

# CONTINUING EDUCATION FOR FLORIDA CAM LICENSEES

## HOW TO EFFECTIVELY DEAL WITH RESIDENTS AND VENDORS

Human Resource Topic

Rick Larson



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## **61E14-4.001 Continuing Education Renewal Requirements.**

(1) All community association manager licensees must satisfactorily complete a minimum of 20 hours of continuing education per biennial renewal cycle. Each hour shall consist of 50 minutes of student involvement in approved classroom, correspondence, interactive, distance education or internet courses. No license shall be renewed unless the licensee has completed the required continuing education.

(2) Only continuing education courses approved by the Council shall be valid for purposes of licensee renewal.

(3) The required 20 hours of continuing education shall be comprised of courses approved pursuant to Rule 61E14-4.003, F.A.C., in the following areas:

(a) **4 hours of legal update seminars.** The legal update seminars shall consist of instruction regarding changes to Chapters 455, 468, Part VIII, 617, 718, 719, 720, and 721, F.S., and other legislation, case law, and regulations impacting community association management. Licensees shall not be awarded continuing education credit for completing the same legal update seminar more than once even if the seminars were taken during different years.

(b) **4 hours of instruction on insurance and financial management** topics relating to community association management.

(c) **4 hours of instruction on the operation of the community association's physical property.**

(d) **4 hours of instruction on human resources topics** relating to community association management. Human resources topics include, but are not limited to, disaster preparedness, employee relations, and communications skills for effectively dealing with residents and vendors.

(e) **4 hours of additional instruction in any area** described in paragraph (3)(b), (c) or (d) of this rule or in any course or courses directly related to the management or administration of community associations.

# **61E14-2.001:CAM Standards of Professional Conduct**

Amended 12-6-15

Licensees shall adhere to the following provisions, standards of professional conduct, and such provisions and standards shall be deemed automatically incorporated, as duties of all licensees, into any written or oral agreement for the rendition of community association management services.

(1) Definitions. As used in this rule, the following definitions apply:

(a) "Licensee" means a person licensed pursuant to Sections 468.432(1) and (2), F.S.

(b) "Community Association Management Services" means performing any of the practices requiring specialized knowledge, judgment, and management skill as defined in **Section 468.431(2), F.S.**

1. controlling or disbursing funds of a community association,
2. preparing budgets or other financial documents for a community association,
3. assisting in the noticing or conduct of community association meetings,
4. determining the number of days required for statutory notices,
5. determining amounts due to the association,
6. collecting amounts due to the association before the filing of a civil action,
7. calculating the votes required for a quorum or to approve a proposition or amendment,
8. completing forms related to the management of a community association that have been created by statute or by a state agency,
9. drafting meeting notices and agendas,
10. calculating and preparing certificates of assessment and estoppel certificates,
11. responding to requests for certificates of assessment and estoppel certificates,
12. negotiating monetary or performance terms of a contract subject to approval by an association,
13. drafting prearbitration demands,
14. coordinating or performing maintenance for real or personal property and other related routine services involved in the operation of a community association, and
15. complying with the association's governing documents and the requirements of law as necessary to perform such practices.

A person who performs clerical or ministerial functions under the direct supervision and control of a licensed manager or who is charged only with performing the maintenance of a community association and who does not assist in any of the management services described in this subsection is not required to be licensed

under this part.

(c) "Funds" as used in this rule includes money and negotiable instruments including checks, notes and securities.

(2) Professional Standards. During the performance of community association management services, a licensee shall do the following:

(a) Comply with the requirements of the governing documents by which a community association is created or operated.

(b) Only deposit or disburse funds received by the community association manager or management firm on behalf of the association for the specific purpose or purposes designated by the board of directors, community association management contract or the governing documents of the association.

(c) Perform all community association management services required by the licensee's contract to professional standards and to the standards established by Section 468.4334(1), F.S.

**468.4334 Professional practice standards; liability.—**

(1) A community association manager or a community association management firm is deemed to act as agent on behalf of a community association as principal within the scope of authority authorized by a written contract or under this chapter. A community association manager and a community association management firm shall discharge duties performed on behalf of the association as authorized by this chapter loyally, skillfully, and diligently; dealing honestly and fairly; in good faith; with care and full disclosure to the community association; accounting for all funds; and not charging unreasonable or excessive fees.

(d) In the event of a potential conflict of interest, provide full disclosure to the association and obtain authorization or approval.

(3) Records. During the performance of community association management services pursuant to a contract with a community association, a licensee shall not:

(a) Withhold possession of the association's official records, in violation of Sections 718.111(12), 719.104(2) or 720.303(5), F.S., or original books, records, accounts, funds, or other property of a community association when requested by the association to deliver the same to the association upon reasonable notice. Reasonable notice shall extend no later than 10 business days after termination of any management or employment agreement and receipt of a written request from the association. The manager may retain those records necessary for up to 20 days to complete an ending financial statement or report. Failure of the association to provide access or retention of accounting records to prepare the statement or report shall relieve the manager of any further responsibility or liability for preparation of the statement or report. The provisions of this rule apply regardless of any contractual or other dispute between the licensee and the association.

(b) Deny or delay access to association official records to an owner or his or her authorized representative who is entitled to access within the timeframe and

under the procedures set out in Sections 718.111(12), 719.104(2) or 720.303(5), F.S.

(c) Create false records or alter the official records of an association in violation of Sections 718.111(12), 719.104(2) or 720.303(4), F.S., or of the licensee except in such cases where an alteration is permitted by law (e.g., the correction of minutes per direction given at a meeting at which the minutes are submitted for approval).

(d) Fail to maintain the records for a community association manager or management firm or the official records of any applicable association, as required by Sections 718.111(12), 719.104(2) or 720. 303(4), F.S.

**718.111(12) OFFICIAL RECORDS.—** (summary)

(a) From the inception of the association, the association shall maintain each of the following items, if applicable, which constitutes the official records of the association:

1. A copy of the plans, permits, warranties
2. A photocopy of the recorded declaration and each amendment
3. A photocopy of the recorded bylaws
4. A certified copy of the articles of incorporation
5. A copy of the current rules
6. The minutes of all meetings for at least 7 years
7. A current roster
8. All current insurance policies of the association
9. A current copy of any contract
10. Laws of sale or transfer for all property owned by the association.
11. Accounting records for at least 7 years.
12. Ballots, sign-in sheets, voting proxies, and all other papers relating to  
for 1 year
13. All rental records if the association is acting as agent
14. A copy of the current question and answer sheet
15. All other written records of the association.
16. A copy of the inspection report (related to turnover)

(b) The official records of the association must be maintained within the state for at least 7 years.

(c) The official records of the association are open to inspection by any association member or the authorized representative EXCEPT:

1. Any record protected by the lawyer-client privilege
2. Information in connection with the approval of the lease, sale, or other  
transfer of a unit.
3. Personnel records
4. Medical records
5. Private personal information – SSN etc.

6. Electronic security measures

7. The software and operating system

(d) The association shall prepare a question and answer sheet and shall update it annually.

(e)1. The association or its authorized agent may charge a fee not to exceed \$150 plus the reasonable cost of photocopying and any attorney's fees incurred in connection with a response

2. An association and its authorized agent are not liable if the information includes a written statement in substantially the following form: "The responses herein are made in good faith and to the best of my ability as to their accuracy."

*Rulemaking Authority 468.4315(2) FS. Law Implemented 468.431(2) 468.4315(2), 468.4334, 468.436 FS. History—New 5-5-88, Amended 2-5-91, Formerly 7D-55.007, 61B-55.007, Amended 1-8-98, 5-31-99, Formerly 61-20.503, Amended 4-21-10, 2-4-15.*

# *Introduction*

The Florida community association management industry continues to experience dramatic changes in the marketplace and in the regulatory realm. This course examines methods to effectively communicate with residents and vendors, topics that affect all community associations and, therefore, all community association managers.

## **Learning objectives:**

### **How to Effectively Deal with Residents and Vendors:**

Upon completion of this course, students should be able to:

- identify negotiating opportunities when dealing with residents and vendors
- understand the student's personal negotiating profile
- list 5 negotiating styles and the important characteristics of each
- describe the 2 alternative types of negotiations
- explain conditions under which a negotiation may be impacted by unrealistic expectations
- list the conditions under which a negotiation may escalate into a conflict
- describe 'anchors' and how they are used when negotiating a contract
- explain the application of 'framing' in a negotiation
- identify social styles and how negotiating styles should match
- understand how to combat subjective tendencies
- list the 3 steps to a 'win-win' negotiation
- identify steps to take to prepare for a disaster
- list at least 4 sources of information for disaster preparedness

## Successful Communication Skills

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In this course, we will discover your negotiation profile. Then we will cover strategies for expanding agreement opportunities no matter the perceived obstacles. You'll see how top negotiators bypass common tactics and arguments by utilizing a "Win-Win" approach. Your reputation as a tough-but-fair negotiator will, in turn, create more business opportunities.

## Negotiation Profile

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Though you have likely negotiated many agreements, you may not often consider your own negotiation style. Yet, there is nothing you can control more, related to your negotiation outcomes, than your own negotiation behaviors.

### Negotiation Profile Exercise

- Substance vs. Relationship
- Assertive vs. Responsive
- Rapport vs. Boundaries

### Workshop

Evaluate your Negotiation Profile for all three categories.

## Negotiating Profile

**DIRECTIONS:** For each statement, circle the number that most accurately reflects the extent to which that statement is descriptive of you or your thinking. Remember to be candid in your responses.

- |  | <u>Disagree</u> |   |   |   |   | <u>Agree</u> |
|--|-----------------|---|---|---|---|--------------|
| 1. When I negotiate, my interests must prevail.....  | 1               | 2 | 3 | 4 | 5 | 6 7          |
| 2. I try to reach a result based on objective criteria rather than just my demand.....                                       | 1               | 2 | 3 | 4 | 5 | 6 7          |
| 3. I put aside unpleasant confrontations in favor of a friendly approach.....  | 1               | 2 | 3 | 4 | 5 | 6 7          |
| 4. Negotiators are adversaries.....  | 1               | 2 | 3 | 4 | 5 | 6 7          |
| 5. I try to identify shared principles to use as a basis for resolving negotiating dilemmas ....                             | 1               | 2 | 3 | 4 | 5 | 6 7          |
| 6. I often feel I lack the power to produce a successful outcome.....  | 1               | 2 | 3 | 4 | 5 | 6 7          |
| 7. I enjoy the reputation of being a tough battler.....  | 1               | 2 | 3 | 4 | 5 | 6 7          |
| 8. Negotiations may be said to be effective when both parties get their needs satisfied.....                                 | 1               | 2 | 3 | 4 | 5 | 6 7          |
| 9. Half a loaf is better than none.....  | 1               | 2 | 3 | 4 | 5 | 6 7          |
| 10. Negotiation is a contest of wills.....   | 1               | 2 | 3 | 4 | 5 | 6 7          |
| 11. You have to make concessions to help the other party to build the relationship.....                                      | 1               | 2 | 3 | 4 | 5 | 6 7          |
| 12. Realistically, you can only get what others are willing to concede.....  | 1               | 2 | 3 | 4 | 5 | 6 7          |
| 13. You should do unto others before they do it to you.....  | 1               | 2 | 3 | 4 | 5 | 6 7          |
| 14. Affable relationships produce best results.....  | 1               | 2 | 3 | 4 | 5 | 6 7          |
| 15. Compromise is the essence of effective negotiating.....  | 1               | 2 | 3 | 4 | 5 | 6 7          |
| 16. An effective negotiator employs threats, bluffs and surprises.....   | 1               | 2 | 3 | 4 | 5 | 6 7          |
| 17. I keep a low profile during a negotiating discussion.....  | 1               | 2 | 3 | 4 | 5 | 6 7          |
| 18. Split the difference is my motto.....  | 1               | 2 | 3 | 4 | 5 | 6 7          |
| 19. Effective negotiators develop a partnership.....   | 1               | 2 | 3 | 4 | 5 | 6 7          |
| 20. A soft word can win a hard heart.....  | 1               | 2 | 3 | 4 | 5 | 6 7          |
| 21. By playing down certain hot issues, one can reduce or eliminate time consuming<br>conflicts.....                         | 1               | 2 | 3 | 4 | 5 | 6 7          |
| 22. When negotiating, I attempt to work through our differences.....   | 1               | 2 | 3 | 4 | 5 | 6 7          |
| 23. I search for a solution the other party will accept.....   | 1               | 2 | 3 | 4 | 5 | 6 7          |
| 24. My approach is always to meet the other party half way.....  | 1               | 2 | 3 | 4 | 5 | 6 7          |
| 25. The most successful negotiation makes everyone a winner.....   | 1               | 2 | 3 | 4 | 5 | 6 7          |
| 26. I often let others take the responsibility for solving the problem.....  | 1               | 2 | 3 | 4 | 5 | 6 7          |
| 27. When I negotiate, I put a lot of effort into looking for trade-offs so each party gets<br>something out of the deal..... | 1               | 2 | 3 | 4 | 5 | 6 7          |
| 28. People with whom I negotiate, know me as a friendly peacemaker.....  | 1               | 2 | 3 | 4 | 5 | 6 7          |
| 29. I put aside decisions until conflicts have quieted down.....   | 1               | 2 | 3 | 4 | 5 | 6 7          |
| 30. In a successful negotiation, everyone gives something but everyone also gains<br>something.....                          | 1               | 2 | 3 | 4 | 5 | 6 7          |

**Individual Exercise--Scoring Key:**

Directions: The 30 statements in the survey have been set up in five columns in the chart below. Transfer the number of the response given to each statement, to the appropriate space on the chart. Add up the total number of points in each column and enter the total in the space provided.

Question Number:

1\_\_\_\_ 2\_\_\_\_ 3\_\_\_\_ 6\_\_\_\_ 9\_\_\_\_

4\_\_\_\_ 5\_\_\_\_ 11\_\_\_\_ 12\_\_\_\_ 15\_\_\_\_

7\_\_\_\_ 8\_\_\_\_ 14\_\_\_\_ 17\_\_\_\_ 18\_\_\_\_

10\_\_\_\_ 19\_\_\_\_ 20\_\_\_\_ 21\_\_\_\_ 24\_\_\_\_

13\_\_\_\_ 22\_\_\_\_ 23\_\_\_\_ 26\_\_\_\_ 27\_\_\_\_

16\_\_\_\_ 25\_\_\_\_ 28\_\_\_\_ 29\_\_\_\_ 30\_\_\_\_

TOTAL: A\_\_\_\_ B\_\_\_\_ C\_\_\_\_ D\_\_\_\_ E\_\_\_\_

A = Defeat  
 B = Collaborate  
 C = Accommodate  
 D = Withdraw  
 E = Compromise

# Negotiating Styles

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**SUBSTANCE** = **task** to be accomplished

**RELATIONSHIP** = **balance** of emotion and reason

**A = Defeat: High substance - Low relationship:**

Win-lose competition; pressure, intimidation, adversarial relationships. The negotiator is attempting to get as much as possible. Defeat the other party - perhaps a one-shot deal.

You know how the negotiation should end, so you shut out the other party.

EXAMPLE:

Potential vendor: *We will accept all the terms of your proposal, but we need to change our service dates from Thursday mornings to Wednesday mornings.*

Defeat negotiator: *The Thursday morning service time is important to the Board. Either you accept all the terms we've required or we'll go with the other company. Which will it be?*

**B = Collaborate: High substance - High relationship:**

Searching for common interests with the other party; problem solving behavior; recognizing that both parties must get their needs satisfied for the outcome to be entirely successful. Collaborative behavior and synergistic solution. Win-Win outcome.

You look for ways to work together, no matter the other party's approach.

EXAMPLE:

Potential vendor: *We will accept all the terms of your proposal, but we need to change our service dates from Thursday mornings to Wednesday mornings.*

Collaborative negotiator: *I really want you to get the contract, but I need your help to convince the Board that you are giving us such a good deal that they should agree to Wednesday mornings. Why do you want to switch to Wednesday?*

Potential vendor: *Thursday mornings present a real problem for us. It means revising a contract on another property, hiring an additional part-time employee, and dealing with equipment storage that wouldn't be required if we performed our services on Wednesday mornings. We took that all into account when we gave a very competitive bid.*

**C = Accommodate: Low substance - High relationship:**

Focuses on harmony and avoidance of substantive differences; yields to pressure to preserve the relationship; places interpersonal relationships above the outcome.

You undervalue assets and your negotiation position.

**EXAMPLE:**

Potential vendor: *We will accept all the terms of your proposal, but we need to change our service dates from Thursday mornings to Wednesday mornings.*

Accommodating negotiator: *The Thursday morning service time is important to the Board, but I really like working with you and I want you to get this deal, so I'll get the Board to approve it.*

**D = Withdraw: Low substance - Low relationship:**

Feelings of powerlessness, indifference, resignation, surrender; taking whatever the other party concedes.

You undervalue yourself or your client.

**EXAMPLE:**

Potential vendor: *We will accept all the terms of your proposal, but we need to change our service dates from Thursday mornings to Wednesday mornings.*

Withdrawing negotiator: *Okay, I'll let the Board know. We have no other choice.*

**E = Compromise: Moderate substance - Moderate relationship:**

Compromise, meeting half way, looking for tradeoffs; conflict resolution.

Knowing that the other party could be any of these profiles, you are always prepared to give a little to get a little.

**EXAMPLE:**

Potential vendor: *We will accept all the terms of your proposal, but we need to change our service dates from Thursday mornings to Wednesday mornings.*

Compromising negotiator: *The Thursday morning service time is important to the Board, but so are the other terms you've agreed to. How much would you be willing to reduce the fees if we agreed to Wednesday mornings?*

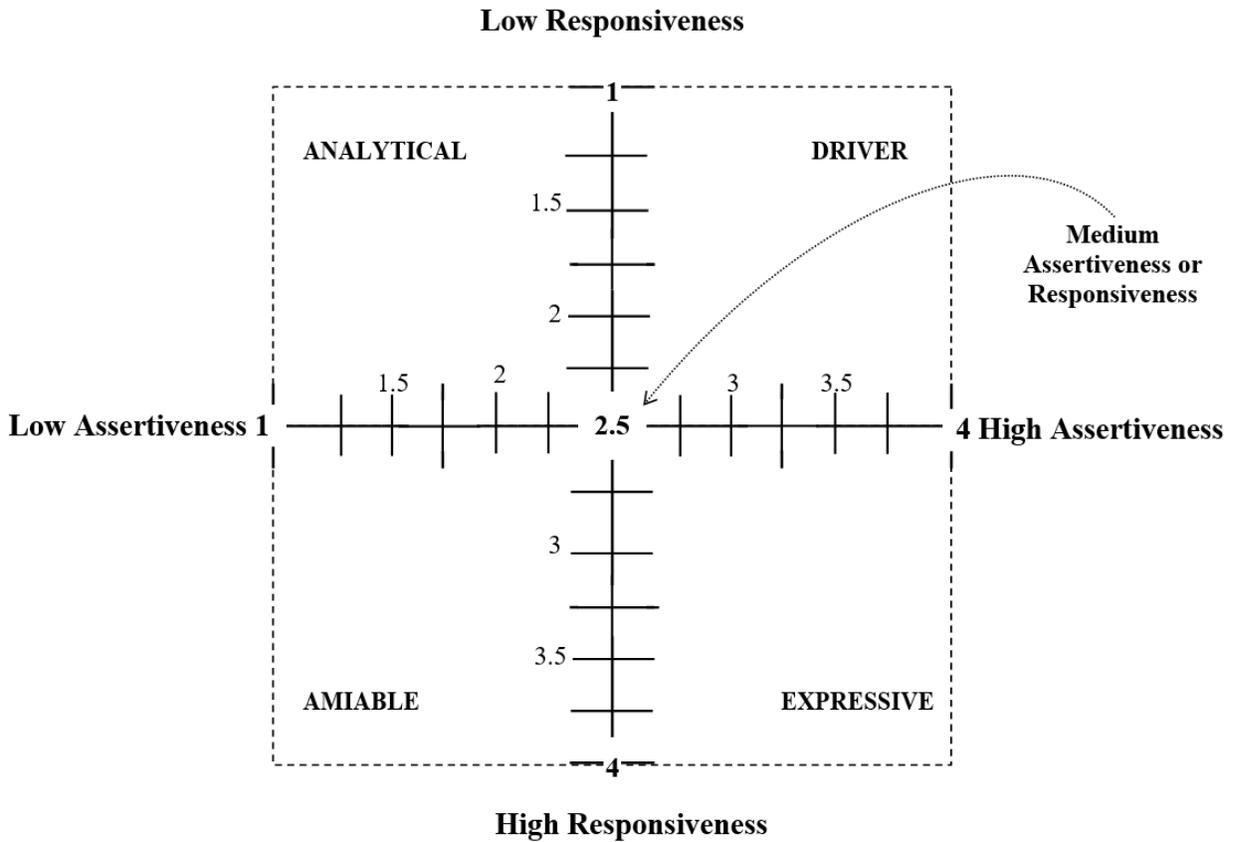
**NOTE:** You may adopt any of the five styles at any time depending on the circumstances. It is suggested that the **Collaborate style** offers the greatest versatility and most enduring satisfaction.

## Assertive vs. Responsive

Use the questionnaire and chart on the next page to assess your social style. Plot the two average scores on the chart.

Assertiveness Rating				Responsiveness Rating			
Quiet.....			Talkative	Open.....			Closed
1	2	3	4	4	3	2	1
Slow to Decide .....			Fast to Decide	Impulsive.....			Deliberate
1	2	3	4	4	3	2	1
Going along.....			Taking charge	Using opinions .....			Using facts
1	2	3	4	4	3	2	1
Supportive.....			Challenging	Informal .....			Formal
1	2	3	4	4	3	2	1
Compliant.....			Dominant	Emotional.....			Unemotional
1	2	3	4	4	3	2	1
Deliberate.....			Fast to Decide	Easy to know.....			Hard to know
1	2	3	4	4	3	2	1
Asking questions .....			Making statements	Warm.....			Cool
1	2	3	4	4	3	2	1
Cooperative .....			Competitive	Excitable.....			Calm
1	2	3	4	4	3	2	1
Avoiding risks.....			Taking risks	Animated.....			Poker-faced
1	2	3	4	4	3	2	1
Slow, studied .....			Fast-paced	People-oriented .....			Task-oriented
1	2	3	4	4	3	2	1
Cautious.....			Carefree	Spontaneous .....			Cautious
1	2	3	4	4	3	2	1
Indulgent .....			Firm	Responsive .....			Nonresponsive
1	2	3	4	4	3	2	1
Nonassertive.....			Assertive	Humorous .....			Serious
1	2	3	4	4	3	2	1
Mellow.....			Matter-of-fact	Impulsive.....			Methodical
1	2	3	4	4	3	2	1
Reserved .....			Outgoing	Lighthearted.....			Intense
1	2	3	4	4	3	2	1
<b>Total Score = _____ / 15 = _____</b>				<b>Total Score = _____ / 15 = _____</b>			

Plot your score on the chart below. For the horizontal axis, place a ✓ on your Assertiveness Score. For the vertical axis, place a ✓ on your Responsiveness. Then place a ★ where the two intersect.



**Amiable: High Responsiveness, Low Assertiveness**

*Amiables* like the company of other people, though it is more often as a listener than a talker. *Expressives* find *Amiables* useful, because they are prepared to listen to what they are saying. They are loyal, personable and show patience when dealing with other people.

They may not, however, be perceived as people "who get things done" because they spend more time developing relationships with others. They are also unlikely to take risks, as they need to have the feeling of security.

In difficult situations, they are likely to avoid the situation and lack conviction of their feelings. If pushed, they are likely to make promises that they cannot keep. *Drivens* often find *Amiables* frustrating because they want a straight answer and the *Amiable* can find this difficult to deliver.

**Characteristics:** Loyal, personable, patient, uncomfortable with risk, non-confrontational, dislike pressure, enjoy the company of others.

**Basic Value:** Security

**Expressive: High Responsiveness, High Assertiveness**

*Expressives* like the company of other people, though unlike, the *Amiable* this is because they need to "express" themselves. *Amiables* complement them very well, unless the *Expressive* becomes too aggressive and puts them off.

They can be good people to have at a party, because they're enthusiastic, dramatic and "interesting" people to have around. However, if they don't receive the attention they crave, they can get upset and even "difficult" to deal with.

In conflict, they become emotional, prone to exaggeration and unpredictable. The best way to deal with this is to let them calm down. Try not to fuel the fire by saying anything controversial.

**Characteristics:** People oriented, center of attention, positive, emotional, talkative, enthusiastic, dramatic.

**Basic Value:** Recognition

**Analytical: Low Responsiveness, Low Assertiveness**

*Analyticals* can appear unsociable, especially to *Amiables* and *Expressives*. They may seem serious and indecisive. This is because they need to look at every conceivable angle before they feel satisfied. A consequence of this is that they are persistent in their questioning and focus on detail and facts. However, once they have made a decision, they stick with it as they invariably feel that it is infallible.

**Characteristics:** Serious, mull matters over, indecisive, persistent, ask lots of questions, attention to detail.

**Basic Value:** To be correct

**Driven: Low responsiveness, high assertiveness**

*Drivens* are task orientated and expect efficiency from everyone with whom they come into contact. Little emphasis is placed on building relationships with other people. They can be perceived as aggressive and uncaring, especially by *Amiables*, though are often needed to take risks and push things through. In conflict, they may try to "steam roller" over anyone who comes in their way.

**Characteristics:** Task oriented, clearly defined goals, committed, determined, risk takers, efficient.

**Basic Value:** To be in control

## Rapport vs. Boundaries

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In any negotiation, it is imperative to build and maintain a positive relationship with the other parties. This exercise will determine how well you build rapport while also setting constructive boundaries.

For the following exercise, you have 100 points (100%). Distribute them according to what *others* would say about *you*. Think of examples such as your handshake, your tone of voice, your word choice, and your physical gestures.

**Weak**

\_\_\_\_\_

**Gentle**

\_\_\_\_\_

**Firm**

\_\_\_\_\_

**Aggressive**

\_\_\_\_\_

### Weak

Weakness in the negotiation would show itself through overexposure of feelings and lack of boundaries. Feelings of weakness in interpersonal communications can be improved by setting and practicing boundaries, working to improve self-esteem, and saying “no” when appropriate.

### Gentle

Gentle negotiation tactics include humility, compassion, and humor. Gentle behaviors are ideal for building rapport, especially where the need for strong boundaries is limited.

### Firm

Firmness in negotiation includes the stating of boundaries, a commanding personality, and the willingness to question others. The firm personality will be a staunch negotiator.

### Aggressive

Aggressive negotiation behavior includes any words or actions which the other party would view as a threat to their own wellbeing. Aggression can come in the form of threatening language, rude gestures, or a refusal to listen. Rather than setting the stage for building a relationship, you may put others on high alert. They may view you as a source of bad experiences, or even serious trouble.

**NOTE:** Appropriate balance is the key. An individual who is 100% weak will consistently get trampled, while someone who is 100% aggressive will consistently damage relationships. 50% Gentle and 50% Firm is an ideal starting point.

## Negotiation Profile Summary

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"I am generally a(n) \_\_\_\_\_ negotiator."

Defeat-oriented  
Collaborative  
Accommodating  
Withdrawing

"I am viewed as \_\_\_\_\_ during my negotiations."

Slightly      Amiable  
Moderately   Expressive  
Very          Analytical  
                 Driven

"I primarily approach negotiations with \_\_\_\_\_."

(Top one or two)  
Weakness  
Gentleness  
Firmness  
Aggression

**On a Scale of 0-10, How Satisfied Am I with My Results? \_\_\_\_\_**

### Your Negotiation Profile Action Plan

1. Know your negotiation style and tendencies
2. Quickly and accurately evaluate the negotiation style and tendencies of the other party
3. Know how leveraged you are in your current position
4. Act accordingly

The balance of the course will focus on ways to enhance your negotiation strategies.

## Limited vs. Expanded Negotiation

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Negotiations are generally approached with one of two primary attitudes: Limited or Expanded

1. Limited Negotiation – The more pie one party receives, the less pie the other party receives.

### **Example:**

Potential vendor: *We will accept all the terms of your proposal, but we need to change our service dates from Thursday mornings to Wednesday mornings.*

CAM: *"I have to stick with my original offer."*

Potential vendor: *"Then we won't be able to hire the additional workers and pay storage for our equipment. We can't do that!"*

CAM: *"Too bad. Take it or leave it."*

Potential vendor: *"Well, I guess this will never work."*

2. Expanded Negotiation – The parties work together to expand the size of the pie available for both.

### **Example:**

Potential vendor: *We will accept all the terms of your proposal, but we need to change our service dates from Thursday mornings to Wednesday mornings.*

CAM: *"Thursday morning service dates are critical. What do you need from me in order for you to agree to the job on Thursday mornings?"*

Potential vendor: *"We would need another \$200 a week to pay for additional help and equipment storage. We just can't afford to lose that money."*

CAM: *"If you will accept all the terms of our proposal, including the Thursday morning service dates, I will arrange to increase your contract by \$100 a week".*

Potential vendor: *"Deal!"*

## **Obstacles to Effective Negotiation**

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Whether you are a **Limited** or **Expanded** negotiator is primarily a result of your beliefs regarding obstacles. The Limited Negotiator views an obstacle as an ending point or a point of contention, whereas the Expanded Negotiator views an obstacle as an opportunity and looks for an opening to "make a deal."

### **Top 10 Obstacles to Effective Negotiation**

1. Fear
2. Limited or bad experience
3. Lack of patience, empathy, or respect
4. Perceived cultural differences
5. Perceived gender differences
6. Personality traits
7. Communication styles
8. Boundaries
9. Education and training
10. Relationship to the parties

**Workshop: Name one obstacle you have recently encountered for each category. Where is the opportunity?**

Vendors

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Residents

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Board Members

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Family Agreements

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Fellow Employees

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# Keys to Effective Negotiation

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## Top 5 Keys to Effective Negotiation

1. If you find yourself in a leveraged position, or otherwise don't have to, *do not negotiate*.
2. Decide when to *reveal your true position*.
3. The party revealing the *first number usually loses*.
4. When in negotiation and asked a question which has an undesirable answer, *respond with a question*.
5. When in doubt, *ask a question, as the questioner controls the conversation*.

### **EXAMPLE 1:**

Argumentative resident asks, before the final budget is approved, "*How much are my assessments going to be?*"

What is an appropriate response?

### **EXAMPLE 2:**

Argumentative board member asks, before allowing you to make your contract proposal,  
*"I know somebody who will do this for less money than your current contract. Will you cut your fee?"*

What is an appropriate response?

### **EXAMPLE 3:**

You present your contract proposal to the board and you ask, "*How do we feel about this proposal?*"

President responds, "*I really like you and the services you'll provide. It is a little more money than we anticipated, but...*"

What is an appropriate response?

# Negotiation Tactics

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When tactics are recognized, the other party may distrust and doubt whether negotiations are being conducted in good faith. Deciding which tactics to utilize, if any, and recognizing them when you see them can make or break a deal. Here are some commonly utilized negotiation tactics:

## The Good?

1. Anchoring – using choices which were reasonable in the past which may not be reasonable today.

It might work on Pawn Stars, but this tactic is likely flawed in a professional or loving environment...unless you hold ALL the cards!

2. Framing – concentrating on an aspect within a frame while ignoring aspects outside of the frame.

Watch out for framing used as a false dilemma, where the framer proposes that there are only two possible choices, when, in fact, there are many.

3. Mirroring – subtly mimicking the tone of voice, words, speech patterns, or physical gestures of another in order to create subconscious feelings of rapport.

## The Bad

4. Baiting – proposing that the other party may or may not be a quality person, depending upon what they do next.

Baiting can also come in the form of flattery, offering compliments designed to bring the baited party to a particular conclusion.

5. Red herring – distracting the party or refusing to discuss major issues until a minor issue is resolved.
6. Broken record – repeating something questionable or untrue over and over to exhaust the other party's willingness or ability to object.

## The Ugly

7. Bait-and-switch – offering something tantalizing at the beginning only to abruptly replace it with something worse at the end.
8. Lying – representing something as true that the party knows to be untrue.
9. Fraud – willfully gaining an unlawful or unfair advantage that results in damage to the other party.

## Negotiation Responses

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### Top 5 Negotiation Responses

1. Awareness

Recognition that we just witnessed a negotiation tactic.

2. Time

Take time to respond, especially if you have not made concrete decisions. A quick response can lead to big mistakes. "I've got to think about it," or "I've got to talk to somebody," will sound like a "no" to the other side. They may have a planned response. The best recourse may be to ask questions, or completely disengage.

3. Choice

Make choices based upon what your party wants, rather than what another party said. Think long-term. Remember that, once the deal is complete, the other party will be gone and you will be left with the results. Make sure that they are the results that you want.

4. Conveyance of message

Silence is sometimes an option; the tactic can be ignored while moving forward. If a verbal response is required, start with "we feel..." "We" implies strength in numbers, and

eliminates the potential argument in saying “you,” and “feel” is subjective. It is very difficult to argue with your feeling on a subject.

5. Responsiveness

Think of yourself as a baseball catcher. Be geared up and ready to catch a fast one, deflect a screwball, or block a bad pitch. A “no” from either party is powerful and can stop the whole process.

## Managing Argument

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Maintaining valid logic and the management of emotions while negotiating will inspire confidence in your negotiation skills. The successful negotiator manages the balance of logic, emotions, and expectations throughout the negotiation.

### Valid Argument

A valid argument is reasonable, truthful, and just. If there is rapport, a valid argument will breed little new resistance.

Valid arguments might include sharing historical facts, sharing why the other party’s offer is not likely to be accepted, stating indisputable facts, or revealing your current life or business situation.

### Fallacious Argument

Questionable claims and dubious positions are often associated with contract negotiations. Recognizing unreasonable, or untruthful, or unjust arguments can empower you or a party you represent to achieve a positive outcome. Here are some common fallacious arguments and their antidotes:

1. Anecdotal fallacy – using a personal experience or an isolated example instead of sound reasoning or compelling evidence.

Argument: “I’ve been doing this for 15 years and this is the way it is done. The meeting must be on a Wednesday morning.”

Counter: “While I respect your personal experience, I would just like you to show me in the Statutes, Administrative Code or Bylaws that the meeting cannot be on a Thursday morning.”

2. Appeal to probability – is a statement that takes something for granted because it would probably be the case.

Argument: *"If you bring that up to the Board it will be rejected, I know it."*

Counter: *"I understand that's what you've been told, but the Board may feel differently when they see an actual proposal."*

3. Argumentum ad hominem – the evasion of the actual topic by directing an attack at your opponent.

Argument: "Anybody who's not willing to accept this proposal is just a stupid idiot."

Counter: "Here are three other proposals showing that you're overpriced."

4. Circular reasoning – when the reasoner begins with that with which they end.

Argument: "The reason I didn't tell anyone that there may need to be a special assessment based on the results of the current roof inspection is that I was sure they would be upset that we hadn't told them earlier."

Counter: "What?"

5. False authority – using an expert of dubious credentials or using only one opinion to sell a product or idea.

Argument: "My brother-in-law is an electrician and he says that the wiring needs to be completely redone. I can schedule him to do it right away."

Counter: "Let's make sure that's the case. Who else do we know that can take a look at it?"

6. False dilemma – something is falsely claimed to be an "either/or" situation, when in fact there is at least one additional option.

Argument: "Either you accept my bid or you won't have a landscaper 30 days from now."

Counter: "We have an excellent company on standby if we can't come to terms."

7. False equivalence – describing a situation with logical equivalence, when there is none.

Argument: "I know my bid is higher than the other one, but I hold a master's degree and have been in business for 15 years."

Counter: "The bid we accepted was \$80,000 less than yours and the winning company has great credentials."

8. Gambler's fallacy – the incorrect belief that a pattern with separate, independent events can affect the likelihood of another event.

Argument: "We should move our accounts to a different bank because the rate they are paying us has gone up every year and our luck is going to run out one of these days."

Counter: "What makes you think that luck has anything to do with the rate they pay?"

## **Business Ethics in Negotiation**

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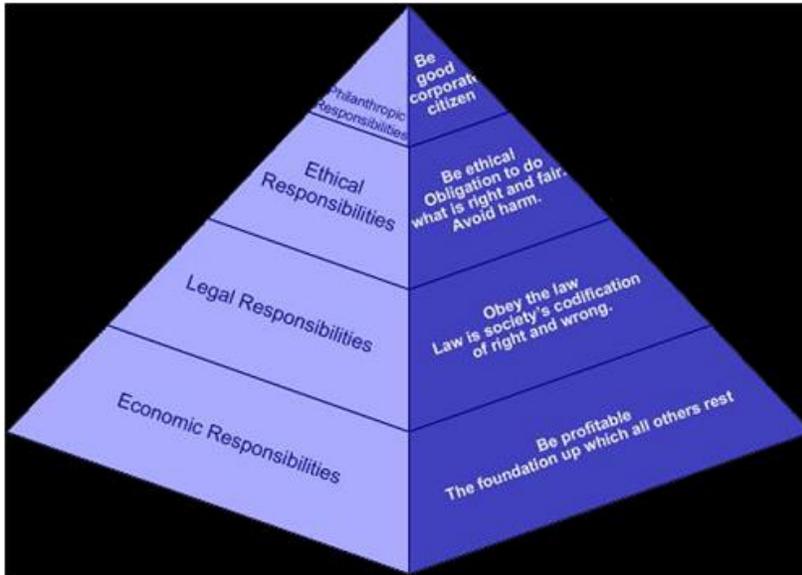
In order for all parties to remain comfortable that the achievement of their goals is possible, it is important to maintain ethical behavior. Ultimately, negotiation goals may be achieved entirely, partially, or not at all. However, if you negotiate ethically, you are more likely to get further negotiation opportunities.

### **Business Ethics Pyramid**

Your business decisions and actions are the application of your personal values and morals in three primary categories:

1. Economic Responsibilities
2. Legal Responsibilities
3. Ethical Responsibilities

# Business Ethics Pyramid



## Economic Responsibilities

The primary economic and financial obligations of association management are

1. Controlling or disbursing funds, and
2. Preparing budgets or other financial documents

## Legal Responsibilities

As employees of a community association management firm we are contractually obligated to comply with the employer's policies and procedures. Industry laws and rules govern performance of "community association management services" on behalf of an association. Section 468.431(2), F.S. states that community association managers are required to possess "specialized knowledge, judgment, and management skill."

## Ethical Responsibilities

During the performance of community association management services, a licensee is required to comply with the following professional standards:

1. Comply with the requirements of the governing documents by which a community association is created or operated.
2. Only deposit or disburse funds received by the community association manager or management firm on behalf of the association for the specific

purpose or purposes designated by the board of directors, community association management contract or the governing documents of the association.

3. Perform all community association management services required by the licensee's contract to professional standards and to the standards established by Section 468.4334(1), F.S. as follows:

**468.4334 Professional practice standards; liability.—**

(1) A community association manager or a community association management firm is deemed to act as agent on behalf of a community association as principal within the scope of authority authorized by a written contract or under this chapter. A community association manager and a community association management firm shall discharge duties performed on behalf of the association as authorized by this chapter loyally, skillfully, and diligently; dealing honestly and fairly; in good faith; with care and full disclosure to the community association; accounting for all funds; and not charging unreasonable or excessive fees.

## Summary

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The best negotiators are smart, tough, respectful, balanced, in-control, and willing to take calculated risks.

### 10 Step Summary for Successful Negotiation

1. Identify goals
2. Decide whether your best tactic is gentle, firm, or aggressive
3. Exchange offers
4. Ask questions
5. Identify tactics and obstacles
6. Evaluate the validity of positions
7. Expand options for both parties by looking for points of agreement
8. Remain pro-active and goal-focused throughout
9. Work within your legal, ethical, and moral requirements
10. Settle and claim the rewards for both yourself and your customer