

Never Split the Difference – Chris Voss

Notes and Takeaways

Chris Voss is a former FBI hostage negotiator

The five big takeaways from this book

- o Negotiation begins with listening
- o Use mirrors to encourage your counterparty to empathize and bond
- o Tactical empathy can help get a deal done
- o Label the other parties emotions by naming them
- o Receiving a "No" gives you the opportunity to understand what the other party does not want

The universal rule of negotiating is that people want to be understood and accepted – feed this simply by listening to them

o Listen sincerely shows empathy and goes a long way

Great negotiators:

- o Use their skills to uncover the hidden surprises they know exist in every negotiation
- o Always question given assumptions
- o Stay open emotionally
- o Treat negotiation as a process
- o Never be in a hurry

Negotiation is a process of discovery – those who look at it as an act of battle are overwhelmed and often lose far more than they gain

When negotiating, focus entirely on what the other party is saying and the tone they are using to communicate – this will tell you what their motivations are

 Your objective is to ascertain what your counterparty really needs and then find a way to meet their needs

Three voice tones available to negotiators

- Late night DJ voice
 - Use selectivity to make a point
 - Inflect your voice downward when making a point when done correctly this signals authority without triggering defensiveness in the listener
- o The positive playful voice (Default)
 - Voice of easy going, good natured person
 - Attitude is light and encouraging
 - Relax and smile when you are talking
- The direct or assertive voice
 - Used rarely
 - Will tend to cause problems and create pushback



Smile – when you are smiling you generally tend to think more quickly and collaborate more efficiently

o Tone of voice is critically important and can allow you to be very direct and assertive without coming across as brash or bullying

When using a mirror you are attempting to mimic the posture and look of the talker and continuously repeat the last three words exactly as they were uttered

- o Mirrors are the art of "insinuating similarity"
- o People like people who are the same as them when you employ this tactic the subtle subconscious message is: "I like you and I am like you also"
- O Use mirrors to try to keep the counterparty talking in order to draw out their thinking and strategy
 - People want to tell you what they are thinking and often can't help themselves if you lead them to do it
- o Repeating back to the counterparty what was just said encourages them to elaborate, and thus like a chain, continues to build and extend

As an aside, waiters who mirrored were tipped 70% more than those who did not mirror. The right mindset going into a negotiation is absolutely key

To get your way without confrontation follow these five steps

- o Use late night DJ voice
- o Start with "I'm sorry"
- o Mirror
- o Silence (At least four seconds)
- o Repeat

Tactical empathy means understanding what a person is feeling and more importantly WHAT IS MOTIVATING those feelings

Don't feel the talker's pain, rejection or anger, simply label it

- o Labeling is a way of validating someone's emotions by acknowledging them
- o After labeling an emotion, be quiet and let the counterparty do the talking
- o The next person to speak loses

When you hear an emotional comment, look to put a label on it

- o "It seems like"
- o "It sounds like"
- o "It looks like"
- o If counterparty reacts unfavorably, a good comeback is to say:
 - "I didn't say that was what it was. I just said it seems like that."

Use downward inflection to state a point, and use upward inflection to ask a question

o Both can be used for labeling

Labeling can help de-escalate angry confrontations because it highlights feelings versus continuing to act out



The fastest way to establish a working relationship is to identify the negative attitude and work to defuse

Pushing too hard for a "yes" often upsets the other side

O Listen for "No" because it clarifies what the other party does not want and makes it easier to determine what they do want

"No" generally means

- o I want something else
- o I don't understand
- o I need more information
- o I don't feel great about this

Ask solution based and open-ended questions

- o "What about this does not work for you?"
- o "Is there something here that bothers you?"

There are three kinds of "yes"

- o Counterfeit they truly mean "no," but feel guilty about saying no
- Confirmation Simple answer to yes or no question, generally with no intended action
- o Commitment a true agreement

Your counterparty most always feel like they are in control and responsible for their own outcome

o When people do not feel in control in a negotiation, they tend to be adversarial and it generally does not go well

Ask "Is now a good time to talk"

To find out what the other party doesn't want and to force a "No" response, ask a question that you already know will be answered negatively

If the counterparty is ignoring you, connect with a clear and concise "No"-oriented question

- o This subtly suggests that you are ready to walk away
- o "Have you given up on this project?"

You should strive for a lot of "That's right" in negotiation replies—this shows that you are speaking the same language as your counterparty and connecting

The most powerful word in negotiation is "fair"

- o In any negotiation you should strive to be perceived as being fair
- o The phrase "We just want what's fair" destabilizes the other side instead of conceding irrationally or prematurely, first apologize, and then offer to go back to where the unfairness began and fix things

The phrase "We've given you a fair offer" is contentious and likely to be provocative

o Always mirror with "Fair?" and label with "It seems like you're ready to provide evidence to support that"



To get real leverage, you need to persuade your counterparty that they will lose something if the deal falls through

Splitting the difference, or a "win-win approach," at best satisfies neither side, and at worst fails against an adversary with a win-lose approach

If you internalize "No deal at all is better than a BAD deal," then patience and perseverance in this way can become a powerful weapon

Six steps to negotiations

o Anchor their emotions

- Start with empathy
- Start with an internal audit of the counterparty which acknowledges all known fears

Let the counterparty go first

- Let the other side anchor a monetary number, initial offer
- You may get lucky with them accepting a lower price
- Must be prepared to honor their first offer, at least with a counteroffer

o Establish a range

- Counter with a ballpark range that you can live with
- Use a similar deal or comparative data if possible

o Move to non-monetary terms

- This is one of the easiest ways to challenge your counterparty's reality on price
- Have something to concede that you know is big for them, but unimportant to you

o Never use even numbers, always use odd ones

- Numbers that end in 0 seem more like a placeholder and guess versus a true offer
- A specific number comes across as a thoughtful calculation
 - Ex: \$344,956

o Surprise with a gift

 After a rejection of an offer, surprise them with a totally unrelated thoughtful gift

How to negotiate a higher salary

- o Be "pleasantly persistent" on non-salary terms
- o The more you talk about non-salary terms, the more likely you are to hear a full range of options
- o Ask: "What does it take to be successful here?"
- Once you've negotiated a salary, define success for your position, as well as metrics for your next raise



o

o By selling yourself and your success in a way that your boss can validate, you make it easier for him/her to sell it to his boss or the rest of the company

Create an illusion of control

- Do this through calibrated questions
 - The calibrated question forces the other party to pause and actually think about how to solve the problem: "how can I be more productive and manage more people at the same time to justify this increase that I want?"
 - The counterpart solves the problem, and so it gives him the illusion of control
- The calibrated, or open-ended, question acknowledges the counterparty, while letting you introduce ideas and requests without sounding pushy

The greatest calibrated question is "How am I supposed to do that?"

- Other great calibrated questions can't be answered with a simple 'No" and include:
 - What about this is important to you?
 - How can I help to make this better for us?
 - How would you like me to proceed?
 - What is it that brought us into this situation?
 - How can we solve this problem?
 - What are we trying to accomplish here?
- o How to say no four times without saying no with calibrated questions
 - How am I supposed to do that?
 - Your offer is very generous, I'm sorry, that just doesn't work for me?
 - I'm sorry, I'm afraid I just can't do that
 - No
- o Calibrated questions avoid "can", "is", "are", "do", and "does" because they can easily be answered with yes or no
- o Rather, start questions with what, how, who, when, and where
- o A well designed calibrated question will imply you need the counterparty's intelligence to solve the problem
- o Using calibrated questions requires self-control
 - Know when to stay quiet and bit your tongue
 - The person who talks the most loses the negotiation
- o Ask your counterparty
 - How will we know we're on track?
 - How will we address things if we find we're off track?

"How" questions are some of the best ways to say no and move your counterparty towards helping solve the solution themselves

o "How am I supposed to do that?"

The financial consultants at Arrow Point Wealth Management are registered representatives with and securities and advisory services offered through LPL Financial, a registered investment advisor, Member FINRA/SIPC



- o "How could I make that happen?"
- o "How are we going to make this work?"
- o "How" questions help the counterparty think through how a deal may be implemented
- o "How" questions make the counterparty think they are the ones who come up with the final solution as they are solving the question

If you hear "You're right" or "I'll try", dive back in with how questions until you get a response that allows you to answer: "that's right"

Beware of parties and individuals who may not be directly involved in the deal but have influence and may be deal killers lurking in the background

Many negotiations hinge on something other than money, often having more to do with self-esteem, status, and other non-financial needs

Remember the 7-38-55 rule

- o 7 percent of the message is words
- o 38 percent of the message is tone
- o 55 percent of the message is body language

Pay very close to body language of the counterparty – if it does not align with the words being spoken, it is quite possible they are lying

The rule of three

- o Get someone to agree to something three times in the same conversation
- O Use this to test if someone actually means what they say and are going to commit to it

The Pinocchio effect

- Liars use more words than truth tellers and often use far more third-person pronouns
 - He, her, him, it, they, I, me, my

Basic rule of keeping your emotions calm is to bite your tongue, silence is golden

o Never counterattack a verbal assault

Your job is not to get into an argument, but to get an agreement that is feasible and concluded

The bargaining stage is often the one that is mishandled which can screw up the entire deal

- Never look at your counterparty as the enemy
- o Say, "I'm sorry, that just doesn't work for me"
- o If it gets really heated, de escalate by calling a timeout

Bargaining 101

- o Set your target price as a non round, non even number, then offer 65, 85, 95, 100 percent
- o Use empathy in between offers
- o On your final offer, throw in a non-monetary item



There are three types of negotiators

- o Analysts
- o Accommodators
- o Assertives

Analysts are methodical and diligent. They are not in a big rush, and their self-image is linked to minimizing mistakes

- o Analysts work alone, rarely show emotion, extensively prepare, are hypersensitive to reciprocity, are skeptical, value silence, and don't value apologies
- As an analyst, always smile when you speak, so that you are not cut off from an essential source of data, namely the body language of your counterparty

Accommodators most value the building of a relationship. They enjoy the time communicating, the back and forth and really desire a win-win negotiation

- o If your counterpart is an accommodator, ask calibrated questions to translate their talk into action
- o As an accommodator, emphasize any objections in a straightforward manner. Beware of excessive chitchat, especially if your counterpart is one as well- this can "give away" your negotiating strategy

Assertives believe time is money. Their image is linked to getting things done, and getting things perfect isn't paramount

- o Focus on what assertives have to say, because until they are convinced you understand them, they won't listen to your point of view
- o Mirrors, calibrated questions, labels, and summaries work well with assertives, who see every silence as an opportunity to speak more, so let them speak
- o As an assertive, be conscious of your tone. Use calibrated questions and labels to make yourself more approachable and less "assertive"

Every negotiation, every conversation, every moment of life is a series of tiny conflicts that can give rise to creative beauty. Embrace them as it enhances your life