NEGOTIATION

FREE MONEY

FOR THE ASKING

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5th Edition Published October, 2012

by Intellectual Properties, LLC

San Diego, CA, USA

ISBN: 978-1413792973

Softcover, Ebook and Audio versions available

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## INTRODUCTION

What an audacious title, “Free Money!” After all, “Free Money” implies money that is yours just for the asking.

Well, Isn’t that the whole premise of negotiation? When you negotiate, someone gives and someone gets. It’s free, except for a little time spent. Moreover, it’s free for the asking.

Throughout your life, you are continually buying and selling. Even when the medium of exchange is not money, you are continually buying and selling. Driving on the freeway you negotiate your way over into the exit lane. A sailboat avoiding the rocks is said to be negotiating a safe path. You negotiate who will take the kids to school or to soccer. You negotiate with the children what time they will return from a date, and how much money they can spend.

Negotiation actually preceded and sparked the ideas of civilization and society. Before civilization, people engaged in ferocious tugs of war for survival, battling over life-giving food, water and shelter.

One day, two sheer geniuses invented civilization. It probably went something like this, perhaps using sign language. *“I have what you want and you have what I want. Let’s swap.”* That was the first negotiation. And in that instant, a bond, the glue of civilization, was forged between them. It has happened over and over, and spread, forming tribes, cities, states and nations.

So negotiation is the core of civilization and the root of society. It is essential to human survival. Without the cooperation created by negotiation, my magnificent son-in-law, Robert, could not survive, because his eyes focus at about 8” without glasses. Without that cooperation, the world would have lost him, and millions more.

Anthropologists agree that a healed femur is the earliest sign of civilization. Before civilization, a person who broke a leg bone was doomed and left behind. However, after civilization sparked on earth, people with broken femurs were nursed, and the bones healed. Someone had to do the nursing, and that nurse had to be paid in some way or another, perhaps with tangible things, perhaps not. Whatever the payment, that act required negotiation. Who was going to do what? What goods or services, if any, would they receive to compensate for not doing something else? In Robert’s case, they received the love of a wonderful son, in return for such things as glasses.

Whenever you buy or sell, you negotiate the price.

If you take the simple step of asking, *“How much better can you do?”* and get a $700 lower price on a car, you just asked for and received $700, and it was Free Money. On the other hand, if you are selling a car and the same question gets you $700, you also got $700 in Free Money. It is that simple!

So read on. This concise, but comprehensive book teaches you how to get Free Money when you ask for it, and also how to avoid giving away free money when you don’t want to.

**I claim that most companies are Negotiation Companies, and that nearly all activities support negotiation. This is because negotiation directly determines the company’s income and expenses.**

Not surprisingly, the whole purpose of a company, even a non-profit organization, is to make a profit. Every company needs to increase income and decrease expenses. Each of those two acts always involves negotiation. The more skilled the company’s negotiators are, the greater the net profit becomes.

(Note: A non-profit company can certainly make a profit. It just can’t declare dividends on that profit.)

The same is true for individuals, negotiating for anything, even non-monetary things like power, prestige, position, and yes, love.

For example, nearly 50 years ago, after Carol and I promised to marry each other (a negotiation.) I promised her further at our wedding:

*“I, David, take thee Carol, to be my lawfully wedded wife, to have and to hold from this day forward, for better or for worse, for richer, for poorer, in sickness and in health, to love and to cherish; from this day forward until death do us part”*

She made nearly the same promise to me. The preacher arbitrated and officiated over this happy negotiation in which we each pledged to give all to the other, not expecting anything in return. What a negotiation!

Here’s another negotiation proposal: *“If you will vote for my bill, I will support your project.”*

Similarly, *“If you work here for a year, I will consider you for a raise,”* or, *“If I work satisfactorily here for a year, will you give me a raise?”*

One company I know well (GSA) generates income by negotiating with banks to get a fair, but low price on a short sale home, and then with end buyers to get a fair, but higher price. The difference, called the spread, is the gross profit that is determined by negotiation. Along the way, the company negotiates with various contractors, title and escrow officers, Realtors™, etc. because each of these entities affects expenses. Expenses affect the net profit.

Everything about that company involves negotiation. Like other companies, they negotiate with suppliers, vendors, customers, employees, investors, etc. Some companies even negotiate with the government and unions.

Personally, people might negotiate for homes, cars, groceries, refrigerators, televisions and a host of other items. We all do. We negotiate for ourselves, for our families and for our friends.

We negotiate for our governments. One famous photograph displays the massive bow of an aircraft camera about to run over the camera at speed. The caption is something like: **“2,240,000,000 Pounds of Negotiating Power.”**

**Negotiated net profits are nearly cost-free.**

For instance, when a Negotiator gets $5,000 for the company, that $5,000 is pure profit gained just by asking for it. What if the Negotiator gets that money merely by requesting it, using one of many tactics you’ll discover here? What if such a request consumes six seconds. How cool is that! (It wasn’t a question. It was an actual example. Read on!)

If the Negotiator can spend six seconds while asking, *“How much better can you do?”* almost as a “Columbo” afterthought(1) on the phone, what kind of pay scale is that?

Let’s see. Six seconds is 1/10th of a minute, which is 1/60th of an hour. So multiply $5,000 times 10 times 60 and you find the Negotiator made an astonishing   
$3-million per hour during those six seconds. Why pass up something like that?

(1) As so skillfully acted by Peter Fauk in the TV series “Columbo.”

One might counter that the Negotiator spent other time at a lower pay scale, but remember, the Negotiator did not have to ask that key question.

A lesser Negotiator would certainly have passed up the opportunity to make   
$3-million per hour, merely by not thinking to ask that question. Obviously, the Negotiator’s toolkit of advanced strategies and tactics is valuable almost beyond calculation.

Author Jim Camp points out that other company activities produce profit, but at much higher costs. I was at Rossi’s restaurant in Carlsbad, California, discussing negotiation with a dozen people. The owner of Rossi’s pointed out that to make $5,000, they would have to spend about $4,500 in materials, labor, advertising, lights, etc. So to Net $5,000 by generating new business, they would have to do a whopping $50,000 in new business.(3) However, if proprietor Marshall Bryer could negotiate a $5,000 combination of discounts and higher prices, he wouldn’t have to generate any more business at all!

(3) $50,000 new business, less $45,000 cost of doing business, is $5,000.

All of the above examples point out the extreme value of the negotiator. The negotiator is probably the single most valuable person in a company. It is imperative that any enterprise, which is bent on survival, must to put their top efforts into improving the “skill” of negotiation.

I didn’t write “art” of negotiation above. Negotiation is mostly a science, partly a craft, certainly a skill, but not an art. It rides on top of solid, scientific research. By following proven negotiation tactics and strategies, the Negotiator brings more money to the company, and earns the company more income.

There is art involved in negotiation, to be sure, but the art is mostly in the means of delivery, how words are spoken. The art is not in the selection of tactics, or details of the specific tactics. The art is in how you say things, how well you can see into the people on the other side of the table, not what well-developed scientific tactics you choose. The science is proven. The art is in employing that science. The science is totally teachable and it’s 90% of negotiation.

Thank you for enjoying this new journey.

I honor Richard Williams and am intensely proud to be associated in some small way with his accomplishments for the Tigers. I’ll be writing more on this subject as long as people want. Its strategies and tactics are exceedingly diverse.

I invite all questions and of course answer all email. If you’re buying or selling something, maybe I can give you a tip, free of course. We’re brothers and sisters.

TO YOUR EXTREME SUCCESS!

C:\Users\david\Desktop\DavidMitchell Sig.jpg, CDO, DFC, BA, MS, MBA  
 *“If you’re not changing the world, then let’s!”*