



Course Director:
Prof Manie Spoelstra



INTERNATIONAL NEGOTIATION ACADEMY

Negotiation: The Genesis of Management



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- Labour Union Negotiators
- Conflict dispute resolution mediators
- Sales Negotiators
- Buyers
- Hostage & Crowd Control Negotiators
- Facilitators

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Negotiation “Dirty Tricks”

This is how they empty your pockets!

In the real world of survival, you and I are often trapped by techniques that push us into decisions that we **later regret**.

We, of course, believe that it is important to use all methods of persuasion and influence in an **ethical way**. A deal should ideally create something of value for both sides, and should be used with integrity.

Here are some of the ploys and tricks that are often used and how you can counter them:

The Nibble

This is a favourite technique used in sales, in labour union deals, in company take-overs or at school!

The ‘trick’ is to **add something on top** after the deal is concluded.

The car costs \$10 000 but after you agree to buy it, you get some **nasty surprises**: 10% tax, 5% tag fees, \$150 insurance p.m., 5% ‘dealer commission, an extra 0,5% interest on financing and others! Now the total amounts to more than \$12 000!

Or they say: “By adding only \$100 to your monthly payment you can get the luxury SUV!”

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Even at school they use it! If your kid goes on a field trip, they quote a price, but that's **only the beginning** of a long list of 'add-ons'.

The principle is that, if you get someone to agree to something, you add items that are perceived to be trivial on top.

Psychologically we perceive the \$2000 as nothing, compared to the \$10 000, yet it is **not a small amount** of money if it stands alone!

How do we counter this 'trick'?

You could respond with you 'own dirty trick', sometimes called: **'The Flinch'**.

The Flinch

The idea is that you have to make your move the **moment after** the salesperson quoted you the initial price and **before anything is added** (it is a moment when the salesperson is at his/her weakest, since he/she thought the sale is concluded). Then you respond:

"I'll only pay \$10 000 if it **includes everything that you** or anyone could **dream of adding!**"

Normally a **concession** follows with the salesperson including some extras that would have been excluded.

As an alternative you could counter with the **'hard-of-hearing** flinch and by acting shocked:

"What! How much? \$9 000! That's a lot of money!" (You act as if you heard the price incorrectly and claim a **new benchmark** as the basis of the bargaining to follow).

You could expect to observe a stunned salesperson (at least temporarily)!

Deferring to higher authority

It is amazing how many times this **'excuse'** is used, but it could also be a ploy for you not getting to the boss (who **will** give you a concession).

Let's say you are shocked by the high price of work on your car and you say: "I'm not at all happy with the cost of repairs to my car! It's far too high for the work you did".

In most cases the reply will be: "You see, I only work here. I don't have authority to change the bill." (A neat **deferral to higher authority**).

Most of us are at a loss on how to respond.

Perhaps you can counter with the following:

"Then who does have the authority?"

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They could still defer even higher by: "It is the manufacturer's policy in Tokyo!"

However, you could still insist to speak to the **person in charge** of the garage who, surely, does have the authority to **do something** or even to contact his principals.

The Bottom Line

In the Bottom Line ploy the principle is that no one likes a potential sale failing at the last minute or customers **walking away from deals**.

If a negotiator makes a proposal and the other side **'fakes' a 'walk-away'**, he/she could feel that an opportunity was lost. Much rather, he or she would make major concessions. (For instance in labour union negotiations, in mergers or when discussing something with your spouse).

Let's say you would like to buy a new computer and the salesperson says: "It's a winner isn't it? It really does have all the bells and whistles."

You could then make your **'bottom-line move'**: "I really appreciate all the time you have taken, but it's not the one I want. I seem to need something less elaborate". You then **get up and start to move** towards the door. About two paces away, you turn around and say: "By the way, what's your lowest price?"

The sales person, having invested much time and energy, is deflated and envisions ending up empty-handed and, unless he/she is very careful, may end up losing a sale. Most often they will make a **significant concession**.

There is always important **negotiation power** in the ability to walk away from a deal. The problem is often that we **become so committed** to buying a new computer, car, game console or kitchen aid, that we end up paying more than necessary.

Good man, Bad man

In this technique the opposite party **differ amongst themselves** and the 'good' person asks you for a concession so as to please his/her partner.

If, for example, a sales person **and** the owner of a property are negotiating with you, the prospective buyer:

Owner: "I am sorry, but I don't want to waste more time on this. This is a much sought after property. I just don't think a reasonable offer is at hand."

Salesperson: "Sir, perhaps if we change the offer slightly upwards, would you consider it?" Then, turning to you, he/she almost 'pleads': "We could do something, not so?"

You are tempted to say, "Yes", and if you do, the owner changes his posture and says: "Well, in that case, let's see what we can do?"

The best way to counter a situation like this is to simply tell the other party that you know what they are doing. A **ploy perceived** is not a ploy.

The hot potato

Sellers most often attempt to **anchor the price first**. In that way, their price becomes the foundation (anchor) of the bargaining game.

To be an effective tool, you should make the **offer first** and fast:

You (knowing that the price is much higher): "I am limited to a budget of \$250 000." In this way ownership of the problem is passed to the other side.

The anchor lies at \$250 000. Now negotiation will revolve around \$250 000 and not the price the seller had in mind.

The additional advantage is, if you move upwards from \$250 000, you can always **demand reciprocity** from the seller.

The Decoy

This 'trick' involves asking for something you do not want and which the other party can't give, and then attempt to **ask for a trade-off**, when they say they can't do it.

Either side can use it.

You: "I need the delivery within 30 days", knowing very well that 90 days is the minimum period needed to fulfil this order.

If the supplier still objects, you can respond by: "I'll tell you what. If you can assure 90 days, I will be happy to accept it at a discount. Fair enough?"

The other party agrees in order not to lose the deal. The 30-day requirement was merely a decoy.

The Puppy Dog

This derives from the classic situation where children want a dog, while mom and dad are apprehensive.

The owner of the pet shop will say: "Take it home for the weekend and see how you like it." He/she knows that after the weekend it will be **nearly impossible** to return the puppy.

It's a way of getting the other party **emotionally involved** before the negotiation is finalized. Think of the estate agent taking a picture of you and your wife in front of a beautiful home and then handing you the photo to take home, or the photocopier that is placed in your office with no pressure on you to buy.

Counter this by not accepting the offer, or seeing to it that you do not become emotionally involved or allow yourself to feel obligated.

In Summary:

In the South all of you will be shopping for heating appliances and in the North, for lawnmowers and beach gear. Could be fun to try some of the above and it could also help you save some cash to pay for a great family dinner. Or, it could save you millions when you negotiate those life-changing deals.

If you need more of these as well as some other **unique and different skills**, do not hesitate to reach out at the [email address](#) provided above!

Manie Spoelstra

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