actually crossed the
goal line, the effort to cross the goal line is pay-side activity. But the effort to get to that point is
non-pay activity. So all the checklists I prepare in a negotiation, all the logs, the debriefings I
prepare, the only checklist that is ever pay side is the one where we are going to consummate the
signing of the contract or consummate the deal. All the rest are non-pay activity. So I actually
keep a journal of the number of negotiations I have coming up, and I check off the box, I label
the negotiation, and I check off the box the checklist’s complete. And I actually have that
checklist in hand.

Now, in that checklist are behaviors. I’ll also talk about that a little later how I handle
that. But the important point is, is that I actually keep a journal of the checklist.

Now I must confess that this is not perfect science for me. But one of the things I learned
from studying some of the great, great leaders of all time is they almost all were journal keepers.
Some of the greatest historical documents, some of the greatest historical concepts have come
from their journals.

I remember as a little boy going to my grandmother’s home – and journal keeping is a
little bit of a lost art, I believe – I remember going to my Grandma Camp’s home when she was
very elderly, and I remember they had little gray books, had a tape binding, and they were
stacked in the corner, and they were taller than I was. And they were my grandmother’s journals
that she had kept since she was old enough to write. So there were dozens of journals of her life
in that corner.

I wasn’t old enough to really appreciate that or study them, but the concept is, is that she
kept a record of what she did, and she wrote about it. And I do exactly the same thing to a much
smaller degree. I’ll actually memorialize in writing under my activity goals what I thought was
most important, what I discovered, what I learned, and I’ll try to verbalize in writing exactly the

Now at the end of the day, if I have activity goals that are left open, that weren’t
accomplished, I move them to the next day. And what I find is, is that I move them to top of the
new list. If I have pay-side activity goals that aren’t accomplished, in my eyes I’ve had a bad day.
And that certainly gets transferred to the next day. But I also spend time writing down my
feelings and my thoughts about not getting that pay-side activity accomplished.

Now I have to admit, that doesn’t happen very often anymore since I started my journal
keeping and my self-management, which was many years ago. But I have to tell you that if
you’re moving pay-side activity to the next day, you need to get your hands on that and get
control of that. If you’re a procrastinator, believe me, you need to set up the journal keeping and
tracking of that pay-side activity. Don’t allow yourself to be a procrastinator.
Now we talked about in our system our behaviors. A critical non-pay activity is taking copious notes. If you’re not taking copious notes, that should be on your self-management journal. You should be checking that box every day. I take notes on phone calls; I take notes on conversations. If I don’t have a note pad with me when I get to a place, I’ll take out a Post-it and I’ll put an outline of what was discussed. Because I’ve got to tell you, to lock it into that blank slate mind is extremely valuable. And what you’ll learn is you’ll develop such a powerful memory, you’ll remember things from years ago that will aid you today. So copious note taking should be one of your required non-pay activities.

I try to enforce to you and help you develop the habit, the activity of copious note taking. And I have to tell you that I’ve uncovered in speaking with the neuroscientists that note taking forces memory reactivation. And if you remember when we were talking about neuroscience, we were talking about step two, memory reactivation. When you sit down, when you’re taking notes – and I’m not talking about BlackBerrys, I’m not talking about typing on the computer, I’m not talking about the court reporter, I’m talking where you have to listen and remember what was said and then write it down – that’s a complete exercise in memory reactivation. And every time you review your notes or rewrite your notes, it’s another exercise of memory reactivation.

I talked about pilot training. The reason I took those notes on every step I did in the airplane, I remember when I first went to college and one of the things Coach Hayes taught us – and Coach Hayes was very concerned about our grades in school and how well we learned in the class – and I remember he said, “If you will do this, I guarantee you you’ll graduate high in the class here at the university.” And here’s what he told us. “If you will take notes on everything you read, if you will then take notes on everything your professors say in class, if you will then take those notes back and sit down at the study table and build a new set of notes and combine those notes, you will find you will be very pleased when your midterm and final test are administered.”

And when you think about what he was teaching us – and that’s, by the way, where I learned to do that – that’s perfect memory reactivation. Because then we would transcribe the notes, go to bed, look at them again, maybe rebuild them, add to them, review them. Perfect memory reactivation, step two in mastery.

So as you’re taking notes in these negotiations… this activity I’ve given you is so critical to your long-term success. And you’ll hear it from me over and over again. If I’m ever your coach, you’ll hear me ask you where your notes are, how in-depth are your notes. So I want you to get your arms around the neuroscience, when you put pen to paper, you’re forcing memory reactivation. You’re forcing your brain to remember what was said and putting it on paper. And to me it locks it in. Very important to your success.

Preparing checklists is another example, non-pay activity. If you’re not preparing checklists and you’re not thinking about checklists, and you’re just winging it, you’re making a terrible mistake. You’re hurting yourself. So those kinds of things should be in your activity goals every day.
So let’s move to behaviors. We talked about them as part of critical part of our system, the first half of our system of negotiation. In those behaviors, if you’ll remember, we talked about nurturing, reverse, three plus connect. We talked about being more human, not okay on purpose. We talked about strip line. How it applies. We discussed interrogative questions, how to build them, how to structure them. All of those behaviors should be listed on our journal. If we find we’re having trouble being nurturing, if we find that our critical parent is jumping up, then we should set that goal every day to be nurturing. That should also go in our behavioral goals areas of our checklist as we’re preparing our checklist. So we should have a double-check on the areas we’re showing and demonstrating to ourself as weakness.

So as we go through every day, we can develop the behavioral habits by checking those boxes and assigning ourself that goal. At the end of the day, if we’ve done a great job, we can check the box or we can actually even grade ourself 1 to 10, 10 as being a championship performance, 1 as a failure, we didn’t even do it. We can also use that system.

But the concept here is, is that we set activity goals, and we journalize them. We set behavioral goals, and we journalize them. And in the behavior section I like to write out the impact of the interrogative question that I ask, or I like to write down the actual nurturing movement or statement that I made. I like to try to keep track of where I’m going on a daily basis with all the different behaviors because what’ll happen is if I start to slip out of the behaviors, I can catch myself and pull myself back into my system by self-managing. Very, very important.

In the area of objectives, I treat completed checklists as an objective. So if I’ve completed a checklist, I’ve completed an objective. Now it may take non-pay–side activity to build the checklist, but I utilize the objective on my self-management form. I literally write down objectives for the day, and I write down the number of checklists I have to prepare. And then at the end of the day, did I actually get them prepared? Did I actually get them accomplished? And I write down, and then I memorialize exactly what I did or didn’t do with objectives. If I fell short on accomplishing the objectives, of course they carry on to the next day to be accomplished.

If I’m having trouble with mission and purpose, writing down a mission and purpose, I’ll write that down as an objective to be achieved for a number of times that day. Now, notice mission and purpose is part of a checklist, but I actually break it down to an objective and utilize and know that I have to have that in place to continue my plan forward. My checklist, of course, is my plan, but I’ll actually break that mission and purpose down to an objective. And if I’m not happy with my preparation of my mission and purpose, I’ll mark down to review that mission and purpose at the end of the day and to set an objective to rebuild it, re-establish it for tomorrow. So how we treat those objectives, we have actually managed that during the day.

When I execute a checklist, I’ve achieved an objective. What were the results of the engagement? What came out of the engagement? Now we know that we have an objective called a log. So I want to know how many objectives did I achieve that day in log preparation? If I’ve
got copious notes and I’ve returned from an engagement or I’ve finished an engagement on the telephone, did I get those notes transcribed into a log to go behind the checklist or in front of the next checklist? Do I have those in place? Do I have that log accomplished? If I didn’t complete a section of that log, if I didn’t get that accomplished, if I didn’t move the decision process forward, I want to check that box and I want to know why. And I’ll actually make a note that I have the decision-making team in place. No new additions. So I want to be sure that I’m reinforcing the habits of getting this done.

Now I realize this all sounds tedious, but let me assure you, when it really gets tough, one of the most critical negotiations are coming, when you’re on the fly, you’re going to find that you’re going to have the habits so ingrained that if you do have to move forward in a negotiation without time to prepare a checklist or without your leaving in the negotiation and you don’t have time to do a log, the information will still be with you because you blank slate.

So, by building these habits of preparation and debriefing, and building these habits of establishing activity goals on the pay side and activity goals on the non-pay side, the critical behaviors, by developing those habits, by knowing what objectives you’re trying to put in place and memorializing that, you’re going to build a habit of how you think. You’re going to build a habit of how you proceed in engagements. You’re not going to take a call if you’re not prepared.

How many times have you taken a call that you haven’t had time to prepare a checklist for? I venture to guess many, many times. Well, what’s the most dangerous negotiation you can ever be in is the one you don’t know you’re in. So we take a call, and suddenly we find ourself blindsided. But, if we have the habit of building a mission and purpose and preparing a checklist before a critical engagement, we may pick up that phone and say, “I’m sorry. I’m not prepared.” When could we schedule a time to speak?

The concept here is in your self-management package, that this is your package. But the more you can work in this self-management arena… and it doesn’t take long, it’s only a 10- or 15-minute exercise a day. Maybe 10 minutes in the morning, even 10 minutes in the middle of the day, and 10 minutes at the end of the day. It doesn’t have to be all that elaborate, but it will pay you dividends long term and into the future. Self-management is a very important key to your progress in your system.

I’d like to close out the program with you with some conversations about just some concepts, just some of the things I’m up against, some of the discoveries I’ve made, some of the things I see as I’m coaching every day.

We have about $8 billion in negotiations out there right now, and so I’d just like to talk to you about a couple concepts. I made the comment that one of our rules to our system is the most dangerous negotiation you’ll ever be in is the one you don’t know you’re in. Let me give you some food for thought.
How many times have you seen someone give up some information not even realizing they gave it up, that might give advantage to another party? How many times have you been in an internal discussion with someone you work with or team member, and you don’t even realize you’re negotiating for their thoughts and your thoughts to come to some kind of an agreement internally?

One of the things I’m up against as a coach so often is what we call an unwitting agent. An unwitting agent is someone that’s so fearful of failure, loss of opportunity, that they actually sound like in an internal meeting, someone taking the side of the adversary. That’s an example of being in a negotiation you don’t even know you’re in. And this happens so often.

So actually, from a coaching perspective, we’ll literally spread the decision process, and we’ll create vision across the spectrum of the decision process, I like to call it, and I got this phrase from Sun Tzu in *The Art of War* – I like to make like water and cover everything. And one of the ideas there, and the reason we do that is we want to put people on the other side of the negotiation negotiating with each other so that we’re not apparently at the front of the negotiation.

Now, we’ve done some work in divorce situations in coaching, and one of the things we do is I never work for the divorce attorney, but I do work for the person being divorced. And I help them put the two attorneys in negotiation with each other they don’t know they’re in, for the benefit of the, shall we say, departed family, so that there’s benefit for the children and benefit for the spouse. Even though they’re being divorced, there’s benefits, and they can discover those benefits. So there’s things we do to put people in adversaries, our respected opponents, in negotiations they don’t know they’re in.

But I want to caution you. You don’t want to be caught in that situation. You want to be prepared. You want to always have the concept of mission and purpose in your mind. If you’re going to go to a dinner where there’s adversaries, which people do all the time, be very careful. You know, the alcohol. I’m not saying don’t be respectful and drink alcohol, that’s not what I’m saying. But you don’t want to put yourself in a position where you give up information or present something that can hurt your efforts down the road. That’s being put in a negotiation you don’t know you’re in.

Many years ago when I first started coaching negotiations, I went to work for a large organization in the insurance industry who had what they called a captured agency in California, actually just across the Golden Gate Bridge from San Francisco. And when I joined them in January, they were 150 out of 300 agencies around the United States.

At the end of the year, our target was to be in the top 10 of agencies in the country. Well, we finished number 1. And, of course, that was a tremendous cause for celebration. They won the trophy. And they did a great job of being coachable and working very hard.
I remember my wife and I actually were at the banquet, and the CEO of this industry giant sat next to me. And we chatted. My mission and purpose was to be sure that the leadership of the company discovered that the success of this effort over a year was not my coaching, but the effort of those individuals in the organization. So that kind of drove my decisions and my behavior in that dinner. I even briefed my wife Patty on preparation for that dinner.

And I remember going to the restroom, and the CEO happened to come into the restroom and join me. And as we were using the facilities, I asked him a simple question, “What are your thoughts on the performance of the team?” And I got an answer that I never dreamed, I never expected. He said, “Well, Jim, I’m really pleased with your work here, and I’m pleased with what the team did.” He said, “But I got to tell you, it’s really not going to matter. We’ve decided to shut down our captured agencies around the country. In the next six months we’re going to phase them all out.” You could have dropped an anvil on my head. I never dreamed he would give me that kind of information. Even the agency leadership that I was coaching didn’t know that was going to happen.

So that’s just an example of being in a negotiation you don’t even know you’re in. And I think when the CEO rethought that, I’m sure he realized that he gave up information he shouldn’t give up.

The next thing I’d like to share with you is what it’s like to have to clean up the mess created by BATNA. Many years ago I coached a negotiation in Northern Ireland. My client was a capital equipment provider in the high-tech world. And there was a factory being built in Northern Ireland, a high-tech fab. And I remember the negotiations like it was yesterday. It was actually a recovery. The person who had been in there negotiating with this fab had actually made a BATNA agreement.

The pricing of that equipment was $280 million that went into that fab. He agreed to a BATNA agreement, you know, a best alternative compromised agreement, of $240 million, and he even gave up the spare parts and service agreement that should have gone with it as a compromise, as a fallback position to BATNA. So they had $240 million of capital equipment, no spare parts, and no staff on-site to keep the factory running. He was so concerned about getting the agreement that he did not provide them and did not negotiate a spare parts and service agreement with staff on hand to repair the capital equipment if it went down.

Now to put this in context for you, if that machine breaks down in Northern Ireland, the closest spare parts is California. How long does it take to get the spare parts from California to Northern Ireland? And to come up with the service people that can also travel to Northern Ireland to repair the machines? If that fab goes off-line, meaning it shuts down for a day, it’s an $8 million bill. This fab was down five days. It was a $40 million hit.
So for the price of about $1.8 million per year in spare parts on-site and an inventory, and two engineers to keep the machines running, for $1.8 million, this fab suffered a $40 million loss. I had to go “coach” getting an agreement in place to cover spare parts and people on-site from that moment on. I had to clean up the BATNA mess.

And I’ll never forget, bear in mind, this Northern Ireland company demanded that not only do we give them the spare parts and give them the service, but we also write them a check for $40 million to cover their loss because the previous negotiation they weren’t made aware of what was given up by BATNA.

Now I must tell you that we sold them the spare-parts program, we sold them the service agreement at full price of 1.8 million, and we did not contribute to their $40 million loss. But it was a mess that had to get cleaned up.

I can’t tell you the number of times that BATNA has produced an agreement that caused conflict. Just like the one we talked about just now. If you think about it, pricing is put together, service pricing is put together, the cost of engineering is put together, all of these things great amounts of energy and time and money are spent on bringing together pricing. There are actually pricing professionals who work hard to come up with pricing that provides the proper margin of profit. Tell me what’s the first thing that goes when a BATNA agreement is agreed to and suddenly you find you’re losing money? Does service suffer? Do layoffs occur? Do you run the risk of not providing what you agreed to in the contract? There’s a real challenge here, and BATNA’s creating messes. Not only is BATNA giving our country away, but it’s creating messes.

So if you’re a BATNA negotiator, I’m asking you to rethink. Dig into the neuroscience and realize what’s going on and what’s happening to you.

And, oh, by the way, Bruce Lewolt and Tony Alessandra have a wonderful program with Nightingale-Conant called 30 Days to a More Powerful Brain. If you really want to dig into the function of the brain, you should get that program.

Now here’s another topic that I’d like to spend some time with you and devote to. Because so often we see something happen, we see something take place, and we think it’s a trick, or we think it’s a tactic. And for some reason in our makeup, everybody loves and smiles and gets a kick out of a trick or a tactic. I know I like to go back into my world and talk about football.

Because in football, I remember the first time I saw a double reverse. It was so deceptive and so exciting, and people were running around and people are confused, and it’s just absolutely – well, it’s cool. I mean, I don’t have a better term for it. It’s cool. But what’s the problem with the tactic? What happens to the defense once they’ve seen the double reverse a couple times? Or what’s the problem if they’ve seen it on film and they’re going to be playing you next week? How do you identify a tactic? It’s something that can easily be prepared for. A principle, no matter how much you prepare for it, it still applies.
Now, one of the things that we talked about in the behaviors is a strip line. Now, remember, I gave you the rule, a body in motion tends to remain in motion. A body at rest tends to remain in rest until acted upon by an outside source or force. Well, that pertains to strip line. But I have to tell you, strip line works every time because it’s a principle of that rule I just gave you of a body in motion. And what’s interesting, because it works every time, the first time you try it, it’s cool; it’s slick. Wow, that worked. It’s neat. It turned the whole negotiation around. And you think of it as a tactic. You think of it as a trick to be used now and then.

But suddenly when it works three or four times in a row, you start to abuse it. You start to aggressively abuse it. And you still think you’re using a tactic. And what’s interesting is, really interesting, is that no matter how many times you use it, the other side can’t prepare for it when it’s used as a principle. But if you use it and abuse it when you shouldn’t use it, people will start to get on to you. They will start to judge, and they’ll start to be able to react. And you’ll hear things like, “Don’t do that.” And the reason they say that is because you used it at the wrong time. You used it as a tactic, not as a principle.

If someone’s extremely angry and extremely negative, and it calls for a hard, negative strip line, absolutely. That’s a pendulum that’s way out there. It’s got to meet a force and bring it back. But if someone’s in a very even keel and you come across with a very heavy, negative strip line, people are going to start to see through you. You’re treating it as a tactic, not a principle. It’s used out of place.

If I take you back to football, I remember one of the first principled lessons I learned in football was that what Coach Hayes called overloading the point of attack. And it followed the principles and laws of physics. And here’s what he said, “A lot of reporters and a lot of people who watch us play football think that we block the way we do because it’s a tactic, because we’re trying to trick the other team.” He said, “Let me tell you, this is not a trick. If our tackle is bigger, stronger, and faster than their defensive tackle, and if our tight end is bigger, stronger, faster than their defensive end, and if our fullback is bigger, stronger, faster than their linebacker, and if I put our half-back in that hole between the linebacker and our fullback, the two tackles and the two ends, I put the halfback in that hole, and then I bring the third half back with the ball, I’ve overloaded the point of attack. That’s a principle of offensive line play, overloading the point of attack. It’s not a tactic. If you line up in that position and you overload the point of attack, they can’t prepare for it. That means they have to beat us, our four with three. Now they can pretend that this is a tactic, but it’s not; it’s a principle, and we’ll gain our yardage, and we’ll win the football game.”

So when I think of tactics I tend to think in those ways. And when I think of principle, I tend to think in those ways. When I uncovered the definition of negotiation in the Oxford English dictionary great minds came up with that definition. A lot of thought went into that
definition. And then when I tested it, when I tested the right to veto, the right to say no, and then you really start digging into it and you start evaluating it and you think about the principle of humanity and how people respond to being denied the right to veto, it very easily identifies itself as a principle.

But when I think of compromise and I think of BATNA, you’re not required to give up your good thoughts. In fact, I can’t tell you the number of times where people have compromised and damaged the other party. Because at the end of the day, what they promised at a certain cost or price from that BATNA position, they can’t provide what they promised.

I can’t tell you the number of times I’ve seen that in my career of 40 years. Compromise and BATNA are not a principle of negotiation. And unfortunately they’re used tactically just like that senior vice president I told you about with the big whiteboard and all the laid-out BATNAs that were on that board.

Think about this for a moment: I didn’t do it, but I wanted to ask the question, at what point in these BATNA fallback positions are you going to have to cut services, cut engineers on site? When are you going to be able to not service the machine that week and put off servicing for two weeks? What you promised to deliver in this contract, when are you going to start to suffer and possibly lose money, let alone break even? At what point in this progression is that going to happen?

I didn’t ask that question, but I’d seen that so many times. It was something I just had to bring up to you, and I want you to think about.

There are new rules to negotiation and we’re writing them. Thank you for listening to this program.
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