AN OPEN INTRODUCTION

In the Chair

The five muscles of business, and how to build them

An open introduction to deciding, investigating, negotiating, persuading, and responding.

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The five muscles of business, and how to build them

DECIDE · INVESTIGATE · NEGOTIATE · PERSUADE · RESPOND

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IN THE CHAIR LAB · INTHECHAIRLAB.COM

In the Chair: The five muscles of business, and how to build them

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About the stories. The businesses, people, and events in this book, including Sunny's food truck and its cast, are fictional and exist only to teach. Any resemblance to real businesses or real people is coincidental.

Cover and interior design by Mansa Nkrumah. Set in Fraunces, Newsreader, and IBM Plex Mono.

FRONT MATTER

How to use this book

This book is for first-year students, and it assumes no business background. If you can read carefully and use a calculator, you have all the math you'll need. No debits and credits, no jargon you haven't been shown, and no trick answers hidden in the back that you were supposed to already know.

Be clear on what this is. It's a guide and a companion to a set of live, hands-on exercises, not a comprehensive business textbook. It won't cover accounting mechanics or marketing theory or corporate finance. It does just one thing: it helps you build five practical skills, one chapter each, and gets you ready to practice them for real. Read it alongside a course, or on its own as a short, self-contained introduction. Either way, every problem in here can be checked against the answers in Appendix A, so you never need an instructor to know whether you got it right.

The five muscles the title promises are Decide, Investigate, Negotiate, Persuade, and Respond. The next chapter introduces each one properly. What matters here is how the book works.

The practice ladder

Every main chapter gives you three rungs, in order.

1. **A worked walkthrough.** One problem, solved out loud, every number shown. It includes at least one wrong turn taken and then caught, because the catch is where you learn the most. Read it the way you'd watch a youtube video on how to cook a dish before you try it.

2. **Problems you solve yourself.** A "Try It" to start, then a couple more under "More practice." The setups won't hand you the answer. You have to dig some of it out, the way you would in real life. Every one is worked in full in Appendix A, so you can check yourself right away. This is the rung that makes the book stand on its own: even with no group and no facilitator, you have a real practice set with answers.
3. **Take it live (optional).** When you want to test a muscle for real, each chapter points you to live, team-based challenges: scored and competitive, run with a facilitator, the way a case competition or a lab works. These are a bonus, not a requirement. The book is complete without them. Everything you need to learn a muscle and check your own work is in rungs one and two. Reach for these once the first two feel solid and you want to perform, not just practice.

A recurring cast

So you learn one world instead of five, most of the worked examples follow a single small business, a food truck called Sunny's. You'll watch it decide whether to grow, find its cash leak, negotiate a spot, pitch a festival, and survive a bad afternoon. By the last chapter it starts to feel like a place you know.

A word before you start

There's rarely one right answer in this book, and that's on purpose. A defended call beats a perfect one you never make. Read the walkthrough, do the Try It, check yourself, then go sit in the chair.

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Introduction

The Five Muscles

Ask most people what business is and you get one picture. Some think of spreadsheets. Some think of selling. Some think of a person in a suit saying no. Each picture is a true piece of something bigger, and none of them is the thing itself.

Business is five different skills, and they feel nothing alike. The person who can read a pile of records and find the missing money isn't always the person who can talk a grocery buyer into a yes. The person who stays calm when the kitchen catches fire isn't always the person who can sit across a table and trade their way to a good deal. These are separate muscles, and every one of them can be trained. That's the reason for this book.

The five muscles

Decide. You're handed a real choice a business faces and a short stack of facts. Raise prices? Take the big discounted order? Buy the new machine? There's no answer key. Your job is to choose and to defend the choice. The muscle is judgment.

Investigate. You're handed the ordinary paperwork of a small business, its bills, its cash records, its list of names, and one question: is money being lost, how, and by whom? Somewhere in the honest mistakes sits a real theft. The muscle is careful reading and disciplined suspicion.

Negotiate. You sit across from someone who wants something different from what you want and can walk away. A landlord, a supplier, a business partner, a future boss. The muscle is reaching a deal that works for both of you, and knowing when no deal is the right answer.

Persuade. You have something to sell and someone who can say no: a buyer, a lender, a panel, a boss. You get a few minutes and they push back. The muscle is winning the yes.

Respond. Something has gone wrong. The information is incomplete, the clock is running, and people are watching. A customer got sick. The data leaked. Half your staff just quit mid-shift. The muscle is thinking clearly and acting well before you know the full story.

Why "in the chair"

You can't master any of these by just reading about them, any more than you can learn to swim from reading a book poolside. You master them by sitting in the chair: making the call, taking the pushback, feeling the clock. Everything in this book points at that moment. The chapters teach you the moves and walk you through one example each. The learning happens when you sit down and do it yourself.

What every challenge shares

The five muscles are different, but the exercises that build them are cut from the same cloth, so you only learn the ground rules once.

- **A real small-business world.** A café, a food truck, a barbershop, a print shop. Places you already understand.
- **A team and a clock.** Most of these run in groups, in about a 75-minute block. Real work gets done with other people, under time.
- **Everything you need is in the packet.** You're never expected to know a fact from outside. If it matters, it's in front of you.
- **A four-part scorecard.** Every muscle is judged on four things, each worth a quarter of the score. The four shift from muscle to muscle, but the shape holds. Learn to read one scorecard and you can read them all. They're collected side by side in Appendix B.

Meet Sunny's

Most of the worked examples follow one small business, so you're not learning a new business every chapter. Sunny's is a food truck. Sunny sells breakfast burritos and tacos off a single griddle, works long hours, and watches every dollar. Two cooks, Dylan and Mara, help on the busy shifts. Over the next five chapters you'll watch Sunny decide whether to grow, find out where the cash is leaking, negotiate a regular spot, pitch a festival, and get through a very bad lunch rush. By the end it feels like your business.

The trap each muscle has to beat

Every one of these skills has a beginner's move that feels safe and quietly loses. Half of getting good is learning to catch yourself making it.

- In **Decide**, weighing both sides forever and never actually choosing.
- In **Investigate**, seeing one odd number and shouting "fraud."
- In **Negotiate**, fighting over the obvious number and missing the trade.
- In **Persuade**, talking about what you love instead of what they want.
- In **Respond**, going quiet to protect the brand while people get hurt.

You'll meet each one by name, and see it corrected, in its chapter.

Self-check: which muscle is this?

Before you turn the page, label each moment below with one of the five verbs. Don't just match the obvious keyword. Picture what the person actually has to do. Answers are at the bottom.

1. A restaurant just learned a dish it served last night may have made someone sick.
2. A founder has five minutes with a bank to ask for a loan.
3. A café owner is staring at two suppliers' price lists and has to pick one by Friday.
4. A caterer and a wedding client are far apart on both the price and the date.
5. A shop's nightly deposits keep coming up a little short, and no one can say why.

(Answers: 1. Respond. 2. Persuade. 3. Decide. 4. Negotiate. 5. Investigate.)

CHAPTER ONE

Decide

Make a clear call and defend it.

The problem category

Sooner or later every business reaches a fork. Raise prices or hold them. Take the big order or turn it down. Buy the machine or make do. Someone has to look at what's known, accept that not everything is, and choose.

That's the muscle a case competition builds. You're handed a real decision a small business faces and a short packet of facts about it. Nothing is printed in the back, because in real life nothing ever is. Your job isn't to find the right answer. It's to make a call and defend it well enough that a reasonable person would follow you.

Sounds obvious, until you try it and freeze.

The one big idea

Make a clear call and defend it.

The most common way to lose is to never actually decide. A beginner writes three paragraphs of "on one hand, on the other hand," lays out every pro and con with great care, and then stops, as if naming the trade-offs settled them. It didn't. The job was the choice, and they skipped it.

So memorize this: sitting on the fence is the one position you can't score from. A judge can respect a bold call that carries some risk. A judge can respect a cautious call that leaves money on the table. What a judge can't reward is no call at all, because there's nothing there to evaluate. Decide, then spend your energy defending it.

How to tackle it

1. **Pin the question.** Say, in one sentence, exactly what you're being asked to decide.
2. **List the real options, including doing nothing.** There are almost always more than two, and "keep things as they are" is always one of them.
3. **Put a number on it.** You don't need fancy math. You need one honest calculation: what does this option earn or save, and what does it cost, all of it?
4. **Make the call, out loud and early.** State your recommendation in the first sentence.
5. **Defend it.** Give your strongest reason. Name the biggest risk to your own pick, honestly. Then say how you'd manage that risk. A decision that plans for its own weakness beats one that pretends to have none.

The traps

- **Analysis with no recommendation.** The classic. Don't let it be you.
- **Counting the upside and forgetting the full cost.** A number that leaves out a cost isn't a number, it's a wish.
- **Forgetting to do nothing.** Change has a cost too. Sometimes waiting is the smart move.
- **Ignoring the risk of your own choice.** Every option has a downside. Pretend yours doesn't and you look like you missed it.

One tool: contribution and break-even

You'll use these two ideas constantly, so meet them now.

Contribution is what one sale adds after you subtract what that one sale cost to make. A burrito sells for $9 and its ingredients cost $3, so its contribution is $6. That $6 is what's left to cover everything else and, eventually, to be profit.

Break-even is how much of something you need before a decision pays for itself. A change that costs $720 a month, with each order it enables contributing $6, breaks even at 120 orders a month. Below that you're behind. Above it you're ahead. Break-even turns "is this worth it?" into a number you can look at and judge.

How wrong can I be?

Break-even gives you a line. The next question is how much room sits between that line and where you think reality lands, and whether the decision survives when you're wrong about it.

Call it the margin of safety: the gap between your estimate and your break-even. In the griddle case, break-even was 6 orders a rush and Sunny's estimate was 9. The margin is 3 orders, a third of the estimate. That's the cushion. A fat margin means you can be badly wrong and still come out ahead. A thin one means a small misjudgment flips the call from yes to no.

So run every close decision twice. Once on your honest estimate, and once on a deliberately pessimistic one: cut the hopeful number, pad the cost, assume the rosy part disappoints. If the decision still holds under the gloomy version, you can commit with confidence. If it flips, you've found the number that actually controls the call, and that's the one to pin down in real life before you bet much on it.

The point isn't to be negative. It's to know exactly how wrong you can afford to be.

Worked walkthrough: The Second Griddle

At the lunch rush, Sunny's single griddle can't cook fast enough. The line gets long, and some people give up and leave. A second griddle costs $2,400. Should Sunny buy it?

Here's what's in the packet.

- Each order contributes \$6. It sells for \$9, the food costs \$3.
- On a normal rush, Sunny counts about 9 customers who leave without ordering because the line's too slow.
- The rush runs about 2 hours a day, 20 days a month.
- A second griddle needs a second pair of hands during the rush. A cook costs \$18 an hour, so 2 hours a day across 20 days is \$720 a month in added labor.

Step 1. Pin the question. Buy the second griddle, yes or no?

Step 2. The options. Buy it and staff it every rush. Buy it and staff it only on the busiest days. Or do nothing and keep turning customers away.

Step 3. Put a number on it, and mind the wrong turn.

Sunny's first instinct is to size the prize. Serve those 9 lost customers and that's

> `9 orders × $6 × 20 days =` **`$1,080 a month`** `in new contribution.`

A \$2,400 griddle earning \$1,080 a month pays for itself in just over two months. Buy it, done. Except that number is a wish, not a fact. It counted the upside and skipped a cost: a second griddle is no use with nobody on it, and a second cook runs \$720 a month. The honest number is

> `$1,080 − $720 =` **`$360 a month.`**

Different picture. Payback on the \$2,400 griddle is now

> `$2,400 ÷ $360 a month ≈` **`6.7 months`**`, not two.`

Still positive, no longer a lock. So run one more check, because "9 customers leave" is an eyeball estimate and might be soft. How many extra orders per rush would Sunny need just to cover the cook's $720?

> $720 ÷ 20 days ÷ $6 = **6 orders per rush** to break even.

Sunny thinks the number is 9. Break-even is 6. That's a cushion of three orders a rush, sitting on top of an estimate that could be high. Close call, not an obvious one, and pretending otherwise is how you get burned.

Step 4. Make the call. Buy the griddle, but treat the second cook as a trial, not a commitment.

Step 5. Defend it. Strongest reason: even on the honest math it adds $360 a month and pays back inside a year. Biggest risk: the case rests on 9 lost customers a rush, and break-even is 6, so a small overcount and the cook stops paying for itself. How to manage it: run the second cook for one month and count the real extra orders per rush. Above 6, keep the cook. Below 6, keep the griddle for the busiest days and drop back to one cook. The trip-wire is set before the risk arrives, which is how you handle a number you aren't sure of.

Here's the whole thing on one page.

	BUY, STAFF EVERY RUSH	BUY, STAFF BUSY DAYS ONLY	DO NOTHING
Up-front cost	$2,400	$2,400	$0
Monthly net	+$360 if the 9 holds	lower, but safer if demand is soft	$0, lost sales continue
Payback	~6.7 months	longer	never earns anything
Main risk	the 9 is an estimate; break-even is 6	fewer rushes covered	customers keep leaving

And the recommendation, in a paragraph:

> *Buy the second griddle. After a second cook it adds about $360 a month and pays for itself in under a year. The case isn't a lock: it rests on our estimate of 9 lost customers a rush, and we only have to lose 6 to fall below break-even. So we'll run the second cook as a one-month trial and count the real extra orders. Above 6 a rush, the cook stays. Below 6, we keep the griddle for peak days and drop the cook.*

That's a decision. It chose. It counted the full cost, named the risk, and built a trip-wire for the number it couldn't be sure of.

What good looks like

Compare two answers. Neither is a cartoon. The weak one is what a sharp, confident student actually turns in.

A weak answer:

> "Buy the griddle. Those 9 lost customers a rush are worth 9 times $6 times 20 days, so $1,080 a month. Against a $2,400 griddle, that pays back in just over two months. Clearly worth it."

It decides. It uses a real number. It's delivered with confidence, so it reads as strong. And it's wrong in the one way that matters: it counted the $1,080 upside and dropped the $720 cook. The two-month payback is off by a factor of three, and because the answer never met the true $360 net, it never noticed that break-even at 6 is uncomfortably close to an estimate of 9. No risk named, no trip-wire built. Confident, numerate, and betting the truck on a wish.

A strong answer is the recommendation above. Same facts. The difference is that it counted every cost and then planned for the number it wasn't sure of.

Decide challenges are scored on four things, each worth a quarter: a clear recommendation, sound reasoning, honest trade-offs, and organized delivery. The weak answer nails the first and the last and fails the middle two. That's the dangerous kind of wrong.

A second walkthrough: The Delivery App

Back in the chair with Sunny.

A delivery app wants to list Sunny's truck. Customers order on their phones, the app handles the delivery, and it takes 25% of the menu price on every order it brings. No sign-up fee. The two griddles and two cooks, Dylan and Mara, can handle more daytime volume without added staff. Should Sunny sign up?

Here's the packet.

- A burrito is $9. On an app order the app keeps 25% of $9, which is $2.25, so Sunny collects $6.75. Food is still $3.
- The app projects about 100 orders a week.

Step 1. Pin the question. List on the app, yes or no?

Step 2. The options. List and take every order. List but only during slow hours, to fill gaps. Or stay walk-up only.

Step 3. Put a number on it, and mind the wrong turn.

First, contribution on one app order:

> `$6.75 − $3 =` **`$3.75 per app order.`**

Less than the $6 a walk-up gives, because the app took its cut. Now the tempting move: 100 orders a week at $3.75 is

> `100 × $3.75 =` **`$375 a week`** `in new contribution.`

Free money, sign today. Except that treats all 100 as new customers, and they aren't. Some are regulars who used to walk up and pay full, and now order the same burrito through the app.

For each of those Sunny doesn't gain $3.75. Sunny gives up the $6 walk-up contribution to collect $3.75, a loss of

> `$6 − $3.75 = `**`$2.25 per cannibalized order.`**

So the split is everything. Say 60 of the 100 are truly incremental, brand-new orders, and 40 are cannibalized regulars. Then

> `incremental: 60 × $3.75 = `**`$225.`**` cannibalized: 40 × $2.25 = `**`−$90.`**` net: $225 − $90 = `**`$135 a week.`**

Still positive, but a long way from $375, and it turns on the split. How many of the 100 have to be genuinely new just to cover the discount handed to the switchers? Test it at 38 new and 62 switching:

> `38 × $3.75 = `**`$142.50`**` gained, 62 × $2.25 = `**`$139.50`**` lost, about a wash.`

So Sunny needs roughly 38 of the 100 to be new business. The projection assumes 60, which clears it, but the app has every reason to call every order new.

Step 4. Make the call. Sign up, but treat it as a trial and watch the split, not the headline order count.

Step 5. Defend it. Strongest reason: on a realistic 60/40 split it adds $135 a week, over $500 a month, with no new staff and no fee. Biggest risk: cannibalization. If far more than 40 of the 100 are regulars trading a $6 order for a $3.75 one, the gain shrinks fast, and past about 62 switchers the app is losing money. How to manage it: the trip-wire is total weekly orders. Count a normal week's walk-up orders before the app. After, watch whether total orders actually rise, and by how much. Climb near 60 a week and the app is real new business. If total barely moves while app orders pile up, customers just switched channels and now pay Sunny less for the same burrito, so drop the app or hold it to slow hours.

That's the call. It counted the commission, separated new money from money that only changed pockets, and set a trip-wire on the one number that decides it.

Try It: The Cold Case

Now you sit in the chair. The worked answer is in Appendix A. Try it before you look.

> Sunny is losing food to spoilage: about **$300 a month** thrown out, a figure that comes straight off the trash-out sheet, so it's measured, not guessed. A better refrigerator costs **$900** and would cut spoilage to about **$120 a month**. Should Sunny buy it?
>
> Work out the monthly saving and the payback, then make the call and defend it, with one risk and how you'd manage it. Mind the trap from the walkthrough: your saving is the amount spoilage drops, not the whole spoilage bill.

Five minutes on paper. Then check Appendix A.

More practice

Four more, same rules. Work them on paper, then check Appendix A.

1. The Coupon. Sunny prints a "$2 off any burrito" coupon for one week. It should pull in about 25 new customers who wouldn't have come otherwise, each buying one $9 burrito. But regulars will use it too: about 40 orders that would have been full price will now be $2 less. Normal contribution per burrito is $6. Should Sunny run the coupon? Work out the week's net, then make the call.

2. The Saturday Market. Sunny can add a Saturday farmers-market shift and expects about 60 orders at $6 contribution each. It costs a $50 stall fee plus a cook for 5 hours at $18 an hour. Is it worth it? Find the net, the break-even in orders, and make the call with its risk.

3. The Punch Card. Sunny wants a loyalty card: buy 9 burritos, get the 10th free. "The free one only costs me $3 in food," Sunny figures, "a cheap way to keep regulars." A burrito is $9, food is $3, contribution is $6. Sunny has about 40 regulars, and each would fill one card a month, meaning each redeems one free burrito a month they'd have bought anyway. What does a free burrito really cost Sunny, and what's the card's true monthly bill? Then make the call.

4. The Extra Dollar. Sunny is thinking about moving the burrito from $9 to $10. Food still costs $3. Right now Sunny sells about 600 burritos a month. A dollar more will scare some customers off, and Sunny expects orders to fall about 10%. Should Sunny raise the price? Work out the monthly contribution before and after, then find how

> far orders could fall before the raise stops paying. Make the call.

Take it live (optional)

Ready to test this muscle for real? Each of the five programs has a bank of live team challenges, run with a facilitator and scored like a competition. You don't need them to finish the book; the walkthrough and practice above already cover the skill. To show you exactly what one looks like, here is a full Decide challenge, start to finish, including the answer key. Work it on your own, or run it with a team. The other four in this bank stay sealed, so they're fresh when you compete.

A full challenge: The Loyalty Card

The setup. Jasmine Reyes runs the Coconut Grove Cafe, and she has already decided to launch a loyalty program: buy nine drinks, get the tenth free. What she can't decide is how to run it, on cheap paper punch cards or on a loyalty app a vendor keeps pitching her.

The paper card is almost free to print, but two things nag at her. People cheat it: a card is easy to photocopy and a stamp is easy to fake, and every fake punch is a free drink given away for a sale that never happened. And the card is a black box: when a regular stops coming in, she has no idea, and no way to win them back. The app costs real money every month, but a digital account can't be self-stamped or copied, so the cheating stops, and it finally tells her who her customers are, so she can nudge the ones who drift away. She's torn between cheap-but-blind and pricey-but-smart, and she wants your team to decide it with numbers, not a gut feeling.

The reward is the same either way, so it cancels out. Compare only what differs between the systems.

WHAT DIFFERS	PAPER PUNCH CARD	LOYALTY APP
Program cost	about $25 a month (printing)	$150 a month (platform fee)
Fraud leakage	about 30 fake free drinks a month, about $90	about $0, a digital account can't be faked
Customer data	none, the card is anonymous	captures who your customers are
Reaching customers	none	about 50 extra visits a month at $2.50, about $125

A free drink costs the café about $3 in ingredients, and the reward runs about $300 a month on either system, which is why it cancels out.

Your task. Recommend a system, card or app, and prove it with the numbers. Set the shared reward aside, put a dollar figure on each thing that differs, build the comparison one layer at a time, name the single value that tips the call, then name the biggest risk to your choice and how you'd manage it.

Facilitator answer key. Build it in layers, because the order is the lesson.

- *Sticker price.* The app costs \$150 a month, the cards about \$25, so on price alone the app looks about \$125 a month more expensive.
- *Add fraud.* The card leaks about \$90 a month to cheating, the app about \$0, so after fraud the app's extra cost is only \$125 – \$90 = \$35 a month. Stopping fraud alone does not cover the fee.
- *Add the customer data.* The app lets Jasmine message known customers, driving about \$125 a month in extra visits a paper card can never earn. Now the app comes out about \$90 a month ahead, roughly \$1,080 a year.

So the call is the app, and the value that tips it isn't the fraud, it's the customer data: being able to reach customers you'd otherwise lose without ever knowing they were gone. The biggest risk is adoption, since the card is universal while the app only works for students who download it. A strong answer names the adoption level at which the app stops paying and how it would push sign-ups.

The rest of the Decide bank

Four more, sealed for fresh scored play. Pin the question, list the options including doing nothing, put a number on it that includes every cost, choose, and defend the choice with its biggest risk.

1. **The Big Order.** A large customer wants a big order at a discount. Take it or not?
2. **The Rush-Hour Problem.** The morning line is out the door. How should the café fix it?

3. **The Price Hike.** Should the café raise prices, and if so, by how much?
4. **Going Green.** Should the café spend on a sustainability change? Is it worth it?

Going deeper

Real decisions rarely arrive with clean numbers in a packet. The next habit to build is estimating the numbers yourself when nobody hands them to you, and stating plainly what you assumed, so anyone can challenge the assumption instead of the guess. The harder cases in the bank start withholding the figures on purpose.

> **RUN IT LIVE**
>
> This chapter is the thinking. **Case in Point** is the classroom version of decide: a team case competition with a facilitator guide, answer key, and four-part rubric, built to run in one class block. The ready-to-teach packet is at `inthechairlab.com`.

CHAPTER TWO

Investigate

An anomaly is a question, not a verdict.

The problem category

Someone at a business has a bad feeling. The numbers don't quite add up. Money seems to be leaking, but no one can point to where. Somebody has to sit down with the records and find out.

That's the investigate muscle. You're handed the ordinary paperwork of a small business, its bills and payments, its cash records, its lists of staff and suppliers, and a plain question: is money being lost, how, and by whom? Somewhere in the honest mistakes and unlucky coincidences sits a real theft by one insider. Your job is to separate the real fraud from the false alarms, name the person responsible, clear the ones who are innocent, add up what was actually stolen, and write it down.

You need no accounting background. No journal entries here. It's all careful reading, matching one record against another, and grade-school arithmetic. The skill is in the habits, not the bookkeeping.

The one big idea

An anomaly is a question, not a verdict.

The beginner's move is to find one odd number, one payment to a name they don't recognize, one night the cash came up short, and announce that they've caught the thief. They're almost always wrong, and they've just accused an innocent person.

Real fraud is almost never a single strange number. It's a pattern that shows up only when someone reads the whole record and connects small things across different pages. Any one anomaly has a boring explanation most of the time: a refund, a typo, a legitimate one-off. The discipline you're building is to treat every oddity as a question to answer, not a crime already solved. An odd number tells you where to look. It doesn't tell you what you'll find.

How to tackle it

1. **Split the records by function and read all of them.** Payments in one place, cash in another, the names and addresses in a third. The clue that convicts and the clue that clears usually live in different records, which is why one person working alone tends to miss it.
2. **Flag the anomalies, but don't judge them yet.** List everything odd. Resist labeling anything "fraud" on this pass.

3. **Cross-reference. This is the heart of it.** A name, an address, or an amount means almost nothing alone and can mean everything in combination. A payment to a supplier whose address matches an employee's home. A shortfall that lands on the same person's shift every time. Hold two records side by side and look for the match. A match is a lead worth chasing, and, like any anomaly, still a question rather than a verdict.
4. **Reconcile two records.** Compare what should be equal. Cash rung up against cash deposited. Materials bought against materials used. When two records that should agree don't, the gap is your signal.
5. **Clear the innocent on purpose.** Naming the guilty party is only half the job. The other half is looking hard at the person a surface flag pointed to and saying, clearly, "not them, and here's why." Wrongly accusing someone is a real failure, not a small one.
6. **Total only the real theft, and write the one-page report.** Culprit, cleared names, every flag marked fraud or false alarm with its evidence, and the amount actually stolen.

The traps

- **Accusing the first oddity you find.** It's almost never that simple.
- **Skipping the explanation.** Before you call a shortfall theft, check for the refund or delivery that explains it. It's usually one page away.

- **Confusing a loss with a theft.** A customer's check bounces and the business loses real money. That's a loss. Nobody stole it. Keep it out of the theft total.
- **Trusting a match too fast.** A shared address or a matching name is a strong lead and a weak verdict. Confirm it before you convict on it.

The idea under all of it: segregation of duties

One control would have stopped nearly every theft you'll investigate, and it has a plain name: **segregation of duties**. No single person should hold two jobs that let them both commit and hide a theft. Whoever counts the cash shouldn't also deposit it. Whoever orders supplies shouldn't also confirm they arrived. Find the culprit and you'll almost always find someone trusted with two jobs that never belonged in the same pair of hands. That's the mechanism, every time.

The two shapes of theft

Almost every theft you'll meet takes one of two shapes, and naming the shape tells you which two records to hold side by side.

The first is money that never arrives. Cash comes in, gets rung up, and then some of it never reaches the bank. That's skimming, and you catch it by reconciling what was rung up against what was deposited. The money existed. It just went sideways before the deposit slip.

The second is money that leaves for nothing. A payment goes out the door, or a wage gets paid, but no goods, no service, and no work ever came back for it. This is the family of phantom vendors, paying a supplier that doesn't exist, bogus refunds, recording a refund no customer got, and ghost employees, paying someone who never works a shift. You catch these by asking one blunt question of every payment: what came back for this? When the answer is nothing, you've found it.

Materials get their own check, because they're neither cash in nor cash out. They sit in between, and something bought can walk off before it's ever sold. So reconcile what was bought against what was actually used or served, counted off a par log or the sales log, and treat the gap as your question.

Worked walkthrough: Skimming at the Window

Sunny has a bad feeling about the cash. Some nights the deposit just seems light. You're handed four short records, plus a staff list with names and home addresses.

- **Record 1, the sales log.** What the register rang up in cash, shift by shift.
- **Record 2, the deposit log.** What actually reached the bank, shift by shift.
- **Record 3, the shift schedule.** Which cook closed the truck each night, counted the drawer, and made the deposit.
- **Record 4, the supplier payments.** Money Sunny sent out to vendors.

Step 1 and 2. Read and flag. Reading the sales and deposit logs side by side, four evening shifts come up short.

SHIFT	CASH RUNG UP	CASH DEPOSITED	SHORT BY
Tue, week 1	$310	$265	$45
Fri, week 1	$520	$460	$60
Wed, week 2	$300	$280	$20
Sat, week 2	$540	$505	$35

One thing also jumps out of the supplier payments: a $180 payment to "Delgado Tortillas." Its address on the invoice matches cook Mara's home address on the staff list. A payment to a vendor at an employee's house is the textbook look of a phantom supplier. Tempting to stop right there and write Mara's name down.

This is the wrong turn, and it's the one this chapter keeps warning about. An address match is a strong lead, not a verdict. Before accusing Mara, ask what the match implies: if Delgado is fake, the tortillas it billed for never showed up. So check. Turn to the inventory and the receiving notes, and the tortillas are there, delivered and signed for, every order. Ask around, and Delgado Tortillas turns out to be a real, small supplier run by Mara's cousin, which Mara disclosed when she referred them. Real invoices, goods delivered, normal price. The match had an innocent explanation sitting one record away. Mark it a **false alarm**, and note that you came within an inch of accusing the wrong person over a coincidence of address.

Step 3 and 4. Explain what you can, then reconcile. Back to the four cash shortfalls. Start with the smallest, Wednesday's $20. Record 2 has a signed note clipped to that day's deposit: a $20 cash refund to a customer for a wrong order. The money didn't vanish, it went back to a customer, with a record. Another **false alarm**. That leaves three real, unexplained shortfalls: $45, $60, and $35.

Step 5. Cross-reference and clear the innocent. Line the three real short nights up against the schedule.

SHORT SHIFT	WHO CLOSED AND DEPOSITED
Tue, week 1 ($45)	Dylan
Fri, week 1 ($60)	Dylan
Sat, week 2 ($35)	Dylan

Mara worked plenty of shifts those two weeks, including a couple of busy nights, the same surface flag that gets an innocent person accused and that the address match nearly rode to a conviction. But Mara didn't close any of the three short nights, and never counted a drawer or made a deposit. Dylan closed all three, counted the cash, and made the deposit each time, one person holding both jobs. There's the segregation-of-duties failure, and there's the pattern.

So **Mara is cleared**, twice over: the Delgado match was a documented, legitimate supplier, and she had no access to the short deposits. A reason, not a hunch.

Step 6. Total and report. Add only the real theft.

```
$45 + $60 + $35 = $140 stolen.
```

The Wednesday $20 was a refund. The $180 Delgado payment bought real tortillas. Neither belongs in the total. Here's the one-page report.

FINDING	VERDICT	EVIDENCE
Tue/Fri/Sat shortfalls, $140	**Fraud**	Deposits under cash sales on three nights, all closed and deposited by one person
$180 to Delgado Tortillas	False alarm	Real supplier (Mara's cousin), goods received and signed for, disclosed
Wed $20 shortfall	False alarm	Signed refund note in the deposit record
Mara	Cleared	Delgado is legitimate; no access to any short deposit
Culprit	**Dylan**	Closed, counted, and deposited on all three short nights
Total stolen	**$140**	

What good looks like

Neither answer below is a cartoon. The weak one is what a fast, capable team turns in when it trusts a match too quickly.

A weak answer:

> "Dylan's skimming the cash: three short nights, all his, $140 total. And Mara's running a phantom supplier, Delgado Tortillas, billed to her own address, for $180. Total stolen: $320, two culprits."

Look at what it got right. It found Dylan, cleanly, off the reconciliation and the schedule. That's the hard part, and it landed. Then it threw the win away. It convicted Mara on the address match without ever checking whether the tortillas arrived, and they did, and it folded a real $180 purchase into the theft total. One unconfirmed match turned an accurate $140 finding into a false $320 accusation and an innocent second culprit. Trusting a match too fast is the expensive mistake here, not missing the fraud.

A strong answer is the report above: Dylan named with a reason, Mara cleared with a reason, both false alarms set aside, the theft totaled at $140.

Investigate challenges are scored on much the same balance: did you find the real fraud, clear the innocent, get the total exactly right, and avoid crying fraud at the false alarms. Say it plainly: missing a real theft and wrongly accusing an innocent coworker are both failures. You're not trying to name someone. You're trying to be right.

A second walkthrough: The Cheese Count

Sunny's cheese bill keeps climbing, but sales of the quesadillas that eat most of that cheese are flat. Money is going somewhere. You're handed the material records.

- **Record 1, the receiving log.** Blocks of cheese delivered and signed for.
- **Record 2, the sales log.** Quesadillas the register rang up.
- **Record 3, the par card.** How many quesadillas one block of cheese makes.

- **Record 4, the supplier payments,** plus the staff list with home addresses and the schedule of who received deliveries and who ran the weekly count.

Step 1 and 2. Read and flag. The supplier payments turn up a $150 payment to "Okafor Dairy." Its invoice address matches new cook Jordan's home on the staff list. A vendor paid at an employee's house is the phantom-supplier look exactly, and it's tempting to write Jordan's name down and stop.

This is the wrong turn. An address match is a lead, not a verdict. If Okafor were fake, the cheese it billed for never arrived, so check. The receiving log has every Okafor block, delivered and signed for, at a normal price. Okafor Dairy is a real family creamery Jordan disclosed when he referred them. Real goods, real value. Mark it a **false alarm**, and note you came within an inch of convicting Jordan over a shared address.

Step 3 and 4. Reconcile bought against used. Now the material check. Count the blocks received: 50 over the period. The par card says one block makes 20 quesadillas, so 50 blocks should carry:

> `50 × 20 = ` **`1,000 quesadillas.`**

The register rang up 800. A signed waste log accounts for 2 blocks that spoiled in a cooler outage, tossed and recorded, which is 40 quesadillas' worth. So the cheese honestly accounted for is:

> `800 sold + 40 spoiled = 840 quesadillas, which is`
> `840 ÷ 20 = ` **`42 blocks.`**

Received 50, accounted 42. Eight blocks walked off with no sale and no waste note behind them.

Step 5. Cross-reference and clear. Who could move eight blocks and keep the count clean? Look at the schedule. Dylan both signs the receiving log when cheese arrives and runs the weekly inventory count, one person holding both jobs, the deliveries and the on-hand tally, so nobody independent ever checks his numbers against the shelf. Mara and Jordan cook with the cheese but never receive a delivery or touch the count. The gap surfaced only because you compared purchases to register sales, two records Dylan doesn't control. So **Jordan is cleared**, Okafor is legitimate and he can't reach the inventory records, and Mara is cleared for the same access reason.

Step 6. Total and report. The 2 spoiled blocks are a documented loss, not theft. The Okafor payment bought real cheese. Add only the missing eight blocks, at $17 a block:

> 8 × $17 = **$136 stolen.**

FINDING	VERDICT	EVIDENCE
8 blocks of cheese missing, $136	**Fraud**	Bought 50, sales and waste account for 42; gap controlled by one person who both receives and counts
$150 to Okafor Dairy	False alarm	Real creamery (Jordan's family), cheese received and signed for, disclosed
2 spoiled blocks	Loss, not theft	Signed waste log, cooler outage
Jordan	Cleared	Okafor legitimate; no access to inventory records
Culprit	**Dylan**	Signs receiving and runs the count, so controls both inventory records
Total stolen	**$136**	

Try It: The Short Drawer

Your turn. The worked answer is in Appendix A.

Sunny's afternoon shifts are under review. Here are four days of cash sales and deposits, and the two cooks who could have closed.

SHIFT	CASH RUNG UP	CASH DEPOSITED	CLOSED BY
Mon	$240	$215	Dylan
Tue	$260	$260	Mara
Thu	$300	$250	Dylan
Fri	$280	$255	Dylan

A clipped note in Friday's record shows a $25 cash refund for a cancelled catering deposit.

Find the shifts that are genuinely short, mark any false alarm, name who's on all the real short shifts, clear the other cook with a reason, and total only the real theft.

Work it on paper, then check Appendix A.

More practice

Four more. Each one hands you the records, the same as a real case. Read them, cross-reference, reconcile, and total only the real theft. Work them on paper, then check Appendix A.

1. Two Vendors. Two supplier payments this month, plus a staff address list. Read them together.

VENDOR PAID	AMOUNT	INVOICE ON FILE	IN THE RECEIVING / SERVICE LOG
Reyes Cleaning	$220	yes	yes, a signed weekly cleaning log
Apex Supply	$300	none	nothing

STAFF MEMBER	HOME ADDRESS
Sam	14 Oak Street

Reyes Cleaning's invoice lists its address as 14 Oak Street. Apex Supply's payment was both ordered and approved by Jordan, who handles supplier payments alone. Which payment is the real fraud, which is the false alarm, who is cleared, who is the culprit, and what is the total theft?

2. The Bounced Check. Two short deposits this week. Here is the record for each.

DAY	SALES	DEPOSITED	SHORT	NOTE	CLOSED BY
Mon	$610	$460	$150	$150 catering check bounced (bank memo)	two cooks
Thu	$540	$450	$90	none	one cook, alone

What is the real theft here, and what is just a loss?

3. The Extra Name. This month's payroll, set next to the schedule and clock-in log of who actually worked. Read them side by side.

PAID ON PAYROLL	AMOUNT	ON THE SCHEDULE?	CLOCKED IN?
Dylan	$1,800	yes	yes
Mara	$1,600	yes	yes
Sam	$1,750	yes	yes
Jordan	$1,700	yes	yes
T. Rivera	$600	no	never

Sam's pay ran higher than a normal month, but a signed overtime slip covers the extra hours. Rivera was paid $150 a week for four weeks. Payroll is both run and approved by Jordan, alone. Which payment is the fraud, who is cleared, who is the culprit, and what is the total theft?

4. Case Count. Sunny buys to-go cups by the case, 1,000 cups to a case, at $40 a case. The month's records:

RECORD	FIGURE
Cases received (receiving log)	20
Drinks rung up (register), one cup each	16,000
Cases tossed, crushed on the dock (signed damage note)	1

The person who orders the cups also runs the storeroom count. Reconcile what was bought against what was used, set aside the documented loss, and give the real theft.

Take it live (optional)

Ready to test this muscle for real? Each of the five programs has a bank of live team challenges, run with a facilitator. You don't need them to finish the book; the walkthrough and practice above already cover the skill. To show you exactly what one looks like, here is a full Investigate case, records and all, with the answer key. Work it yourself, or run it with a team. The other four in this bank stay sealed, so they're fresh when you compete.

A full challenge: Say Aaah

The setup. Lakeside Family Dental keeps coming up a little short at the bank. Dr. Owen Pearce is a dentist, not a bookkeeper, so he leaves the bills, the vendor payments, and the front-desk cash deposits to his office manager. He brings you in to look: a mistake, or something worse? The practice has one rule that matters here: no vendor gets paid more than $1,000 without the owner's sign-off. You have three records.

Record A, payments and vendors. Recent payments, and who approved each:

PAID TO	AMOUNT	APPROVED BY
DentalCore (invoice DC-2210)	$640	O. Pearce
DentalCore (invoice DC-2210, again)	$640	O. Pearce
DentalCore (invoice DC-2255)	$980	O. Pearce
Bright Smile Supply Co.	$980	G. Voss
Bright Smile Supply Co.	$960	G. Voss
Bright Smile Supply Co.	$940	G. Voss
Bright Smile Supply Co.	$920	G. Voss

Also in the file: a credit memo from DentalCore (CM-1180) refunding one of the two $640 charges, and the approved vendor list, which shows "Bright Smile Supply Co., office and operatory supplies, no phone, no website, remit to 22 Wren Court."

Record B, staff roster:

NAME	ROLE	HOME ADDRESS
Owen Pearce	Owner, dentist	8 Lakeshore Drive
Gary Voss	Office manager	22 Wren Court
Priya Nair	Hygienist	15 Maple Street
Tom Ricci	Front desk	40 Birch Lane

Record C, front-desk cash. Patients pay copays in cash, and all of it is deposited by Gary Voss:

DATE	COLLECTED	DEPOSITED	SHORT BY
03/12	$340	$240	$100
03/15	$300	$300	$0
03/19	$280	$200	$80
03/22	$360	$260	$100
03/26	$320	$220	$100

A refund slip in the file shows $80 returned to a patient on 03/19.

Your task. Write a fraud report: name the culprit, mark each flag as fraud or a false alarm with its evidence, and total only the real theft.

Facilitator answer key.

- *The double DentalCore payment, $640 twice.* False alarm. The credit memo (CM-1180) shows DentalCore caught it and refunded one. Net loss $0. Check whether it came back before you call it theft.
- *The single $980 to DentalCore.* Not fraud, a normal one-off purchase. One payment near the limit isn't structuring, it's the decoy.

- *Bright Smile Supply Co., four payments.* Fraud, $3,800. Cross-reference the vendor's remit address, 22 Wren Court, against the roster: it's Gary Voss's home. A vendor with no phone or website, paid at the office manager's own address, in four amounts each just under the $1,000 sign-off limit, all approved by Gary himself. A phantom vendor funneling money to Gary.
- *The cash shortfalls.* Fraud, $300. Three days short by $100, all deposited by Gary. The 03/19 short of $80 is a false alarm, explained by the refund slip.
- *Culprit: Gary Voss.* He both approves the payments and deposits the cash, which is what made all of it possible. **Total stolen: $3,800 + $300 = $4,100.** The lesson under it is segregation of duties: no one person should hold both jobs.

The rest of the Investigate bank

Four more, sealed for fresh scored play. Read every record, treat each oddity as a question, cross-reference and reconcile, confirm a match before you convict, and total only the real theft.

1. **The Books Don't Balance** (a coffee shop). More volume, several schemes at once, two innocent coworkers to clear.
2. **Out of Step** (a dance studio). Money paid up front for lesson packages that never reaches the bank.
3. **Down the Drain** (a plumbing company). Material theft: what was bought against what was installed.
4. **Short Changed** (a check-cashing store). Fee skimming, and the sharp lesson that a loss isn't always a theft.

Going deeper

Real fraud hides in volume, and sometimes in pairs. The next habits are working through many records without losing the thread, and spotting collusion, where two people cover for each other and the segregation-of-duties control fails because both signers are in on it. The bank's later cases add both.

> **RUN IT LIVE**
>
> This chapter is the thinking. **bizescape** is the classroom version of investigate: a forensic-accounting escape room with a facilitator guide, answer key, and four-part rubric, built to run in one class block. The ready-to-teach packet is at `inthechairlab.com`.

CHAPTER THREE

Negotiate

Interests, not positions.

The problem category

At some point you'll sit across a table from someone who wants something different from what you want and can get up and walk away. A landlord at lease-renewal time. A supplier setting a price. A business partner deciding how to split things up. A future employer with a job offer. None of them has to say yes to you, and you don't have to say yes to them.

That's the negotiate muscle. In these exercises there are two sides, and each gets a confidential brief: who they are, what they care about, how much every possible outcome is worth to them, and a walk-away, the backup they'll take if there's no deal. The two sides meet and negotiate live. They agree on every issue, or they walk. Then the scores come out and everyone learns what the other side secretly wanted.

The other side is a real person with a hidden hand. The only way to do well is to understand them.

The one big idea

Interests, not positions.

A beginner negotiates positions. “I want $2,600 a month.” “No, $2,000.” A tug-of-war over one number, where for one side to win the other has to lose. It feels like the whole game. It isn’t even half of it.

A skilled negotiator digs under the position for the interest, the why. Why $2,600? Maybe you need predictable income. Maybe you’re worried about a repair bill. Once you know the why, you often find the two sides care about different things, and a door opens. You can give the other side something worth more to them than it costs you, in exchange for something worth more to you than it costs them. Both sides come out ahead. Nobody had to lose.

Every deal in this book hides a trade like that. A team that only argues the obvious number fights to a tense compromise and leaves the trade on the table. A team that goes looking for the trade grows the pie. The deals are built so that lesson can’t be dodged. The catch: a trade is rarely free. Usually it costs you a little and is worth a lot to them, and the skill is telling those two amounts apart.

How to tackle it

1. **Prepare on paper first.** Before you say a word, write down your interests (what you actually care about, not just your opening number), your target, and your walk-away.

2. **Know your walk-away, and honor it.** Your walk-away, sometimes called your BATNA, your Best Alternative To a Negotiated Agreement, is the deal you'll take if this one falls through. It's the only thing that tells you when to say no. A deal worse than your walk-away is worse than no deal.
3. **Guess the other side's interests before you sit down.** You'll be wrong about some of it, but the habit of asking "what do they really want?" is what separates good negotiators from loud ones.
4. **Ask questions and listen.** The other side knows things you don't. You can't find the trade without learning what they value, and you learn that by asking, not talking.
5. **Price a concession before you give it.** The best trades cost you a little and are worth a lot to them. A concession that quietly costs you a lot isn't a trade, it's a loss. Check before you hand one over.
6. **Create value before you claim it.** Grow the pie first: trade across the issues you value differently. Then split the one issue you're truly fighting over. Trade first, haggle second.

The traps

- **Fighting only the obvious number.** Spend all your time on price and you'll miss the trade that was worth more than the price.
- **Talking instead of asking.** You can't learn their interests while your own mouth is moving.
- **Giving something away without pricing it.** "Free" concessions are sometimes expensive.

- **Signing a bad deal.** Walking away is allowed, and sometimes right. A deal worse than your backup should be refused, not signed to fill an awkward silence.

The trade-off table

Before you walk into the room, make a small table. List every issue on the table down the side. Give it two money columns: what each issue is worth to you, and, your best guess, what it's worth to them. You won't have their real numbers, so infer them from what you can observe, the way a real negotiator does.

Now read the table. The rows where the two columns disagree are your trades. Where an issue is cheap to you and dear to them, give it. Where it's dear to you and cheap to them, ask for it. Each such swap hands the other side something they value more than it costs you, and wins you something you value more than it costs them. Both of you come out ahead, and no one had to lose.

One row is different: the issue you both want the same way, usually the obvious number. That's the true fight, the one place growing the pie won't help. Spend your haggling there, and pay for the ground you take with concessions from the cheap-to-you rows. Trade the disagreements, fight the agreement.

Worked walkthrough: The Brewery Lot

Sunny wants a regular spot to park the truck. A brewery down the road has a big lot, a crowd every weekend, and no food. Could be perfect for both. Sunny is going to negotiate with the brewery's manager. Three issues are on the table.

1. **The nightly spot fee.** What Sunny pays to park. The obvious tug-of-war.
2. **Which nights Sunny commits to.** The brewery is busiest Thursday through Saturday and would love a guaranteed food option on those nights.
3. **Exclusivity.** The brewery doesn't want Sunny also parking at the rival taproom down the street.

Step 1. Sunny's prep. Interests: a steady, high-traffic spot and low cash going out. Target: a busy weekend spot at little or no fee. Walk-away: keep roving to random spots around town, which Sunny knows is worth a certain, lower amount of business.

Step 2. Weigh each issue, and mind the wrong turn. Sunny looks at the brewery's wish list and thinks: easy, give them everything. Commit to all three nights, grant exclusivity, and beat down the fee in return. Both of those cost me nothing.

Stop. One of them does cost something. Exclusivity really is free: Sunny has no interest in the rival taproom and was never going to park there, so granting it is worth a lot to the brewery and nothing to Sunny. But a blanket Thursday-through-Saturday lock isn't free. A few Fridays a season, a private catering job comes up worth about $400 in an evening, far more than a normal Friday on the lot. Committing to every Friday means turning those down. That's a real cost Sunny nearly gave away by calling it free.

Step 3. In the room, ask first. Instead of opening with the fee, Sunny asks what matters most to the brewery. The answer: reliable food on event nights so drinkers stay longer. Not really about the fee at all.

Step 4. Structure the trade so the cheap parts are given and the costly part is protected. Sunny offers exclusivity, which is free, and a firm commitment to Thursday and Saturday, also cheap, since those are prime nights Sunny wants anyway. On Friday, Sunny commits with a carve-out: "I'll be here every Friday, except I keep the right to miss up to one Friday a month for a catering I've booked in advance, with a week's notice." The brewery still gets a reliable Friday almost every week, nearly all the value to them, and Sunny keeps the occasional $400 night. In exchange for the package, Sunny asks for a very low or zero nightly fee.

Step 5. Check it against the walk-away, and close. The deal is a busy, reliable weekend spot at almost no cash cost, with Sunny's high-value Fridays protected. Comfortably better than roving around town, so it beats Sunny's walk-away, and it hands the brewery its top priority, so it beats theirs. Both sides can say yes and mean it. Shake on it.

Here's the difference the thinking makes.

	FEE-ONLY HAGGLE	GIVE IT ALL AWAY "FREE"	THE STRUCTURED TRADE
What gets discussed	Just the fee	All issues, fast	All issues, weighed
Exclusivity	Never raised	Granted (fine, it's free)	Granted (fine, it's free)
Friday commitment	Never raised	Blanket lock, no carve-out	Committed, with a catering carve-out
The fee	Ground to a tense middle	Low, but a costly Friday lock given up	Low, and the costly part protected
Result	One winner, one grudging	Looks great until a $400 Friday shows up	Both above their walk-away, no hidden loss

The fee-only team never finds the trade. The give-it-all-away team finds the trade but doesn't price it, and eats a $400 loss the first time a Friday catering lands. The team that weighs each concession gets nearly all the value with none of the hidden cost.

What good looks like

A weak answer:

> Sunny asks what the brewery wants, hears "reliable weekend food," and offers a full Thursday-through-Saturday commitment plus exclusivity in exchange for a low fee. The brewery happily agrees. Sunny signs, pleased to have found the trade.

Most of the way there. Sunny did the hard part: asked about interests instead of just haggling, and found the commitment-for-fee trade. But Sunny priced the Friday lock at zero when it wasn't, and signed away every Friday catering for the season without noticing. The first $400 Friday that comes up, Sunny either breaks the deal or eats the loss. A good trade, given away one carve-out short.

A strong answer is the structured deal above: the free concessions given freely, the costly one protected with a carve-out, a low fee, and both sides above their walk-away.

Negotiation challenges are scored on four things: preparation (interests, target, and walk-away before you start), value creation (finding the trades, not just fighting the number), communication and relationship (clear, honest, someone they'd deal with again), and deal quality (a deal good for both sides, or a wise walk-away). The weak answer scores well on preparation and communication and loses points on deal quality, because it left a real cost unpriced.

One more habit worth naming: walking away is a legitimate outcome and sometimes the best one. If every deal on offer is worse than your backup, the disciplined move is to leave. Signing a bad deal to avoid the discomfort of no deal is the one thing the scoring truly punishes.

A second walkthrough: The Tortilla Squeeze

Sunny's tortilla supplier calls with bad news. The little family tortilleria that presses Sunny's tortillas fresh every morning is raising its price. The per-burrito tortilla cost goes from $0.50 to $0.80, thirty cents more on every burrito. Sunny sells about 1,000 burritos a month, so this is real money.

Step 1. See what the increase does to contribution. The burrito still sells for $9. Food cost was $3.00, which held contribution at $6.00. Add thirty cents of tortilla and food cost becomes $3.30.

> $9.00 − $3.30 = **$5.70 contribution**, down from $6.00. Across 1,000 burritos a month: $0.30 × 1,000 = **$300 a month** gone.

Step 2. The wrong turn. Sunny's first instinct is to fight the number head-on: "Thirty cents is robbery, hold your old price or I'm gone." Fighting only the price, and threatening to leave, is the trap from the top of the chapter. It turns a supplier who likes Sunny into an opponent, and the threat is half a bluff anyway, because the walk-away isn't free.

Step 3. Know the walk-away. Sunny's real backup is a big regional distributor. Their tortillas land at $0.70 per burrito, food cost $3.20, contribution $5.80. Better than the supplier's new

$5.70, but the distributor demands large minimum orders, delivers on its own rigid schedule, and the tortillas are the bland shelf kind, not fresh-pressed. So the honest walk-away is $5.80 a burrito with strings attached and worse quality.

> Distributor walk-away: $9.00 − $3.20 = **$5.80 contribution.**

Step 4. Find the trade. Why is the tortilleria raising prices? Sunny asks. Cash is tight, and pressing and delivering one small order at a time is a hassle. So Sunny offers what is cheap to give and dear to them: a standing weekly order Sunny was placing anyway, cash on delivery instead of thirty-day terms, and a testimonial for their website. In exchange, the tortilleria holds the price at $0.60, only a dime over the old rate.

> Traded price: $9.00 − $3.10 = **$5.90 contribution.** Across 1,000 burritos: the dime costs $100 a month, not $300.

Step 5. Check it against the walk-away, and close. At $5.90 the deal beats the distributor's $5.80, and Sunny keeps the fresh tortillas and a supplier who now has steady cash. The tortilleria beats its own walk-away too: instead of losing the account to the distributor, it lands a guaranteed order and faster money. Both sides above their walk-away. Shake on it.

Here's the difference the thinking makes.

	FIGHT THE PRICE	THREATEN TO LEAVE	THE STRUCTURED TRADE
What gets discussed	Just the thirty cents	"Hold it or I walk"	Term, payment, and price together
The price	Ground down a little, bad blood	Distributor at $0.70, strings attached	Held at $0.60, a dime over old
Contribution	About $5.75	$5.80, worse quality	$5.90, fresh tortillas kept
The relationship	Strained	Ended	Stronger, steady order
Result	Small win, sour supplier	Above walk-away by luck, quality lost	Both above walk-away, quality kept

The fight-the-price team saves a nickel and makes an enemy. The threaten-to-leave team stumbles above its walk-away but eats bland tortillas to get there. The team that trades gives away only what is cheap and keeps both the quality and the friend.

Try It: Read the Other Side

Your turn, and this time do what a real negotiator does: work out what the other side wants from what you can observe, because nobody hands you their numbers. The worked answer is in Appendix A.

> Sunny is negotiating a tortilla supply deal. Two issues are in play, the delivery day and the payment terms.
>
> What Sunny knows and wants: Monday delivery would be ideal, so the week starts fresh for the busy stretch. On payment, Sunny would mildly prefer to pay in 30 days, but the truck runs on cash and paying on delivery is no real hardship.
>
> What Sunny has observed about the supplier: it's a small family operation. Last visit, the owner mentioned that cash had been tight this quarter, and grumbled that Mondays are chaos, since that's the day their whole truck goes out to the big grocery accounts.
>
> Sunny's walk-away: a larger distributor that delivers Wednesdays and requires payment on delivery, which Sunny rates as "okay, not great."
>
> From those observations, work out what each of the two issues is probably worth to the supplier. Then name the trade that would make both sides better off. Finally, decide: is a deal of "Wednesday delivery, pay on delivery, same price" better or worse than Sunny's walk-away, and what should Sunny do about it?

Work it out, then check Appendix A.

More practice

Four more. Work them on paper, then check Appendix A.

1. The Commissary Kitchen. Sunny needs to rent time in a shared commercial kitchen to prep. Two issues: the monthly rent, and whether Sunny gets early-morning access (5 to 7 a.m.) for prep before service. Sunny wants that early access, and is happy to sign a long lease, planning to stay a while. The owner mentioned they're "trying to lock in steady tenants, the month-to-month people keep leaving," and that "early mornings are tight, our wholesale baker is in then." Work out what each issue is worth to the owner, and name the trade Sunny should reach for.

2. Walk or Deal? A client offers Sunny a catering job: 100 burritos for a flat $600. Sunny's costs are $3 of food per burrito plus 6 hours of extra labor at $18 an hour, and taking the job means closing the truck for a normal day that usually nets Sunny about $250 in contribution. Compute what the gig is really worth against staying open, then decide: take it, walk, or counter, and at what price?

3. The Cooler Deal. Sunny is negotiating with a soda distributor for the truck's drinks. Two issues: whether Sunny displays the distributor's branded cooler and signage on the truck, and the price per case. Sunny doesn't much care about branding, a logo on the cooler is no bother, but wants a low case price. The rep let two things slip: "my regional manager is on me to get our branding onto more trucks this quarter," and "honestly we over-ordered summer cans, the warehouse is packed." Sunny's walk-away: a wholesale club that sells the same cans at a flat, ordinary price, no negotiating. Work out what each issue is worth to the distributor, then name the trade Sunny should reach for.

4. The Wedding Gig. A couple asks Sunny to cater their reception: 80 burritos for a flat $520. Sunny's costs are $3 of food per burrito plus 5 hours of extra labor at $18 an hour, and taking the job means closing the truck for a normal Saturday that usually nets about $240 in contribution. Work out what the gig is really worth against staying open, then decide: take it, walk, or counter, and at what price?

Take it live (optional)

Ready to test this muscle for real? Each of the five programs has a bank of live team challenges, run with a facilitator. You don't need them to finish the book; the walkthrough and practice above already cover the skill. To show you exactly what one looks like, here is a full Negotiate deal, including the hidden points tables. Read it as a case, or run it: split into two teams, give each only its own side, and keep the answer key for the facilitator. The other four in this bank stay sealed, so they're fresh when you compete.

A full challenge: The Corner Lease

The setup. The Coconut Grove Cafe sits on a busy downtown corner, and its five-year lease is up. The café and the building's landlord sit down to renew or part ways. One team is the Café (the tenant), the other the Landlord. Three things are on the table, and a deal has to settle all three:

1. **Monthly rent:** one of four levels, $2,000, $2,200, $2,400, or $2,600 (only these four).
2. **Lease term:** 1, 3, or 5 years.
3. **The renovation:** a $6,000 storefront and HVAC upgrade, paid by the tenant, the landlord, or split.

If they can't agree, each side takes its outside option, its walk-away.

The Café's brief. Cash is tight after a slow winter, so rent hurts and fronting $6,000 for the renovation would sting this year. But you secretly plan to stay for years, so a long lease costs you almost nothing. Your backup is a cheaper space across town with much worse foot traffic: real, but you'd hate it.

The Landlord's brief. Nothing costs you more than a vacancy: months of no rent, a new tenant search, a dead-looking corner. A long, reliable lease is the prize. You'd also happily fund the renovation, since it's your building and the upgrade raises its value. Your backup is to re-list and hope, which is slow and uncertain.

Facilitator answer key. Each option is worth points to each side; a team's score is the sum across the three issues.

ISSUE	OPTIONS	CAFÉ POINTS	LANDLORD POINTS	JOINT
Rent	$2,000 / $2,200 / $2,400 / $2,600	60 / 40 / 20 / 0	0 / 20 / 40 / 60	60 always
Term	1-year / 3-year / 5-year	15 / 10 / 5	0 / 30 / 60	15 / 40 / 65
Renovation	Tenant pays / split / Landlord pays	0 / 15 / 30	20 / 15 / 5	20 / 30 / 35

Read the joint column, because it is the lesson. **Rent is a pure tug-of-war:** every level sums to 60, so a dollar of rent just moves points from one side to the other and never grows the pie. **Term is where the value lives:** the café barely cares (15 down to 5), the landlord cares enormously (0 up to 60), so a 5-year lease creates 50 points out of almost nothing, and the café should get paid for it in rent. **The renovation is a smaller trade:** the joint is highest when the landlord pays, because it costs the landlord 15 points and hands the café 30.

The pie is biggest, joint 160, at a 5-year term with the landlord funding the renovation. Rent only decides the split. A strong outcome: **$2,200, 5-year, landlord pays**, giving the Café 75 and the Landlord 85. Walk-aways are Café 55 and Landlord 50, and a deal below a side's number scores that side its walk-away instead. Claiming has a limit: push rent to $2,400 and the café sits at exactly its 55 floor, so a sharp café refuses. The team that just splits the rent and grabs a 1-year term "to stay flexible" lands the café at 50, below its floor, worse than the space across town. The trade was hiding in the lease term the whole time.

The rest of the Negotiate bank

Four more, sealed for fresh scored play. Prepare your interests, target, and walk-away first; ask more than you tell; price your concessions before you give them; and find the trades before you split the number.

1. **The House Blend** (a café and its coffee roaster). Four issues and a year-long relationship to protect.
2. **The Split** (two barbershop partners breaking up). Emotional stakes, and structuring a payout and a non-compete.
3. **The Group Rate** (an escape room and a corporate client). Five issues, most of them secretly win-win, if you stop assuming a fight.
4. **The Hire** (a juice bar and a manager candidate). A job offer, the negotiation you'll actually have in real life.

Going deeper

Most real negotiations have more than three issues, and a relationship that outlives the single deal. The next skills are packaging many issues at once, where not every one is a fight, and protecting the relationship so you get the next deal too. The bank scales both up.

> RUN IT LIVE
>
> This chapter is the thinking. **Common Ground** is the classroom version of negotiate: a two-sided negotiation role-play with a facilitator guide, answer key, and four-part rubric, built to run in one class block. The ready-to-teach packet is at `inthechairlab.com`.

CHAPTER FOUR

Persuade

Benefits, not features.

The problem category

Somewhere between an idea and a working business is a person who can say no. A grocery buyer who decides what goes on the shelf. A lender who decides whether the loan happens. A panel that decides who gets the grant. A boss who decides whether you get the raise. You get a few minutes, and they push back.

That's the persuade muscle. You play a small business with something to sell and a specific ask. You prepare a short pitch, about five minutes, and deliver it to an audience. The audience doesn't just nod along. It raises real objections, and you handle them on your feet. Then it's scored.

This isn't negotiating. In a negotiation you trade with an equal. Here you're trying to win a yes from someone who holds the yes. One-directional persuasion, with its own craft.

The one big idea

Benefits, not features.

A beginner pitches what they love about their own product. It's fresh. It's handmade. It's all-natural. It's authentic. Every one of those is a feature, a fact about the thing. And a buyer doesn't buy features. A buyer buys what the feature does for them.

A grocery buyer doesn't care that your granola is handmade. They care about margin, how much they make on each bag, about how fast it sells, and about whether it'll sit and spoil and cost them. Your job is to translate every feature you love into a benefit stated in their terms. "Handmade in small batches" is a feature. "Small batches mean no dead stock on your shelf" is a benefit. Same fact, aimed at what the buyer loses sleep over.

The pitches in this book are built so the audience's real priorities aren't the things the pitcher is tempted to talk about. A team that pitches its features loses to a team that pitches the buyer's margin, speed, and risk.

How to tackle it

1. **Know the audience.** Their priorities, not yours. What does this person win or lose by saying yes?
2. **Open with a hook in their world, and make the ask clear fast.** Start where they live, not where you live, and don't make them guess what you want.
3. **Translate every feature into a benefit.** For each thing you love about your product, answer "so what does that do for them?" Pitch the answer.

4. **Handle objections calmly, without caving.** Speak to the real concern behind the pushback. An objection is a request for a reason, not a rejection, and the strongest reason is usually a number you've actually run.
5. **Close with a specific, low-risk ask.** Make the yes small and easy. A one-time trial. A single order. Something they can agree to without betting much.

The traps

- **Pitching what you love.** Your favorite thing about the product is rarely their favorite thing about it.
- **A fuzzy ask.** "We'd love to work with you somehow" isn't an ask. "One case, on trial, for two weeks" is.
- **Handling the money objection on vibes.** "We turn tables fast, it works for us" is a feeling. Run the number and defend the deal instead of hoping it's fine.
- **Caving on price at the first push.** Drop your price the second they frown and you've taught them the price was never real.

One tool: the feature-to-benefit table

Write your features in the left column. In the right column, for each one, write what it does for this audience. Pitch the right column. Keep the left column to yourself.

Pre-empt the objection

You already know the one thing your audience is most likely to push back on. If you're honest with yourself, you can usually name it before you walk in: the price per head, the worry that it won't sell, the fear that you'll flake. So don't wait to get cornered by it. Raise it yourself, inside the pitch, and knock it down before they open their mouth.

This is inoculation: a small dose of the objection, delivered by you, on your terms, with the answer already attached. "You're probably wondering whether thirty people will actually eat this. Here's why they will." Now the concern is on the table as a solved problem, not a gotcha, and you look like someone who thought it through instead of someone scrambling.

Be clear about what this is not. It is not caving. Caving is folding the moment they frown. Pre-empting is the opposite: you name the concern and then defeat it, with a reason or a number you've run, and you give up nothing. You raise the price question so you can defend the price, not drop it. Say the hard part first, then win it.

Worked walkthrough: The Festival Slot

Sunny wants a vendor slot at a big summer music festival. Huge for the truck. The person who decides is the festival's organizer, and Sunny gets one short pitch.

Sunny's instinct is to talk about the food: "Our tacos are authentic, my recipes are from my grandmother, everything's fresh." All true, all features, and none of it what the organizer is thinking about.

Step 1. Know the audience. A festival organizer wants a long line of hungry people fed fast so they get back to the music, so speed through the line matters enormously. A food lineup with no gaps. Vendors who don't run out or fail to show. And their cut of the sales. Grandmother's recipes are on none of that list.

Step 2. Build the feature-to-benefit table.

FEATURE (WHAT SUNNY LOVES)	BENEFIT (WHAT THE ORGANIZER CARES ABOUT)
Two griddles now, from Chapter 1	"We clear a 40-person line in about 20 minutes, so your crowd gets fed and back to the stage."
A short, fixed menu	"We don't slow down or run out at peak, because we make a few things fast."
Breakfast burritos	"We fill your morning slot, before your other food vendors even open. Not another taco stand competing with the one you have, a gap no one's covering."

Every feature Sunny loves is now something the organizer loses sleep over: a fed crowd, no bottleneck, a covered gap.

Step 3. The hook and the ask. The hook opens in the organizer's world: "You've got thousands of people who wander off to find food and miss the sets they came for. We keep them fed and close to the stage." The ask is specific and small: "Give us the Saturday-morning slot, one day, and watch how fast our line moves."

Step 4. Handle the objections, and mind the wrong turn. The organizer pushes back twice.

The first is easy: "We already have a taco vendor." Sunny reframes without panic: "We're not really competing with them. They open at noon. We're proposing the morning, breakfast burritos for the early crowd that finds nothing open. Different food, different hours, a gap you're not filling."

The second is the trap: "Our slot fee is 20 percent of sales plus a $500 flat fee." Sunny's instinct is to wave it off, "that's fine, we turn the line over fast, it works for us." Stop. That's handling a money objection on a feeling, the exact habit Chapter 1 warned against. Does it work? Sunny doesn't know, because Sunny hasn't run it. So run it, right there.

> Expect about 300 orders that Saturday morning at $9 each, so about $2,700 in sales. Contribution at $6 an order is $1,800. The fee is 20 percent of $2,700, which is $540, plus the $500 flat, so $1,040. A second cook and prep for the day runs about $160. Net: $1,800 − $1,040 − $160 = **about $600 for the morning.** It clears.

And the floor, in case the crowd's thin: after the 20 percent cut, each order nets about $4.20, and fixed costs are $660, the $500 fee plus $160 labor, so break-even is about **157 orders**. Sunny expects nearly double. Now Sunny can answer with something real: "At the 300 or so orders we'll do that morning, your 20 percent plus $500 still leaves us about $600 after a second cook. We break even around 157 orders and expect close to double, so the volume is why the percentage works for both of us." That defends the value with a number, and it doesn't cave a cent on the fee.

Step 5. Close. "So let's start small: the Saturday-morning slot, one day, and if our line moves the way I'm telling you it will, we talk about the full weekend." Low risk, easy yes.

What good looks like

A weak answer:

> "Hi, we're Sunny's. We move a line fast, so your crowd gets fed and back to the music, and we do great authentic breakfast burritos from my grandmother's recipes, everyone loves them. We'd really love a spot at your festival. And on the fee, I'm sure we can make the numbers work somehow, whatever you think is fair."

This one's close, which is the point. It even opens with the right benefit, speed through the line, so it's not the clueless features-only pitch. But watch it slide. It drifts straight back into features, the grandmother's recipes and "everyone loves them." Its ask goes soft, "a spot at your festival" instead of one specific slot. And on the fee it folds without a fight, "we can make the numbers work somehow," because it never ran them. Good instincts, unfinished execution.

A strong answer is the pitch above: the organizer's priorities first, every feature translated, the fee defended with a number Sunny actually ran, and a specific one-day trial ask.

Persuasion challenges are scored on four things: hook and clarity (a strong opening in the buyer's world and an instantly clear ask), value to the buyer (leading with what they care about, every feature turned into a benefit), objection handling (calm, honest, backed by a reason, no caving), and the close (a specific, low-risk, time-bound ask). The weak pitch half-earns the first two and loses the last two.

A second walkthrough: The Standing Lunch

Sunny wants a standing weekly order from the tech office two blocks over: every Thursday, lunch for the team, about 30 people. Steady money, no festival crowds, no chasing. The person who decides is the office manager.

Sunny's instinct, again, is to talk about the food: "Everything's made to order, my recipes are the real deal, people love it." All true, all features, and none of it is what the office manager is paid to worry about.

Step 1. Know the audience. An office manager wants a fed, happy team that gets back to work without a 40-minute food run. They want reliability, an order that shows up when it says it will, every single week, because a no-show lunch is their problem, not Sunny's. And they want it easy to order and easy to pay. "Authentic recipes" is on none of that list.

Step 2. Build the feature-to-benefit table.

FEATURE (WHAT SUNNY LOVES)	BENEFIT (WHAT THE MANAGER CARES ABOUT)
Made to order, hot off the griddle	“Your team eats a hot lunch at their desks, and nobody burns 40 minutes hunting for food.”
Two griddles, fast batch cooking	“Thirty lunches show up on time every Thursday, no no-shows. The reliability is the whole point.”
Short menu, three fillings	“One simple order for you: a headcount and three choices, one invoice at month’s end, done.”

Step 3. The hook and the ask. The hook opens in the manager’s world: “Right now your team scatters at noon, half of them skip eating, and they trickle back late and cranky. We bring lunch to the office, hot, so nobody leaves the building.” The ask is small: “Let’s try one Thursday, thirty lunches, before you commit to anything standing.”

Step 4. Pre-empt, then handle the objection. Sunny inoculates the obvious worry before the manager can raise it: “You’re probably thinking, what if people don’t like it. That’s exactly why I’m asking for one Thursday, not a contract. Three fillings covers meat, chicken, and veggie, so there’s something for everyone, and if the team’s lukewarm, you’ve lost nothing.”

Then the manager pushes on price: “Thirty lunches at $9 is $270 every week. Can you do better?” Sunny’s instinct is to fold, “sure, I can knock it to $8.” Stop. That’s caving at the first frown, the exact habit to avoid. Run it instead.

> Thirty lunches at $9 is $270 for the Thursday. Food at $3 a burrito is $90, so contribution is $180. Batch-cooking and dropping off thirty runs about two hours of a cook at $18, so $36. Net: $180 − $36 = **about $144 for the day.** Drop to $8 and contribution falls to 30 × $5 = $150, so after the same $36 it's $114. That one dollar costs Sunny $30, more than a fifth of the day.

Now Sunny answers with something real: "At $9 you're getting a hot lunch made to order and delivered, no app fees, no service charge, no per-person minimum. Order the same thirty through a delivery app and you're at $12 to $14 a head after fees. My $9 is flat, and it's what lets me show up reliably, which is the thing you actually need. So I'd keep it there." Defends the price, gives up nothing.

Step 5. Close. "So let's start small: one Thursday, thirty lunches at $9, and if the team's happy we set it standing." Low risk, easy yes.

Try It: Three Features

Your turn, and do the audience's thinking yourself first, because in a real pitch nobody hands you their priorities. The worked answer is in Appendix A.

A coffee shop owner is thinking about stocking Sunny's breakfast burritos by the register.

First, before you write a word of the pitch: list the two or three things this owner cares about when deciding whether to stock a new item. Not what Sunny cares about. What the owner does.

Then take these three features and translate each into a benefit in the owner's terms, and write one low-risk, time-bound ask to close.

1. The burritos are individually wrapped and stay good for a full day.
2. Sunny delivers fresh every morning before the shop opens.
3. They come in three simple flavors, no complicated options.

Bonus: here's a weak reply to an objection. Mark where it caves. Owner: "I'm not sure they'll sell." Sunny: "Oh, no problem, I can drop the price and you only pay for what sells, and honestly I can go lower if you want."

Write your version, then check Appendix A.

More practice

Four more. Work them on paper, then check Appendix A.

1. The Lender. Sunny wants a $5,000 loan from a community bank to buy the second griddle and get through a slow winter. A lender cares about one thing above all: getting repaid, at low risk. Here are three facts about the business. For each, write the benefit in the lender's terms, then write the ask. (a) Sunny has run the truck profitably for two years with steady weekend sales. (b) The griddle's payback works out to about 7 months. (c) Sunny already has a signed brewery-lot deal locking in weekend traffic.

2. Fix the Pitch. Here's a pitch to a grocery buyer for Sunny's salsa. Find the three mistakes, a feature pitched instead of a benefit, a fuzzy ask, and a cave, and fix each one. "Our salsa is made from my grandmother's recipe with all-fresh local tomatoes, and it's really authentic. We'd love to get it into your store somehow. It usually sells for $6 but for you we can definitely go lower, whatever works. Just let us know if you're interested sometime."

3. The Front Counter. A gym owner is deciding whether to stock Sunny's high-protein burritos at the counter by the check-in desk. A gym owner cares about what serves the members' goals, what sells without turning into spoiled inventory, and whether it adds hassle to a thin front desk. Take these three features and translate each into a benefit in the owner's terms, then write one low-risk, time-bound ask. (1) Each burrito packs 32 grams of protein, with the macros printed on the wrapper. (2) They're individually wrapped and keep for a full day in a small counter fridge. (3) Sunny restocks every morning and takes back anything unsold.

4. The Co-Working Pitch. Here's a pitch to a co-working space manager for stocking Sunny's burritos in the café fridge. Find the three mistakes, a feature pitched instead of a benefit, a fuzzy ask, and a cave, and fix each one. "Our burritos have 32 grams of protein and real whole ingredients, and that's what makes them special. We'd love to get them into your space in some form. They go for $9, but if that feels steep for your members I can come down, just say the word. Let me know whenever works for you."

Take it live (optional)

Ready to test this muscle for real? Each of the five programs has a bank of live team challenges, run with a facilitator. You don't need them to finish the book; the walkthrough and practice above already cover the skill. To show you exactly what one looks like, here is a full Persuade challenge, including the buyer's hidden brief and objection deck. Read it, or run it: one side pitches, the other plays the buyer from the answer key. The other four in this bank stay sealed, so they're fresh when you compete.

A full challenge: The Shelf Space

The setup. The Daily Squeeze, a busy juice and smoothie bar, has started bottling its cold-pressed smoothies, and owner Maya Reyes wants them on grocery shelves. She has one meeting with the grocery buyer for Harvest Market, a regional chain, and one shot to win a spot in the cold case. The pitching team is Maya.

The audience is the buyer, who decides what earns shelf space. The ask: a three-month trial in six local Harvest Market stores.

The pitch brief (what the pitching team gets):

PRODUCT FACT	
Product	Bottled cold-pressed smoothie, 12 oz
Suggested retail	$5.99
Wholesale to Harvest	$3.50 per bottle
Harvest's margin at $5.99	about 42 percent
Shelf life	about 5 days, refrigerated
Supply capacity	up to about 1,200 bottles a week
The story	made 3 miles away, with a loyal café following

The pitching team does not get the buyer's private priorities or the objection deck. Anticipating them is the skill.

Facilitator answer key. Play the buyer from this. Five priorities, none of which is "is it tasty": **margin** (wants about 40 percent or better), **velocity** (the cold case is crowded, will it sell and how is it different), **reliability** (can a one-shop operation keep six stores stocked), **spoilage** (a five-day shelf life means unsold bottles are a loss, who absorbs it), and **shelf space** (the scarcest asset, every new product displaces something). Push these as objections:

- "We already carry three smoothie brands. Why a fourth?"
- "Your $3.50 wholesale is higher than the national brand, so my margin is thinner."

- "You're one small shop. Can you really keep six stores stocked every week?"
- "That five-day shelf life scares me. Who eats the spoilage on unsold bottles?"
- "Shelf space is my scarcest asset. Why give it to an unproven local product?"

The winning move is to translate features into the buyer's benefits. "Local and fresh" becomes "a differentiated, higher-margin premium item that pulls the health shopper your national brands miss." And the scariest fact, the short shelf life, becomes the close: "I'll take back any unsold bottles in the first month and set conservative par levels, so your spoilage risk on the trial is near zero." A strong close is specific and low-risk: **"One shelf, six stores, ninety days, and I take back anything unsold in month one. Can we start next month?"** That is an easy yes. The pitch is scored on hook and clarity, value to the buyer, objection handling (especially spoilage and reliability), and the close.

The rest of the Persuade bank

Four more, sealed for fresh scored play. Learn what the audience actually wants, translate your features into their benefits, defend the money question with a number, and close with an easy yes.

1. **The Loan** (pitch to a community-bank lender). Persuasion backed by numbers, risk, and return.
2. **The Bake-Off** (pitch a client, with a rival team pitching too). Standing out under direct competition.
3. **The Board** (pitch a skeptical grant panel). Many stakeholders and a hostile round of questions.

4. **The Raise** (pitch your own boss for a promotion). Pitching yourself, and leading with value rather than need.

Going deeper

The hardest rooms hold many people with different priorities, and sometimes a rival pitching right after you. The next skills are reading a mixed audience, where the person who signs isn't always the one who objects, and standing out under direct competition. The bank's later pitches add both.

> **RUN IT LIVE**
>
> This chapter is the thinking. **The Pitch** is the classroom version of persuade: a live sales pitch with objections with a facilitator guide, answer key, and four-part rubric, built to run in one class block. The ready-to-teach packet is at `inthechairlab.com`.

CHAPTER FIVE

Respond

Protect people first, tell the truth fast.

The problem category

The first four chapters gave you time. Time to weigh the decision, read the records, prepare the pitch, plan the negotiation. This chapter takes the time away.

That's the respond muscle. Something has gone wrong, right now. A customer got sick. The data leaked. Half the staff walked out mid-shift. You don't have the whole story, and you won't get it before you have to act. A facilitator runs a clock and drops injects on you, new developments every few minutes: a customer posts online, a reporter calls, the health inspector shows up, the real cause finally surfaces. Each one forces you to re-decide what matters most, right now, with what little you know.

The situation changes under your feet. How you respond as it changes is what's being tested.

The one big idea

Protect people first, tell the truth fast, control the controllable.

Under pressure, the instinct is to protect the business. Keep the doors open. Stay quiet and hope it blows over. Deny it. Blame the supplier. Every one of those feels safe in the moment, and every one makes the crisis worse. The habit that works runs the opposite way, in a fixed order.

1. **Protect people first.** If someone might still be getting hurt, stop the harm before you worry about the money or the brand. Even when it costs you right now. Especially then.
2. **Tell the truth, fast.** A clear, honest word early beats a perfect statement too late. Silence reads as guilt. Spin reads as guilt. Say what you know and what you're doing.
3. **Control the controllable.** You can't undo what already happened. You can decide what you do in the next ten minutes. Put your energy there, not on the past you can't change.

Every scenario is built so the loud problem, the angry post or the reporter, isn't the same as the urgent problem, the person who might still be getting hurt. And so the tempting shortcut, staying quiet or blaming someone else, scores worse than the honest, costly, correct move.

How to tackle it

1. **Triage: separate the urgent from the loud.** The urgent thing is where someone's being harmed. The loud thing is where someone's angry or watching. They're usually not the same thing, and the urgent one wins every time.

2. **Protect people first, even at a cost.** Pull the product. Clear the area. Send people home. The safe thing before the cheap thing.
3. **Decide with incomplete information, and call for help early.** You won't have the full story. Freezing until you do is a decision, and a bad one. Ask for help, an expert, the authorities, sooner than feels comfortable. Calling for help is strength, not weakness.
4. **Communicate honestly and fast, to the right audience.** Customers, staff, the public, the authorities. Each needs a clear, true message. No denial. No promises you can't keep.
5. **Stay composed and adapt.** When a new inject changes the facts, change the plan. Keep your own team coordinated so you're not tripping over each other while the clock runs.

The traps

- **Working the loud problem while the urgent one grows.** Answering the angry post while a customer is still in danger is the classic failure.
- **Going quiet to protect the brand.** Silence doesn't buy you time. It spends your credibility.
- **Denying or over-promising.** "There's no problem" and "this will never happen again" are both lines you'll have to walk back.
- **Freezing, or guessing wildly.** Both come from the same place: no method. You have one now.

One tool: the decision log

Under pressure, teams forget what they decided and why. Keep a running log: the time, what you knew, what you decided, and why. It keeps the team honest, it keeps everyone on the same plan, and afterward it's the clearest record of how you did.

The holding statement

You almost never know the cause in the first 30 seconds. You still have to say something, because silence reads as guilt and a guess reads as guilt too. The holding statement is the honest one-liner that buys you credibility while you still know almost nothing. It does three things and only three: it names what happened, it says what you are doing right now, and it says when you will know more. It never guesses the cause, and it never promises an outcome.

The template:

> "Here's what happened. Here's what we're doing right now. Here's when we'll know more."

Fill it with only what is true. "We had a customer report a reaction, we've pulled the item and we're checking every batch, and I'll have an update within the hour." That's it. Notice what it leaves out: why it happened, whose fault it is, and any version of "this will never happen again."

The holding statement works because it is small and it is true. You can say it before the facts arrive, and you never have to walk it back. When you do know more, you say more. Until then, this holds the line without spending your credibility.

Worked walkthrough: The Propane Scare

Middle of the lunch rush at Sunny's. The line is long. A cook leans over and says quietly, "I smell gas near the propane tank." At the same moment a customer near the front is holding up a phone, filming, annoyed the line has stopped, and the event coordinator whose lot Sunny is parked in is walking over to ask about the holdup.

Two problems, and they aren't the same. The loud problem is the crowd, the phone, the coordinator. The urgent problem is a possible gas leak with people standing a few feet from the tank. Only one of those can hurt someone in the next minute.

Now, inject by inject.

Inject 0, the smell, before you know anything. You don't yet know if it's a real leak or a jumpy cook. Doesn't matter. Protect people first: shut off the gas at the tank, stop cooking, move the customers back from the truck.

Here's the wrong turn, and it happens in the heat of it. As the smell registers, a teammate says two tempting things at once: "Let me just move the truck to the far end of the lot and keep serving so we don't lose the rush," and "I'll post a quick reply to that video so we don't look bad." Both are wrong, for the same reason. You don't tow a possibly-leaking propane tank across a crowded lot to set up next to a fresh group of people, and you don't answer the phone, which is loud, while the tank, which is urgent, sits unsecured. The call: tank and people first, phone second, and the truck doesn't move until it's safe. Say it out loud so the team stays on one plan.

(Decision log, 12:05. Smell of gas reported. Gas off, cooking stopped, customers moved back 15 feet. Truck stays put. Cause unknown.)

Inject 1, a customer posts. The filming customer puts up "sunnys food truck almost blew up lol." Now, with people safe, handle the loud problem. Don't deny it, don't spin it. Answer honestly and fast: "We smelled gas and shut everything down right away to keep everyone safe while we check it. Thank you for your patience." The truth, quickly, does the work.

Inject 2, the coordinator wants a reopening time. The coordinator asks, "Can you be back up this afternoon? People are hungry." The tempting answer is "yes, give me twenty minutes," because you want to save the day. Don't promise a time you can't guarantee. Say what has to be true first: "As soon as the tank is checked and confirmed safe, and not before. I'll tell you the moment I know." A promise you might break is worse than an honest "not yet."

Inject 3, the cause surfaces. You find it: a loose regulator fitting on the tank, a real leak, now shut off. Fixable. It'd be easy, and wrong, to tell the crowd "one of my cooks hooked it up wrong." Don't blame a cook in public. Own it: "We found a loose fitting on the propane regulator. It's being repaired and the tank rechecked. This is on us to fix, and we're fixing it."

The final call, reopen or not. Reopen only after the fitting is repaired and the tank is checked and confirmed safe, and say so, out loud to the crowd and in a short post online: "We're back open. The propane fitting is repaired and the tank has been checked. Thanks for bearing with us, safety first." You controlled the one thing you could control, the next ten minutes, and told the truth the whole way.

Here's the decision log, cleaned up.

TIME	WHAT YOU KNEW	WHAT YOU DECIDED	WHY
12:05	Smell of gas near tank	Gas off, cooking stopped, crowd back, truck stays	Protect people before revenue
12:08	Customer posted a joke video	Honest public reply, no denial	Truth fast beats silence
12:12	Coordinator wants a time	"When the tank is confirmed safe, not before"	No promise you can't keep
12:20	Loose regulator fitting found	Own it publicly, repair, recheck	Honesty, no scapegoat
12:40	Fitting repaired, tank checked	Reopen and say so plainly	Controlled the controllable

What good looks like

A weak answer:

> Shut off the gas and move everyone back from the truck. Then, with the crowd waiting, say nothing online about the video, and tell the coordinator, “It’s probably nothing, just a whiff, we’ll be open again in ten minutes.” Reopen once the smell fades.

This one gets the hardest part right, and that’s what makes it instructive. It protects people first: gas off, crowd back, no arguing with the danger. Most teams that fail this scenario fail right there, and this one passed. Then it comes apart on everything after. Going silent while a video spreads spends the credibility a fast honest word would have bought. “Probably nothing, open in ten minutes” is both a guess and a promise, the kind you have to walk back the moment you find the real leak. And “reopen once the smell fades” reopens on a hope, not a confirmed-safe tank. Right on safety, wrong on truth, timing, and the reopening call.

A strong answer is the sequence above: shut down before you’re sure, secure the truck, tell the truth quickly, refuse the promise you can’t keep, own the cause, and reopen only when it’s genuinely safe.

Crisis challenges are scored on four things: protect people first (safety and the harmed come before revenue and reputation), decisions under pressure (sound, timely calls with incomplete information, and calling for help instead of hiding), communication (honest, fast, the right message to each audience, no denial or over-promising), and composure and adaptation (calm under fire, updating the plan as facts arrive, keeping your team together). There's no perfect script. Clear priorities and honest, adaptive judgment win, not the fastest talker or the most confident guess.

A second walkthrough: The Dark Truck

Saturday evening at the brewery lot. A summer storm rolls through and the transformer feeding the lot blows. The whole row of stalls goes dark, and so does Sunny's truck. No griddle, no lights, and no refrigeration. The cold food, the pork, the dairy, the prepped salsas, is sitting in a fridge that is now just an insulated box, warming up. A line of two dozen people is still standing there, hungry and already annoyed about the rain. The coordinator is jogging over to ask what everyone's asking: are you still serving.

Two problems, and they aren't the same. The loud problem is the line and the lost Saturday revenue. The urgent problem is that warming food, because serving something that has sat in the danger zone can put people in a clinic. Only one of those can hurt someone.

Now, inject by inject.

Inject 0, the lights go out. You don't yet know how long the fridge has been off or how warm it is inside. Doesn't matter yet. Protect people first: stop selling anything that came out of that fridge. Keep the door shut to hold the cold as long as you can. Cooked-to-order off the griddle is dead anyway with no power.

Here's the wrong turn, and it's tempting because it's cash. A cook says two things fast: "The fridge is still kind of cold, let's just sell through the pork before it turns so we don't eat the loss," and "Tell the line we'll be back up in fifteen." Both are wrong, same reason. "Kind of cold" is a guess, and you don't gamble a customer's night on it. And you can't promise fifteen minutes on a transformer you don't control. The call: nothing questionable gets sold, and no reopen time gets promised. Say it out loud so Dylan and Mara are on one plan.

Inject 1, the coordinator asks. She wants to know if you're serving. Honest holding statement, no spin: "Power's out, so our fridge is down. We've stopped selling the cold items to be safe, and I'll know more once I've checked temperatures. I'm not promising a reopen until I do." The truth, fast, to the person who needs it.

Inject 2, the line pushes. Someone up front says the food was cold ten minutes ago, just sell it. This is the loud problem leaning on you hard. You don't argue and you don't cave: "I hear you, and I'm not comfortable serving food I can't keep cold safely. I'd rather lose the sale than make anyone sick."

Inject 3, you're unsure. You check: the fridge has drifted up past safe and you're honestly not sure what's still good. Don't guess. Call the health department's guidance line, tell them the times and temps, and do what they say. Calling for help early is the strong move, not the weak one.

The final call, discard and reopen. Guidance is clear: what crossed the line gets tossed. You discard the warmed pork and dairy, a real hit, call it about $180 in food you're pouring into the bin, and you don't reopen the cold menu until power's back and you've restocked from safe cold storage. You tell the line plainly and post a short honest note. You controlled the one thing you could.

TIME	WHAT YOU KNEW	WHAT YOU DECIDED	WHY
6:10	Power out, fridge warming	Stop selling cold items, keep door shut	Protect people before revenue
6:14	Coordinator asking	Honest holding statement, no reopen promise	Truth fast, no promise you can't keep
6:20	Line pushing to sell it anyway	Hold the line, refuse to serve questionable food	Safe before cheap
6:30	Unsure what's still safe	Call health guidance, follow it	Call for help early
6:45	Temps past safe, ~$180 of food	Discard it, reopen only when safe	Took the loss, controlled the controllable

Try It: First Ten Minutes

Your turn. The worked answer is in Appendix A.

> At Sunny's, three things happen in quick succession.
>
> - **A.** A customer calls to say they think last night's burrito gave their kid an allergic reaction and they're on the way to a clinic.
> - **B.** A local reporter calls, having seen a comment online, asking "is your food safe?"
> - **C.** You check and find a new batch of tortillas was made in a facility that also handles peanuts, so the "peanut-free" label on your truck is now wrong.
>
> Put A, B, and C in the order you'd act on them, and for each, label it urgent or loud and say your first move.

Work it out, then check Appendix A.

More practice

Four more. Work them on paper, then check Appendix A.

1. The Slip. It's the lunch rush, and three things hit at once. An older customer slipped on a spill by the serving window and is on the ground, holding their wrist. The line behind them is grumbling, and someone starts filming. And you realize the spill is from your own leaking cooler, which is still dripping onto the walkway. Order the three, label each urgent or loud, and give your first move for each.

2. Rewrite the Statement. A batch of online-order receipts went out showing the wrong customers' names and addresses. Sunny's first draft of a public note reads: "There is no real problem here, just a small glitch, and no one's information was ever at risk. This will never happen again. Please keep ordering!" Name what's wrong with it, then rewrite it honestly.

3. The Fryer Fire. It's a busy Saturday and three things land at once. A pan of oil on the griddle catches fire and flames are climbing toward the awning where customers stand. At the same time, Mara says she just burned her hand badly reaching for it and it's blistering. And a customer near the front is loudly filming the flames and telling the line "this place is a hazard." Put the three in the order you'd act on, label each urgent or loud, and give your first move for each.

> **4. The Plastic Post.** A customer found a small piece of plastic in their taco and posted a photo. Sunny's draft public reply reads: "That plastic definitely didn't come from us, our kitchen is spotless and this is basically impossible. We've totally fixed it already and it will absolutely never happen again. Anyway, come grab a taco this weekend, we've got a new salsa!" Name what's wrong with the draft, then rewrite it honestly.

Take it live (optional)

Ready to test this muscle for real? Each of the five programs has a bank of live team challenges, run with a facilitator. You don't need them to finish the book; the walkthrough and practice above already cover the skill. To show you exactly what one looks like, here is a full Respond scenario, including the hidden cause and the timed injects. Read it, or run it: one team responds while a facilitator works the answer key and the clock. The other four in this bank stay sealed, so they're fresh when you compete.

A full challenge: The Bad Batch

The setup (what the team gets). It's 8:00 on a Monday morning, and the Coconut Grove Cafe opens at 9. Over the weekend, three customers called to report severe stomach illness after drinking Friday's fresh-pressed green juice. One of them, a regular, is in the hospital. A local health reporter has just emailed asking for comment. Your team runs the café. The clock is running, and the story won't hold still. Decide what to do, in what order, and say it out loud. Keep a decision log, write the statements you'd actually send, and brief your staff as the situation changes.

Facilitator answer key.

The hidden truth (the team learns this only as the injects land). The café's fresh-pressed juices are unpasteurized, a genuine food-safety risk. Friday's green juice used a lot of raw spinach that the supplier, Cedar Grove Farms, quietly recalled Monday morning for possible contamination. The illness is real and linked to the café's product, and more mild complaints are still coming. The cause is findable and fixable, but only if the team preserves the batch instead of throwing it out and cooperates instead of hiding.

The injects, dropped on the clock:

- **The report (start).** Strong teams' first move is a safety action: stop selling the fresh-pressed juice and hold the batch, before anything else.
- **Social media.** A customer posts that their friend is in the hospital, with a photo of the juice, and tags the café. Strong: respond honestly and publicly, don't delete or argue.
- **The health department.** They've had a report; an inspector is coming this afternoon. Strong: the team already called them, or calls now and cooperates fully.
- **The reporter, and more cases.** A reporter is at the door, and two more mild complaints arrive. Strong: one calm spokesperson, an honest holding statement, never "no comment."

- **The cause.** The recalled Cedar Grove spinach lot surfaces. Strong: pull everything with that lot, fix the process, and resist dumping all the blame on the supplier to dodge responsibility.
- **The curveball.** A well-meaning employee already told the reporter "the owner said it's probably nothing." Strong: correct the record fast and get everyone speaking with one voice.
- **The doors.** It's nearly 9:00 and regulars are waiting. Strong: opening is fine only if the suspect juice is pulled and there's a visible, honest notice and a staff script. Opening as if nothing happened, or panic-closing with no word, both fail.

The model order: stop the harm first (pull the juice, and hold the batch, it's the evidence that finds the cause), care for the people harmed, call the health department yourself, communicate honestly and fast, find and fix the cause, and keep one voice. *The traps that feel safe and score badly:* keep selling because "we're not sure it's us," go silent, delete the post, publicly blame the supplier before the facts, over-promise ("this will never happen again"), or throw out the batch and destroy the evidence. Scored on protect people first, decisions under pressure, communication, and composure and adaptation.

The rest of the Respond bank

Four more, sealed for fresh scored play. Triage the urgent from the loud, protect people first even at a cost, communicate honestly and fast, and keep adapting as the facts change.

1. **The Breach** (customer data is exposed). A duty to notify, and harm you can't see.

2. **The Walkout** (staff quit mid-shift, in public). Leadership and talking to your own team, not just the public.
3. **The Storm** (a disaster shuts you down). Keeping going, and many stakeholders under real loss.
4. **The Video** (an employee's misconduct goes viral). Fairness to the accused against a public pile-on.

Going deeper

Real crises involve harm you can't see, and stakeholders who don't agree on what to do. The next skills are acting on invisible risk, like a data breach where nobody feels hurt yet, and leading your own people through it, not just managing the public. The bank's later scenarios add both.

> **RUN IT LIVE**
>
> This chapter is the thinking. **Crisis** is the classroom version of respond: a timed crisis-response scenario with a facilitator guide, answer key, and four-part rubric, built to run in one class block. The ready-to-teach packet is at `inthechairlab.com`.

BRINGING IT TOGETHER

Summary

Putting the Five Together

You've met all five muscles now. Decide, investigate, negotiate, persuade, respond. In the book they came one at a time, each in its own chapter, each with its own world and its own scorecard. That's a good way to learn them. It isn't how they show up in real life.

In real life they arrive tangled together, sometimes in the same afternoon. So before you close the book, watch them work as one.

One week at Sunny's

Monday, Sunny has to **decide** whether to switch tortilla suppliers. The new one is cheaper, but delivery is less reliable. Sunny pins the question, runs the contribution math, weighs the risk of a missed delivery on a busy Saturday, and makes the call: switch, but keep the old supplier's number and a week of tortillas in the freezer as a backup. A defended decision with its risk managed.

Tuesday, the deposits look light again. Sunny has to **investigate**. This time it's not theft. Reconciling the sales log against the deposits and checking the schedule, Sunny finds the gap is fully explained by a run of documented refunds during a bad-batch week. An anomaly that turned out to be a question with an innocent answer, which is the discipline Chapter 2 drilled. No one gets accused.

Wednesday, the brewery wants to renew the lot deal but is asking for a higher fee. Sunny has to **negotiate**. Instead of fighting the fee head-on, Sunny trades: offers to add a Sunday to the committed nights, cheap to give since the brewery has just started a Sunday event, in exchange for holding the fee flat. Both sides better off, deal renewed.

Thursday, a caterer might want Sunny's for a weekly office lunch, a big steady contract. Sunny has to **persuade**. Sunny doesn't lead with the family recipes. Sunny leads with what the caterer's office client cares about: on-time delivery, a simple fixed menu that's easy to order, no surprises. Features translated into the buyer's benefits, and a low-risk ask, one trial week.

Friday, a customer posts that they got sick. Sunny has to **respond**. Protect people first: pull the suspect batch and reach out to the customer before worrying about the comment thread. Tell the truth fast. Control what can be controlled. The pull toward going quiet and protecting the brand is right there, and Sunny overrides it, because Chapter 5 made the order automatic.

One week. Five muscles. One business you now know well enough to run in your head.

How the muscles reinforce each other

They aren't five separate subjects. They feed each other.

- Deciding well, with a real number under the call, makes you a better negotiator, because you know what a deal is actually worth to you and where your walk-away really sits.
- The skepticism you build investigating, treating every anomaly as a question, is the same steadiness that keeps you from panicking in a crisis.
- Knowing how to persuade, to lead with the other side's interests, is the same instinct that finds the trade in a negotiation.
- And every one of them rewards the same underlying habit: work out what actually matters, put it before what only feels urgent or loud, and act on it honestly.

Get good at one and you've started the others.

Mini-capstone

One last problem, and it mixes all five on purpose. There's no single right answer, and solving it perfectly isn't the point. The point is to notice which muscle each moment is asking for. A model mapping is in Appendix A, so you can check your reading.

> **The situation.** You run a small bakery. A regional grocery chain offers you a big standing order, far bigger than anything you've done, at a tight price. It could transform the business or break it.
>
> As you consider it, five things happen.
>
> 1. You have to work out whether the order is even worth taking at the price offered.
> 2. Your own records show ingredient costs creeping up, and you're not sure why. Last month's flour usage doesn't match last month's production.
> 3. The grocery buyer wants to talk terms: price, delivery schedule, and how much of your capacity you'd commit to them.
> 4. To fund the extra oven you'd need, you have to ask your bank for a loan.
> 5. On the day of your first big delivery, your van breaks down and half the order will be late.

Your task: for each of the five, name the muscle it calls for, and write one sentence on your first move. Then check your mapping against Appendix A.

Six situations: name the muscle, then solve

The mini-capstone handed you the muscles in order. Real life doesn't. Here are six more, from the small businesses in this book's world. Nothing is labeled, and every one is easy to misread, so the first job is always the same: name the muscle the situation actually calls for, then do it. Full worked answers are in Appendix A.

1. The festival booth. A summer festival offers Sunny a weekend booth for a flat $600. She figures she would sell about 150 burritos there that she would not otherwise sell, and each burrito contributes $6. The booth needs a second cook for the weekend, 12 hours at $18 an hour. Should she take the slot?

2. The juice bar's short week. The Daily Squeeze counts its drawer against its bank deposits and several nights come up short. Here is the week:

DAY	RUNG UP	DEPOSITED	SHORT	CLOSED BY
Mon	$420	$400	$20	Tara
Tue	$460	$460	$0	Cam
Wed	$500	$470	$30	Tara
Thu	$480	$455	$25	Cam
Fri	$510	$490	$20	Tara

Thursday's $25 gap is matched by a signed $25 refund for a cancelled catering order. Who, if anyone, is stealing, who is clear, and how much is actually missing?

3. The tortilla renewal. Sunny's tortilla supplier wants to renew at $0.25 a tortilla, up from $0.20. She uses about 3,000 a month. A second supplier will sell at $0.22 but has missed deliveries before. Sunny pays her bills in 30 days today. What should she do?

4. The apartment contract. Evergreen Lawn and Landscape has five minutes with the manager of a large apartment complex to win the year-round grounds contract. Evergreen's owner is ready to talk up the new mowers, the crew size, and fifteen years in business. What should the owner actually do with those five minutes?

5. The reaction. A corner café gets a call: a customer says they had an allergic reaction after eating a muffin bought yesterday, and they think it had nuts. The owner's first instinct is to say nothing that might admit fault. What should the café do?

> **6. The wrong date.** Fulton Press delivers 5,000 event programs to a client, who calls in a panic: the date printed on every copy is wrong, and the event is in four days. A full reprint would cost Fulton about $1,200; a correction sticker on each program, about $300; the client paid $2,500. What does the shop do first, and how does it decide the fix?

For each, name the muscle, or muscles, then take the first real move. Check yourself against Appendix A.

Where to go next

Every one of the five programs runs well past the on-ramp you've seen here. The case bank climbs from a first decision to genuinely hard ones. The forensic cases scale from a tiny three-record puzzle to full investigations with multiple schemes and collusion. The negotiations, the pitches, and the crises all get wider and harder. The optional live challenges at the end of each chapter are the first rung on each of those ladders. Climb them if you want to keep going.

And when practice starts to feel comfortable, compete. These exercises were built to be run head-to-head, scored, and debriefed, and there's no substitute for doing one for real, with a team, on the clock, in front of a judge.

A closing word

The title of this book is *In the Chair*, and now you know why. Everything here, every method, every walkthrough, every worked answer, was preparation. It got you ready. But reading about a muscle isn't building it. You build it by sitting down, taking the real call, the real pushback, the real clock, and finding out what you do.

The rest is reps. Go sit down.

APPENDIX A

Worked Answers

Your checkpoint. Every problem you solve yourself, the Try It and the two More Practice problems in each chapter, is worked here in full, showing the steps and not just the result, so if you missed something you can see where. Do the problem first, then read the answer. The optional live challenges keep their keys with a facilitator. Everything else is answered right here, which is what lets the book stand on its own.

Chapter 1: Decide

Try It: The Cold Case

A better fridge costs $900 and cuts spoilage from $300 a month to $120 a month. Should Sunny buy it?

The saving. Mind the trap: the fridge saves only the amount spoilage drops, not the whole bill.

> $300 − $120 = **$180 a month saved.**

The payback.

> $900 ÷ $180 a month = **5 months.**

The call. Yes, buy it. It pays for itself in five months and saves $180 every month after.

The defense. The $300 came off the trash-out sheet, so it's measured, not guessed. The real risk is that the new fridge doesn't cut spoilage as far as promised, say it only reaches $180 a month. Manage it by logging the trash-out sheet for a month or two to confirm spoilage really falls to about $120. Even at $180 of spoilage, a $120 saving, the payback is still 7.5 months, so the decision holds up. A defended “yes, and here’s how I’d confirm it” beats a flat yes.

(The classic miss: dividing $900 by the whole $300 bill and claiming a 3-month payback. The fridge doesn’t save you the spoilage you were never going to stop.)

More Practice 1: The Coupon

New customers gained, at $2 off: 25 orders × ($6 – $2) = 25 × $4 = **$100.** Regulars who’d have paid full price and now use the coupon: 40 × $2 = **$80 lost.** Net for the week: $100 – $80 = **+$20.**

The call. It’s close to a wash. The discount handed to people who’d have bought anyway nearly eats the gain from new customers. Only worth running if Sunny can keep the coupon to new customers, a first-visit flyer or a “new here?” card, which kills the cannibalization and turns the week into a clean +$100. As a blanket coupon, skip it or target it.

(The lesson: a promo’s real cost is the discount you give to people who would have paid full price.)

More Practice 2: The Saturday Market

Contribution: 60 orders × $6 = **$360.** Costs: $50 stall + (5 hours × $18 = $90) labor = **$140.** Net: $360 – $140 = **$220 for the day.** Break-even: $140 ÷ $6 = about **24 orders.**

The call. Clear yes. Even if 60 is optimistic, break-even is only 24, so there’s wide room. The risk is a slow or rained-out first market. Manage it by trying three or four Saturdays and checking each against the 24-order line before treating it as permanent.

More Practice 3: The Punch Card

Buy 9, get the 10th free. The mistake is calling the free burrito a $3 giveaway.

The real cost of a free burrito. The regular would have bought that tenth burrito anyway. So Sunny gives up the $6 it would have contributed and still spends $3 making it.

> $6 lost contribution + $3 food = **$9 per free burrito.**

The free item costs its whole price, because it was a sale, not a scrap.

The monthly bill. 40 regulars, one free burrito each:

> 40 × $9 = **$360 a month given up.**

Not the $120 (40 × $3) the food-only view suggests. Framed another way: over ten burritos a regular pays for nine, so Sunny collects 9 × $9 = $81 instead of $90, on the same $30 of food. That's $9 off every ten, a flat 10% discount.

The call. As written, skip it or change it. The card hands a 10% discount to regulars who were already coming and buys nothing for it. It only earns its $360 if it actually changes behavior: more visits per regular, or new regulars who stick because of the card. Manage it with a trip-wire: track average visits per regular for a month or two. If visits climb enough to add contribution above $360, keep the card. If regulars just collect a free burrito they'd have bought anyway, kill it.

(lesson: a free item you would have sold anyway costs its whole price, contribution plus food, not just the food.)

More Practice 4: The Extra Dollar

Move the burrito from $9 to $10, food still $3, with an expected 10% drop from about 600 orders a month.

Contribution now. At $9, contribution is $6.

```
600 × $6 = $3,600 a month.
```

Contribution after. At $10 with $3 food, contribution is $7. A 10% drop takes 600 to 540.

```
540 × $7 = $3,780 a month.
```

The change.

```
$3,780 − $3,600 = +$180 a month.
```

How wrong can Sunny be? Find how far orders could fall before the higher price stops paying. Sunny needs enough $7 orders to match today's $3,600.

```
$3,600 ÷ $7 = about 514 orders.
```

So orders can slide from 600 all the way to 514, a loss of 86 or about 14%, before the raise stops helping. The expected drop is only 60 orders, 10%.

The call. Raise it to $10. It adds about $180 a month even after the expected fall-off, and orders would have to drop almost half again as much, 14% instead of 10%, before the change costs anything. The risk is that a dollar spooks more customers than expected, or a competitor two spots down holds at $9. Manage it by watching order counts for the first few weeks against the 514 line. Above 514, the raise is working. Below it, roll back to $9.

(lesson: a price change is price times volume, not price alone. Check contribution both ways, and find how many sales you can lose before the raise stops paying.)

Chapter 2: Investigate

Try It: The Short Drawer

SHIFT	CASH RUNG UP	CASH DEPOSITED	SHORT BY	CLOSED BY
Mon	$240	$215	$25	Dylan
Tue	$260	$260	$0	Mara
Thu	$300	$250	$50	Dylan
Fri	$280	$255	$25	Dylan

Friday's $25 short is fully explained by a documented refund, a false alarm. That leaves Monday ($25) and Thursday ($50), both closed and deposited by Dylan. Mara closed Tuesday, which wasn't short, and never handled a short deposit, so she's cleared.

> Real theft: $25 + $50 = **$75.**

Culprit: Dylan. Cleared: Mara. False alarm: the Friday $25.

(Common misses: counting the Friday refund as theft, or flagging Mara for being on the schedule when she never touched a short deposit.)

More Practice 1: Two Vendors

- **Reyes Cleaning, $220.** The address matches Sam's home, which is a strong lead, so check what it implies. If Reyes were fake, no cleaning would have happened. But there's a signed weekly log showing the truck was cleaned every week, at a normal price. Real service, real value. **False alarm, and Sam is cleared.** The match was a coincidence, or simply that Sam runs a side cleaning business, disclosed or not, that actually did the work.
- **Apex Supply, $300.** No invoice, nothing in the receiving log, so no goods ever arrived, and the payment was both ordered and approved by one person, Jordan, who handles supplier payments alone. Money out the door for nothing, controlled end to end by one person. **Phantom vendor. Real theft of $300. Culprit: Jordan.**

> Total theft: **$300.**

(The lesson repeats the walkthrough: the scary-looking address match was innocent, and the plain-looking payment with no goods behind it was the theft. Confirm the match, and check whether anything actually arrived.)

More Practice 2: The Bounced Check

- **Monday, $150 short.** A customer's $150 catering check bounced and was returned by the bank, documented. The business really lost $150, but nobody stole it. That's a **loss, not a theft.** Keep it out of the theft total, though Sunny should still chase the customer for payment.

- **Thursday, $90 short.** No explanation, on a shift closed and deposited by one person. That's the **real theft, $90.**

> Real theft: **$90.** (The business is out $240 total, but only $90 of it is fraud.)

(The lesson: a loss is not a theft. Distinguishing the two is half the job.)

More Practice 3: The Extra Name

- **Sam's high check (week two).** A real employee paid more than usual looks like a flag, so check what it implies. If the hours behind the extra pay weren't worked, the money is theft. But a signed overtime slip covers the extra hours, so the work was real and the pay was earned. **False alarm, and Sam is cleared.** Don't let an unusual number convict a documented one.
- **T. Rivera.** On payroll, paid $150 a week for four weeks, but on no schedule and no clock-in, not once. Run the reconciliation the way you'd run cash or materials: payroll is the money out, and the schedule and clock-in are the record of work that should sit behind it. For the four honest workers, the two agree. For Rivera there's pay with no work anywhere behind it, the ghost-employee shape, money leaving for nothing. And payroll here is both run and approved by Jordan alone, one person able to slip a name onto the list and sign off on its pay. That's the segregation-of-duties failure that makes a ghost possible. **Ghost employee. Culprit: Jordan.**

```
Total theft: 4 × $150 = $600.
```

(The lesson: a name on the payroll is not proof anyone worked. Reconcile payroll against the schedule and the clock-in, and clear the odd-but-documented check before you chase it.)

More Practice 4: Case Count

- **The crushed case.** A signed damage note shows one case, 1,000 cups, crushed and soaked on the dock and thrown out. Sunny is out the $40 that case cost, a real loss, but nobody stole it. **Loss, not theft.** Keep it out of the fraud total.
- **The reconciliation.** Bought against used:
    - Bought: 20 cases × 1,000 = 20,000 cups.
    - Used: the register rang up 16,000 drinks, one cup each, so 16,000 cups.
    - Unaccounted: 20,000 − 16,000 = 4,000 cups, which is 4 cases.
    - Documented waste: 1 case, 1,000 cups, crushed, per the damage note.
    - That leaves 4 − 1 = 3 cases gone with no sale and no waste behind them.

```
Real theft: 3 cases × $40 = $120. (Sunny is out
$160 of cups in all, but only $120 is fraud; the
other $40 is the documented loss.)
```

The person who orders the cups also runs the storeroom count, so one pair of hands controls both what comes in and what's on the shelf, the segregation gap that lets cases leave unnoticed. The gap surfaced only because you checked purchases against register sales, records that person doesn't set.

(The lesson: reconcile what was bought against what was actually used, and net out documented waste before you call the gap a theft.)

Chapter 3: Negotiate

Try It: Read the Other Side

The inference, which is what the problem is testing. Nobody handed you the supplier's numbers, so build them from what you saw. "Cash has been tight this quarter" means paying on delivery is worth a lot to the supplier, and it costs Sunny almost nothing, since the truck has cash. "Mondays are chaos, the day the truck goes out to grocery accounts" means Monday delivery is costly for the supplier, the exact day Sunny wants it.

The trade. Give the cheap-to-you, valuable-to-them concession and use it to win what you value: "I'll pay cash on delivery, every time, which helps your cash flow, if you can make mine a Monday delivery." Sunny concedes the payment issue (doesn't care) to win the delivery day (does), and the supplier, having landed the cash-flow win, is far more willing to absorb the Monday hassle.

The walk-away question. "Wednesday delivery, pay on delivery, same price" is the same terms as the big-distributor walk-away, just from the smaller supplier. Sunny gained nothing. So it's no better than the walk-away, and Sunny shouldn't sign it as is. Put the real trade on the table. If the supplier takes it, Sunny beats the backup. If not, take the more reliable distributor and walk.

More Practice 1: The Commissary Kitchen

The inference. "Trying to lock in steady tenants, month-to-month people keep leaving" means a long lease commitment is valuable to the owner, and it's cheap for Sunny, who plans to stay anyway. "Early mornings are tight, our wholesale baker is in then" means early-morning access is costly for the owner to grant, and it's exactly what Sunny values.

The trade. Offer the long lease, cheap for Sunny and valuable to the owner, to win the early access Sunny needs: "I'll sign a 12-month lease, which gives you the steady tenant you want, if you can fit me an early-morning prep slot, even just one station or a corner while the baker works." The commitment is what makes the owner willing to solve the access problem.

Keep a walk-away. If the owner truly can't grant early access even for a long lease, weigh whether prepping later in the morning, or at a different kitchen, works before you sign anything.

More Practice 2: Walk or Deal?

What the gig is really worth:

- Revenue: $600.
- Food: 100 × $3 = $300. Labor: 6 × $18 = $108.
- Gig contribution: $600 – $300 – $108 = **$192.**

But taking it means closing the normal truck day, which usually nets about **$250** in contribution. That normal day is Sunny's walk-away here.

> Net against staying open: $192 − $250 = **−$58.** The gig leaves Sunny $58 worse off than a normal day.

The call. Don't take it at $600. It's below the walk-away. To beat a normal day, the gig has to clear at least $250 in contribution, which means a price of about $300 (food) + $108 (labor) + $250 (to match the day) = **about $658.** So counter around $675 to $700, or walk. Signing at $600 is choosing to lose money.

(The lesson: your walk-away isn't always another offer. Often it's your normal day, and a deal that nets less than staying open is worse than no deal.)

More Practice 3: The Cooler Deal

The inference. Nobody handed you the distributor's numbers, so build them from what slipped out. "My regional manager is on me to get our branding onto more trucks this quarter" means the branded cooler is worth a lot to the rep, it's a quota they're being pushed on, and it costs Sunny almost nothing, a logo on a cooler Sunny doesn't care about. "We over-ordered summer cans, the warehouse is packed" means the distributor is desperate to move stock, so a discount, especially on those cans, is cheap for them to give and actually helps them.

The trade. Give the cheap-to-you, valuable-to-them concession to win the price: "Put your branded cooler and signage right on the truck, front and center, that helps your quota, if you take a real cut on the case price. And I'll take a bulk lot of those summer cans off your hands at the discount." Sunny concedes the branding (doesn't care) and volunteers to clear their overstock (cheap, Sunny sells drinks anyway) to win the low price that

Sunny does care about. The branding win and the emptied warehouse are what make the rep willing to drop the number.

Keep a walk-away. The wholesale club sells the same cans at a flat, ordinary price with no haggling. If the distributor won't beat that price even for the branding and the bulk order, Sunny buys from the club and walks. The trade only counts if it lands below the club's shelf price.

More Practice 4: The Wedding Gig

What the gig is really worth:

- Revenue: $520.
- Food: 80 × $3 = $240. Labor: 5 × $18 = $90.
- Gig contribution: $520 – $240 – $90 = **$190.**

But taking it means closing the truck for a normal Saturday, which usually nets about **$240** in contribution. That normal Saturday is Sunny's walk-away here.

> Net against staying open: $190 – $240 = **–$50.** The gig leaves Sunny $50 worse off than a normal Saturday.

The call. Don't take it at $520. It's below the walk-away. To beat a normal Saturday, the gig has to clear at least $240 in contribution, which means a price of at least $240 (food) + $90 (labor) + $240 (to match the day) = **$570.** So counter, don't just walk: a wedding is a showcase, and referrals and photos carry some value, so name a price that at least matches a normal Saturday and let the couple decide. Counter around $585 to $600, and hold the line at $570, because anything below that is a loss dressed up as a booking.

(The lesson: your walk-away isn't always another offer. Often it's your normal day, and a flat price that nets less than staying open is worse than no deal.)

◎ Chapter 4: Persuade

Try It: Three Features

The owner's priorities, before pitching anything. A coffee shop owner deciding whether to stock a new item by the register cares about roughly three things: the money made per unit, whether it sells before it goes bad or they eat the loss, and whether it adds prep, storage, or hassle to a busy morning. None of that is "does it taste authentic."

FEATURE	BENEFIT FOR THE OWNER
Individually wrapped, good for a full day	"Almost no waste. Anything you don't sell today is still good tomorrow, so your spoilage risk is near zero."
Fresh delivery every morning before you open	"No prep and no inventory work for your staff. They arrive already stocked and ready to sell."
Three simple flavors, no options	"Customers choose fast, so your line keeps moving, and reordering is simple."

A low-risk ask: "Let me bring a dozen a day for one week. See how they move, and we go from there."

The caving. "I can drop the price... and honestly I can go lower if you want" cuts the price the instant the owner hesitates and signals it was never firm. A stronger reply keeps the price and lowers the owner's risk: "Fair concern. That's why I'm suggesting a one-week trial, a dozen a day. If they don't move, you've risked almost nothing."

More Practice 1: The Lender

Everything translates into repayment and risk, what a lender loses sleep over.

FACT	BENEFIT FOR THE LENDER
Two profitable years, steady weekend sales	"I can make the payments from cash flow I already have, not from a hope. Low risk of default."
Griddle payback of about 7 months	"The loan buys an asset that pays for itself fast, so it strengthens the business that repays you, it doesn't strain it."
Signed brewery-lot deal	"My weekend revenue is contracted, not seasonal guesswork, so my income, and your repayment, is predictable."

The ask: "I'm asking for a $5,000 term loan over 18 months. Here are two years of records and the griddle's payback math." Specific, backed by evidence, modest in size.

More Practice 2: Fix the Pitch

Three mistakes:

- **A feature pitched instead of a benefit:** "grandmother's recipe, all-fresh local, really authentic" is all about the product. Fix it by leading with the buyer's win: "Local sourcing is a story your shoppers pay a premium for, and a short fresh-ingredient label moves product off the shelf."

- **A fuzzy ask:** “get it into your store somehow” and “let us know sometime.” Fix: “I’m asking for a two-week trial on one shelf, six jars, and we’ll look at how they sell.”
- **A cave:** “for you we can definitely go lower, whatever works.” Fix by defending the price: “At $6 your margin is solid. It’s priced to sell and to make you money, so I’d keep it there for the trial.”

More Practice 3: The Front Counter

The owner’s priorities, before pitching anything. A gym owner stocking food by the front desk cares about three things: whether it serves what members walked in for, protein and fitness goals; whether it sells before it spoils and becomes the gym’s loss; and whether it adds work to a thin front-desk crew. “It tastes authentic” is on none of that list.

FEATURE	BENEFIT FOR THE OWNER
32 grams of protein, macros on the wrapper	“Exactly what your members are chasing: a post-workout meal that fits their goals, sold the moment they finish, right where they’re already standing.”
Individually wrapped, good for a full day in a counter fridge	“Almost no waste. Anything that doesn’t sell today is still good tomorrow, so your spoilage risk is near zero.”
Restocked every morning, unsold taken back	“No inventory work and no downside for you. Your staff never counts or orders, and I carry the risk on anything that doesn’t move.”

A low-risk ask: “Let me stock a dozen a day for two weeks, on consignment. You pay nothing up front and keep a cut of each one that sells. If they don't move, you've risked nothing but a shelf of fridge space."

On consignment the owner takes, say, $2 on every $9 burrito with zero cash outlay, so the only open question is whether members buy, and the two-week trial answers that cheaply. Notice the pattern: every feature Sunny loves became something the owner cares about, a fitted product, near-zero spoilage, and no hassle, and the ask made the yes almost free.

More Practice 4: The Co-Working Pitch

Three mistakes:

- **A feature pitched instead of a benefit:** "32 grams of protein and real whole ingredients, that's what makes them special" is all about the product. Fix it by leading with the win, which for a co-working manager is a happy, productive membership: "Your members work through lunch and want something fast and filling that isn't junk. A 32-gram-protein burrito in the café fridge means they refuel without leaving the building, and you look like the space that thought of it."
- **A fuzzy ask:** "into your space in some form" and "let me know whenever works." That gives the manager nothing to say yes to. Fix: "I'm asking for a two-week trial, a dozen a day in the café fridge, and we'll look at how they sell."
- **A cave:** "if that feels steep I can come down, just say the word" drops the price before anyone has even pushed, which teaches the manager the price was never real. Fix by defending it: "At $9 it's a hot, high-protein meal with no delivery fee, cheaper than anything your members would order in. It's priced to sell and to pay for itself, so I'd keep it there for the trial."

The corrected pitch leads with the manager's win, makes one small time-bound ask, and holds the price with a reason instead of folding. Same product, aimed at what the buyer actually cares about.

Chapter 5: Respond

Try It: First Ten Minutes

1. **A, urgent.** Someone may be harmed right now. First move: help the customer get care, tell them about the possible peanut cross-contact so the clinic knows what it's treating, and hold the suspect product.
2. **C, urgent.** This stops the next person from being harmed. First move: pull the affected tortillas and correct or remove the "peanut-free" label before anyone else buys on it.
3. **B, loud.** The reporter feels pressing, but no one's harmed by the reporter. First move, after people are safe: a short, honest statement about what happened and what you've done.

(The trap: answering the reporter first. A reporter is loud, not urgent. Protect people, then speak.)

More Practice 1: The Slip

1. **A, urgent.** A customer is hurt right now. First move: get to them, check whether they need medical help, and call for it if you're unsure. Don't move them if they may be seriously injured.

2. **C, urgent.** The hazard is still active and could drop the next person. First move: block off the wet walkway and stop the leak, a bucket under the cooler and someone guarding the spot.
3. **B, loud.** The grumbling line and the phone. First move, after A and C: calmly tell the line you're pausing service to help someone and clear a hazard.

(The trap: clearing the line or worrying about the video before helping the hurt person and killing the live hazard. Both of those are urgent. The line is only loud.)

More Practice 2: Rewrite the Statement

What's wrong with the draft. It denies ("no real problem," "no one's information was ever at risk") when names and addresses actually went out. It over-promises ("this will never happen again"), which you can't guarantee. And it pivots straight to selling ("keep ordering!") before owning the problem.

An honest rewrite:

> "Today, some order receipts went out showing the wrong customer's name and address. If you received one, please delete it. We've paused online receipts while we fix the cause, and we'll let you know when it's resolved. If your information appeared on one of these, we'll contact you directly. We're sorry, and we're on it."

Specific, tells people what to do, no denial, and no promise you can't keep.

More Practice 3: The Fryer Fire

1. **The fire, urgent.** An active fire climbing toward customers can harm the most people the fastest. First move: kill the heat and smother it, a fire blanket or the extinguisher and the lid, never water on an oil fire, and move customers back from the awning. If it's not going out fast, everyone back and call the fire department.
2. **A, urgent.** Mara's hand is a real injury right now. First move, the moment the fire is controlled or someone else has it: get her hand under cool running water and check whether the burn needs a clinic. A blistering burn is not a "walk it off."
3. **B, loud.** The customer filming and calling you a hazard feels pressing, but the phone harms no one. First move, after the fire is out and Mara is being cared for: a short honest word to the line, "We had a flare-up, it's out, and we stopped to take care of it. Thanks for your patience."

(The trap: answering the person filming, or protecting the awning, before you've put out the fire and gotten Mara's hand under water. Two of these three are urgent. The camera is only loud, and it can wait until people are safe.)

The order within the two urgent items is a judgment call, and either defensible sequence is fine as long as the fire and the burn both come before the phone. Put out what can spread and hurt a crowd, care for the hurt person, then speak.

More Practice 4: The Plastic Post

What's wrong with the draft. It denies before it knows ("definitely didn't come from us," "basically impossible") when a customer is holding a photo of plastic in your food, so it's a guess about a cause you haven't checked. It over-promises ("never happen again," and "totally fixed it already" when you haven't found the source). And it pivots straight to selling ("come grab a taco," "new salsa") before it has owned the problem or shown any concern for the person who bit into plastic. Every one of those is a line you'd have to walk back.

An honest rewrite:

> "Thank you for flagging this, and we're sorry, that's not okay and not what we want anyone to bite into. We're checking our prep line and our packaging right now to find where the plastic came from. If you still have your order, please don't eat it, and message us so we can make it right and follow up with you directly. We'll share what we find once we know."

It names what happened, says what you're doing right now, tells the customer what to do, and shows you care, with no denial, no promise you can't keep, and no sales pitch bolted onto an apology.

Chapter 6: The Mini-Capstone

#	WHAT HAPPENS	MUSCLE	A REASONABLE FIRST MOVE
1	Is the order worth taking at the offered price?	**Decide**	Work the contribution per unit at the offered price against the added cost, and find the break-even volume.
2	Ingredient costs creeping; flour used doesn't match production	**Investigate**	Reconcile flour bought against flour production actually used, and look for where the gap goes.
3	The buyer wants to talk price, delivery, and capacity	**Negotiate**	Prepare interests, target, and walk-away, and look for a trade, say a longer commitment for a better price.
4	You need a loan for a second oven	**Persuade**	Lead with what the lender cares about, steady repayment from the new contract, and make a specific, modest ask.
5	On delivery day the van breaks down, half the order is late	**Respond**	Protect the relationship and be honest fast: call the buyer at once, say what's late and your plan, don't hide it.

If your mapping matched, you're reading situations the way this book set out to teach you. If one surprised you, reread that chapter's one big idea. That's the muscle to train next.

The Capstone: Which Muscle?

1. The festival booth: Decide. The tempting read is Persuade, how to sell hard at the festival, but that only matters once you have decided to go. This is a yes or no with a number and a cushion, which is Decide. Work the honest net first:

```
150 × $6 = $900 contribution.
$600 fee + (12 × $18 = $216) labor = $816 cost.
$900 − $816 = $84 net.
```

Then mind the wrong turn: 150 burritos is a guess. Break-even is $816 ÷ $6 = **136 burritos**, a cushion of only 14, about 9%. A slow weekend erases the $84. So the defended call is to take it only as a one-time trial, to learn festival demand, or to first ask the festival to drop the $600, which turns it into a Negotiate. Either is defensible. Taking it because "$900 sounds great," or freezing, is not.

2. The juice bar's short week: Investigate. The tempting move is to see the first short night and accuse. Don't. Explain what you can, then reconcile. Thursday's $25 is covered by the signed refund, a false alarm, and it was Cam's night anyway. The real shorts are Monday $20, Wednesday $30, and Friday $20, every one closed by Tara. Cam closed a clean night, Tuesday, and the explained one, Thursday, so he is cleared.

```
Real theft: $20 + $30 + $20 = $70. Culprit: Tara.
Cleared: Cam. False alarm: Thursday's $25.
```

3. The tortilla renewal: Negotiate. It looks like Decide, switch or stay, and that is the trap: haggling one number, or just picking a supplier, leaves the trade on the table. Dig for the interest. The jump from $0.20 to $0.25 would cost Sunny $0.05 × 3,000 = **$150 a month more**. But the supplier values things Sunny can hand over cheaply: a guaranteed monthly volume and faster payment, where she pays in 30 days today. Offer a twelve-month commitment at 3,000 a month and payment in seven days, in exchange for holding the price near $0.21 with guaranteed delivery.

> `At $0.21: $0.01 × 3,000 =` **`$30 a month more`** `than today, instead of $150.`

Both sides win: the supplier locks volume and gets cash three weeks sooner, and Sunny keeps her price low and her deliveries reliable. That is a trade, not a tug-of-war over one number.

4. The apartment contract: Persuade. Not Negotiate, there is no offer on the table yet, and not Decide, the choice is the manager's. Evergreen has five minutes to win a yes, so it is Persuade: lead with the buyer's interests, not the equipment. The manager does not care about mower models. They care about no resident noise complaints, one reliable call, a predictable budget line, and grounds that show well when prospects tour. Translate every feature into that. "Same crew every week" becomes "one number to call and a crew that never misses a corner." "Early mornings" becomes "done before residents wake, so no noise complaints." "Flat monthly rate" becomes "one predictable line in your budget." Open in their world, curb appeal wins leases, make a small ask, a 30-day trial you can cancel, and pre-empt the obvious objection, that switching vendors is a hassle, with that same trial. Benefits, not features.

5. The reaction: Respond. The instinct to say nothing is exactly the failure this muscle names. Protect the person before the brand. First move: reach the customer, show genuine concern, and urge them to get medical care if they have not. Then act on what you control right now, before you know everything: pull that muffin from sale and check the recipe and the supplier for any nut cross-contact. Tell the truth fast instead of managing a story. If nuts turn up anywhere in the supply chain, warn anyone else at risk and fix the labeling and the staff training. Going quiet to protect the reputation is how a small incident becomes the story.

6. The wrong date: Respond, then Investigate, then Decide. This one is tangled on purpose, and the skill is sequencing the muscles, not picking one.

- **Respond first.** The client is panicking with an event in four days. Acknowledge it at once, own the problem, and give a plan, before any talk of blame. A defensive "well, did you approve it?" in the first phone call loses the client even when you turn out to be right.
- **Investigate next.** Pull the approved proof. Did the client sign off on the wrong date, or did the shop print something other than the approved file? That single fact decides who pays.

- **Decide last, with a number.** A reprint costs Fulton about $1,200, a sticker fix about $300, and the order was worth $2,500, with a happy repeat client worth far more. If the shop erred, eat the $1,200 reprint; it is cheaper than losing the client and the reputation. If the client approved the wrong date, it is their error: offer the $300 sticker fix at cost, or a discounted rush reprint, and get the choice in writing. Same facts, different call, depending on what the investigation found.

Real problems arrive like number six, several muscles at once. Naming them and taking them in the right order is the whole game.

APPENDIX B

Reference

The five scorecards, side by side

Every muscle is judged on four things, each worth a quarter of the score. The four change from muscle to muscle, but the shape never does. Learn to read one and you can read them all.

	CRITERION 1	CRITERION 2	CRITERION 3	CRITERION 4
Decide	Clear recommendation	Sound reasoning	Honest trade-offs	Delivery
Investigate	Found the real fraud	Cleared the innocent	Exact total	Few false alarms
Negotiate	Preparation	Value creation	Communication and relationship	Deal quality
Persuade	Hook and clarity	Value to the buyer	Objection handling	The close
Respond	Protect people first	Decisions under pressure	Communication	Composure and adaptation

Read down any column and you will notice the same thing rewarded again and again: figure out what actually matters, put it before what merely feels loud or urgent, and act on it honestly.

Glossary

BATNA. Best Alternative To a Negotiated Agreement. Your walk-away: the deal you will take if this one falls through. It is the only thing that tells you when to say no.

Break-even. The amount of something (sales, months, units) at which a decision has paid for itself. Below it you are behind; above it you are ahead.

Contribution margin. What one sale adds to the business after subtracting what that one sale cost to make. A $9 burrito with $3 of food cost contributes $6.

Cross-reference. Holding two records side by side to find a match that neither shows alone, such as a supplier address that matches an employee's home address.

Feature. A fact about your product (handmade, all-natural). Contrast with benefit.

Benefit. What a feature does for the audience, in their terms (more margin, faster sales, less risk). Pitch benefits, not features.

Inject. A new development a facilitator drops into a crisis scenario on a timer, forcing the team to re-triage and act with incomplete information.

Integrative trade. A swap across two issues the sides value oppositely, so each gives up something cheap to them and valuable to the other, and both come out ahead.

Points table. In a negotiation brief, the hidden list of how much each possible outcome is worth to your side.

Position. The specific thing someone demands ("$2,600 a month"). Contrast with interest.

Interest. The underlying reason behind a position ("predictable income"). Negotiate on interests, not positions.

Reconciliation. Comparing two records that should agree (cash rung up versus deposited, bought versus used) and reading the gap.

Red herring. An anomaly that looks like fraud but has an innocent, documented explanation, such as a shortfall fully covered by a recorded refund.

Segregation of duties. The control that no one person should hold two jobs that let them both commit and hide a theft (counting the cash and depositing it, ordering supplies and checking they arrived). Its failure is the mechanism behind nearly every case.

Value creating versus value claiming. First grow the pie by finding trades (creating), then split the issue you truly fight over (claiming). Both are fair; the order matters.

Walk-away. See BATNA.

ZOPA. Zone Of Possible Agreement: the range of deals that beat both sides' walk-aways. If it exists, there is a deal to be had; if it does not, walking is correct.

A note for instructors

This book is a self-contained introduction to five business skills, and also an on-ramp to five live experiential programs. A few notes on how the parts fit together:

- **The walkthroughs use a demo business, Sunny's, on purpose.** Sunny's is not part of any live bank, so working its examples in full does not spoil a scoreable challenge. The five worlds in the live bank stay fresh.

- **The Try It problems are the students' self-check.** Their answers are in Appendix A. This is deliberate: the lone reader always has a checkable problem per chapter, even though the live bank keys are held back.
- **The live challenges are an optional extension.** Each chapter ends by pointing to the live bank: team-based, facilitator-run, scored challenges kept separate from the book on purpose. The book is complete without them, every problem it poses is answered in Appendix A. The bank's answer keys go to facilitators only, so students perform rather than peek, and each chapter starts you at that program's gentlest on-ramp.
- **The scorecards match the live programs.** The four-part, 25-percent-each rubric a student meets in each chapter is the same shape they will be scored on in the live exercise.

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