

Choose Your Negotiations Wisely

By [Harrison Barnes](#)

Many years ago, I hired a very successful and well-known recruiter to work for our company. This recruiter was a "superstar" sort of recruiter, who generated millions of dollars in fees wherever he went. Prior to hiring this recruiter, I had spent a few weeks getting to know him over several dinners and trips to his hometown. I got to know his significant other, spent time in his home, and he in mine. By the time I was ready to make him an offer, I was very happy about hiring him and his future with our [recruiting firm](#). In response to my offer, he very politely told me that he would love to come to work for me--and that his attorney would "be in touch" shortly.

A few days later, I received a telephone call from an attorney in a major law firm, who had marked up the offer letter I had sent over to the recruiter. He had made so many notes that the document, which was formerly two pages long, now was around seven or eight pages long. In addition, he had attached a "suggested employment contract" that was more than 45 pages long.

"Who are you?" I asked the attorney during our first phone call. I was a little astonished by the intensity with which he was negotiating some relatively small things. For example, the recruiter wanted to ensure that his desk was positioned within 20 feet of "cold filtered spring water," which would need to be in ready supply for him to drink during his workday.

"I actually do this for Fortune 500 CEOs all the time," he said. "This is my specialty, negotiating these sorts of things."

I spent at least a week exchanging frequent phone calls with the attorney and had an [in-house attorney](#) from our company talking back and forth with the attorney every single day. After a week of this, I received a phone call from the recruiter:

"Can we wrap this up? This guy is charging me \$750 an hour and I have already spent more than \$30,000 on this. I cannot afford to keep paying the attorney," he said.

"I do not know how that is possible. He is negotiating every single little thing there is. We keep going back and forth," I said.

When a [chief executive officer](#) of a major corporation is hired, the executive typically has an attorney from a giant law firm negotiating on his or her behalf. The executive is offered the position and then, in response to the offer, the lawyer suddenly appears and starts negotiating. This is what the attorney we were talking with was doing. The list of points he was trying to negotiate with me and my attorney was so voluminous that it would be impossible for me to remember all of those points now. The list included things like being in "Class A" office space, having air conditioning on the weekend, first-class airfare for all business-related travel, and more. When people get more powerful in the business world, they have a tendency to demand more. However, the other side to this is that they become more focused on *taking* and not *giving* value. They become more concerned with the accoutrements of success rather than focusing on what got them there, usually a lot of hard work.

Unless I am using miles that I have saved up for years before taking a big trip, I always travel in economy. I always try to get seats at the very back of the airplane because I will be less likely to have someone sitting next to me. In fact, just about every single time I have done this, I have had at least two empty seats next to me--even on the fullest flights.

A few weeks ago I was traveling, and for the first time I can remember, I was seated next to a woman in the very back of the airplane. The woman was wearing a scarf and you could not really tell who she was; however, after the flight took off we started chatting. It turned out that she was married to a famous man and was part of the "Hollywood society"; she knew all sorts of movie stars and various famous people. While I liked to sit at the back of the airplane to have extra room, this woman liked to sit in the back of the airplane so that no one would recognize her. Personally, I did not recognize her.

As we talked, we came upon the subject of a very famous person whom she had known for years, who had fallen out of favor with the people who make movies and are generally regarded as being in power in Hollywood. She said something to me that I will never forget:

"Every person that succeeds and then fails in Hollywood has become more concerned about their ego, getting as much as they can, than with what they gave in order to become successful in the first place."

I was really struck by this statement. What the woman was saying, in effect, was that at some point when they become successful, many people lose sight of what got them there. Instead, they start focusing on something else completely--themselves--and not on what they can contribute.

Several times throughout my negotiation with the attorney negotiations "broke down" and I simply said I was unwilling to agree to this or that. Eventually, however, we reached some sort of agreement and the papers were signed. I do not remember what it was, but some condition was apparently not met on the first day the recruiter showed up for work several weeks later, and the recruiter's lawyer called me. Everything completely broke down from there. The guy ended up working for us for around three hours in total, if I recall correctly. His prized assistant, whom we were supposed to have hired in addition to him, had shown up to work on the first day and did not feel comfortable with his supervisor or with the level of responsibility he would be having.

I am not sure how much this recruiter spent on legal fees or exactly how much time he spent negotiating with me; however, I would venture to guess that he spent at least \$50,000 on legal fees and that the negotiations went on for at least three weeks or so. When the entire negotiation was done, I no longer liked the recruiter or felt comfortable with him. To say I thought he was calculating and difficult would be an understatement. Had he not tried to negotiate with me so much and just taken the job, he probably would still have been here today. In hindsight, I think that what he did wrong was put too many conditions on what it would take for him to be happy in his job. The original offer that I made him was not much different from the employment agreement he ultimately ended up with. The only thing that was substantially different was the taste left in my

mouth.

For the past several months I have been trying to sell some property. I have gotten some good offers; however, I always negotiate in response to an offer. Every single time, the person with whom I have attempted to negotiate has simply walked away and purchased some other property. *And why wouldn't they?* There are thousands of properties out there for sale because everyone is interested in unloading assets in this economic environment. *It is like this with jobs too.* There are so many people [looking for jobs](#) that there is no reason for most employers to negotiate. Why would they? In almost every instance, there are tons of people who can do the exact same work that you can do. If you negotiate too hard, you risk alienating a potential employer and possibly losing a job offer. Negotiation is not always a good strategy and sometimes, in fact, it is a horrible strategy. I am not saying that you should never negotiate; what I am saying is that you need to be extremely careful if you are going to negotiate. There are many risks associated with negotiation. Be sure your condition is something you really cannot work without.

Several years ago, I hired another employee who did everything within his power to negotiate with me. He negotiated vacation days, guaranteed bonuses, titles, salary, guaranteed raises, and more. The person ended up "winning" the negotiation, getting most of the things that he asked for. However, the problem with all of this negotiation was that many of the things the person negotiated for were fluff, which gave the person far more small, incidental things than other employees in the company had at the time. When the person did not completely live up to the expectations I had of him, as his supervisor I ended up having a fair amount of resentment toward the person, because other employees were working much harder and doing a better job--people who did not have this level of "fluff" in their compensation packages.

If you are negotiating over something very serious like a job or a relationship, you may end up being worse off for negotiating. Be sure what you're negotiating over is worth it. Your success in a job, relationship, and so forth most likely will come down to how much you contribute, more than how much you are able to negotiate. It is always better to have people offer you a raise, benefits, and other perks than for you to demand these things. If you are offered various benefits instead of asking for them, your employer will feel like they gave these things to you of their own volition. They will want you to have and enjoy these things a lot more than if you had *demand*ed them.

While negotiating big things is often risky, negotiating small things often is not and I am all for this. Several years ago when I was in college, I discovered that electronics stores will negotiate.

They will negotiate a lot.

I will never forget walking into an electronics store in Detroit and seeing a Panasonic cordless phone that I liked. This cordless phone had an answering machine attached to it and was around \$179.00. In another corner of the store, they had returns, which were various items that people had purchased and then decided to bring back to the store. Because these items were no longer new, the store sold them at a discount. In the returns section I saw the same phone for \$139.00. I took the phone up to a [salesperson](#). I do not know how I got up the nerve, but I asked him:

"Could you sell me this phone for \$49.00? It's all I can afford to spend."

"Sure," the salesperson said. He acted like my request was the most normal thing in the world, and he went up and rang up the phone like that. I could not believe it. I still have that old phone stored away somewhere. Still stunned from this transaction, a couple of months later I went into another electronics store and tried the same thing with a television. That worked too. I still have that television to this day.

One of the most interesting things to me in the business world is the process of offers and negotiations. It is such a fascinating subject in so many ways because you can achieve so much and, conversely, be held back so much by the process of negotiation.

Everything is negotiable but you need to be careful. You should first judge and understand the environment in which you are negotiating. Sometimes you can negotiate and other times you cannot. It is important to learn when you can and when you cannot negotiate. If you choose to negotiate, be sure you are not risking more than you are willing to lose. Choose your negotiations wisely.

THE LESSON

Everything is negotiable, and thus it is important that you choose your negotiations wisely. First, judge your negotiating environment and determine when you can and cannot negotiate; in many important matters, negotiating may actually work to your detriment. Your success in both career and life depends far more on your contributions than your negotiating skill, and having things offered to you is always preferable to demanding them.

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