

- You are listening to HR Mixtape, your podcast with the perfect mix of practical advice, thought-provoking interviews, and stories that just hit different so that work doesn't have to feel, well, like work. Now, your host, Shari Simpson.

- Joining me today is Mark Raffan, founder and CEO of Negotiations Ninja. Mark is an award-winning negotiations trainer, speaker, podcast host, negotiation expert and entrepreneur. He has coached executives and teams in some of the largest companies on the planet and has been featured in Entrepreneur, Forbes, Thrive Global, Supply and Demand Chain Executive Magazine. Mark, thank you so much for jumping on the podcast with me today.

- Thank you so much for having me. I really appreciate it.

- I feel like your old hat at this, obviously our audience can't see you, but you came very well-prepared, headset and mic and everything, so it's so nice to be able to chat with another podcaster, so I really appreciate that.

- I understand the importance of good sound .

- Well, you have this really interesting background as a Negotiation Ninja, as you had put it. How did you get started in this work?

- It actually came as a result of a dare in a bar. I was complaining to a few friends that there was no great negotiation content out there, and we were having a few drinks, and as all good friends should, they said, don't moat about it, do something about it. And then I had a few more drinks and decided that's a great idea, I will do something about it. And in a drunken stupor, went on to Amazon, and ordered all of the wrong podcast equipment. And after that, started the Negotiations Ninja Podcast, which turned into a Negotiations Ninja Training Company. And now we deliver negotiation training to some of the largest, most well-recognized organizations in the world. And it started as a result of me just being upset that there was no real great content out there. My background's always been in sales and procurement. And so I decided that I wanted to do something about it. And so I did. And so here we are, almost seven years later, having done a fair amount since then. And I'd be lying to you if I told you it was all sunshine and rainbows, but it's been a great time and I've really enjoyed it.

- I hope your friends know that they definitely propelled you to do something amazing in your career.

- Yeah, it's either propelled me to do something very stupid or very smart, we haven't yet decided which one it is.

- Yeah, of course. I have been in HR now a little over 17 years, and

I've been on the side of the table during union negotiations, so I know that having great negotiation skills can propel you both personally and professionally. Can you share some insight really around the psychology behind negotiation itself?

- I think negotiation itself, even the word negotiation comes with a lot of baggage, right? Whenever someone hears that, oh, I have to negotiate, or I'm going into a negotiation immediately, the first feeling you feel is not like, oh, I'm excited to have this conflict-based conversation, right? The first thought is probably like, well, I'm not really sure how this is gonna go. I'm feeling a little bit nervous about how things are happening. I don't really know how to address this. I don't like conflict. I'd rather avoid it. And so all of those kinds of thoughts end up sort of being pervasive in how we approach negotiation and how we think about negotiation. And it makes people really nervous about negotiation. The reality is that negotiation doesn't have to be that way. It doesn't have to be nerve wracking. It doesn't have to be something that you view as dangerous or conflict-oriented. And I think for most people dealing with that is the single biggest thing because they just don't know how to prepare. They don't know how to plan, they don't know how to get ready for a negotiation. And so naturally, if you have no knowledge about the thing, we always fear the thing that we don't know or don't understand. And that puts people in a very difficult position. But if you just knew, right, if you knew if you had a plan, if you had a strategy, you'd probably feel a lot better about it. And so I think it comes down to your ability to plan, prepare, be ready for the negotiation, and then have a sense of positive outcomes that you can get from it.

- Do you think that somebody's level of emotional intelligence or cultural awareness play into their ability to be successful in negotiating?

- Certainly emotional intelligence, especially around understanding how someone perceives something that I might say or how someone may be feeling about something that we are negotiating, or what their role within the negotiation might be, whether they're thrown into the role or not. And cultural intelligence. Yeah, if you're negotiating across cultures, certainly having an appreciation for the other culture that you're negotiating with is very, very powerful. I think one thing for people to understand around empathy and emotional intelligence is just try, because it sounds like a big word, whenever we say emotional intelligence or empathy, people are like, well, what does that actually mean? Just try to put yourself in the shoes of the other person, right? So for a moment, think of things from their perspective. If you were them, what would you be feeling? What would you be thinking? What would you want? How would you act? And just by going through those very simple exercises, you can really understand a lot about where they might be going. Now, don't make an assumption

that just because you put yourself in their shoes for a moment, that you really understand them, and you really understand what they're going through. But it does help to open up the door to understanding and appreciation of where they might be.

- I think that's such good advice to think about preparing as you go into those negotiations, especially with union contracts, or if you're gonna do, procurement contracts, thinking about, what you wanna get out of it, but also, how is the other person feeling? Have you seen, or maybe you have some tips or some common mistakes that you've seen HR professionals make when they're going into those negotiations? And I know I'm leaning back on unions 'cause I think that's a space that we have to play a lot in as HR professionals, those contract negotiations. What mistakes are we making?

- The vast majority of time, it's the gross lack of preparation. I think the vast majority of the time people go into the negotiation believing that they are ready because they have received a proposal or a demand, or request from someone, and they feel like they kind of know what they're gonna get to in the negotiation. And so they just sort of wing it, and they approach the negotiation going, well, I'm pretty sure I know what I want. I'm pretty sure I can figure this out. And so I'm gonna kind of wing it and see what happens. And I think we can blame, if we're gonna blame anyone, we could blame modern media largely for that, right? Do you watch movies like "Wolf of Wall Street" or "Boiler Room," or any kind of like business sort of high-intensity movie? These amazing people just magically make deals out of thin air as soon as they get on the phone. And it's just not true, right? It's just not reality. What negotiation really is is actually significantly more boring than that. Negotiation is mostly about strategy. It's mostly about planning. It's mostly about preparation. But because we've watched movies where these deals have come about magically, we assume that that's the way it is. So, and any HR professionals are not alone here, right? Like, yes, we see this a lot in HR teams, but we also see it in sales teams. We also see it in an executive leadership teams. We see it when entrepreneurs buy or sell businesses. It's the gross lack of preparation. Just trying to figure it out and string it together as you go along is a major, major mistake. And I know that sounds sort of glib or obvious when I say it, but so many people don't do it, right? The amount of lack, the other day I had a conversation with an executive leader who wanted to sell one of their businesses and they said, I said, well, what's your goal for the negotiation? What are the things that you wanna achieve from this negotiation? And this leader said, well, I want a good deal. And I said, okay. I mean, congratulations, right? I would be shocked if you didn't want a good deal.

- Right.

- But what does that good deal mean for you? And the leader said,

well, I want, I want to make more money. And I said, oh, okay, great. And what are the things that you're gonna negotiate into the deal to make more money? And trying to get them to break it down into, okay, what are the things that you actually are gonna plan for is the hardest part of the negotiation process. Because we can all say things like, oh, I want to get a good deal, or I want to get a good outcome, or I want to have better communication, or I want to have better relationships with the union, or whatever it might be. But that actually doesn't mean anything. So you have to break that down into things that are things you could negotiate into the actual contract so that you can facilitate the achievement of that thing. So if it's, I wanna improve communication with the union, okay, great. What are you gonna negotiate into the deal to improve communication with the union? Is there different reporting frequencies that we have? Are there different meetings that we have? Is there a set agenda that we follow? Is there a set dispute resolution process that we need to implement? There could be a number of different things that you put into the agreement to be able to achieve that. But starting with that is the single most important thing.

- So obviously your company spends time training people, so I don't want you to give away all your secrets, but I'm curious if you could walk us through a very simple model or even some questions we should ask ourselves to really prepare for those negotiations, like you said.

- Yeah, I mean the best thing to do is go buy the book "Nine Secrets to Win Deals and Influence Stakeholders," which we released in October. And that'll give you all of the breakdown of everything. But sort of giving you a high level of understanding of what that all in entails is, first, know what you want, like we just discussed. So many people start with the opposite, right? They start with thinking about what the counterparty wants. If you start with think, starting with that you've already lost, because you've been anchored in their position. So first, start thinking about what you want, which sounds a little bit selfish. Now, that's not to say that we're not gonna think about what the counterparty wants, but I want you to first start with what you want. Then go to the counterparty, think about what they want from the negotiation, and think about it from their perspective like we talked about before. And then what I want you to do is think about what the ranges of acceptable outcomes are for each of the things that you're trying to achieve. And the ranges of acceptable outcomes are for each of the things that they are trying to achieve. Because most of the time in negotiation, the thing that you want or the things that you want are not binary. Meaning either we get the new price or we don't get the new price, or we get the new report, or we don't get the new report. There are ranges of acceptable outcomes. There may be a type of report that we're willing to accept, or a frequency of the report that we're willing to accept, et cetera, et cetera. So there's different ways that you can slice it up to make it something that is more achievable within the negotiation. And that's really important.

Try to stay away from binary thinking in negotiation. 'Cause it just paints yourself into a corner. And if you can start to think in terms of ranges of acceptable outcomes, it allows you to be more creative with what you're trading in the negotiation. And it also allows you to achieve more within the negotiation. An example that I give to a lot of folks, especially in the HR world or folks even that are trying to get jobs, is, well, they say, well Mark, I want this job. And I say, cool, what do you want from the job? And they say, well, I want this income. And I say, okay, what else do you want from the job? And then they say, well, that's it. And I say, okay, but if I beat you consistently eight hours a day with a large stick, are you okay with that income? Well, no, obviously not. I say, okay, great. So there are other things that you want from this job. And so being able to identify those things and put that range together is really critical. Once you've got all that planned out, start thinking about the kinds of questions that you're gonna ask the counterparty. And we break this up into four big question sets. So questions that you ask the counterparty. Counterparty is just a fancy way of saying the other side, questions that you ask the counterparty around whether or not they can provision for the things that you want. So asking them questions about how they're gonna achieve the things that you want. Then questions that you think they're gonna ask you about, how you're gonna achieve the things that they want. Then questions that you think that they're gonna ask you related to the continued relationship. Then questions that you ask yourself self-reflectively before going into the negotiation. And those self-reflective questions are often sort of where the rubber hits the road. How do you perceive me? How do I perceive myself? How do you perceive this negotiation? All of those things that we often ignore that help get us a better understanding. Once you've wrapped up those questions, there are a few other steps, but that's sort of the foundation for what we do.

- Thank you for that. I think that's a great primer for somebody who has never had to step into a formal negotiation. I think we all have little negotiations. We have throughout our whole lives, right? In our relationships with our spouses and everyday things that we go through. How do we maintain the type of relationship that we want? And the reason I ask that is 'cause I have heard of contract negotiations that go really well and they're really focused on a mutual outcome to that agreement. And then there's very contentious negotiations where both parties don't seem to wanna come to that mutual outcome. How do you make sure that as you're going through that you can really maintain that really positive long-term relationship with the other party? Because you're gonna continue to see them and work with them.

- Yeah. And if the intention is to maintain an ongoing relationship, I think your biggest, most successful way of doing this is setting expectations at the beginning of the discussion, right? Here are my expectations, this is what I'm hoping will happen at the end of the negotiation, here are the things I want to cover. What are the things

that you, your expectations are? What are the things that you want to cover if you just launch right into the negotiation? It can get tense at the beginning, and throughout the negotiation because neither of us have spoken about what our expectations are of each other. The example that I use sometimes with this is, let's just say you and your partner are at home and the relationship has been struggling recently. And you come together and you both recognize this and you say, look, something's wrong here. I think it's communication. And then the other person says, you know what? I think it's communication too. And then immediately you both feel this sense of relief around like, oh, okay, we've identified the thing that we need to work on. Okay, let's work on communication. Both of you agree, let's work on communication. You both walk away and then three months later you're getting a divorce. What happened? Yes, you agreed that communication was something that you needed to work on, but neither of you actually agreed what communication means, what your expectations are of each other around communication, how you intend to help that person with what their expectations are and vice versa, what you expect from them with regards to communication. And so none of those things are ever talked about. So at the beginning of the conversation, and very simply say, here's the agenda, here's what our expectations are, what are your expectations? What is it that you wanna achieve out of this discussion? How long do you think this is gonna take? All of those kinds of things. It really deals with a lot of nonsense later on. It was a great quote that I'm sure I'm gonna botch here, and I'm just gonna try and remember it as best I can. Uncommunicated expectations are offered and perceived as dangerous things later on in the negotiations, right? Because if I don't communicate my expectations to you at all ever. Now I'm going to just dwell in like, oh, I can't believe you did that, or I'm really upset that you, but I've never communicated to you what I want. And so I get upset about something that's never been, you're not a mind reader, right? You're like, and then you're gonna be like, hey, is something wrong? This relationship doesn't seem to be going great. And you're like, well you should know. And you're like, whoa, right? Like, if we've never communicated anything to each other, then how am I supposed to know? The same is true for business relationships. The correlation between personal relationships and business relationships, they're almost exactly the same. If I never communicate my expectations to you, you never communicate your expectations to me, and then you get upset at me for not doing the thing that you never communicated in the first place, we're obviously gonna have problems. So setting those aside at the beginning of the negotiation is super helpful.

- How have you coached people to handle when you've reached an impasse? And you can do this in a really great, you're going down the road and it's going really well or it's going really bad, and obviously there's mediation and arbitration and that kind of stuff. But before you get to that, that formal stuff, you're at an impasse. You don't wanna kind of go down that road of mediation and

arbitration. What are some tactics you can use to get over that impasse?

- So I think it's, I'm gonna get a little bit technical. I think it's really important to differentiate between an impasse, a stalemate, and a deadlock. And that's really important. So impasse is, we've reached a point in the negotiation where we feel like there is a blockage in the road. Think of it almost like hiking on a hiking trail. And you come across a rock slide on that hiking trail. You want to continue on that hiking trail. You both of you want to keep going forward, but there seems to be something impeding us from continuing on that hiking trail. Now there's ways to be able to address that, right? We can climb over the rocks, we can walk around the rocks, we can deal with the rocks when we come back down. And that's usually how I would recommend folks to think of dealing with an impasse. Generally speaking, let's try and set it aside and work on other things that may give us some momentum to dealing with this thing. 'Cause at first, an impasse can feel like a deadlock. It can feel like, oh, this is stopping the negotiation. Neither of us really wanna move forward. But most of the time it's just a result of us not having good rapport with each other and dealing with other issues. So set it aside, table it, work on a few other things and come back to it. Now don't forget about it. You do have to come back to it. But it's important to try and get a little bit of positive momentum with other things. Stalemates are a little bit different. Stalemates are where we've been negotiating for a really long time and we seem to be stuck in the minutiae of something. And the deal has become stale. By definition, it's old, right? It's probably the last thing that either of us wanna do at this point. And the easiest way to deal with that is sometimes to switch whoever is negotiating, because there's a lot of pent up emotion in that. So sometimes we need to change who's negotiating on both sides of the conversation so that we can fresh, quote unquote freshen up that deal. A deadlock is where neither of us want to come to an agreement, we're both off with each other. The this deal's probably not gonna work, and now we need to probably go to mediation, arbitration, litigation, whatever the next step in the process is, hopefully you're going to mediation first, and then we can deal with that. So whenever people think about a stalemate or an impasse, there's still a lot of creative options that you can take from that point onwards. If you are truly at a deadlock like neither of us, this is the one point we're gonna die on the hill on. You really need to reflect on that and say, okay, do I actually wanna die on the hill here? And what is the effect of that decision? Because people get wrapped up in this idea of like, no, we absolutely have to have this, and if we don't have this, there's no deal. Okay, that might be a valid decision, but have you thought about what the effect of that decision is? For example, I was dealing with an executive group that had ordered a bunch of turbines for some energy project that they were working on. They will go nameless, and these turbines were defective. And so when they installed them, there were some issues that took

place and there was a claim that had to occur with the business that supplied the turbines. And the immediate first decision that this executive group came to was, well, we're gonna go to litigation. And I was like, whoa, like we're missing 17 steps before this. Why are you choosing to do this? Well, we need to prove a point. I was like, to who, who are you proving the point to? The amount of money that you're gonna lose in this process is so staggering and so big, it's gonna be colossal. And they said, well, we need to put our foot down. I said, okay, let's just take a week. I want you to think about what the impact of this decision is. Here's some numbers to show you how much money this is actually gonna cost you. Here's what we might be able to get to if we do the other things in this dispute resolution process prior to going to litigation. Let's just think about it before we jump into this. And so we're able to go back and forth a few times and not go to the extreme within that process. But it, sometimes people get so wrapped up in their emotion about like, oh no, we're really upset about this and we're gonna prove it to them. And also the amount of stress, time, money, other people that you're gonna have to bring into this, the complication of the procedures, the external counsel that you're gonna, it's sometimes can be very, very dangerous. So if you're ever in that kind of a situation, number one, consult counsel to be able to say, okay, what should we do here? Let's try and take a rational perspective. Don't get wrapped up in your emotions right away.

- Such good advice. Because so many times we can lean into that emotional narrative, that story we're telling ourself about the scenario. So it's good to take that step back. Mark, as we wrap up our conversation, I'd love for you to put on your hat and think about your younger self as you were first getting into sales. Like you said, that's where you started. What one piece or a couple pieces of advice would you give to your yourself about negotiations?

- Read as much as humanly possible. Don't just read one book and assume you know how to negotiate. 'Cause that's what I did when I was young. Don't just take one person's advice about negotiation and assume that that's the correct advice. And this is advice that I would give to everyone. It'd be like reading a marketing book and believing that you know everything about marketing, or reading a human resources book and reading now believing that you understand human resources. There are so many different perspectives, there's so many different ideas, there's so many different approaches to negotiation, you would be doing yourself a massive disservice if you only read one book. And while I would love for you to read my book, I want you to read other books too, because there are a lot of people that disagree with me. And you should read their work because it's good work. And while we might disagree with each other, it's important to understand their perspective too. So try as best you can to have as broad of knowledge as you can around negotiation. Find the things that work for you, practice them on an ongoing basis, and then do that.



- Mark. Such good advice. Overall, I think this was a great conversation. Hopefully our listeners will walk away with, go in your book first of all. And second of all, just really understanding some of the minutiae that you talked about when it comes to getting prepared for negotiation and making sure that you have your emotions and check and know what you wanna accomplish outta the conversation. So really appreciate you taking a few minutes to chat with me.

- Thank you so much for having me on.

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