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# *Review Essay*

## Transactional Man: Teaching Negotiation Strategy in the Age of Trump

*G. Richard Shell*

Martin E. Latz. *The Real Trump Deal: An Eye-Opening Look at How He Really Negotiates*. Phoenix, AZ: Life Success Press, 377 pages. \$27.95 (hardcover). ISBN: 978-1-944194-47-5.

My style of deal-making is quite simple and straightforward. I aim very high, and then I just keep pushing and pushing and pushing to get what I'm after.

–Donald J. Trump (Trump 1987: 45)

### **Introduction**

The election of Donald J. Trump as President of the United States has left many people in a state of head-spinning disorientation. With him, as with Lewis Carroll's Humpty-Dumpty, a word means "just what I choose it to mean – neither more nor less." And when we ask, as Alice does in *Through the Looking Glass*, "whether you can make words mean so many different things," Trump confidently replies, as does Humpty Dumpty: "The question is: which is to be the master – that's all" (Carroll 1871: 112). For now, Trump is the master. From the halls of academia to the shores of North Korea, professors, foreign leaders, policy analysts, and media pundits are parsing his every tweet, trying to determine when to take him "literally" and when to take him, as his supporters usually do, "seriously."

Nowhere are the implications of this new style of presidential leadership more fraught than in negotiations. Words matter in bargaining. Guessing what they mean when deployed as part of an aggressive,

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competitive negotiating style is an important form of judgment. But it is also something of a lost art in law schools (and to a lesser extent in business schools), where the language of relationship-oriented collaboration has ruled supreme for over thirty years. When you are in a collaborative negotiation and your counterpart says, “Your proposal is utterly unacceptable; I am insulted by it,” that negotiator has crossed the Rubicon. Her credibility is now on the line to hold that position come hell or high water. When you hear these same words in the type of negotiations Donald Trump and his lawyers routinely engaged in during his real estate and Trump-brand-licensing careers, they could easily mean something quite different, as in: “We don’t like your proposal and intend to fight hard against it. Game on!”

Love Trump or hate him, his ascendancy to the stage of global politics has forced those of us who study and teach negotiations to become better acquainted – or reacquainted – with a type of negotiator we tend to keep at arm’s length. In this review essay, I will take a page out of Trump’s rhetorical playbook and pin a label on Trump’s type: *Transactional Man* (with “Man” denoting negotiators of all genders).<sup>1</sup> Our students will see a lot of Transactional Man in the Age of Trump, so it is up to us to explain him and, even more important, prepare them to cross swords with him at the bargaining table.

The book that occasions this essay, Martin Latz’s *The Real Trump Deal: An Eye-Opening Look at How He Really Negotiates*, provides a good starter kit for attempting this effort. It is a sprawling book full of how-to-negotiate advice, bits and pieces of Latz’s earlier writings, including *Gain the Edge! Negotiating to Get What You Want* (2005), and more than three hundred fifty pages of negotiation anecdotes from Trump’s career organized by tactic (although unfortunately without an index to keep track of the key people and deals). Trump’s relentlessness in pursuing his goals is evident on every page, making it an exhausting read.

In the end, Latz answers a question we already know the answer to: by research-based standards, is Trump really the negotiation genius he claims to be? Well ... no. Latz’s evidence shows that Trump is an aggressive, persistent, win-lose negotiator who is good at setting high goals, targeting others’ motivations to gain leverage, manipulating perceptions, and anchoring the bargaining range at his end. He is also impulsive, ill-prepared, unethical, and prone to exaggerations, bluffs, and bullying. Whatever business success Trump enjoyed using these tactics, Latz has his doubts about turning them into a new presidential formula for achieving consistent legislative and diplomatic victories. He concludes by saying that history will be Trump’s ultimate judge.

Fair enough. But my encounter with Latz’s book led me to take a deep dive into the associated Trump literature he cites (and a few more

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books besides). I emerged with some insights I will explore in this essay. Trump surrounded himself with skilled, ruthless Transactional Men who were as good as, or better than, he was at hard-ball negotiation. Their stories, in combination with those that Latz tells about Trump, open a vivid window into Transactional Man's mindset and values. They also confirm that the only reliable way to neutralize this extreme style of negotiation is, in the words of one of Trump's closest negotiation advisors, to summon your courage and "stand your ground" (Ross 2006: 260).

I organize this essay as follows. First, I share three factual take-aways I gained regarding Trump-the-Negotiator. Next, I briefly summarize Trump's business biography (something Latz neglects to do, which makes his book harder to follow). Importantly, this section shows where his advisers fit in. Then, I analyze the lives and writings of these advisers as well as Latz's work, highlighting three key insights into Transactional Man's negotiation philosophy. These insights, in turn, help us better understand the virtually unlimited set of tactics ethically available to him. I will conclude with a few final thoughts on Latz's book and the puzzle of teaching transactional strategies in the modern negotiation curriculum.

### **Trump-the-Negotiator: Myth versus Man**

Trump has a genius – but it is a genius for brand marketing, not negotiation. So we need to start by separating fact from fiction.

Few scholars would spend time parsing Trump's negotiating ability (much less write a book about this) but for one fact: Trump elevated a common negotiation style into a personal brand. His name is associated with hard-nosed bargaining the way "Nathan's Famous" (created by Coney Island vendor Nathan Handwerker) is associated with hot dogs.

Trump could do this because the ethos of competitive bargaining is immediately recognizable in everyday life. Across the globe, from the haggling in New Delhi's open markets to the back-and-forth moves of multi-million dollar condo sales in New York, people set goals, take positions, test each other's resolve, and close deals. Tony Schwartz, the ghostwriter for Trump's 1987 book *Trump: The Art of the Deal*, captured this ethos, cloaked his client's deal-making stories in it, and endowed Trump with its voice. Trump took it from there, using bold strokes, dramatic flair, and robber-baron-infused romance to promote himself as the ultimate Transactional Man.

To those who see Trump only from a distance, this brand is rock solid, shielding him from criticisms that would bring down many conventional business or political leaders. For example, at one point in his book, Latz (p. 255) wonders how someone like Trump could enjoy a widespread reputation as a "tough but ethical negotiator" when he has

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behaved so unethically over such a long period of time, with “his counterparts regularly discussing this conduct publicly.”

Transactional Man’s ethos provides the answer. The ancient Greeks had a saying: “The market is a place set apart where people may deceive each other” (Shell 2006: 196). The average person expects exaggerations and bluffs when someone is selling into a competitive market. Trump just does it better and on a bigger scale.

The second fact we need to appreciate is Trump’s limited role in most of his deals. He was seldom the front-line negotiator. Rather, he was the chief strategist for a Transactional Man negotiation team. Two of his helpers, both lawyers, loom especially large in his story. One was the notorious Roy Cohn and the other a lesser-known but equally aggressive real estate attorney named George Ross. More on both of them below.

Finally, as a strategist, Trump is a hedgehog, not a fox. The philosopher Isaiah Berlin once wrote (quoting the ancient Greek poet Archilochus), “The fox knows many things, but the hedgehog knows one big thing” (Berlin 2013: 1). Latz holds Trump to a foxlike standard of negotiation excellence made up of “many things,” from preparation and active listening to integrity. He even compares Trump (unfavorably) to Nelson Mandela.

But Trump is a strategic hedgehog who knows only one big thing: *leverage*. His career reveals a simple pattern. In every situation he encounters, he looks for a pivotal asset to control, does his best to seize it, and then milks his position for everything it is worth. This *modus operandi* is common in the two areas that made up Trump’s wheelhouse: real estate and brand licensing. It suggests that Trump may have more success as president using the United States’ economic leverage to extract trade treaty concessions than he will using vague political threats to advance complex legislative programs.

## **The Trump Story: Three Transactional Men**

Latz’s book is replete with colorful examples of Trump’s many deals. But my investigation of the background literature he cites led me to conclude, as I noted above, that Trump’s story is more clearly understood with reference to the biographies of three negotiators, not just one.

Trump himself was the fourth of five children in the family of a successful, politically well-connected New York area real estate developer, Fred Trump. Son Donald later credited his mother Mary Anne (a Scotswoman of humble background who immigrated to the United States at the age of 17) with giving him both a flair for performance and love for the trappings of great wealth (Kranish and Fisher 2016: 214). He and his father, meanwhile, “had a relationship that was almost

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businesslike” (O’Brien 2005: 39). Told by his father that he had to be a “killer” in everything he did, he was pushy and ambitious from the start. Indeed, one of Donald Trump’s elementary school teachers, Charles Walker, later said that he was “a little shit” even at the age of ten (Kranish and Fisher 2016: 38). He graduated without notable distinction from my home institution, the Wharton School, in 1968 (Kranish and Fisher 2016). With substantial help from his father, he struck out on his own after graduation, aiming to make it big in the one part of New York City his father’s business had left alone: Manhattan. Trump’s business career thereafter breaks down more or less by decade.

In the early 1970s, Trump helped his father manage the business – even going door-to-door with rent collectors in his father’s projects. His independent career took off when he forged relationships with two seasoned lawyers roughly twenty years older than himself, both of whom would play pivotal roles in his success.

The first was Roy Cohn, who was infamous for his youthful legal work in the 1950s helping the red-baiting Senator Joseph McCarthy. Cohn was a legal prodigy, graduating from Columbia Law School in 1947 at the age of 20 (Krebs 1986). By the 1970s, Cohn had become a powerful celebrity attorney, befriending popular television journalist Barbara Walters, dealing dirt to New York gossip columnists, and advising everyone from New York Yankees owner George Steinbrenner and the Catholic Church to organized-crime figures and rock star Mick Jagger’s wife, Bianca. He also kept his homosexuality a secret and publicly insisted, even as he succumbed to AIDS in 1986, that he was dying of liver cancer (Zion 1988). His approach to law was profoundly adversarial. In his book, *How to Stand Up for Your Rights and Win!*, he rails against “those who think problems surrounding the law should be low-keyed and handled gently, instead of with toughness and by going for the jugular” (1981: xii). He saw himself as “the kid on the block that others picked on” and, as a result, spent life, in his words, “determined to get rich and get even” (Cohn 1981: xii).<sup>2</sup>

Trump first hired Cohn in connection with a 1973 Justice Department lawsuit alleging racial discrimination in Fred Trump’s housing projects. Cohn advised Trump to fight the claim by filing a \$100 million counter-suit against the government. The case ended in a consent decree that both sides characterized as a victory. A few years after this case settled, journalist Ken Auletta wrote a profile of Cohn in which he called him “a legal executioner – the toughest, meanest, loyalest (sic), vilest, and one of the most brilliant lawyers in America,” and Auletta quoted a youthful Donald Trump as saying, “The mere sending of a letter from Roy Cohn has saved us a lot of money” (Auletta 1978). Trump biographers Michael Kranish and Marc Fisher credit Cohn with teaching Trump an essential

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transactional lesson he would use throughout his career: “when attacked, counterattack with overwhelming force” (Kranish and Fisher 2016: 64).

Cohn also taught Trump how to immunize himself from media-related threats, a distinct advantage for a celebrity negotiator. Cohn’s life was living proof that media attention of every kind – both bad and good – can help maintain your status as a “player” to be reckoned with. Cohn wore his McCarthy-era work as a badge of honor, and he built a lucrative legal career on his notoriety. As he told Auletta (1978), “All this [bad publicity] has done me a lot of good ... It’s given me a reputation for being tough, a reputation for being a winner.” Though he was eventually disbarred for committing fraud against one of his clients, he left such an impression on New York City culture that he survives to this day as the main character in Tony Kushner’s epic play about gay life and AIDS, *Angels in America*.

Until his death in 1986, Cohn served as Trump’s “enforcer,” the man Trump turned loose to exert political pressure and hammer opponents in litigation. As Trump described the relationship, “Roy was brutal, but he was a very loyal guy. He brutalized for you” (O’Brien 2005: 68). For over a decade, whenever Trump got into a dispute, he would take out Cohn’s picture and ask his counterpart, “Would you rather deal with him?” (O’Brien 2005: 67).

Trump, of course, hired many legal enforcers and fixers after Cohn died, most notably attorney Michael Cohen, who started working for Trump in 2006 and pled guilty to multiple felonies involving his Trump campaign work in August 2018. But Trump never found anyone who could fill Roy Cohn’s shoes. Indeed, in March 2017, when Attorney General Jeff Sessions recused himself from the investigation into possible collusion between the Trump campaign and the Russian government, Trump reportedly cried in frustration, “Where’s my Roy Cohn?” (Schmidt 2018).

The second lawyer Trump met in the early 1970s was an experienced real estate attorney in his mid-40s named George H. Ross. Ross would serve Trump on-and-off for the next forty years, eventually becoming a minor celebrity as a co-star on Trump’s reality television show *The Apprentice*. Ross was instrumental in helping Trump negotiate his breakthrough development in the 1970s, the construction of the Grand Hyatt Hotel near Grand Central Station in midtown. Kranish and Fisher reported (2016: 54) that “Trump played the city, the sellers, and the hotel chain off one another, using one to leverage a deal with the other.” Meanwhile, Ross negotiated twenty-three different drafts of the documents needed to close the deal (Ross 2006: 54).

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Trump (not famous for sharing credit) would later write that, “Without George’s negotiating expertise, the [Hyatt] deal would have failed many times over. Instead, it was so successful, it launched my career.” In more general terms, Trump described the division of labor in negotiations with Ross as follows: “I like to work in broad strokes, deal with the big picture, but not the details. For the details, I rely almost entirely on George. He is able to put my vision into concrete terms, but he is also a natural at judging how any given negotiation needs to proceed; what the other side wants and needs; and how to get results” (Ross 2006: xi–xii).

Ross, who retired from the Trump Organization in 2015 at the age of 87, was a more nuanced negotiator than either Cohn or Trump. He taught a negotiations course at New York University for fifteen years and won a teaching prize in 1995 (Ross 2006: xix). He also wrote a revealing 2006 negotiation book titled *Trump Style Negotiation: Powerful Strategies and Tactics for Mastering Every Deal*. The work, which is as much about Ross as Trump, provides (perhaps unintentionally) an especially candid how-to manual for the overtly aggressive, transactional approach to negotiation that Trump trademarked.

With Cohn’s and Ross’s help, Trump took off in the 1980s as a developer and made his first bid for celebrity status. He built Trump Tower on New York’s Fifth Avenue, broke into the Atlantic City casino business (concluding with the \$1 billion Trump Taj Mahal in 1990), and purchased his now-famous Florida resort, Mar-a-Lago. He flopped a few times, too, impulsively overpaying for New York’s iconic Plaza Hotel, the Trump Shuttle airline, a \$29 million yacht, and a United States Football League team, the New Jersey Generals. His 1987 bestseller, *Trump: The Art of the Deal*, was published when he was at his 1980s peak, a few years before these latter projects fell to earth (O’Brien 2005).

The 1990s were hard for Trump. His casino empire collapsed under the mountain of debt required to finance his Taj Mahal, pulling the Plaza Hotel, his airline, his yacht, and many other assets down with it. His football dreams ended when a Roy Cohn-managed antitrust suit (Trump was lead plaintiff) against the National Football League yielded a damage award of three dollars.

But even in defeat, he found leverage in a valuable asset that he alone controlled: the “Trump” brand. He had borrowed such large amounts of money that he had become “too big to fail.” His casino assets turned out to be worth more with his name on them than without. His brand also enabled him to float a public company, with stockholders’ money now available to pay down debt. His siblings also stepped up, enabling him to borrow additional funds by offering their shares of Fred Trump’s estate as collateral. The decade began with him as much as

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\$900 million under water but ended with him in good enough financial shape to launch new ventures.

In the mid-2000s, Trump's brand was still so prominent that television producer Mark Burnett, creator of the reality show *Survivor*, sought him out to star in a new television venture, *The Apprentice*. The show launched in 2004 with Trump getting both a paycheck and 50 percent of the profits. It ran with several spinoffs for fourteen seasons, with the ever-loyal George Ross serving as a co-star for most of those seasons. It helped Trump further diversify his brand empire far beyond hotels and golf courses to embrace everything from bottled water to men's suits. By 2016, when Trump was in the thick of his presidential bid, the television show was over. But Trump's empire was fueled with income from no fewer than twenty-five different licensing deals (Kranish and Fisher 2016).

### **Transactional Man's Mindset: Three Instincts**

The Trump literature yields some fascinating insights into the "Who is Trump?" question. For example, Michael Bailkin, a staff attorney for New York City involved in the Grand Hyatt project, once gave way to his irritation at Trump by remarking to him, "You're a very shallow person." "Of course," Trump replied. "That's one of my strengths. I never pretend to be anything else" (Barrett 2016: 130).

Latz does his best to render a complex portrait of Trump-the-Negotiator. But the simplicity of Trump's negotiation mindset shines through on virtually every page of his book. My takeaway: you need to know only three things about Trump to understand his Transactional Man playbook: he is uber-competitive; he trusts no one; and he strives to reduce every negotiation to a question of leverage.

#### ***Whatever It Takes***

First, as Latz notes in the title to his first chapter, Trump operates with "An Instinctive Win-Lose Mindset" – his most obvious personality trait being his compulsive brand of competitiveness. As he told one biographer, "If you don't always win, you can't get away with it. And I win, I win, I always win" (O'Brien 2005: 4). Trump recruited his negotiators based in large part on his assessment of how far they would go on his behalf to assure those wins.

Consider this chilling example of emotional manipulation from Ross's *Trump Style Negotiation* (2006: 152). Although the example does not involve Trump himself, it illustrates the type of tactics Trump's team of transactional negotiators found to be "normal." Ross was negotiating against a woman attorney he found "impossible to work with." To eliminate her from the picture, he began yelling at her. As he explains

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in his book, “If you yell at people, they often get intimidated and become easier to work with.” When this did not work, he reasoned that “if I could bring this woman to tears I could probably get her client to change lawyers.” He launched a “barrage of sarcasm and kept bullying her until she started crying” – at which point Ross accused her of being “emotional” and her client agreed to change lawyers.

In a later deal, when Ross (2006: 153) launched into his reduce-them-to-tears performance, the female attorney on the other side cut him off. “George,” she said quietly, “can we talk privately outside?” Once in the hallway, she lit into him. “I know exactly what you’re trying to do in there, and if you continue to pursue this route, I will cut your balls off in front of your client.”

Ross writes that he immediately backed off and they had a “successful negotiation brimming with mutual respect.”

The Trump literature details stories in which Trump himself kicked chairs across rooms (Kranish and Fisher 2016), blasted fellow casino operator Steve Wynn as a “a disturbed person” and a “scumbag” (they later made up), faked activity at a construction site to obtain financing for a deal, and arranged for a labor racketeer’s girlfriend to get a \$3 million apartment at Trump Tower so construction would stay on time (Latz 2018). He and his team would do, in short, whatever it took to win.

### ***A Special Kind of Trust***

As a competitive negotiator, Trump assumes everyone else is, too. As the old saying goes, “The thief thinks everybody steals” (Shell 2006: 248). In the Hobbesian world that Trump inhabits, there is only one reliable motive: self-interest. The only type of “trust” valued by Trump and his men is a game-theoretic state of mind, the feeling of assurance that comes when they know the other side stands to lose *a lot* by failing to come to the table and/or close the deal.

In *Trump: The Art of the Deal*, Trump (1987: 367) noted that people’s “motivation is rarely what it seems to be, and it’s almost never pure altruism.” As the years went on, his assessments of human nature became progressively more candid and cynical. In 2000, speaking at a Tony Robbins motivational seminar, Trump advised the crowd that “you have to realize that people – sadly, sadly – are very vicious. You think we’re so different from the lions in the jungle?” (Kranish and Fisher 2016: 260). A few years later, in the fall of 2004, he spoke in New York to several thousand members of the Public Relations Society of America. Between examples of how he had managed to rescue his public image from various personal and professional downturns, he summed up his attitude about relationships. “Watch out for people,” he said, “even [those] close to you, because in the end, if it’s a choice between you and

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them, they're usually going to choose themselves. ... Sad, isn't it? You really have to think of yourself as a one-man show. ... So don't expect anyone to be on your side" (O'Brien 2005: 216). He capped off his relational philosophy in a 2005 speech in Chicago, stating that, "When a person screws you, screw them back fifteen times harder" (Kranish and Fisher 2016: 260).

True to his word, Trump's lack of personal loyalty played out with even his closest advisors. For example, Roy Cohn undercharged Trump for legal services throughout their relationship; Trump told Cohn's biographer, Sidney Zion, "Roy charged less than any lawyer I've had" (Zion 1988: 252). But as Cohn was dying from AIDS and was desperately seeking expensive experimental treatments, Trump withdrew his legal business, cutting off Cohn's paycheck. "I can't believe he's doing this to me," Cohn said. "Donald pisses ice water" (Barrett 2016: 278). Cohn died broke, wrote Zion, "leaving nothing but debts and taxes" (Zion 1988: 252), although Trump did find a few minutes to call him in the hospital during the final days of his life (Barrett 2016: 278).

### ***It's All About Leverage***

At one point, Latz writes (pp. 143–144) that Trump almost always "brings the crux of the negotiation back to leverage." I agree. As Trump states in *Trump: The Art of the Deal* (1987: 53), "The best thing you can do, is deal from strength, and leverage is the biggest strength you can have. Leverage is having something the guy wants. Or better yet, needs. Or best of all, simply can't do without. ... [L]everage often requires imagination, and salesmanship. In other words, you have to convince the other guy it's in his interests to make the deal."

Latz's book could have been significantly shorter and less repetitive had he used this insight as the central organizing principle. Each of the book's first ten chapters explores one of what Latz characterizes as Trump's "top ten" business negotiation strategies. But nine of these are leverage-related, if not explicitly leverage-enhancing.

1. *An instinctive win-lose mindset.* I have already touched on this above. In Trump's case this item is less a carefully selected negotiation strategy than a compulsive personality trait. Win-lose negotiators specialize in leverage.
2. *Setting the bar high: Super aggressive expectations.* Trump sets high goals in negotiations, as do many negotiators. Latz's larger point here, however, is that Trump's career exemplifies a "dream big" approach from beginning to end – from his ambition to build the Grand Hyatt Hotel when nobody would touch midtown Manhattan real estate to his successful long-shot run to become

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president of the United States. It is no accident that he and his first wife, Ivana, were married by the charismatic minister Norman Vincent Peale, author of the 1950s bestseller *The Power of Positive Thinking*. This attitudinal feature of Trump's negotiation playbook is the only one in Latz's "top ten" tactics that is not closely connected to leverage.

3. *The King of Hyperbole: Exaggerate!* Trump has over-the-top instincts as a salesman. Latz provides a classic example. When Trump first began to market the luxury apartments in Trump Tower, he floated a false rumor that Prince Charles and Princess Diana of the British royal family were seriously considering buying one of them. Perceptions of exclusivity and scarcity raise the perceived value of your offer – which enhances your leverage.
4. *Targeting true motivation: Using carrots to close deals.* Understanding what other people want allows you to gain leverage by offering something they need. Latz illustrates how Trump's complex Grand Hyatt Hotel deal met the needs of multiple stakeholders, from the bankrupt Penn Central Railroad to a desperate City of New York seeking to spark urban redevelopment. In the 2016 presidential campaign, Trump was confident he could count on the support of traditional Republicans, even though many disliked him, because he was their best hope to tip the balance on the United States Supreme Court toward the conservative legal agenda – one of their highest priorities.
5. *The art of the bluff: When he holds ... and when he folds.* Bluffs are leverage-enhancing manipulations of other people's perceptions. You lie, hoping the other side will believe they need the deal more than you do. Latz reports that Trump bluffs a lot. As Ross (2006: 22) wrote, when you are engaged in "Trump style negotiation ... [f]eel free to make statements that you know are only posturing." More broadly, when asked, "Are lying, cheating, and deception permitted?" in Trump's playbook, Ross (2006: 3) replied, "Yes, anything goes."
6. *Threats and leverage: Real or fake?* Threats embody negative leverage. How might you make the other side worse off? Trump's purchase of Mar-a-Lago, the private, historically important 1920s mansion that became his Florida resort, is an example. When the sellers did not accept Trump's first offer, he bought the beachfront property that lay between Mar-a-Lago and the ocean, threatening to put up a housing development that would ruin the mansion's view. As he later told two of his biographers, "That drove

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everybody nuts. They couldn't sell the big house because I owned the beach, so the price kept going down and down" (Kranish and Fisher 2016: 161).

7. *Business bullying.* Bullying tactics are another form of threat. Latz is especially strong in chronicling the many ways Trump and his negotiators bullied opponents into submission. Indeed, he has a separate section in which he details Trump's "top ten" ways to bully people. One statistic stands out here: according to a *USA Today* study (2016) that Latz cites (p. 248), Trump and his various organizations were party to 4,095 lawsuits between 1986 and 2016. That is roughly one lawsuit *every three days for thirty years*. Once again, this is a classic tactic to alter the leverage dynamics in a negotiation by imposing costs on the other side. As Latz reports, Trump used lawsuits to "stiff" suppliers into settling with him for less than he had promised to pay and to terrorize opponents of every kind (the press, business partners, regulators, etc.) into capitulating to his demands.
8. *Helpful standards only need apply.* Trump talks frequently about fairness but uses fairness arguments like pawns on a chess board, arguing for his preferred outcome based on the standards that favor his position while labeling competing standards as "unfair." As Latz notes (p. 143), when it comes to negotiating based on fair standards versus negotiating based on leverage, Trump always "relies on leverage and discounts any standards – even truly independent, credible ones."
9. *Outrageous moves and countermoves.* Latz describes the conventions of transactional concession bargaining that make up Trump's playbook. Negotiations begin with an outrageous opening offer to anchor your opponent on your end of the bargaining range. They often end with ultimatums and threats to walk out. As Trump states (1987: 45) in the quote that I began this essay with: "My style of deal-making is quite simple and straightforward. I aim very high, and then I just keep pushing and pushing and pushing to get what I'm after." According to the Trump model, how far a negotiator can push depends on his or her leverage.
10. *A towering home-field advantage.* Is there a home-court advantage in negotiations? Latz thinks so and notes that many of Trump's deals feature a moment when he insists that talks be held at his imposing office in Trump Tower. Although I found this section of Latz's book unconvincing (cf. Kapoutsis and Volkema in this issue), Latz makes a larger point here that has less to do with negotiation than with

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Trump's skill at self-promotion and media. Throughout his career, Trump has displayed a notable ability to manipulate the press, dictating the terms on which the public sees his image. Latz credits Trump as being a near-genius on this dimension of showmanship, and I am inclined to agree. Seen in this light, Trump's self-promotion skills are yet one more way in which he can gain a leverage advantage in negotiations that pivot on public perceptions.

### **Conclusion: Transactional Man in the Classroom**

Despite its several shortcomings, *The Real Trump Deal* offers us our first comprehensive guide to Trump-the-Negotiator, and underscores what many of us knew – that Trump is an archetypal Transactional Man who contrasts sharply with the more complex Collaborative Man who plays such a large role in the negotiation pedagogy.

As we consider Trump, we should remember that he used his style, with all its faults, to build impressive real estate projects and a global brand empire. And he won the presidency, depending on your point of view, either because of or in spite of his style. Transactional Man is a doer, and a single-minded focus on leverage can compensate for many negotiation mistakes. It may thus be an appropriate time to ask if we should revisit the transactional aspects of negotiation and feature them more prominently in our negotiation curricula. As things now stand, many courses examine a few salient “claiming” tactics early on and then focus mainly on making the pie bigger. Very few classes provide in-depth training on how to defend against the kind of aggressive, emotionally manipulative moves that Trump, Cohn, and Ross specialized in.

It was not always so. In his classic article, *Machiavelli and the Bar: Ethical Limitations on Lying in Negotiation*, negotiation scholar James J. White pointed to the coherent set of values that Transactional Man endorses. “Like a poker player,” White wrote (1980: 297), “a negotiator hopes that his opponent will overestimate the value of his hand. Like the poker player, in a variety of ways, he must facilitate his opponent's inaccurate assessment. The critical difference between those who are successful negotiators and those who are not lies in this capacity both to mislead and not be misled.” A few years later, in 1984, White wrote a critical review of the popular negotiation text *Getting to Yes* (Fisher and Ury 1981) in which he foresaw the disappearance of Transactional Man from the negotiation classroom. White wrote (1984:116), “The authors seem to deny ... oversimplify or explain away many of the most troublesome problems inherent in the art and practice of negotiation.” The most important of these denials was treatment of “the most demanding aspect of nearly every negotiation ... the ultimate hard bargaining.”

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White's perspective is still, of course, the bread-and-butter understanding of many practicing lawyers and commercial negotiators. And a great deal of modern empirical research on negotiation concerns transactional moves such as anchoring, ultimatums, expressions of anger, and emotional escalation. The arrival of the Age of Trump thus serves as a timely reminder of White's warning: Transactional Man will not disappear just because a more problem-solving, collaborative style of negotiation might be normatively attractive.

Transactional Man endures because he, like Trump, sees the world in an ethically coherent, internally consistent way. As we have observed in this essay, Transactional Man believes in relationships, but not in the same way that most of us value the humanistic aspect of the negotiation experience. Interpersonal trust matters little. What counts is assurance based on mutual interests and potential threats. Transactional Man also has a moral sense, but this moral sense does not express itself with the same ethical rigor as that embraced by most of the people who teach negotiation. In the world of Transactional Man, virtually anything other than unambiguous fraud is acceptable before a deal is signed, and breaching contracts is fine if a cost-benefit calculation justifies it. Finally, Transactional Man is empathetic, but not in the conventional sense of caring how others feel. In fact, he could care less how they feel. Instead, Transactional Man values integrative cognitive complexity – the separate and distinct ability to take the perspective of an opponent and see the battlefield (and negotiation *is* a battlefield for Transactional Man) from that person's point of view. For Transactional Man, the goal of this type of "empathy" is to discover the weaknesses in an opponent's position, exploit them as fully as possible, and maximize leverage (see Galinski et al., 2008; Longmire and Harrison 2018).

Latz's *The Real Trump Deal* performs a public service by gathering all of Trump's many negotiation adventures into a single collection for anyone who seeks to know more about Transactional Man. Still, it will leave you shaking your head in amazement. When all is said and done, we face a fact that confounds all the others: this man is not doing real estate deals in New York. He is president of the United States.

## NOTES

Several disclosures are appropriate regarding this essay. First, as a Wharton School professor, I taught two of Donald Trump's children, Donald, Jr. and Ivanka. I have no ongoing relationships with either of them. Second, Martin Latz cites my work in his book and flatteringly characterizes me as "one of the world's leading scholars on negotiation." That is beyond generous. I have nonetheless tried to provide an unbiased account of his book.

1. I first encountered this characterization of Trump in Jane Mayer's *New Yorker* interview with Trump ghostwriter, Tony Schwartz, about the writing of the book, *Trump: The Art of the Deal*. Schwartz commented that Trump would "like people when they were helpful, and turn

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on them when they weren't. It wasn't personal. He's a transactional man" (Mayer 2016). The phrase was later echoed in a *Wall Street Journal* editorial about Trump's negotiations with North Korea's Kim Jong Un. The *Journal's* editorial board wrote that "Donald Trump's diplomacy is transactional and personal, so the test of this summit will be whether his gut instinct is right about Kim's commitments" (*Wall Street Journal* Editorial Board 2016: A12).

2. Cohn picked up this phrase from television journalist Morley Safer, who profiled Cohn and coined this characterization during a *60 Minutes* interview (Cohn 1981).

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