



Negotiation Quiz



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Negotiation Training | Coaching

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Introduction

Negotiation is pervasive in our culture, although we often miss that fact when we are in the middle of a negotiation. We tend to think of negotiation as something that happens at car dealerships, or in labor relations. But discussions with bosses or co-workers, service people who come to our homes, or credit card companies, are often ripe with opportunities for negotiation, and we do poorly in those discussions because we don't understand the basics of good negotiation.

This brief quiz tests your knowledge of negotiation processes and strategies. Many people apply their normal view of personal interactions to negotiations, and unwittingly make mistakes that end up costing them time and money. The knowledge reflected in the answers to these quiz questions can help you avoid these negotiation errors.

Start by printing out this document. Then, as you take the quiz, choose the *best* answer for each question. When you've finished, you can review the correct answers and read helpful explanations starting on page 5.

Let's see how you do! The quiz begins on the next page...

Negotiation Quiz

1. When given an unacceptable proposal, a good negotiator:
 - a) Immediately rejects the proposal.
 - b) Finds several things wrong with the proposal and give reasons why it won't work.
 - c) Asks several questions about the proposal.
 - d) Ignores the proposal and presents his or her own proposal instead.

2. When you see the other party with a problem that you could solve, you should:
 - a) Offer suggestions for solving the problem
 - b) Ignore the problem
 - c) Work with the other party to solve the problem
 - d) Let the problem fester for awhile.

3. Which of the following statements most accurately describes negotiation outcomes?
 - a) The last person to put their number on the table typically achieves the better outcome.
 - b) It doesn't matter who puts the first number on the table.
 - c) The greater the uncertainty about the value of something in a negotiation, the more you want the other party to put their number out first.
 - d) The first person to put their number on the table typically achieves the better outcome.

4. If you think that someone might lie to you in a negotiation, you should:
 - a) Take what they say and dispute it.
 - b) Ask several questions about each key point or answer they give.
 - c) Ignore everything they say that isn't in response to a specific question.
 - d) Take what they say and apply a "fudge factor" to it.

5. True or False. Giving the other party what they say they want assures they will feel satisfied with the outcome.
 - True
 - False

6. Agreeing quickly with the other party when they present an option that resolves an area of disagreement or conflict:

- a) Helps them to feel good about the agreement
- b) Moves the total negotiation more quickly toward completion
- c) Builds the relationship
- d) All of the above
- e) None of the above.

7. Rising tension in a negotiation is a sign that:

- a) Things are going badly in the negotiation.
- b) One party has said or done something to offend the other party.
- c) Is appropriate in any negotiation setting.
- d) All of the above.

8. The best way to influence the other party to agree with your position is to:

- a) State it once, with conviction, and then be silent
- b) Carefully develop an extensive list of reasons to persuade the other party
- c) Pick the two or three best arguments, and then repeat them often
- d) Obliquely refer to your other options in case you can't reach agreement.

9. If you give the other party something "for free" during a negotiation, it:

- a) Makes the other party feel better about the deal
- b) Increases the perceived value of the final outcome
- c) Builds momentum for completing the transaction
- d) All of the above
- e) None of the above.

10. True or False. Starting with a reasonable number helps in reaching a good agreement.

- True
- False

You will find the correct answers (and explanations) starting on the next page.

Negotiation Quiz: Answers and Explanations

1. C.

The research indicates that excellent negotiators take twice as long to reject an unacceptable proposal, as do average negotiators. The average negotiator tends to immediately denigrate the unacceptable proposal in some way. The excellent negotiator tends to ask a number of questions about an unacceptable proposal before rejecting it. There may be hidden aspects that make the proposal look better when they are fully understood. Conversely, by asking patient but searching questions of the proposal, the excellent negotiator exposes problems or flaws in its logic, without directly attacking the other party or the proposal.

2. D.

An entrepreneurial mantra everyone has learned is “when you see a problem, you should solve it.” But in negotiation, if you quickly offer a solution to the other party’s problem, the other party tends to discount the value of that proposal. A better approach would be to ask several questions about the implications or consequences of the problem, thus exposing the costs of not solving it. As those costs mount, the other party has a greater investment in solving the problem when your solution is finally given. They are also more likely to reciprocate in some meaningful way, thus enhancing the deal for you.

3. D.

All recent research on this topic indicates that the first person to put their number on the table has a disproportionate impact on the final number agreed to. The reason for this is that the first number “anchors” how the discussion will unfold. Conventional wisdom always suggested getting the other person to “show their cards first.” That approach tends to be emotionally satisfying for you, because you require them to move in your direction. But the research at Stanford Business School indicates that while you might feel better, your final number is typically worse than if you had “started high,” and let the other party work to get your number down.

4. B.

Good negotiators know that there are temptations and pressures for lying in negotiation. When faced with information or an answer to a question that is important, hard to independently verify, or which puts you at risk, simply “triangulate” the answer. Ask three or four questions about the response. If the person is telling the truth, their answers will “line up.” However, if they are not being truthful, it will be extremely difficult for them to tell several lies that have internal consistency.

5. False.

In negotiation, people almost always have more complex “interests” which lurk beneath their stated “wants.” If someone says, “I want six of those at \$40 each!” and you end up meeting their request, they may still be dissatisfied. If the six are delivered late, have quality defects, or are packaged in an awkward way, the other party may still be unhappy. A good negotiator works to uncover all the unstated or hidden expectations of the other party, which both insures a more satisfactory outcome, and also allows the good negotiator to maintain a strong position to have *their* interests met.

6. E.

In many areas of social or business interaction, working quickly to get agreement would be good. However, in negotiation people expect that there will be some struggle, that some work will be required to reach a deal. If the expected amount of work is not realized, people feel like they left money on the table, they question the value of the outcomes, or may even impugn the motives of the other party. When presented with a perfectly acceptable solution, good negotiators probe it, summarize it, ask questions about its implications, test to see if there is any additional flexibility, etc. After having done this, if they accept the solution, the other party will have a much greater level of commitment to the deal.

7. C.

Tension is the natural state in negotiation. One party wants to sell high, the other wants to buy low. One party wants to pull the deal into this fiscal year, the other party wants to push it into next. As parties attempt to move the negotiation toward their position, a state of tension results. Most people, consciously or unconsciously, seek to lessen the natural tension in a negotiation, usually to their detriment. Research done on several thousand salespeople indicated that 90% of them dislike tension and seek to avoid it in negotiation. This belief leads to unnecessary concessions, too much talking to fill uncomfortable airtime, leaving the hard issues until last, etc. Good negotiators find a way to productively stay with the natural tension of a negotiation.

8. C.

Because value is subjective, *how* a negotiator chooses to talk about that value influences the other party. The frequent repetition of a few carefully chosen points has the effect of creating a theme for the negotiation, around which everything else revolves. Less capable negotiators come to the negotiation with a laundry list of all the points they wish to make. Some of those points are often two-edged swords, and the careful negotiator on the other side will pick the weakest arguments from their opponent’s laundry list and use them against their opponent.

9. E.

If someone asks you for something in a negotiation, intuition would suggest that if you gave it to them, they would be pleased and satisfied. But much of negotiation is *counter-intuitive*, that is, the way we are wired to view the world frequently doesn't apply to the dynamics of negotiation. When I throw something in for free, the other party assigns it less value than if I *charged* them something for it (either with money or some other item of value in trade). Rather than having a positive effect, it can lead them to conclude that you are holding out on them, or that what you gave was a "freebie" that everyone gets, regardless. Better to give most things in a negotiation reluctantly, or only in exchange for something else.

10. False.

In every negotiation, the other party expects some "give and take." If you start with a reasonable number, it means that you will almost always end up below what you consider reasonable. Or, if you hold tenaciously to your "reasonable" number, the other party may paradoxically come to see you as unreasonable. Starting with a high aspiration or target also challenges both parties to use the natural tension of the negotiation to drive them to think outside the box or to consider more creative solutions. A high number actually allows you to look more "reasonable" as you work with the other party to slowly reduce your number, in exchange for other valuable considerations.

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