

THE MASTER NEGOTIATOR

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Tactic of the Week #36

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President**

Peter and his team of expert negotiators train leaders, sales professionals and procurement specialists in the art of negotiation.

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Tactic #36 - Making the First Offer

Summary: Being the first to put forth an offer in a negotiation.

Some negotiators believe you should never make the first offer. We have watched negotiations stall because neither counterpart was willing to make the initial move. We believe that if you have conducted thorough research, planned well, set high aspirations, and made a commitment to a win-win outcome, you should have no fears about Making the First Offer. The only time we would discourage you from doing so is when you have no interest in what is being negotiated.

Example

Two couples are out for dinner one evening. John and Mary announce that they are planning to sell their home. Mark and Elizabeth state, "We want to buy your home. What is your price?" John and Mary respond, "Based on a competitive market analysis completed by two different real estate brokers, we feel a fair price is \$250,000." John and Mary have done their homework and have high aspirations, so there is no reason for them to hesitate to make the first offer.

Counter

There are several effective counters for this example. One possible counter is the tactic [YIKES! You've Got to Be Kidding!](#) This would be especially appropriate if Mark and Elizabeth's banker has told them that the maximum loan they could qualify for is \$225,000. A second effective counter would be for Mark and Elizabeth to conduct their own competitive market analysis and counter with a lower price, using the tactic of [Facts and Statistics](#). If they are not clear about how the price was determined, a third counter could be the tactic of [Asking an Open-Ended Question](#): "Just so we understand, what comparable neighborhood and homes did the real estate brokers use in their competitive market analysis?"

Do you have any negotiation questions? If so, then send them to us by hitting the "reply" button in your email window. We'll do our best to address them in upcoming issues.

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This tactic is one of 101 strategies and tactics featured in [The Only Negotiating Guide You'll Ever Need](#), by Peter Stark and Jane Flaherty.



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