Book Summary: Negotiation Genius: How to overcome obstacles and achieve brilliant results at the bargaining table and beyond – written by Deepak Malhotra & Max Bazerman

Negotiation is at the heart of human communication. Think about it. Most conversations are a sale in the making. You are either selling to a yes or accepting a no in everything you do. At work this shows up in what you do, how you do and what you get paid. All of these facets are negotiable. Deepak and Max go far beyond the Win/Win, Win/Lose and Lose/Win mentality and show how to create value. The whole goal of the book can be summed up in a quote by Emerson: “Man Hopes; Genius Creates”

Why is this important to me?
I start all of the book summaries with this question because if we cannot answer it then there is no sense in wasting your time watching the video. People do anything to avoid pain and gain pleasure. When in the middle they attain their COMFORT ZONE! The comfort zone may be the only place where good negotiation is not needed. Otherwise you need to know how to negotiate – PERIOD. This book will show you how.

Win/Win is seen as the ultimate end to good negotiations. Is it the best outcome? Negotiation genius will show that it is not always the best outcome. Amateur negotiators pull at each side of the rubber band hoping it does not break before they can come to an agreement or settlement. This is claiming value in a nutshell. Johnny wants to pay only $50,000 and Jane wants $100,000. Typically, they meet somewhere in the middle at $75,000. Claiming value is not nearly as powerful as creating value which we will examine in more depth.

Deepak and Max break down the book into 3 sections. I will cover portions of each section for the sake of time. Claiming value is the first part. Claiming Value – is when each party tries to gain the most out of negotiations for themselves.  
1. BANTA – Best Alternative to Negotiated Agreement! Identify all of your best options. Do your homework and prepare  
2. RV – Reservation Value – This is your walk away point. Understanding BANTA allows you to really know what your Reservation Value.  
3. ZOPA – is the ZONE of Possible Agreement – This is the spread between sells reservation value or walk away point and the buyer’s reservation value.

Common negotiation mistakes are as follows: 1.) You made the first offer when you were not in a strong position. 2) You made a first offer that was not sufficiently aggressive. 3.) You talked but did not listen 4.) You tried to influence the other party but did not try to learn. 5.) You did not challenge your assumptions about the other party. 6.) You miscalculated the ZOPA and did not reevaluate it during the negotiation. 7.) You made greater concessions than the other party. 
Contingency Contracts are designed to draw out lies and deception as well as extremes in any contact. They leave certain elements of the deal unresolved until uncertainty is resolved in the future. 
Silence – be comfortable with silence. Just remind yourself that if you speak when it is their turn, you will be paying by the word.
Investigative negotiation is just what it says. Probe and ask questions to gather information. **How can we get information so we can create value, resolve conflicts, and reach efficient agreements?**

1.) **Trust is critical in all relationships.** You can have a weak agreement with good people and have a great outcome. You can also have a rock solid agreement with bad people and have a terrible outcome. Trust is the glue that holds the deal together after it is done. Sharing information can help you gather information.

2.) **Negotiate issues simultaneously** – When you do this then more information is shared and the dialogue is more open. Once people are comfortable with you then they will dump more information.

3.) **Ask good questions and LISTEN** – If you take nothing else from this video review then this one piece of advice will serve you well. Asking open ended questions in their TERMS like “Why”, “Tell me more”, “Can you be more specific” will allow you to get a full spectrum of what they are concerned about, what is important to them and what areas are NOT important to them.

The power of questions can be mind blowing. Think about if Microsoft wanted to buy your software company. You value it at three times revenue which is $15 million dollars. If you accept this offer with knowing all you can know then this may be good enough. What if because of their distribution that they will be able to generate $100 million per year in revenue with your software. Don’t you think they would pay you more? They could pay you triple your price. The key here is knowledge. Understand why they want to buy and the consequences if they don’t and this will yield exponential results.

Several principles are critical for you to learn. Remember that in any negotiation if you get a No, don’t accept it. Your goal is to understand “Why NOT”. Once you do you may be able to open it back up and get to a yes.

I hope you have found this short video summary useful. The key to any new idea is to work it into your daily routine until it becomes habit. Habits form in as little as 21 days.

One thing you can take away from this book is don’t accept NO. Instead ask why!