

# More dirty tricks **PART 2 OF 2**

How to respond when the other party tries to slip one by you

**D**irty tricks distort the negotiation process and produce unstable agreements. But as companies intensify their efforts to reduce costs and produce higher profitability, dirty tricks are becoming more common.

In my last column, in the April 16 issue of SBT, we talked about the first two of five dirty tricks: the written agreement and the puppy-dog close. This month, we'll explore the next three.

## **Dirty Trick #3: Splitting the difference**

This happens when you are closing in on agreement and the other party says, "You know, we are so close, why don't we just split the difference and be done with it." Well, depending upon the concessions you have already made, splitting the difference can mean even deeper concessions for you and mild adjustment for the other party. We recommend never splitting the difference unless the numbers work in your favor.

Consider these counter-moves when faced with the "Let's split the difference offer:"

- 1) Do not accept their offer. Why? Doing so infers your current position is not legitimate. Unless you ask for something meaningful in return, you have basically told the other party, "That wasn't my real bottom-line. I was just holding out to see if I could have gotten more."
- 2) Reverse the other party. Never give anything away without getting something in return. When the other party makes the offer, put the liability back on them by saying, "Jack, I will consider splitting the difference on price if you are willing to consider splitting the difference on ... (deliver, timing, quality, etc.)." Look at the whole negotiation.
- 3) Walk away. Tell the other party that you are unable to meet his/her expectation and therefore will need to walk away from the negotiation. You will be amazed at how many people shift gears.
- 4) Be bold and name the tactic. Flat out ask the other person, "How long are you going to continue to ask for price concessions from me? Just so you know, I have reached my bottom-line."

## **Dirty Trick #4: Good Guy — Bad Guy**

This is a classic negotiation tactic. One person plays the good guy, supposedly agreeing and supporting your position, while the other person plays the bad guy, arguing, criticizing and making things generally difficult for you. The objective is to throw you off your guard. The good guy gets you to disclose what's important to you while the bad guy keeps intense pressure on you so you give in just to avoid the conflict.

To counter this tactic, try one of these responses:

- 1) Refuse to negotiate when you are outnumbered. Walk away.
- 2) Agree to deal with only one person.
- 3) Get your own bad guy. This will even the sides and give you room to think.
- 4) Identify areas where both parties are not on the same page and say, "It seems to me that you two haven't reached agreement. Before I agree to continue, you need to be on the same page."
- 5) Laugh at them. Tell them something like, "You know, you guys are pretty good at playing the good guy, bad guy act. When you're through, I'd like to get back to business and work through the details of this negotiation," and then just sit there.

## **Dirty Trick #5: Excessive demands**

Some negotiators start negotiating by making significant demands, with the hope that you will make concessions early and often. Make no mistake, excessive demands is different than the "take it or leave it" strategy, as demands are frequent, outlandish, in always in their favor.

An example of this tactic: "I'm not going to accept your offer until you reduce your price 20%." When you make a concession to reduce the price 8%, the buyer comes back and says, "Since you did not reduce your price 20%, I will accept your 8% cost down if you provide free delivery and a 10% cost down on product line B to make up the difference." The intent is to wear you down and get more. It's not a popularity contest, but rather a test of wills.

To counter the excessive demands, try the

following:

- 1) Know your value and be prepared to present evidence to justify the investment.
- 2) Counter with alternatives that lessen your financial loss, but offers value to the other party. For example, you offer a 5% price reduction and extend the warranty two years. This doesn't cost you anything upfront but provides high value to the right buyer.
- 3) Acknowledge the other party's excessive demands. You might say, "Joe, I'd like to do business with you. And I am wondering if you have considered the excessiveness of your demands? If we continue along these lines, you will force me to withdraw. Are you interested in working with me to find common ground? If so, here's an option I am willing to consider ..."

It has been my experience that tactics become less effective if you know what they are and are prepared to counter them. Do your homework. Know the concessions you are willing to make and those you will ask for in return. Never make a concession unless you ask for something in return.

Define your walk-away point before entering into the negotiation. Whenever it is under attack, either counter with another option, or withdraw. Never agree to go below that. Walk away. There is no pride in letting the other party get what they want at your expense.

For the first previous column on dirty tricks, see the Datajoe archives at [www.biztimes.com](http://www.biztimes.com).



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