

START WITH NO

The Negotiating Tools That
the Pros Don't Want You to Know

Jim Camp

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To my wife, Patty

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Introduction

Win-Win Will Kill Your Deal

HOW OFTEN OVER the past couple of decades have we read or heard the phrase “win-win”? Thousands, I guess. Enough, I know. The term has become a cliché in our culture, the only acceptable paradigm for personal interaction of any sort. In business, its appeal rests on the proposition that no company has the right to plunder a market just because it enjoys a position of strength and dominance. We believe that a shared prosperity—a win-win prosperity—is the sustainable one.

It all sounds so good, what stick-in-the-mud could possibly disagree that win-win is the model to use in negotiation? Well, I disagree. Based on my nearly twenty years of experience as a negotiation coach, I believe win-win is hopelessly misguided as a basis for good negotiating, in business or in your personal life or anywhere else. This book and my system should be viewed as a *rejection* of win-win and all its kind. Of the various ideas in my system that I could have chosen as my title, I selected *Start with No* expressly to emphasize my profound disagreement with win-win, which implicitly urges you to get to *yes* as quickly as possible, by almost any means necessary. Such negotiating is the worst possible way to get the best possible deal. In fact, it will get you killed.

Maybe you work for one of the many companies around the world that proudly display those shiny win-win trophies presented to the sales team by their largest customers. That's right, actual trophies, each and every one of which is testimony to a *failed* negotiation. Testimony to a negotiation conducted without discipline and without a system. Testimony to a negotiation conducted by naive amateurs, to be perfectly blunt. I think it's great that eight-year-old girls and boys receive trophies in their baseball and soccer leagues regardless of whether they were the champions that season. I think it's astonishing that top executives don't understand that it is precisely the win-win negotiations that are grinding the businesses into the ground. But this is often the case. I know, because many times I've walked right past the win-win trophy case on my way to meet the executives who want to hire me as a negotiation coach because things have gotten so bad.

“But so many deals have been negotiated on the basis of win-win! So many headline articles, books! It must work!” My answer is simple: The fact that a given deal was negotiated and signed tells me nothing at all. Who said this was a good deal, much less the *best* one? Just as the fact that the Cleveland Indians scored eight runs tells me something, but not enough, because the Yankees may have scored *nine*, so I need to know the final score of these so-called win-win deals.

And I do. I know that a certain worldwide delivery company became an industry juggernaut by negotiating deals with hundreds of small vendors across America that the company then abrogated in order to obtain leverage for a better deal—better for the delivery company, that is. Were those first deals good for the vendors? Just ask them. What about the second deals? Ask the vendors about these, too. I know that certain clothing retailers have

made a specialty of squeezing vendors into signing pie-in-the-sky deals with production targets they cannot possibly meet. When they don't come through, the companies enforce the letter of the law, nullify the contracts, and then return in a month or so to renegotiate at the proverbial dime-on-the-dollar, because they now have all the leverage. Were those first or second deals good for the vendors? Just ask them.

When I became a full-time negotiating coach in the 1980s, after years of more informal tutoring, I didn't just say to myself, "Jim, there's always a niche for the contrarian in any field, so why don't you go challenge the win-win paradigm?" Nor am I a go-for-the-jugular tough guy who enjoys bullying people, as if this were the only alternative to win-win. The business world is certainly full of such individuals, and we will meet some of them in these pages, but I'm not one of them. No, I began to challenge win-win because I quickly learned that it's all too often win-lose. Make no mistake about it: a simply terrible but supposed win-win deal is signed every minute in this country. The promise is just manipulation. It's a double-talk.

Think about the situation this way: If a company with a good product or service and with adequate resources goes bankrupt, which happens daily, what is likely to be *more* responsible for this fatality than poor negotiating with suppliers, customers, employees, *someone*? But even as the number of win-win losers grows and grows, the unwary are still legion. If I accomplish nothing in this book beyond alerting businesspeople to the dangers of win-win, I will have performed a valuable public service. I feel so strongly on this subject I'm now going to devote a couple more pages to it.

Some readers—I'm among them—tend to skim or even skip book introductions. Please don't do so this time. In order to understand my system, you *must* understand the dangers *inherent* in win-win.

They're Lying in Wait

I am not the first professional negotiator to understand the inherent weakness of the reigning philosophy. Not at all. Many, many corporate opportunists and shrewd negotiators in every field understand that a gung ho, win-win negotiator on the other side of the table is a sitting duck. In fact, one increasingly popular, high-level corporate strategy in negotiation commonly known in the business world by the acronym PICOS was developed for the *sole purpose* of defeating weak win-win negotiators.

This is an instructive story, which I'll pick up in the early 1990s, when a man named Jose Ignacio Lopez de Arriotua was a main player in the procurement department for General Motors. (Many readers will remember Lopez for his subsequent highly publicized defection to Volkswagen in 1992 amid charges that he stole GM secrets. The federal government had indicted him for industrial espionage, but he's fighting extradition from Spain.) Lopez and his cohort at GM developed PICOS, or Program for the Improvement and Cost Optimization of Suppliers. (I've also seen it spelled out as Purchased Input Cost Optimization, so take your pick.) The advertised idea of this "costing method" was to help suppliers hold down their own costs in the design and production stage of the products they sold to GM. By holding down suppliers' costs, GM held down suppliers' prices and thereby GM's own costs.

So what could be wrong with helping suppliers hold down their own costs? That's win-win.

isn't it? It sure was—for GM, because when the rhetoric was stripped away, “cost optimization” was a politically correct euphemism for bludgeoning suppliers into submission. It was nothing more or less than a diligent, sustained, extremely effective way for the giant automaker to drive down costs by putting the squeeze on its thousands of suppliers, no matter the result to them. If a supplier went belly-up or couldn't deliver under the negotiated terms, there was always another supplier who believed that it could somehow live with the prices. PICOS and its win-win rhetoric sounded good in theory, but it was and is devastating in practice for many businesses.

Today, several major business schools have developed similar programs for cost optimization or “supply systems management,” as they are also labeled, and I imagine many others will follow suit, because GM and other large corporations have had great success with them. The business school that teaches the win-win mantra in a course on negotiation might also teach, right across the hall, a course in “supply system management” that's expressly designed to destroy the win-win model! Mind-boggling.

Just a couple of weeks before writing this book I happened across an interview on one of Northwest Airlines's audio channels with the CEO of a new company that develops software for “interactive electronic commerce.” This CEO was boasting about how the company's procurement software helps their clients “dominate their suppliers.” That's the quote, and that's just the tip of the iceberg. The Net will facilitate the growth of huge buying cooperatives, multibillion-dollar initiatives that will allow competitors to combine their buying power in order to drive down suppliers' prices and add another tool to their cost optimization arsenal: “If your terms aren't good enough, we'll put it up for bid on the Net.” I have no idea how this will all shake out in the years ahead, but I do know it represents more leverage for the big boys.

The Invitation to Unnecessary Compromise

What is the poison that resides at the heart of the big lie that is win-win? You've heard of the deadly stuff. It's called *compromise*. Many negotiators play the win-win game with an implicit invitation to debilitating early compromise on the part of their unwary adversaries, who are in turn, almost *programmed* into this fatal mistake by the mantra of win-win. Those smooth-talking negotiators *don't* compromise, but they demand that you do. (In the case of corporate purchasing departments, I guess their compromise is that they're buying from *you* instead of from someone else.) And all the while, they put the happy face on their negotiations. GM acquired the deserved reputation of being a bully, so it and all the other big purchasing companies learned to be even more diligent in their use of win-win rhetoric, playing on our old-fashioned, all-American, Dale Carnegie instinct to win friends and influence people. They say, “Let's team up on this, *partner*.” They play on the time-honored American tradition of collective bargaining. In fact, almost every recent book on negotiation—many dozens, if not hundreds, including academic texts and popular paperbacks alike—structure their wisdom and advice around legally mandated collective bargaining in labor relations (the National Labor Relations Act of 1935): negotiating in good faith, give-and-take, compromise. In collective bargaining, a negotiator can be sent to jail for failing to bargain in good faith—for rejecting win-win, in effect. It should be no surprise that many win-win gurus in this country were

educated and trained in this field.

In and of itself, tightly regulated collective bargaining is fine. So is generic “bargaining in good faith.” Of course you want to bargain and negotiate in good faith. I insist on it with my clients. But when the tiger across the table says, “Now, Denise, Tom, you have to consider our legitimate interests here. We have to have a little good faith here, a little win-win,” what is Denise and Tom’s first thought? It’s probably that they have to give up something if they need to sign this deal—and of course they do need to sign this deal, it’s such a big one for their company. They have allowed themselves to be subtly manipulated into feeling responsible for the results reported to his boss by their adversary. They’re nice people, so they compromise in order to help their adversary become a winner, too, though they have no idea what makes him a winner. When naive, eager-to-earn Denise and Tom are negotiating with a cunning tiger who has *also* read the win-win books, they are in terrible jeopardy.

Please remember this: The negotiators for many of the dominant multinationals are tigers. Most if not all of the great businessmen and businesswomen are tigers. I dare you to walk into the negotiating cage with them or their colleagues or a team of cost optimization negotiators while using one of the win-win textbooks as your bible. If you don’t believe me, please check with suppliers for a certain worldwide delivery company and for certain retail clothing companies. Please check with smaller companies who deal daily with the giants of the Brave New Economy out on the West Coast. And I can assure you that negotiators in Saudi Arabia and Japan don’t know about our American tradition of collective bargaining—even if they do, it’s in order to take advantage of the negotiator who comes to their table with that mind-set. Was Ho Chi Minh playing win-win games in those fateful negotiations over Vietnam? I don’t think so. But Richard Nixon and Henry Kissinger and their team were.

The furthest thought from Ho’s shrewd mind was negotiating a “wise agreement,” as defined in *Getting to Yes*, the leading win-win book on the market today. A quick look at the definition will be highly instructive. It reads: “A wise agreement can be defined as one that meets the legitimate interests of each side to the extent possible, resolves conflicting interests fairly, is durable, and takes community interests into account.”

Sounds nice enough, but exactly who decides which interests are “legitimate”? In whose eyes are conflicting interests “fairly” resolved? And what does “to the extent possible” mean? And what does “durable” mean—that the agreement lasts a month, a year, or for the ages? And which “community interests” are we talking about? There are many of them, often in competition, one with the other (schools, labor, management, the environment, city hall—just for starters).

One more time: “A wise agreement can be defined as one that meets the legitimate interests of each side to the extent possible, resolves conflicting interests fairly, is durable, and takes community interests into account.” In a perfect world, maybe, but in this one I hear “Taps” playing in the background. Compromise is implicit—almost explicit—within the definition. Of course, our hypothetical negotiators Denise and Tom *do* have to consider the adversary’s “legitimate interests,” once they figure out what they are, but this does not necessarily mean they need to give up a single dime.

Why in the world compromise before you’re certain you have to? Sometimes you do, and that’s fine, but often you don’t, and that’s better. The key point is that with the win-win mind-set, *you’ll never know which it is*. Think carefully about this for a moment: Win-win and

compromise are a defeatist mind-set from the first handshake. Negotiating under the banner of win-win, you'll have no way of knowing if you've made good and necessary decisions leading up to the compromise.

Maybe some readers are already thinking, "This Jim Camp approach sounds too color-bled for me. I *like* the idea of win-win. I believe it makes for a better, fairer world." No, I hear "Taps" playing not quietly in the background, but loud and clear. Let me illustrate with a quick, true story. Imagine that you are one of a small crew of young software hotshots in Silicon Valley and a Japanese firm offered to license your state-of-the-art technology for \$400,000. You need some capital, and here's some nice capital. You guys and gals live on practically nothing, and this money might get you over the hump, and these investors are smart enough to think highly of your work and kind enough to go out on a limb for you. It's a good win-win deal, right? So this team thought. They were tempted to accept the initial offer before they were introduced to me, and I suggested a different approach because I found out that this Japanese firm that had pretended for six months that this \$400,000 offer was all they could afford was actually a subterfuge group working on behalf of a major Japanese car manufacturer to buy American technology as cheaply as possible. Such "hit squads," as they're known, are notorious in Silicon Valley, and their equivalents operate in every field of business, large and small, and usually under the humanitarian guise of win-win. The final negotiated fee for that crew's technology was \$8 million. Why? Because that's what it was worth. Win-win would never have netted what that technology was worth.

Maybe some readers are also already thinking, "But what about that word 'adversary' you used earlier, Camp? I don't like that. Negotiation isn't a war." No, it's not a war, and while I realize that the word "adversary" may carry confrontational connotations, I define it as "respected opponent." You are negotiating with a respected opponent. I employ the word "adversary" mainly to counter the mushy idea that the folks on the other side want to be your friend, and may even pretend to be your friend.

Sure win-win sounds good! That's exactly why it's so dangerous and why you have to be so careful. When negotiating over the fence with your neighbor about what time you should fix up the coals for the big barbecue, you might well get by with win-win, but not against the tough, seasoned negotiators in the outside world.

Emotion-Based versus Decision-Based Negotiation

It's crazy out there. In many, many corporations, the sales force adheres to the win-win paradigm and therefore compromises at every opportunity in its desperation to "get the business," while the various purchasing agents and departments are well skilled in one of the theories of supply systems management that are designed to take advantage of win-win vendors. Do the chief executive officers understand the contradiction here, the absurdity, and do they understand that *both* the win-win and the PICOS paradigms are self-defeating? I wonder.

Here's a true story that perfectly proves my point. On one side of the negotiating table was a medium-sized company that sells a product vital to the high-tech world. I'll call the company Euphoric, Inc. On the other side of the table was a division of a giant multinational

that supplies a chemical vital to Euphoric's product. I'll call this supplier Worldwide, Inc. In this negotiation, Worldwide approached Euphoric and requested a renegotiation of the contract for their patented chemical, which is petroleum based and therefore had become much more expensive to produce, given a worldwide increase in oil prices. Euphoric refused to renegotiate the contract. A deal is a deal, they said. In reply, Worldwide slowed down its shipment of the chemical, and without this chemical, Euphoric would have to shut down its line.

How much would Worldwide's request have added to Euphoric's unit cost? About fifteen cents. How much did Euphoric retail this unit for? A little over \$2,000.

Those numbers are not typos. The battle was raging over a fifteen-cent increase in cost for a \$2,000 product. What in the world could account for such blindness? It's very simple. Worldwide, like vendors everywhere, was so used to compromising at every opportunity in the name of win-win that they were afraid to insist on the justified premium for the patented product. Meanwhile, the purchasing folks at Euphoric were risking tens of millions of dollars in business because they, like purchasing departments everywhere, were blind to the fact that they were committed to taking advantage of win-win adversaries at every opportunity. Both sides were in an emotional box, committed to abstract theories of negotiation, and neither side made good decisions. In the end, Worldwide got its premium, because it was the best decision for both companies, but the negotiation was ridiculously long and involved and expensive.

This book is a refutation of all such *emotion-based* negotiating. As an alternative, I present for your consideration *decision-based* negotiating. In the end, I believe you'll agree with me that the difference between the two is clear and that the choice between the two is easy.

When I was in the air force, I learned, first in the classroom and then by practice in the cockpit, decision after decision, mistake after mistake, that I could not directly control the actions and decisions of my adversary, but I could, through trained habits, better manage my *assessment* of my adversary and make certain that it was accurate. With good decision-making skills, I had a chance at maintaining control of the situation and thereby achieving a beneficial outcome. Likewise, I couldn't absolutely control my emotions—no one can—but I could keep them under check, I could keep them from overly influencing my *actions*, with carefully constructed behavioral habits. This is precisely how the surgeon or any other practitioner learns his or her craft: through practice, study, making good and bad decisions, correcting the bad ones, more practice, more study, more decisions, more corrections.

I focused on what I could control—the means—not what I could not control—the end. The focus of this book is teaching you how to do the same during negotiation, because too many negotiators do just the opposite. They focus on what they *cannot* control—the end—while losing sight of what they *can* control—the means.

I like this analogy with baseball. Barry Bonds and Sammy Sosa cannot control whether they will hit a home run. After all, Bernie Williams may climb the wall and take it away, or the long fly may confront a jet stream that keeps the ball on the warning track. A lot of things can happen in the end, so Bonds and Sosa can only focus on the means to the end: putting a pure, sweet swing on the ball. They think only in terms of maintaining power and leverage in the process of the swing. If they think in terms of homers, they *lose* power and leverage by overswinging and lunging at bad pitches.

The analogy with a business negotiation is direct, which I realized almost from the first day

I thought seriously about the subject, when helping a friend in California work out a small business deal. You cannot control the other party's actions and decisions—not directly—but you can control your assessment of your adversary's situation, and you can, with a great deal of work and discipline, control your own actions and decisions, and you can keep your emotions under check. My system teaches you how to control what you can control in negotiation. When you do so, you can and will succeed (understanding that success sometimes means walking away with a polite good-bye).

My principle (and title), “Start with No,” is based on the understanding that “no” is a decision. An early “yes” is probably a trick, and “maybe” is just that, maybe, and gets you nowhere. But “no” is a decision that gives everyone something to talk about, that helps you maintain control, as I'll explain in detail in [chapter 3](#).

Another rule is “No Closing.” But this is absurd, you may think. After all, “How to Close” is a more or less mandatory section of almost every negotiation book, so it has to be important. But I'm not playing games. Large deals, and even smaller ones, don't “close” in the usual sense of the term. They *come together*, through vision and decision, over weeks and months and maybe years. Moreover, if closing this deal is your goal, your preoccupation, maybe even your life's dream, then you're concentrating on what you *cannot* control and forgetting about what you can control. When negotiating with real pros, you'll pay the price in the end for this misguided behavior. In my system, you forget about winning and concentrate on the fundamentals of sound decision making.

At first encounter, some people—many, to be frank—are skeptical of these and other rules I use in my work, because they seem to fly in the face of conventional business wisdom. Some new clients have even been actively resistant, but after closer consideration, certainly after one trial negotiation, the great majority of these men and women are converted because inviting the adversary to say “no” simply works. The “No Closing” rule simply works. Concentrating on what you can actually control in a negotiation—the means, not the end—simply works.

The so-called contrarian suddenly becomes common sense.

The Camp System

To repeat: Win-win is often win-lose because it invites unnecessary compromise, because it is *emotion-based*, not *decision-based*, and because it plays to the heart, not to the head. And one more thing: Win-win is not based on definitive principles; it's based on mush like the definition of a “wise agreement” I've already cited.

A win-win negotiation is not controlled in a clear, step-by-step way. That's just one reason win-win gets slaughtered in the real business world, again and again and again. I know CEOs who are proud of their deal making, but they have no discipline, no real basis for making their decisions. They're shooting from the hip under the assumption that everyone else is shooting from the hip. But some of their adversaries aren't. Some are shooting with a telescopic lens and the unwary win-win adversary is the target. It's not a fair fight.

Many readers will have heard Ross Perot's often-told story about the American who wanted to buy a camel, pulls up at a tent with half a dozen camels staked in front, and asks the owner about one particular animal. The bedouin replies, “Oh, that's my son's camel, his pet.”

couldn't sell that one." The American looks nonplussed, gets back into his Range Rover, and starts to drive off. The bedouin runs after him, shouting, "I thought you wanted to buy my camel!"

I agree with Ross Perot: Americans don't know how to negotiate! Okay, you ask me and Perot, how did these CEOs get to the top if they're such incompetent negotiators? Since win-win isn't a system and offers no real basis for judging those who "use" it, mediocrity flourishes without being detected. We all know there's a fair amount of mediocrity in American business, and I believe the win-win paradigm is partially responsible. So what if the negotiator settled for offering a 27 percent volume discount, while his bosses were hoping he'd only have to offer 24. He tried, and it's only a 3 percent difference, and it was win-win, so break out the bubbly. No one has any idea how much, if any, volume discount *should* have been offered and would have been accepted. Or change the perspective: The *buyer* was hoping to get a 27 percent discount but only got 24, and under win-win who knows how much she could have gotten with better negotiating? So break out the bubbly on the other side of the table.

My book introduces a *system*. With it, you *do* know how much discount should have been offered, and you do *not* offer one dime more. With my system, you focus on goals and behavior you can control and ignore results you cannot control. The system is pretty simple to understand, I believe, in its basics, but it does take strict discipline and a great deal of practice to employ successfully, whether you're negotiating the price of a Pokémon card, a new house, or a multimillion-dollar deal for, or with, a multinational. This discipline and practice have changed the lives of my clients—not only because they're bringing home a lot more money than in the past, but in the broader context of a life lived with boss, coworkers, teammates, spouse, children, friends. No matter your walk in life, if you sat down and calculated the number of negotiations you handle in a busy week, the answer would astound you. I did this once for myself and got up to one hundred before deciding that enough was enough. Your answer will be in the same range because, if your family is anything like mine, was some years ago, which restaurant to go to with the kids is one negotiation, which taxi you take is a second one, what dishes they order is yet a third, and what they actually eat is yet a fourth. You get the picture. In New York City, which route the cabby takes from La Guardia to midtown Manhattan is a negotiation. What time you meet with your negotiating adversaries at the hotel may well be a negotiation. The list is endless, and the principles and system I introduce in this book apply to *all* of them.

The content of this book is contrarian, but the structure couldn't be more straightforward. The first fourteen chapters that introduce, one by one, the principles and practices of my system. The first progress from the more general principles that are really about preparing *yourself* for negotiation—neediness, being *not* okay—to principles that are still about preparing yourself but also take you into the realm of actual negotiations. These chapters will also be new to you, even when dealing with tried-and-true business ideas like mission and purpose, which, in my system, is completely different from any M&P statement you've ever prepared. The last chapters then take us into the nitty-gritty practices we'll use to negotiate actual deals. You will learn how to rigorously structure the negotiating process from A to Z with agendas and budgets and other good things—none of them being the usual practices of the business world.

This system first began to take shape in the air force, then during my career as a commercial pilot, and then in the business arena as I made the transition to negotiating coach. I am not a consultant. I'm a *coach*, and there's a huge difference: Consultants are much less hands-on than coaches, and they take no responsibility for their work. There are hundreds—maybe thousands—of consultants who include negotiations as a featured service. There are very few coaches who do what I do, working with my clients on *every* aspect of the negotiation.

For the past dozen years, since I founded the Negotiator Coaching Series in the Bay Area and then Camptraining, I have trained and coached negotiation teams here and abroad, on every continent. I hold Negotiator Coach Symposiums every year in major venues across the continent. Harvard University, Ohio State University, and the University of San Francisco have sent participants to my lectures and symposiums. *Inc.* magazine has featured me in its annual Growing the Company conference. All in all, I've introduced my ideas and my system to about fifteen thousand individuals. I've worked with about 150 corporations on literally thousands of negotiations. In the last decade, men and women in many different fields have used my system to negotiate transactions worth more than \$4 billion.

I've coached individuals and teams at such companies as Motorola, Texas Instrument, Merrill Lynch, IBM, and Prudential Insurance. I also work with many medium-sized and small companies. At any given time I'm working with about thirty companies, conducting seminars and/or one-to-one coaching with, on average, about 130 individuals in each company. I'm involved in about 750 negotiations a year. I also coach some individual proprietors. And there's the interactive website, Camptraining.com.

I'm not claiming that this book will accomplish for the reader what I accomplish with my workshops and hands-on and website coaching, because I work with my clients for hours, days, weeks, months, years, and decades, in certain instances. I'm inclined to give credence to the theories of learning that suggest we humans need about eight hundred hours to truly master a complex concept and the habits necessary for its application. But I have no doubt this book alone will be a revelation to readers, just as the material in its more hands-on form is a revelation to my clients. Think of me as a patient, supportive, enthusiastic coach *in absentia*, or at a distance. Reading this book will not necessarily prepare you for negotiating a \$2 million deal with Humongous, Inc., whose negotiators may be the most tenacious of them all, but if you apply the principles I introduce here and if you develop the proper habits, you will be closer to this goal than you ever imagined.

Obviously, there are thousands of articles, books, college courses, and websites dealing with the art and the science of negotiating. Plenty of good deals were signed in this world before I showed up on the scene, and plenty have been accomplished by negotiators who have never heard of me. But many, many bad ones have also been signed. This is my promise to the reader: You might pull off a successful negotiation—or at least obtain a serendipitous result—without the Camp System, but you will negotiate many more good deals *with* the system, and you will not get bogged down or suckered into a single bad negotiation *with* the system.

No one hires, or should hire, a negotiating trainer or coach based on an advertisement. Every new client I have is a referral from another client. In the early days of my work as a coach I offered every new client a written guarantee. If it were possible to publish a book

with the same guarantee, I'd do so without qualms. If you work hard to understand and put to good use the principles and practices revealed in this short book, you *will* become an immeasurably better negotiator. That's a fact.

Whether we like it or not, it really is a jungle out there in the world of business, and it's crawling with predators. In my work I often use the image "dance with the tiger," because the tiger is viewed or even worshiped around the world as the ultimate predator. To dance well—to negotiate well—we must hear the music, we must *feel* the music, we must be tuned in to our partner—our "adversary"—at all times, we must follow carefully established steps with discipline. This book provides such a discipline and such a system. This is not a lot of theory that was dreamed up in an ivory tower and looks pretty good on paper but doesn't pass the smell test. My system was developed in the real world of business and is used with tremendous success in this real world every day. I've spent a good deal of time in the ivory tower, reading about the great decision makers, but I've never lived or worked there.

This is nuts-and-bolts material that you will *immediately* be able to apply in your business negotiations as well as in all other aspects of your life. You will learn how to lay out a negotiation on paper and control it step-by-step, how to react effectively to *anything* that happens at the negotiating table, how never to be caught flat-footed, even how to walk away with a smile, if need be. You will close this book feeling, "I can do this. What's more, I already have a pretty good idea *how* to do this."

Your Greatest Weakness in Negotiation

The Dangers of Neediness

WHY ARE THE tiger's eyes set in the front of the head, facing forward? Because the animal is a *predator* always on the lookout for prey. Why are our own eyes also set in the front of the head, facing forward? Because we are predators as well. Watching children in a playground is delightful, but it is also cautionary, as every parent knows, because we see the king-of-the-hill, one-upmanship, bullying, competitive instincts emerge at a very early age. These instincts last a lifetime, as anyone who has spent much time in a nursing home knows. They accompany some of us right to the grave.

This is a harsh truth with which to begin the first chapter of this book, but it's a vital, necessary point. Like all predators, we humans often take advantage of the fear-racked, the distressed, the vulnerable, the *needy*. We're capable of wonderful altruism as well, but we don't find too much altruism in the business and negotiation world, despite all the sweet talk of some cagey win-win negotiators. In a negotiation, "dog-eat-dog" may not do justice to the hidden ferocity. In your life as a negotiator, even in your life as a private citizen of the world, you are dealing with some serious predators who are looking for the slightest sign of distress and neediness.

It is absolutely imperative that you as a negotiator understand the importance of this point. You do NOT need this deal, because to be needy is to lose control and make bad decisions.

How vulnerable are you to predators when you lose control? Very vulnerable. I'll illustrate the point with the movie *To Walk with Lions*, starring Richard Harris and set in East Africa. Naturally enough, where the character played by Harris has many "friends" among the animals, including a certain lion. One day Harris slips and falls on a hillside—and the lion pounces on him in a flash! Harris manages to fire his gun and scare the lion away, but he doesn't shoot at him, because he has always known and never forgotten that the lion is a predator, first and foremost, and will behave like a predator when given the opportunity and sensing weakness. Every animal trainer knows the same thing: with a predator, it's all about power.

Many negotiators are the same way. Many *win-win* negotiators are the same way. When I cover this subject in workshops and seminars, some people seem to think that I'm exaggerating about this neediness business. I am not. In fact, if I polled my clients over the past years to name the one idea of my system that had the greatest and *most immediate beneficial impact* on their negotiating work, I'm pretty sure that a plurality, maybe even a significant majority, would identify this simple warning about neediness. With experience, they have learned that neediness can have—*will* have—a dramatic, always *negative* effect on their behavior. You must overcome any neediness at the negotiating table.

Neediness Comes in Many Varieties

Perhaps the category of negotiation in which this neediness dynamic is most powerful and dangerous is the straight retail sales negotiation, in which the golden rule of business is the implicit understanding of both sides: “The one with the gold rules.”

In Western culture, we see ourselves as buyers, don’t we? We proudly buy and consume as much as we can. The salesperson, on the other hand, has a problem with his or her self-image. The very term “sales” is being replaced in many fields by “business development” because the image of the salesperson is that of the huckster on the street, almost. More important, the salesperson is definitely the *dependent* party in the negotiation. He or she must be prepared to give, to compromise, while the buyer takes everything he or she can get. After all, the buyer can go elsewhere, in most cases, but the poor seller *needs* this deal. The self-image of the individual in the selling role traps him or her in a neediness mode and often leads to bad deals.

Tough negotiators are experts at recognizing this neediness in their adversaries, and experts in *creating* it as well. Negotiators with giant corporations, in particular, will heighten the expectations of their supplier adversaries, painting rosy, exaggerated scenarios for megadeals, orders, joint ventures, global alliances, all for the purpose of building neediness on the part of their adversary for this once-in-a-lifetime, career-making deal. Then, when the neediness is well established, they lower the boom with changes, exceptions, and a lot more—demands for concessions, all of them. Throughout this book we’ll see in ugly detail how this works.

Sometimes, however, the buyer, not the seller, finds himself in the potentially needy position. A classic example from history is the Lewis and Clark expedition. When these intrepid explorers really *needed* fresh horses, the Native Americans somehow knew this. When the local residents were negotiating to sell less valuable and necessary goods, they came to quick agreements, but when they were selling vitally needed horses to the explorers, they pitched their teepees and settled in for the long haul. They were instinctively tough negotiators. (The journals of Lewis and Clark are excellent reading for any negotiator because these two great Americans encountered dozens of unusual negotiating situations.)

Sometimes Lewis and Clark *were* needy, plain and simple. Sometimes they really *were* desperate for horses and other supplies. Today, in the twenty-first century, we’re not needy. We’re just not, but we nevertheless still hear people say, “I *need* this jacket.” Or “I *need* the car.” Or “I *need* to make this call.” Or “I *need* this job.” Or “I *need* to talk to you.” Or “I *need* this deal.” We use the word “need” much too casually. The only things we truly *need* are the basics of physical survival—air, water, food, clothing, shelter—and everyone reading this book already has these. We also need the basics of intellectual and emotional well-being—love, family, friendship, satisfying work, hobbies, faith—each reader has his or her own list here. But it’s a *short* list, and it does not—or should not—include the \$500 jacket or the \$100,000 car, because there are other jackets and cars. It should not include this particular job or sale or deal, because there are other jobs and sales and deals.

Nevertheless, neediness is everywhere. Let me tell you the most instructive experience on this subject I’ve had in my own life. The time is 0-dark-30 hours (military lingo for early A.M.) on a cold, damp, foggy January morning in West Texas. This is the first morning on the flight line for my group of fighter pilot trainees. The room is full of young men, all second-

lieutenants, dressed in new green flight suits and black high-top boots, waiting for the flight commander. In walks Major Dave Miller, slightly gray at the temples, the perfect specimen of a fighter pilot, a veteran of the Red River Valley in Vietnam, site of some of the most intense aerial combat in history. “Atten-hut!” We jump to our feet and stand ramrod straight.

In a deep, confident voice he commands “Seats!” You never saw men sit down as quickly as this group did. Immediately he says, “Lieutenant Camp.” I’m startled but gather my wits as best as I can, leap back up to attention, and answer, “Sir, yes sir!” Dave Miller says, “You have just taken off, you are three hundred feet above the ground and climbing. Instantly everything goes quiet and you feel like someone is putting on the brakes. Your airspeed is two hundred fifty knots and slowing. You suddenly realize both engines have quit. What are you going to do?”

My mind goes blank and my heart goes into orbit. It seems like forever, but then I hear myself say, “Well, sir, which runway am I on?” And believe it or not, I proceeded to *debat* this man, a seasoned veteran, my teacher, about how I should have handled that hypothetical situation. The correct answer to Miller’s question was eject. *Eject?* He must be out of his mind. I’d never ejected in my life—never even considered it during my prior training. And on that morning I never considered that Miller was trying to save my life, while I was trying to show off by arguing that I could make it to a certain runway.

There’s another word for all that early chutzpah and ego on my part: neediness, plain and simple. In that “negotiation” with my instructor, I needed to be a top gun, to know it all, to be right. Sometimes neediness is blatant and easy to spot, as in that flying story, but more often it is subtle and insidious. The trained negotiator sees neediness of all sorts all the time in big ways and in little ways. It is so easy to slip into such a state, often without even being aware of it.

Think about something as simple as a greeting.

“Hi, I’m Frank Jones.”

“Hello, Mr. Jones.”

Such subtle subservience puts you at an immediate disadvantage. You have conceded that Frank Jones is top gun in this room, and he knows it. You’re ripe for the picking. So call him Frank instead.

Consider this appeal for an appointment:

“Mr. Smith, this is Bob Jones. I’m with First Advantage Venture Fund, and I want to see if I could get ten minutes on your calendar so I can show you how we can work with you in the future.”

Remember, new companies aren’t the only parties who can be needy. Some start-ups are well funded and choosy regarding any venture capitalist they may bring in. The investors can also get into the needy mode, just as Bob Jones did while more or less *begging* for the appointment. Bob should have said:

“Bill, my name is Bob Jones. I’m not quite sure that we as a venture fund fit where you’re going. I just don’t know. What I’d like to do is meet with you so we can see where you’re going and you can look at where we’re going at First Advantage and see if there’s a fit. When’s the best time on your calendar?”

“No Talking”

Talking can be an overt showing of need. This is why “No Talking” is one of my rules—an exaggeration, of course, but I make it a rule to make the point: Talking and showing need go hand in hand. One of my best students started out with an insatiable desire to make sure his voice was heard. This guy was bright and always wanted people to know that he was informed and on top of things as anyone in the room. He needed to feel important. *Okay, I thought his shrewder adversaries, we’ll be happy to let you feel important as we skin you alive.* This is a common issue that hard-driving, alpha-male types have to deal with daily: They want to know it all, or, short of that, they want to be seen to know it all. The adrenaline kicks in, the neediness becomes a biochemical fact, then the neediness becomes a biochemical addiction. It’s true.

One of the most effective life insurance salesmen I ever saw was a man in a wheelchair who could not speak. He used a marker and a board to communicate, patiently writing out his questions. I would not wish this man’s disability on anyone, but his only means of asking questions was a terrific advantage in his profession, as he was the first to acknowledge because it’s hard to be needy while sitting in a wheelchair calmly writing out questions by hand. (His most effective question, by the way: “If we lose you, where will your family live?”)

How many people do you know who won’t let you get a word in edgewise? By being overbearing, these people are actually betraying neediness. I’ve even heard an overbearing needy outgoing message on an answering machine. Normal is “Hi, this is ——. Please leave your message at the beep.” Instead, this individual greeted the caller with a detailed message regarding her schedule for the hour, the day, the week. And I think we can imagine what kind of messages this person left on other people’s answering machines: long ones! She needed to make sure you understood how busy she was, how competent she must be, how lucky you would be if she could spare you the time of day. But it’s all counterproductive. It’s just annoying.

Now think for a moment about “cold calls” and “warm calls,” because they’re the ultimate lesson on this subject. Just thinking about cold calls gives the average businessperson chills. It’s tough, no doubt about it, and a lot of fine people just won’t do it. Cold calling is the worst way to do business, we all know that. But I say it’s also a great way, because it’s a great training ground, and it can be surprisingly effective *because your neediness is under control.* You have no great expectations, that’s for sure, and your discipline is keen. You start off by saying something like:

“Well, Mary, I have no idea whether what we do has any relevance for your business. I just don’t know, maybe it doesn’t. If not, just tell me and I’ll be on my way, but if whoever handles your market research ...”

And off you go—or not. It doesn’t matter. Your neediness is under control.

A cold call is just another negotiation—no more and no less—and by the end of this book you’ll understand how to handle a cold call according to the same rules and habits as you would handle any other negotiation.

The same holds for a warm call:

“Hey, Tom, this is Bill. Man, do I have a hot one for you. I told them all about you, what you do. They’re on the tee. They’re ready. All you gotta do is call and then collect. You owe me one, buddy.”

Oh yeah? Tom’s blood is racing, but he might be better off with a cold call than with reference like that one. If he’s not careful, he’ll lose discipline, start thinking about the payday, get excited, become needy. That’s when defeat may be snatched from the jaws of victory. Do yourself a favor: treat every warm call as though it’s the coldest one you ever made.

When emotions run hot and heavy in negotiations, the high-pitched voice is a sure sign of need. The rushed delivery is another sure sign. While needy negotiators raise their voices, negotiators under control lower their voices. So lower your voice in times of inner turmoil. Slow down.

The Third World bazaar offers classic lessons on neediness, as I learned myself while Christmas shopping in Saigon in 1967, holding about \$100 with which to buy presents for my whole family. My grandparents were very special to me, and I thought about them when I found in the same shop two beautiful pieces of lacquerware and a small boat carved from water buffalo horn. Mama-san said she wanted 1,000 piastres apiece—about \$10, or \$30 total. I wanted all three in the worst way, but this was way too much money, and I said so. I was too young and naive to be employing any negotiating strategy, and I didn’t want to be the proverbial ugly American, but I couldn’t buy them. As I started to leave, Mama-san chased after me and said she’d sell them for 800 piastres each. I said no, it’s still too much. I shopped elsewhere, bought some nice things and some trinkets, but I still had nothing for my grandparents as I was walking past the little shop with the lacquerware and the carved boat. When Mama-san saw me with the packages she grabbed me and said, “Oh, you number one GI, you beaucoup shop.” She urged me back inside, where she offered to part with each of the three items for 500 piastres apiece, but this was still too much. “No,” I said. “I’ll give you four hundred, that’s all I have.” She said, “Okay, GI, I sell you for four hundred.”

I wasn’t needy. She was. But if she had been a Camp-trained negotiator, she’d have asked me (setting aside the language problem), “Who are these for?” When I answered she would have whistled and said, “Why would you want to spend so much money on them? A lot of money for grandparents.” She would have shown no need while building *my* need. She’d have laid a guilt trip on me—*Money’s not a factor when it comes to my grandparents!*—and I’d have paid 1,000 piastres, or darned close to it, because I really loved my grandparents.

Don’t Worry About Rejection

Fear of rejection is a sign of neediness—specifically, the need to be liked. It is imperative for the negotiator to understand just what rejection is, and who can reject you and who cannot. Here’s the key point: Your adversaries in a negotiation *cannot* reject you. There’s nothing you need from them, so how can they reject you? It’s impossible. The parent can reject the child because the child certainly needs the parent. The spouse can reject the spouse. The teacher can even reject the student in the early grades, when the boy or girl truly does need the teacher. But can your adversary in a negotiation really reject you? They don’t have any such power. Never, *never* allow them to believe that they do.

The serious negotiator understands that he or she cannot go out into the world spending emotional energy in the effort to be liked, to be smart, to be important. This negotiator wants to be recognized as being effective and businesslike, that's all. She spends her energy on the task of business. She has no need for the rest of it. But how often we fall into the particular neediness trap. In labor-management relationships, a key tactic of management is to find union members who want a boost to the ego and can therefore be made to feel needed. Such members can be manipulated until they are double agents for management, in effect passing on contrived information, telling their own union members, "Our committee is getting us killed. I've got buddies in management. That's what they tell me. They might shut this plant down if we keep on like this."

I speak both from personal experience of many years ago—that labor-management disputes—and from my coaching experience, as I've seen negotiating team members undermine their own team in a host of ways. They leak valuable information, bring back false information, break their team's resolve, urge unnecessary compromises—all because their neediness to be smart, to be liked, to be important, is turned against them by the clever adversary. Off the top, I could name a dozen well-paid management professionals for Fortune 500 companies who were, in effect, working for their adversaries in big-time negotiations. I know because these adversaries were my clients. I can name an almost-at-the-top executive whose neediness for a deal to use as a stepping-stone to the chairmanship made him agree to a total unnecessary compromise. The eventual deal camouflaged that compromise, but that's what it was. I know because the beneficiary of that ridiculous compromise was my client.

A few years ago, I took on a corporate client who had just lost a large deal with a multinational *after* my new client had compromised in every way imaginable. They had the best technology to start with, and on top of that they offered the best price, the best terms, the best delivery dates, the best service, the best everything. If they could compromise on any element of the negotiation, they did. They even tossed in a free piece of very expensive equipment, no strings attached. But the multinational walked away from this steal of a deal. Why? We finally found out that their CEO was wary precisely because the company that was now my client had compromised *too much*. Something must be wrong, he thought, for a company to show so much need. That cannot be a competent, trustworthy company. They will never be able to deliver. And that CEO was right. My new client would never have been able to make good on the commitments negotiated in that deal.

Wanting Is Fine, Needing Is Not

The next time you watch one of the predator-prey nature shows on public television or one of the wildlife channels, watch the chase scenes carefully. There are always one or two in which the lion or the cheetah is not successful, and each time the scenario is the same: The predator gets closer to the prey ... closer ... closer, then slips back slightly—and *immediately* gives up. On the spot. When the distance to the prey begins to widen, the hunter quits. She (the females do most of the hunting) will never waste energy on a losing cause. She saunters off because it doesn't matter. There are other wildebeests, other gazelles. Likewise, the trained negotiator has no needs, because it just doesn't matter. There are other deals. Turn the page on this one. Let it go.

I mentioned in the introduction one of my ironclad rules: “No Closing.” The context was a discussion of the dangers of win-win, and how win-win implicitly urges you to focus on what you cannot control—the end—while losing sight of what you can control—the means. No, I’ll add the point that urgent closing betrays neediness on your own part. You *need* to close.

No, you don’t. But maybe your adversary does.

The personal experience of every single reader of this book reveals the dangers of the tripping closing. When someone has tried to close on you too quickly—and someone has, in one context or another, unless you’re still a babe in arms—you instinctively reacted in the negative. Nothing, but nothing, will blow a negotiation faster than such a rush to judgment. Why? You had a vision of neediness, which makes anyone feel uncomfortable emotionally, and which also serves as a warning to look closer at this deal.

More bad deals are signed and more sales are lost because of neediness than because of any other single factor. If there’s any need in this negotiation it has to be your adversary’s, not yours. You will never achieve the level of success of which you’re capable until you understand and *live* this concept. We negotiators—we humans—show our neediness in many many ways. To recognize your own varieties, all you really have to do is stop and think about what you’re doing and what the underlying motivation is. No one knows better than you when your neediness is showing its true colors. When you stop to consider, it’s amazing how much in our lives that we get so worked up over doesn’t matter, not really.

As a negotiator aspiring to excellence, you must, at all costs, avoid showing need. In order to avoid showing need, you must never *feel* it. You do *not* need this deal. But what happens if we simply substitute the word and the emotion “want” for “need”? The dynamics change. What picture comes to mind when you read the words “I want”? I see a bright red Porsche convertible, with a black top and interior. What is your picture? As good negotiators, the word “want” means something we work for, strive for, plan for, but it is never confused with “need.” Sure I *want* this global alliance with Humongous, Inc., but I don’t *need* it. I want the car, but I don’t need it. I want the house, but I don’t need it. It will be their loss, not mine, if any of these deals falls through. Either way, I’ll sleep tonight and I’ll eat tomorrow.

Camp-trained negotiators never show need, only want. “Need” is death, “want” is life. Believe me, this different attitude will be instantly perceived by the folks on the other side of the table. Confidence and trust go up across the board. Control and discipline go up for you.

I hope I haven’t sounded like a broken record (or should I bring myself up to date and say CD?) in this chapter, but I can’t say this too often: Overcome all need.

The Columbo Effect

The Secret of Being “Not Okay”

REMEMBER THE OLD TV series *Columbo*? Or perhaps you watch the reruns every night. As homicide detective in Los Angeles, Columbo wore the raggedy trench coat, drove the beat-up old Peugeot, told heartwarming stories about his wife and his dog—a sad-looking basset hound, I believe, definitely not a silky-sleek golden retriever—and he had the habit of forgetting to ask a key question in every interview and interrogation. He’d have to ring the doorbell again, apologize, and ask that final question. He always presented himself to his adversaries as a little less competent than they were, a little less perfect—or, usually, a little less perfect. He could get people to talk to him because he made them feel superior and therefore comfortable. In the lingo made famous by the book *I’m Okay, You’re Okay*, he seduced them into feeling okay.

To be okay is to feel comfortable and therefore safe. That’s the simplest way to define the word as it’s used in pop psychology. From the moment of birth, all of us, as members of the human race, struggle to feel comfortable and safe. As babies and toddlers, we need—well, demand!—the unconditional love of our parents that is the *only* source of our well-being. As young children, our demands in this regard increase. We want to be recognized. We want to be heard. We want to be liked. We want to be right. Or should I say we *need* all this? I’m afraid so. And this *need* to feel okay follows us right through adolescence and into adulthood as we struggle for victory, achievement, success. When we’re called upon to show ourselves, do we expose our weakness? Never. We expose our strength. Maybe our strength is our knowledge, or physical beauty, or charming personality. Maybe we are cunning and fearless or quick of wit. Whatever our strength, that is what we build on. That is what we show the world. This is what we *need* to show the world.

Likewise, we compare ourselves to others in order to see how we stack up. Are we a little ahead or a little behind? When we are with people we think we are ahead of, or at least equal to, we feel comfortable. Conversation comes easily and questions seem to have no risk. We feel okay. But in the presence of people to whom we feel inferior, whether culturally, socially, or intellectually, we feel unokay and can become defensive, or aggressive, or resentful, or a lot of other emotions. When someone looks perfect while we need a haircut, how do we feel? Exactly. A little uneasy, a little unokay. Conversation may be difficult. When questions seem full of risk, we fear we will look silly or even stupid.

Turning the situation around, have you noticed how we humans tend to feel okay when we see someone *not* okay? We feel comfortable when we see someone who doesn’t quite measure up in some way. Soap opera fans watch the shows because the lives of the characters in those stories are even more messed up than the viewers’ own lives. We revel in the trials and tribulations of the rich and famous because now the tables are turned: A lot of good things fame and fortune has brought them! Suddenly we’re more okay than the movie star in the

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