



Exercise 2.

1. Walking away from the deal is usually disadvantageous for both parties. - True: they've both invested plenty of time, effort and money in the negotiation.
2. It's usually better to hold the negotiation in your office. - False: if you hold the negotiation in their office or in neutral territory like a hotel, you can walk away more easily.
3. Even if you've invested a lot of your own time and effort in the negotiation, you shouldn't let this influence your decision-making. - False: it could still be a factor in your decision-making, but it not the most important factor.
4. Brinkmanship is a very risky strategy. - True: they may call you bluff, and even if you succeed, it could damage your long-term relationship.
5. If you call someone's bluff, you allow them to do what they were threatening to do. - True.
6. Brinkmanship can be a useful way of building long-term relationships. - False: it is bad for long-term relationships.
7. It's important to be honest, creative, firm, patient and positive. - True.
8. Once you have agreed on one point (e.g. a 5% discount), you shouldn't go back to renegotiate that point later. - False: everything is on the table until the whole deal has been clinched.
9. You must always tie up all the loose ends before you clinch the deal. - False: as long as these really are just loose ends, it's usually fine to leave these for later.
10. Throwing a spanner in the works at the last minute can sometimes be an effective strategy. - True: tired negotiators often capitulate. However, it can also do a lot of damage.

