

Negotiation tactics

❖ Pre-requisites:

- ❖ Be prepared with data, know the limits, have a buffer, choose the right means (face to face, email, phone, etc), leverage on early timing and good weather
- ❖ Smile, be confident, use influencing principles: reciprocation, social proof, liking, authority, consistency, scarcity (Psychology of Persuasion by Robert Cialdini)
- ❖ Analyze your counterparty: type of personality, country of origin, common values and behaviors, notion of time, relationship to hierarchy, language & symbols, gestures, appearance, proximity, tone

1. **Tactic of dishonesty**

2. **Extreme price**

3. **Level Authority**

4. **Good Cop – Bad Cop**

5. **Competition comparison**

6. **Resource limitation (money, time)**

7. **Take it or leave it**

8. **Leverage the Pebble**

9. **Appeal to fairness, public / media pressure, big name leverage, default contract, company policy, emotional tricks**

1. One party starts with more claims, interests, stipulations, clauses and drops some during discussion to show willingness to compromise and reach agreement; counterparty doesn't know or assumes honesty
2. The seller asks a much higher price than expected, buyer offer much less; depending on the culture and capacity to diffuse potential frustrations, this can reach good middle way for both
3. Mandate to negotiate up to a certain level, rest of conditions remain fixed and can be discussed by a higher authority level
4. Two (or more negotiators), one more demanding and one more reasonable
5. Buyer pretends to have already a dream deal from the competition; check what's included in this deal, if its really identical to your offer from quality, volume, speed, other terms
6. "We cannot afford to pay more than", "I need to catch a flight"
7. Present ultimate limit and withdraw beyond that ("less than 5% is not acceptable, take it or leave it!")
8. Just before signing the deal, the counterparty asks if "x" benefit is also included? Temptation to give in for the sake of signing and not re-starting the negotiation
9. "If we do that, then its only fair that..."; leak info in the press to tilt the negotiation on one side, "we have done business before with the VP or with renown company"; framework contract where little add-in might be missed if not read carefully; "it's the company policy..." – can be challenged what was the purpose of the policy and who did it serve; reactions such surprise, shock, faint, choke – can be approached by talking through the emotion expressed "I notice you are surprised..."