

# SHARPEN YOUR N-FACTOR

Live Like A Samurai  
and Negotiate Fearlessly

by Allan Tsang

  
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## Introduction

Negotiations can be intimidating. Many shun them because they've been conned by their opponent or felt cheated in a deal. Those who willingly enter a negotiation often feel unprepared to navigate the process effectively.

However, negotiations are unavoidable. They permeate virtually every facet of our lives – whether it's landing a new job, securing a higher salary, buying a car or making concessions with your partner or child.

### **Hundreds of Thousands of Dollars on the Table**

A Salary.com survey<sup>1</sup> found that 87% of approximately 2000 people wouldn't ask for a higher salary due to their lack of negotiating skills. Of them, 18% and 32% found negotiations unpleasant and intimidating, respectively.

More surprisingly, 44% never ask for a raise. Most don't realize that forgoing a salary negotiation can cost them more than \$500,000 in additional income by age 60, according to the same survey.

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1 <http://www.salary.com/most-people-don-t-negotiate-due-to-fear-lack-of-skills/>



With that much at stake, we can't let our emotions drive if and how we negotiate. Nor can we let our perceptions about our negotiating counterparts unduly influence how we proceed.

Typically, before one even begins to negotiate, he or she goes to the table with preconceived notions about what they want, who they *think* they're up against, and *what* they *believe* their counterpart wants out of the negotiation.

Karen Walch, a professor at the Thunderbird School of Global Management, spent two decades leading an ongoing negotiation study<sup>2</sup> of her students, including how they viewed negotiations, the actual process, and levels of cooperation and trust within themselves and their counterparts. Forty percent believed they were trustworthy and cooperative. However, most felt their counterparts were only interested in winning.

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2 <https://books.google.com/books?id=i55EAqAAQBAJ&pg=PA50&lpg=PA50&dq=Professor+Karen+Walch+at+Thunderbird+School+of+Global+Management+has+conducted+an+ongoing+negotiation+study&source=bl&ots=Z2qmeQy0ef&sig=oWoxRkLyGIRYoo4W7kNrKQg3Sl4&hl=en&sa=X&ved=0ahUKEwjz8NCE-5JrVAhVNID4KHV-fDrwQ6AEISDAD#v=onepage&q=Professor%20Karen%20Walch%20at%20Thunderbird%20School%20of%20Global%20Management%20has%20conducted%20an%20ongoing%20negotiation%20study&f=false>

With the right training, anyone can overcome these preconceived notions and fears. This e-book isn't a technical manual. It is intended to give you insight into the characteristics of a strong negotiator. You'll learn the importance of a system that ensures your negotiations will not only be successful but have permanency too. These tools will help you become a strong negotiator as well as enable you to identify these attributes in potential employees.

Let's move onto the first chapter. We'll explore how personifying the samurai mindset can work to your advantage when negotiating.



# Chapter 1:

# Live like a Samurai

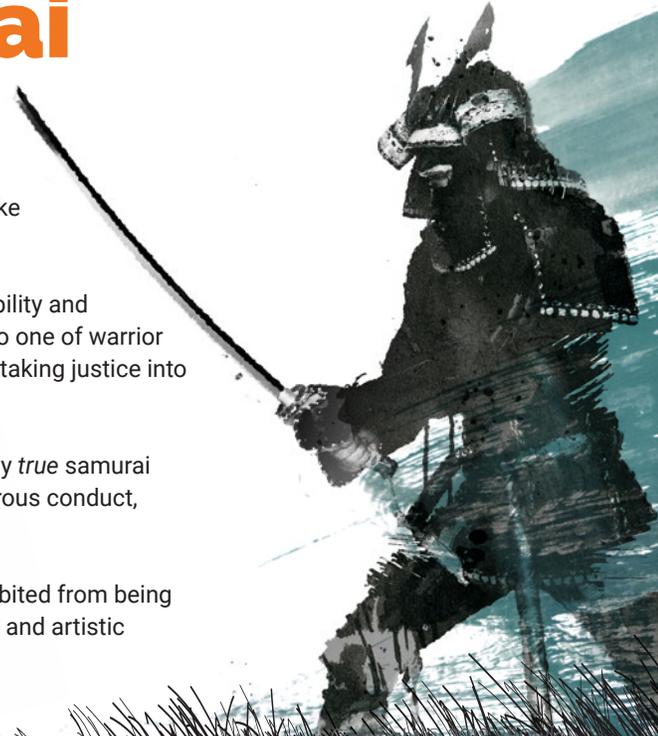
*All war represents a failure of diplomacy*  
—Tony Benn

When most of us think of a samurai, we think “warrior” or “ninja”. It sounds like a great image and motivator when “going to battle” at the negotiation table.

Actually, the opposite is true. Traditionally, a samurai was in a position of nobility and service. However, hundreds of years of political instability reduced this role to one of warrior during times of conflict. Anyone wielding the samurai sword was capable of taking justice into his own hands.

Like anything else, a few bad apples can spoil the whole bunch. Though many *true* samurai remained loyal to their masters and the *Bushido*, an unwritten code of chivalrous conduct, others abused the role. It’s why many view the samurai with ferocity today.

Once Japan’s stability was restored in the late 1800’s and swords were prohibited from being carried in public, the role of the samurai evolved. It assumed a more spiritual and artistic aspect through its practices and teachings.



## Eight Virtues of Bushido

Nitobe Inazo's book *Bushido: The Soul of Japan* outlines the virtues necessary for a man to lead a chivalrous personal and professional life. He argues that a true man doesn't have to resort to combat; instead he should focus on empathy and goodwill. Though some have opined that a chivalrous society is dead, others – like President Theodore Roosevelt – were quite taken with Inazo's work. Those who follow the tenets of Bushido have a deep love and respect for life. Killing only happens when absolutely necessary.

What's fascinating about the virtues of Bushido is that they can successfully be applied to negotiations. Let's consider them.



## Righteousness:

The strongest of the virtues, a samurai uses it unwaveringly to determine the most reasonable course of action. He will fight if the situation calls for it and will readily die if it's his destiny. It's the framework for the samurai life – a solid foundation upon which to conduct one's self. Part of my job as a coach is to hold clients accountable.

For example, I was brought in to resolve an impasse between my client and their customer, with the former owing the latter money. However, the customer wanted more money than what was owed by my client. During the discovery process (see more on that later), I found out my client did owe more for additional work even though it wasn't authorized. Following this code of justice or rectitude required that my client made good on that money.

## Courage:

Make no mistake. Courage and bravado are not one and the same. The samurai knows the difference. Courage is played out in the name of justice. Bravado is an act meant to intimidate or impress.

## Compassion:

True leaders don't wield their power recklessly. Though they have the ability to destroy in one fell swoop, the wise leader or samurai weighs his responsibility carefully – always considering what's in the best interest of others with compassion.

## Respect:

If you've ever visited Japan, you were probably struck by the locals' politeness. What makes it stand out is that it comes from a true desire to be kind, respectful and considerate of others. When people feel disrespected, their reactions are similar to feeling physically threatened or having their safety compromised. True warriors are not motivated by cruelty. They don't need to prove their strength. It is already exhibited in their dealings with others and the respect they show their opponents, particularly during battle or difficult times. This ideal is what we strive for during negotiations.

## **Integrity:**

Inazo stated that a true samurai was unconcerned with material trappings like money, believing it hindered his ability to gain wisdom. Our materialistic world flies in the face of that theory, with many flaunting their wealth and possessions. For the samurai, foregoing material things was considered an exercise of abstinence.

## **Honor:**

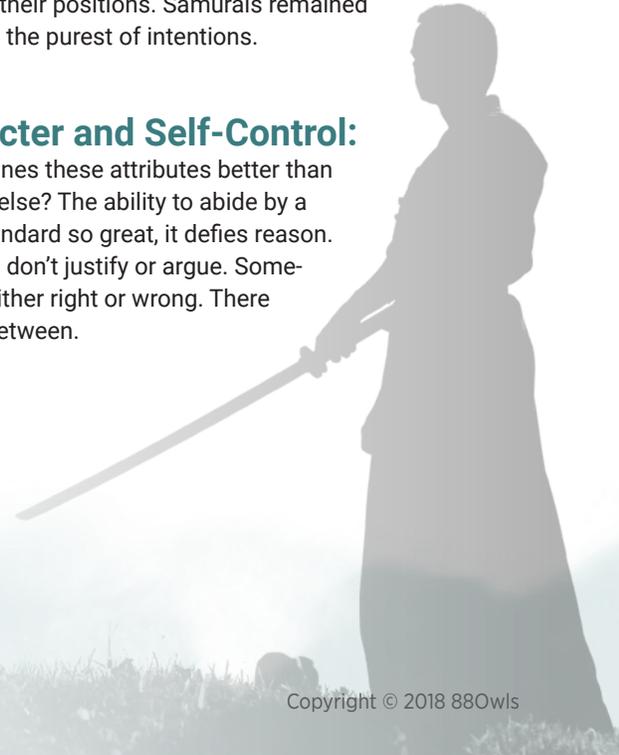
Dignity and self-worth are central to a samurai's honor. They lived and died by their professional duties and opportunities. To fall short of them was considered a disgrace. Consequently, the samurai's patience was tested many times over, and it required a great act of strength and self-restraint to avoid being provoked.

## **Loyalty:**

Throughout the ages, loyalty has been considered one of the most virtuous characteristics. Royalty and other leaders have relied, and still do rely, on loyalty to maintain their positions. Samurai remained loyal with the purest of intentions.

## **Character and Self-Control:**

What defines these attributes better than anything else? The ability to abide by a moral standard so great, it defies reason. Samurai don't justify or argue. Something is either right or wrong. There is no in-between.



## Similar Virtues Found Elsewhere

Though I've used the virtues of Bushido to illustrate how they can be employed during negotiations, there are similar philosophies and virtues in other parts of the world.

For example, Wude is a Wushu (Chinese martial arts) philosophy. It embodies 10 morality values including:

- Humility
- Respect
- Righteousness
- Trust
- Loyalty
- Will
- Endurance
- Perseverance
- Patience
- Courage

Europe also fostered a code of chivalry (think Camelot and Knights of the Roundtable). Regardless of whether you choose to follow the Japanese, Chinese, European or your own code of conduct or chivalry, all help maintain personal and professional balance and integrity. It is a practice that humanizes war (engagement of controlled violence), preventing one from descending into mindless killing - killing for the sake of killing.

I can hear you now. You're thinking, "Great attributes! But what do they have to do with negotiation, and are they even relevant in today's world?"

*Yes. Now more than ever.*

No one in his or her right mind would want to negotiate with someone lacking a code of conduct. These practices maintain a sense of purpose, a level of human decency and a fairer playing field.

Being a samurai in a sea of self-involved people is necessary. If there are two adversaries in the ring, and both are self-focused and aggressive, do you think anything will be accomplished? More than likely, things will only escalate, concluding with a "winner" and a "loser". Though it is the accepted practice in our society, it rarely facilitates profitable, long-term relationships with clients or customers.

The samurai mindset or samurai way of conducting one's self is crucial to a successful negotiation. In conjunction with such noble attributes, a strong negotiator embodies other essential qualities.

Don't worry. If you don't already possess them, the good news is that they can be honed with the right training and coaching. Continue to Chapter 2 to find out whether you have the N-Factor and how it can be nurtured.



## Chapter 2: **Hone Your N-Factor**

We've all heard of the X Factor. Aside from being a television show, it's that certain something that a person exudes via a special talent or quality. But did you know that there's another factor that is just as important? It's the negotiation factor or what I like to call the N-factor. It is characterized by a similar "je ne sais quoi".

Like the eight virtues of Bushido, it can be learned and developed with the right training and tools. Together with Bushido, the **N-Factor** is an empowering tool at the negotiation table – in any situation, anywhere, anytime and with anyone.

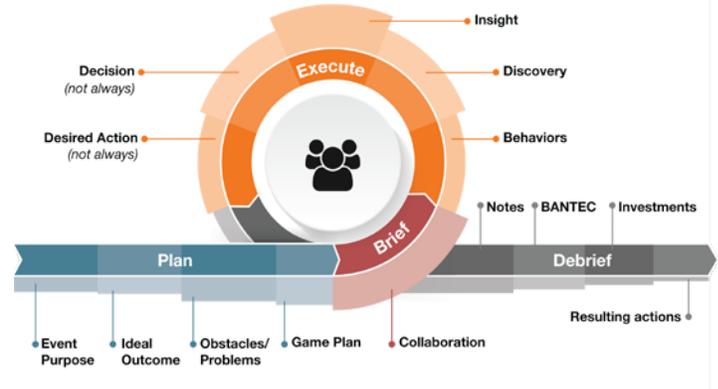


## These Attributes + This System = The N-Factor

Success rarely comes from one attribute or technique. An inventor can't create solely through ingenuity. He or she needs intelligence, creativity, persistence, an open mind, and, quite possibly, collaboration with others to see his or her invention to fruition.

The same holds true for the N-Factor. A leader, seeking to master negotiation, must nurture the right character qualities and combine them with an effective system. The ideal system should include preparing, briefing, executing, debriefing and repeating the cycle until a successful conclusion is reached. Integral to its efficacy are understanding and controlling the verbal, vocal and visual cues we use, as well as reading those of our counterparts. How do pitch, inflection, volume and rate influence how our message is received? What visual signals do we convey through our body language? Knowing how to use our words, tone and expressions to connect with our opponent is what embodies the N-Factor.

Equally important is developing the right attitude towards others involved in a negotiation. Just like the samurai, good leaders who excel at negotiating possess empathy. While



there are many natural empathes out there like Mother Teresa and the Dali Lama, empathy also can be developed with the right training.

Empaths are fully present, listen intently, and exhibit body language that fosters a safe environment for a genuine discourse and true rapport with their counterparts. This approach opens the door to co-create solutions that encourage the ability to say yes or no.

Effective, empathetic negotiators possess the following attributes or mindsets (notice how closely many of them align with the virtues of Bushido):



**Exhibit Respect for Your Word:** Say what you mean. Mean what you say. Deliver on your promises, quickly working to get back on track if the plan goes off the rails.



**Show Compassion:** A good negotiator is mission-focused, building agreements without relying on leverage, threats, or coercion. They understand that trying to take advantage of a weaker negotiator doesn't work in the long run. Such tactics may provide short-term benefits, but they always hurt the agreement later.



**Are Curious:** Strong negotiators come to the table with an open mind. They resist the urge to make assumptions or cling to their own unwarranted expectations. Consequently, they're able to ask great questions that uncover hidden agendas, lead to discovery and give insight into their counterpart's world.



**Collaborate and Create:** They collaborate and commit to giving people what they want. Creativity comes from gaining insight into others' pain points, including their underlying fears or concerns. Understanding these things enables us to give people what they need to feel safe, laying the foundation for agreements where all parties feel satisfied with the outcome.



**Remain Goal-Oriented:** Stay committed to mindset and behavior objectives over performance quotas and goals. You can control the former but not necessarily the latter. The ultimate goal is a collective effort to meet the mission objectives.



**Embrace Fearlessness:** Good negotiators are fearless. They don't make assumptions. What's more, they are not short-sighted. The samurai doesn't just practice his sword wielding 1,000 times, satisfied he'll be the quintessential warrior. The true samurai manifests the mindset that drives the ideal behaviors, which include improving technique, speed, power, accuracy and timing. In present day terms, strong negotiators boldly and respectfully address issues, willingly walking away if a good deal for all and/or a deal that furthers their mission and purpose cannot be reached. To them, *no* deal is better than one that compromises their long term goals and, most importantly, their values.

Take some time to consider the N-Factor attributes and how they mirror the samurai's principles. Then look at the example of the power of empathy in Chapter 3.



# Chapter 3: Walk in Your Counterpart's Shoes, Be a Willing Mediator

Putting yourself in someone else's shoes is the pathway to understanding and progress. The samurais did it, and leaders possessing the N-Factor do as well.

Those with the N-Factor use **tactical ratiocination**. It's the ability to understand your counterpart's mindset – how they feel, their perspective or what they want. Furthermore, they tend not to shy away from conflict, because they are committed to reaching a favorable resolution for all parties.

An example of tactical ratiocination in action occurred when my client was making a part that held up production of an important product for his customer.

Not only was it an important part, but that valued customer of 18 years was worth over \$30 million. The customer got so frustrated that he threatened to leave my client and go to a competitor. In fact, he already started pulling the plug on projects and awarding them to other suppliers.

My client tried to work through the problem with the customer. However, the customer was so upset, he refused to respond to my client's communication attempts. This problem continued for almost a year.

After reviewing the scenario and considering solutions, I contacted my client's customer and listened to his issues. This juncture is where a negotiation can succeed or fall apart.

It is critical to *really* listen without being defensive. It's not easy and takes practice. After hearing him out, it was clear that he was losing business, experiencing production delays seemingly due to my client's issues in making this part. I also realized that my client should not have accepted the job, due to the extremely tight production deadlines that led to steps being skipped in order to fulfill the order on time.

While I understood why the customer was upset, I also realized that he failed to recognize that he could not make the part himself. Although other suppliers had tried to make it, the part they



produced did not meet the customer's requirements.

After listening to the hardships caused by this problem, I proposed that my client stop making the part, allowing the customer to go elsewhere. The customer quickly responded that ending the relationship was the last thing that he wanted. Do you see what happened here?

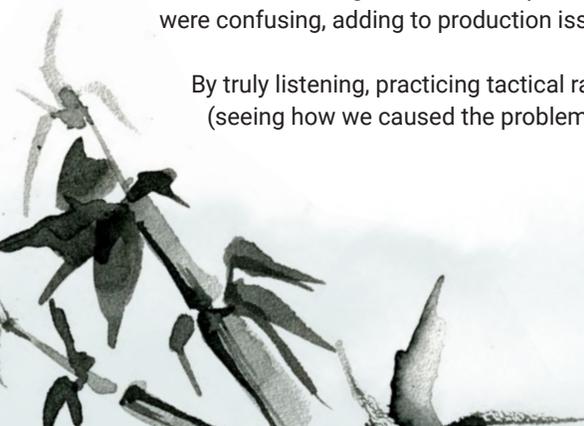
We went from hearing about the customer's problems due to my client's production issues to now doing them a favor by continuing production regardless of how imperfect the part might be. The customer realized that out of 8600 parts produced that year, just 50 were defective. What's more, he discovered that no one could make the part within the required timeframe and recognized that the specs he'd provided were confusing, adding to production issues.

By truly listening, practicing tactical ratiocination (seeing how we caused the problem) and remaining

calm, I was not only able to get the time to explain my client's perspective but preserve the relationship as well. My client was able to continue making the part.

Without practicing empathy, such a resolution would not have been possible. In most conflicts, we're too stuck in our own thoughts, perceptions, wants, needs and feelings. As a result, we miss some very useful and compelling observations and discoveries. Frequently, a discourse devolves into two people talking at each other instead of listening to each other.

Human potential thought leader, Bryant H. McGill said, "One of the most sincere forms of respect is actually listening to what another has to say." Channel the samurai and respect your opponent enough to truly hear what he or she is telling you. Do so, and you'll succeed at the negotiation table. As American financier Bernard Baruch noted, "Most of the successful people I've known are the ones who do more listening than talking."



One caveat to keep in mind is that not every situation is “battle-worthy”. The ability to make the distinction is an equally important attribute. Consider the following *HATS* situations. It’s crucial to pause in the midst of one of these physiological states before rushing into a negotiation or battle:



**Hungry:** Recall a time when you were really hungry. Were you able to focus? Did you react logically? How did you feel after satisfying your appetite? Calmer and more focused? Whether we’re literally or figuratively hungry, we have a tendency to get “hangry”, acting irrational and losing our focus. In turn, we can’t negotiate effectively.



**Angry:** Think about it. How much good actually comes out of a contentious situation? Typically, negotiations are emotionally-charged, leading to tensions escalating unnecessarily. It becomes a power struggle, leading us to make mountains out of molehills. We become distracted from the original objective. If we can’t manage our own emotions, how can we help de-escalate, resolve conflicts, and build strong agreements?



**Tired:** Recall a time when you needed to complete a task. You were pulling incredibly long hours, weren’t sleeping much, were stressed and were racing against a deadline. How did you feel? Did you believe you were at your best and accomplishing the task with finesse? Most likely not. When we’re tired, we lack focus, miss important details and concede unnecessarily. It’s best to postpone a negotiation until you’re well rested and in a better frame of mind.



**Stressed:** Dovetailing on tiredness and compromising our ability to negotiate is being stressed. When we’re in this state, we have a tendency to rush things and get distracted or worked up. We may even become apathetic, ready to give up altogether. Again, you’ve lost your opportunity to optimize the negotiation process.

Lest you think *HATS* only affects your negotiating power, think again. Emotions are primal, and your opponent may pick up on all of the above emotions that *you're* feeling, leading *him* or *her* to feel and exhibit them as well. Then no one can commit to finding an optimal solution for all parties.

Remember too that no man is an island. In addition to his or her Bushido and N-Factor attributes, he or she needs an effective system to ensure a seamless negotiation process. Consider the four pillars of a solid negotiation system in Chapter 4.

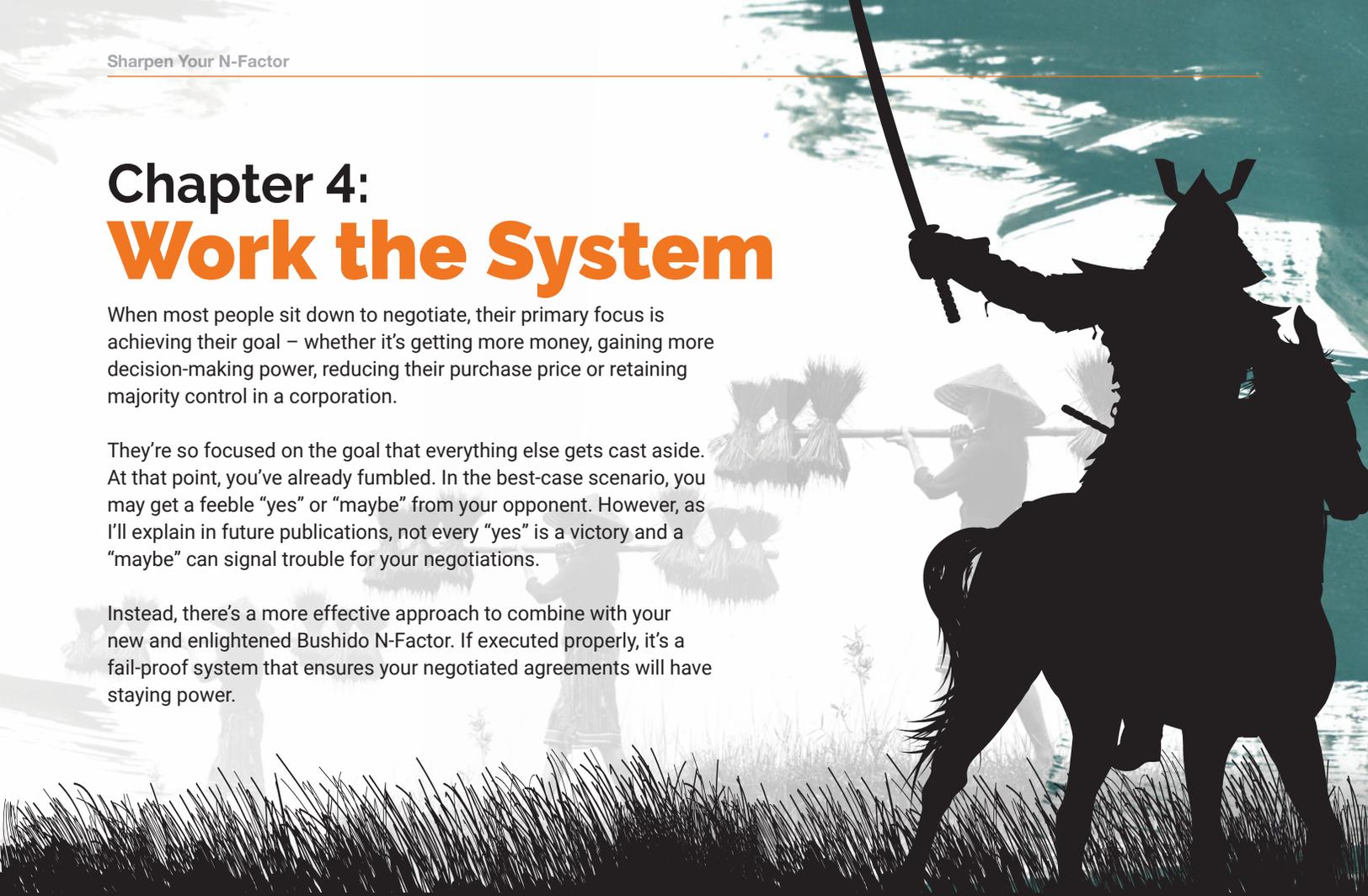


## Chapter 4: **Work the System**

When most people sit down to negotiate, their primary focus is achieving their goal – whether it's getting more money, gaining more decision-making power, reducing their purchase price or retaining majority control in a corporation.

They're so focused on the goal that everything else gets cast aside. At that point, you've already fumbled. In the best-case scenario, you may get a feeble "yes" or "maybe" from your opponent. However, as I'll explain in future publications, not every "yes" is a victory and a "maybe" can signal trouble for your negotiations.

Instead, there's a more effective approach to combine with your new and enlightened Bushido N-Factor. If executed properly, it's a fail-proof system that ensures your negotiated agreements will have staying power.



Just as a successful negotiation must have an endgame in sight and must start with a plan, a successful negotiation system will be characterized by the following key attributes:

### **Repeatable:**

Negotiations exist in all facets of life and are ongoing too. Therefore, one should never rely on luck to ensure his or her success. A negotiation system that works in a myriad of scenarios, regardless of the frequency, will reward you many times over. Plan the work. Then work the plan.

### **Scalable:**

One quandary many managers face is implementing a training program that works for one salesperson or a team of 100, so he or she is not reinventing the wheel each time. Scalability is really about the simplicity of your plan and that plan working effectively regardless of the number trained, the frequency of training or the countless bad habits that need to be reversed/erased. When done properly, everyone will be on the same page, executing the system correctly.

### **Manageable:**

Many sales managers lament about the problem of “herding cats” - individual salespeople who employ old, disparate, and often bad habits when performing their jobs. When everyone is doing their own thing, the organization can’t operate efficiently. A plan of action ensures that all players understand, and are culpable for, their roles in the plan. As the negotiator, you should be managing your plan instead of it or your opponent managing you. Hone your ability to see where your team is struggling and provide coaching and mentorship to address those gaps. By methodically and consistently developing your ability to pinpoint issues quickly and with precision, you’ll be able to circumvent system bottlenecks.

## **Quantifiable:**

For a system to succeed, it has to work efficiently. In order for people to embrace it, it has to function properly. What's more, it has to stand the test of time regardless of the scenario or players. It has to be quantifiable. Before implementing any system, make sure a return on investment (ROI) can be illustrated. To be clear, ROI is measured by tangible benefits (increased sales, reduced costs, etc.). Some practical methods for demonstrating ROI include: 1) implementing in one department and then benchmarking it. Once it's successful, execute in the next department; and 2) map out ROI over a specific time period. It can be one, five or 10-years, as long as it shows steady ROI. Furthermore, recognize that quantifying your ROI will be an evolving process.

### **How will you ensure a continuous plan of success?**

Accomplish the above and you'll have a system that is scalable, manageable and repeatable. Carefully tend to your practices and system to ensure its effectiveness and longevity.

Implement this system and aspire to attain the personal and professional chivalry of the samurai with the je ne sais quoi of an N-Factor leader. You'll be an unstoppable powerhouse at the negotiation table, as well as one who is highly respected by your opponents.



# Chapter 5:

# Conclusion

Leaders who develop the N-factor are effective decision makers. Like anything worthwhile, developing such skill is an ongoing, nuanced process. There will be challenges along the way.

Those willing to tackle the challenges will prove to be exceptional leaders. For them, negotiation will no longer be a win or lose proposition. Instead, every negotiation will be a fascinating, illuminating dialogue that leads to greater understanding for both sides.

If you're ready to take the next step in acquiring the N-factor, keep in mind that your best ally in negotiations is yourself. However, a good negotiation coach can enhance your chances for success by helping you prepare for the process. With or without a coach, you need to invest the time in learning how to embody a samurai mindset, polish your N-factor qualities and develop a system that stands the test of time.

## Did You Know?

### To Carry on Business

Interestingly, the word negotiation is derived from the Latin, "negotari", "to carry on business". If you think about it, it actually doesn't have a negative connotation.

In reality, to carry on business inspires collaboration because you can't move forward without it. Start viewing negotiations in these terms, and soon you'll become a fearless samurai...I mean, negotiator.

You'll conclude your negotiations satisfied with the outcome. Your counterpart also will feel secure in the knowledge that they've been heard, while reaching their own objectives.

Best of all, you will have conducted your negotiations with chivalry. In the end, it's not about winning; instead, it's about conducting your personal and professional life with dignity, integrity, authenticity, respect and kindness.

## About Allan Tsang



Allan helps people overcome their fear of negotiating by coaching them to build stronger, lasting agreements. As a result, clients get what they want without unnecessary compromises...especially when the stakes are high.

As an accredited business advisor, analyst, and executive coach, Allan has worked with hundreds of companies including those in the IT, Engineering, Bio-Medical and Aerospace sectors, as well as Inc. 500 companies and Fortune's "100 Best Companies to Work For".

Organizations seek Allan's expertise to improve their customer and vendor relations, increase sales, and maximize profits. Through his negotiation teachings and coaching, Allan enables his clients to confidently perform without compromising. With a proven track record, Allan's clients regularly employ his systematic approach to negotiations – whether the stakes are

critical or in preparation for negotiating with top Fortune Companies such as Google, Boeing, PepsiCo, Verizon, Northrop Grumman, CAT, GE, and Microsoft.

Additionally, Allan has been named one of the Top 20 Under 40 by the *Blue Ridge Business Journal* and has been honored as an NCTC "Rising Star" and "NewVa Leadership" Awards nominee. He is a credentialed/charter member of the "Start with No" Camp Negotiation Institute.

Allan has helped many executives address and overcome difficult negotiations, as well as acquire and/or hone their N-Factor, leading their organizations and personal/professional lives to greater efficiency and success. For more information about Allan and his work, visit [88Owls.com](http://88Owls.com) or follow *Allan Tsang, Negotiation Coach* on Facebook to receive news on future e-books, upcoming events and other strategies to enhance your negotiation skills.

### **What Others Are Saying...**

"Allan was able to reset a critical supplier relationship that had been absent and adversarial for over nine years. Their negativity stemmed from competitive conflicts that occurred over a decade earlier, and our repeated efforts to reengage with the supplier were consistently rebuffed...Only three weeks later, we have a signed contract and now one of our best suppliers. Success."

*John Schott / COO / Dominion Metallurgical*

"...Allan worked with our proposal team on presenting what we knew was likely the most expensive option. Using Allan's coaching and advice, we won the project even though the client admitted that our cost was double the lowest bid, but the value we presented was the highest..."

*Scott Lock / President & CEO / InfernoRed Technology*

"...Change is never a settling feeling. Allan will challenge. Allan will push. Always professional, yet full of passion, there was many a time when I didn't want to hear what Allan had to say. After all, as a business owner with a 20-year successful background in Business Development and Sales, I feel I have a pretty good grasp on communication and negotiations. Allan made me better, it's that simple."

*Thomas Schmitt / Co-Founder & Partner / Right Reasons Technology*