



# Book Secrets of Power Negotiating for Salespeople

## Inside Secrets from a Master Negotiator

Roger Dawson  
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## Recommendation

While the market is flooded with books on how to pitch, sell, wrangle and close a deal, this book rises well above most of them. Author Roger Dawson takes salespeople step by step through the economic and psychological aspects of successful negotiating. Expertly and conversationally written, and strategically structured, this book actually delivers what its title promises: plenty of secrets about power negotiating. View your job in sales as a chess game you can control because you know the rules, from the opening gambit to the power plays in the middle, to the all-important close. If you've read Dawson's *Secrets of Power Negotiating*, you'll find a good bit of repetition here, but even when he cites the same gambits, he discusses using them to make sales. You only need to read one of the two books, but *BooksInShort* says make it this one if you're in sales. Learn these gambits, so you can say, "Checkmate."

## Take-Aways

- Buyers are becoming better negotiators.
- Buyers are better informed than ever before. Sellers can't rely on knowing more about the product than the buyer; today, the buyer often knows as much or more.
- Negotiations should make both sides feel like they have reached a win-win solution, even if one side clearly has an advantage.
- Power negotiate using a specific set of rules.
- The other side will always respond in a predictable way to any move you make.
- Negotiating entails "Beginning Gambits," "Middle Gambits" and "Ending Gambits."
- The most important beginning gambit is to ask for more than you expect to get.
- The most important middle gambit is to avoid confrontational negotiating.
- The most important ending gambit is to avoid making patterns of concession obvious.

## Summary

# The Importance of Negotiating

No matter what you're selling, times have changed. Current trends challenge the old, established ways of doing business. In a trend that will only continue, buyers are becoming better negotiators. Business buyers have more expertise, while consumer buyers are more educated about products and services. As buyers exercise more skill in negotiating, they save more money and get more for what they spend. As the seller or salesperson, this means less money for you and your company.

“Businesses don't run well because there is a genius in the head office. They run well because a million salespeople meet for coffee every morning to talk about how they can do it better.”

Contemporary buyers are better informed and may know as much about industries that they deal with as those who work in those industries. You used to be able to assume that the seller always knew more about the product than the buyer. That is no longer true. Sellers don't have the knowledge-is-power advantage any more and they never will again, because information is easily and instantly available to every customer.

“Objections are buying signals. We knew in real estate that if we were showing property and the people were 'oohing and aahing' all over the place, if they loved everything about the property, they weren't going to buy. Indifference is your problem, not objections. Objections are buying signals.”

Any negotiation aims to create a win-win solution for the buyer and seller, but there isn't any magical win-win. There is only perception. With power negotiating, you win at the negotiating table, but the buyers think that they have won. It's all about how the participants perceive the negotiation. Unskilled negotiators leave buyers feeling that they have lost.

“Withdrawing an offer is a gamble, so only use it on a buyer who is grinding away at you.”

Conduct power negotiations using a set of rules that the other side doesn't know. They will always respond in a predictable manner to any move you make. In chess, players call their strategic moves gambits, a word that also signifies that some risk is attached to the move. In power negotiating, "Beginning Gambits" get the game started, "Middle Gambits" keep it moving and "Ending Gambits" close the sale. In the language of chess, it's "checkmate."

## Beginning Negotiating Gambits for Sales

Ask the buyer for more than you expect to get - Henry Kissinger once said, "Effectiveness at the conference table depends upon overstating one's demands." Even if buyers know that this is just a negotiating tactic, and that you don't expect to get as much as you're asking for, begin this way anyway because it gives you negotiating room. You can always come down on price, but you can never go up. Near the end of negotiations, you can "nibble for more," since some things are easier to get at the end of a negotiation than they are at the beginning.

“Don't react to every problem by thinking that you have to lower your price. Price may not be the issue at all.”

Don't ask for so much at the beginning that it looks implausible to the buyer. Ask for your "MPP" - your maximum plausible position. The less you know about the other side, the higher your initial position should be. The buyer may be willing to pay more than you think. If this is a new relationship, you'll appear much more cooperative if you can make larger concessions to the buyer, so leave room to go lower. When you ask for more than you expect to get, you automatically raise the perceived value of your product or service. If you ask for the least you expect to get, you give the other side no room to negotiate. If you aren't willing to settle eventually for far less than you expected to get, you could become deadlocked, since buyers are always going to offer less than your original opening position. Most importantly, asking for more than you expect to get is the only way that you can create a climate in which the buyers feel that they have won.

“Unless your salespeople know how to negotiate well, you can lose profitability, even if sales volume continues to climb.”

Never say yes to the first offer - If you do, you will immediately trigger two thoughts in the buyers' minds: "We could've done better" and "Something must be wrong, if they're willing to accept an offer that we didn't think they would take." If your son said, "Can I

borrow the car tonight" and you said, "Sure, take it. Have a great time," he'd automatically think, "I could've done better. I could've gotten \$10 for a movie, too." He's also thinking, "What's going on here? Why do they want me out of the house? Why didn't they give me a hard time about wanting the car?"

“Buyers are better negotiators than they were 10 or 20 years ago. That trend is going to continue.”

**Always flinch** - React with shock and surprise at the buyers' proposals. When the buyers make an offer, they watch for your reaction. They aren't necessarily thinking that you'll agree to their price or proposition, they've just "thrown it out to see what your reaction will be." If you don't flinch, buyers automatically think, "Maybe I can get them to go along with that, even though I didn't think they would." Flinching is very important, because most people believe more of what they see than what they hear, so they will react to your flinch. In negotiating, this isn't theatrical or childish; it's very effective. If you're not face to face with the buyer, still gasp in shock and surprise because telephone flinches can be effective, too.

“The companies to whom you sell have figured out that the best and quickest way for them to put money on their bottom-line is to take it right off yours!”

**Play reluctant seller** - This will help you get the best price, because you aren't showing how eager you are to get the sale. If you seem very eager, the buyers will believe you would accept any price, just to make the sale. The buyers may act reluctant to get you to give them a low price.

**Concentrate on the issues** - During the critical beginning stages of the negotiation, keep your focus so you don't get thrown by any of the buyers' tactics or actions.

“Power sales negotiators know the value of asking for more than you expect to get. It's one of the key ways that you can create a climate where buyers feel that they won.”

**Use the "vise" grip** - You can say, "I'm sorry you'll have to do better than that." Then don't say another word. The buyers may make a concession to you. If this gambit is used on you, respond by saying, "Exactly how much better than that do I have to do?" This will pin the other person down to something specific.

## **Middle Negotiating Gambits for Sales**

**The "higher authority" tactic** - This will buy some time and make the buyers sweat it out, as you wait for a "higher authority" to announce if their proposal can be accepted. Sellers and buyers use this gambit all the time when they say they must, "take the offer to my manager." Whether that is true or not. So that you do not put yourself at the bargaining disadvantage of being seen as the decision-maker, tell the buyer that you must check with a "higher authority"- the boss, the committee, whoever it is in your particular case - before you can make any decisions. "Put your ego on the back burner" so you can sincerely portray someone unable to make this decision alone.

“If the buyer takes a position with which you totally disagree, don't argue! Arguing always intensifies the buyer's desire to prove himself or herself right. It's better to agree with the buyer initially and then to turn it around.”

If the buyers know that you have the final authority, they also know that they only have to convince you, but no one else. They don't have to work as hard to give you the benefits of the proposal, because once you've given your approval, the deal will be done. If you tell them that you have to answer to a "higher authority," buyers know they must make a proposal that you can use to go get approval. The buyers will also realize that they must completely win you over, so you'll want to persuade your higher authority to approve the deal. Make sure that this higher authority is something vague, such as a committee or other group of people. If the authority is just one person, such as a sales manager, then the buyer will think, "Why am I wasting my time here when I really should be dealing directly with the manager?" With a vague, collective authority that's not directly approachable, the buyer won't even think of making the pitch to them, since they don't deal with outside people on a regular basis. The higher authority also works when you own your own company - the so-called higher authority can be people on your staff who are responsible for that particular area of the business.

“Buyers use ”good guy/bad guy” on you much more than you might believe. Look out for it whenever you're negotiating with two or more people.”

Avoid confrontational negotiating - Confrontations only show the buyer that you're not working for a win-win situation. Instead, a confrontation conveys the message that you're just intent on getting everything you can. Attorneys are, by definition, confrontational negotiators, so don't have attorneys do your negotiating. Have them check out all the legalities and do the paperwork involved but don't let them do the actual negotiations. They can give you legal parameters before you begin and advise you in private during a negotiating period. Just don't let them negotiate.

“In this age of computer-generated contracts, you should read the contract all the way through every time it comes across your desk for signature.”

Remember the declining value of services - Any concession you make to buyers will quickly lose its value. While the value of a material object you buy might increase over time, the value of services always appears to decline very quickly after you've performed those services. Any time you make a concession to the buyer in a negotiation, ask for a concession from the buyer right away, because the favor that you did for the buyer loses value extremely quickly. Agree on the price before you start the work. Also agree on a formula to use if circumstances change and you have to increase your price. Get paid in advance if possible. If you can't, then arrange to be paid in installments, as the work is being done or as quickly as possible after the work is done.

Never offer to split the difference - Our natural sense of fair play in Western culture leads us to feel that if both sides give equally, the deal is fair. Maybe it's fair, but maybe it isn't, depending on the opening negotiating positions each side took. Splitting the difference could mean a really lousy deal for one of you. Don't offer to split the difference, however, always encourage the other person to do so if it brings you closer to the price you believe is fair. Once the other side has made this offer, don't say yes. Pull the "higher authority" routine when you return to the negotiations, and tell the buyer that the higher authorities wouldn't go for it. Then lament about how close you are to making a deal and how you'd hate to see it fall apart now.

The hot potato - This is when buyers want to give you their problems and make them your problems. Don't catch the hot potato. Find out right away if the hot potato is really a deal killer or just something they tossed at you to see your reaction.

## Ending Gambits

Good guy/bad guy - This is one of the best known negotiating gambits. You've seen it used in police movies and TV dramas. The bad guy plays rough, the good guy (who appears to be on your side, but he's not), comes in and smoothes everything over, gains trust of the person in question and then closes the deal.

Nibbling - This important deal closer enables you to "sweeten the deal" you've made with the buyers and enables you to get the buyers to agree to things they wouldn't have agreed to earlier in the negotiations. Introduce "nibbling" issues one at a time once you see that you've got the buyer hooked into the overall deal.

Patterns of concessions should not be obvious - Don't set up a pattern that the buyer can recognize. Don't make equal-sized concessions, don't make the final concession a big one and don't "give it all away" up front. Also, don't give a small concession up front "to test the waters." The next thing you know, the buyer will be getting another and another little concession, until you end up giving everything away.

Withdrawing an offer - When the buyers are negotiating in good faith, don't use this. Employ it only when you feel that the buyer is simply "grinding away to get the last penny off your price."

Position the deal for easy acceptance - You can make the buyers feel good by making a small concession at the very last moment.

## About the Author

**Roger Dawson** is one of the country's top experts on negotiating. He founded the Power Negotiating Institute, which has trained executives, managers and salespeople throughout the U.S., Canada and Australia for 20 years. His Nightingale-Conant cassette program, *Secrets of Power Negotiating* , is the largest-selling business cassette program ever published.

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