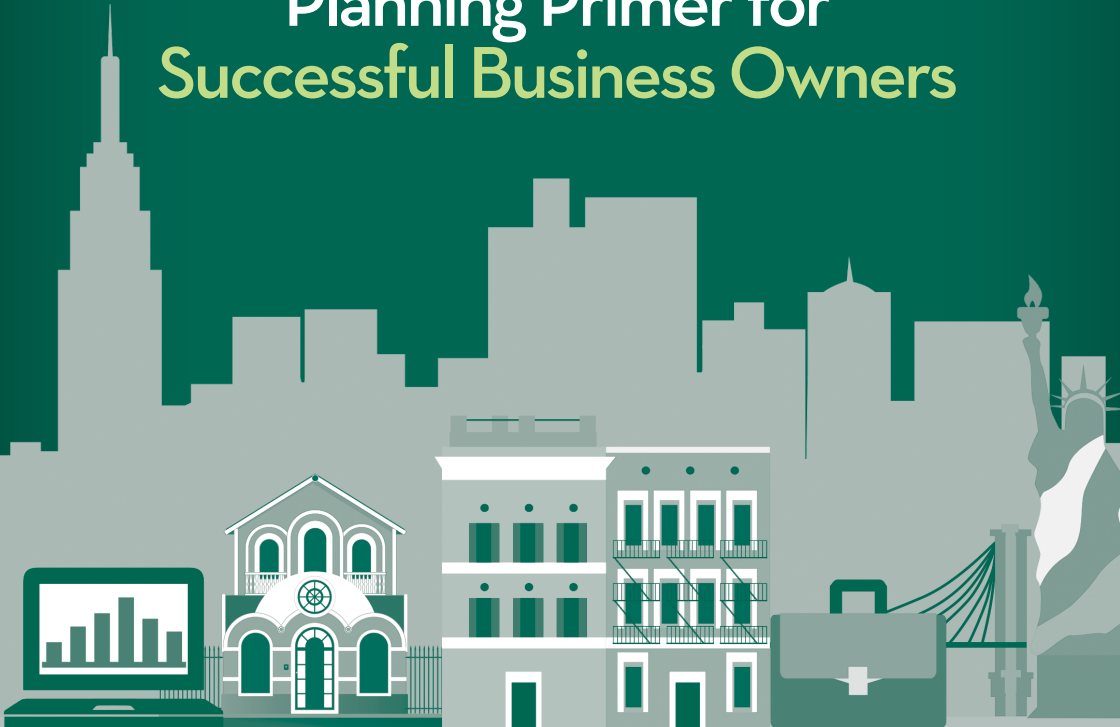


*Private*  
Wealth

RUSS ALAN PRINCE ◦ HANNAH SHAW GROVE  
CARLO A. SCISSURA ◦ FRANK W. SENECA

# MAXIMIZING PERSONAL WEALTH

An Advanced  
Planning Primer for  
Successful Business Owners



The background features several gray circles of varying sizes scattered across the page. A prominent, large, light gray swirl starts from the bottom left, curves upwards and to the right, then loops back down and to the left, ending near the bottom center. The overall aesthetic is clean and modern.

**CHAPTER 3**

**BARGAINING  
BRILLIANCE**

**BY  
RUSS ALAN PRINCE AND  
FRANK V. CARONE**



**A**

critical skill set to becoming a very successful business owner and, consequently, personally wealthy is an ability to adroitly negotiate.

In many scenarios, the more proficient you are at bargaining, the more likely your business will thrive. Furthermore, being a skilled negotiator will enable you to achieve greater success in a variety of professional platforms along with personal arenas.

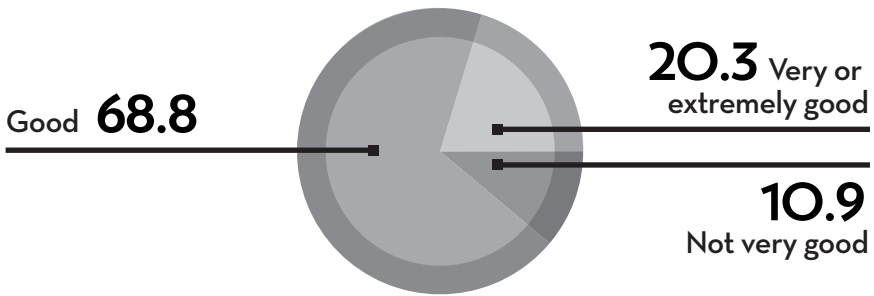
## BUSINESS OWNERS WANT TO BE BETTER NEGOTIATORS

About nine out of ten of the business owners we surveyed considered themselves good negotiators, with 20 percent of them saying they're very or extremely good negotiators (Exhibit 3.1).

### EXHIBIT 3.1:

#### Negotiating Ability

% N = 513 BUSINESS OWNERS

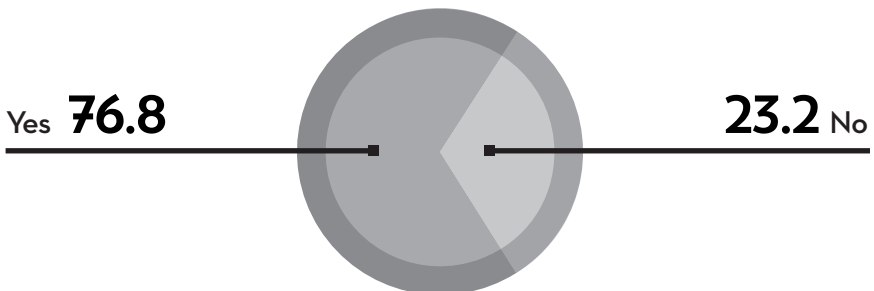


What's more insightful is that a little more than three-quarters of them say they're interested in becoming more proficient negotiators (Exhibit 3.2). Although many of these business owners consider themselves capable or more than capable, they understand that becoming a better negotiator has multiplicative positive effects. These business owners realize even getting just a little bit better can make a profound difference.

### EXHIBIT 3.2:

#### Desire to Become More Proficient Negotiators

% N = 513 BUSINESS OWNERS



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In constructing the operational methodologies predicated on *Millionaire Intelligence*, we've been able to develop a highly systematic approach to negotiation we refer to as *bargaining brilliance*. While this approach is exceptionally effective due to its foundational elements, we recognize it doesn't philosophically appeal to everyone.

Let's begin with the conceptual and philosophical underpinnings of the methodology.

### "I WIN, YOU WHATEVER"

The "I win, you whatever" philosophy in the center of bargaining brilliance doesn't mean that in a negotiation you must be a winner *and* the person across the table from you must be a loser. The two of you can certainly conclude the negotiations as winners, which is the optimal scenario. However, the "I win, you whatever" philosophy says that it's essential for your success to walk away from an important negotiation as a winner, irrespective of the ability of the other party to reach his or her goals. Simply put: "You win!"

Self-made millionaires realize that the only way they're going to win when negotiating is by carefully and forcefully looking out for their own interests. This is not about being selfish or egotistical; it's about being realistic. It's about being pragmatic. It's the way to succeed.

While advocates of the win-win philosophy frequently talk about long-term relationships and fairness for all, according to most self-made millionaires, if you're not looking out for yourself, it's highly unlikely anyone with whom you're negotiating will be looking out for you either. To see the potential alternatives, consider the matrix in Exhibit 3.3.

#### EXHIBIT 3.3:

#### Negotiating Results Matrix

SOURCE: I WIN, YOU WHATEVER (2013)

		YOU	
		LOSE	WIN
COUNTER PARTY	WIN	Substandard	Optimal
	LOSE	Substandard	Excellent

As noted, the optimal scenario is one where all parties conclude the negotiations as winners. And, we strongly recommend you strive for this outcome. It is the best result and can have the greatest long-term benefits. However, if everyone cannot be successful, as long as you achieve your goals, then the negotiations are still a success. If you lose, whether the other party wins or loses, for you the result of the negotiation was substandard.

This philosophy is at the core of the way a great many self-made millionaires bargain, and it's a substantial part of the reason they're repeatedly so effective. It's central to their ability to amass considerable personal wealth. While they usually have no problem with seeing the other party doing well, they themselves must win.

Strategically, the way to be a winner when negotiating is encapsulated in the performance equation.

## THE PERFORMANCE EQUATION

Self-made millionaires usually approach business negotiations in profoundly different ways than less financially successful individuals. Whether establishing joint ventures, creating strategic alliances, bargaining with clients and suppliers, or selling and buying companies, not only are they exceedingly focused and disciplined, but they also employ an array of stratagems and tactics likely to radically increase their ability to achieve the outcomes they desire. They're quite effective at getting the terms they want and structuring the deal for their benefit.

As noted, through in-depth research of these self-made millionaires, we identified the various components of highly successful negotiating, and at its core is the performance equation:



**PERFORMANCE =**

**PERSPECTIVE + PURPOSE + PREPARATION + PROCESS**

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Let's briefly examine each of the variables in this performance equation.

**PERSPECTIVE** is a self-made millionaire's cognitive bargaining orientation. These business owners intensely focus on achieving their agendas, often maintaining a single mindedness toward their critical business goals to which all else outside of this is noise. The following are select key concepts:

- **Everyone—yes, everyone—is dysfunctional.** Your intent is to gain an advantage by understanding, and thereby owning, the other party's issues while avoiding the exploitation of your weaknesses by the counter party.
- **Success breeds "enemies."** This is a structural phenomenon resulting in some of the best negotiators often being vilified. As such, antagonistic feelings from the others are inevitable, and it's important to not let the possibility of becoming denigrated be an impediment to achieving significant results.

**PURPOSE** is what self-made millionaires want out of their negotiation. It's the outcomes they seek. These business owners are very good at defining their range of negotiating goals and maintaining their focus on the high-end of these ranges. Moreover, they're proficient at connecting their negotiating goals to their overall business goals and related objectives. The following are select key concepts:

- **Your negotiating goals need to be slightly unreasonable.** Negotiating goals are very likely to prove motivating and attainable when they make enough sense to the opponent, but still make that person effectively uneasy. This requires you to have a thorough understanding of the rationale—on all sides—for the goals.
- **Sticking to your high-end goals is essential.** Unfortunately, many business owners end up with bad deals by surrendering on critical terms. This not only results in remorse, but it can also contribute to subsequent actions that derail future opportunities. You must understand that no deal is infinitely better than a bad deal, and you need to define a "bad deal" in advance of a negotiation.

**PREPARATION** is the homework self-made millionaires conduct before facing off with the people with whom they're negotiating. It's how you evaluate the character of the negotiations, the overall strategic approach you choose to take, the formulation of key arguments, and how you derive—or intend to derive—advantages. To obtain the best results, self-made millionaires prepare intensely, if not passionately; they have a plan and so should you. The following are select key concepts:

- **You need to negotiate the people.** While understanding the terms of a deal is very important, success will more likely come from understanding the people sitting across the table from you. Being attuned to their dysfunction (see above), their need for the deal, their alternatives, and other relevant issues and critical concerns can be greatly empowering.
- **You must honestly evaluate the situation.** A candid assessment of your relative position vis-a-vis the counter party will dictate the most appropriate bargaining strategies to employ. Depending on the respective advantages each side has, the need to be clever can become integral.

**PROCESS** is the give and take between parties in the negotiation. It's how you make your case based on the previous stage tempered by the way the interaction is progressing. What's habitually central to being effective at this time is the nature and quality of the relationship between you and those sitting across from you. The following are select key concepts:

- **Active listening is a cornerstone skill.** Self-made millionaires truly capture and understand the messages other people are sending. It includes assessing both nonverbal and verbal messages. As an active listener, you understand the context of the negotiations—the current situation, the person, and scenario's back-story, coupled with the other party's expectations.
- **A tremendous advantage is gained by making anger work for you.** By not letting anger get in the way, you can avoid magnifying insecurities, which can produce more anger, cloud reason, and result in poor decision making. Meanwhile, you need to capitalize on the situation when the party with whom you're negotiating gets angry.

There are many concepts and tactics that derive from and interrelate to the performance equation. When the components of the equation have been handled adeptly, it increases your chances for a promising outcome. Your ability to think strategically is the driver of the methodology.



## **CONCLUSION**

Bargaining brilliance with the “I win, you whatever” philosophy at its core embodies the negotiating thinking and practices of a great many self-made millionaires. What’s evident as seen in the research results as well as in working with the business owners is that many of them are quite capable negotiators, yet are interested in stepping-up their expertise.

Bargaining brilliance like all of *Millionaire Intelligence* is very learnable. There aren’t any secrets to negotiating at this level of proficiency, as the knowledge is easily accessible. Negotiating success, therefore, is much more a matter of doing than knowing.

While it’s useful to understand how combining equity with *Millionaire Intelligence* can produce considerable personal wealth, our focus now shifts to ways you can maximize your personal wealth through advanced planning.

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