The Good the Bad & the Ugly
Dirty Tricks in Buying & Selling
Introduction: 
Cowboys and Indians on a modern stage?

Every human being on the planet is aware of the problem: When we trade with someone else, how do we know they aren’t cheating us? We feel it every time we have to negotiate or agree a price. And we are right to be suspicious: A 1997 survey¹ in Pennyslvavnia University revealed a whopping 75% of students admitted to cheating! We also know that professionals do cheat when they fear impact on their career² so with major financial transactions taking place, how tempted are buyers and sellers to use “dirty tricks”? Is the commonly heard sales expression “All buyers are liars” true? And are sales people cowboys of the wild west who can’t be trusted? Investigating “dirty tricks “ in today’s negotiation is the aim of this research. We believe the results are fascinating and give a clear heads-up for how we should approach negotiation in the future.
About the survey
Dirty tricks in negotiation

Our survey methodology involved asking the same set of 12 questions to B2B buyers, sellers and those occupying dual roles (e.g. a sales director who also buys advertising). This enables us to compare and contrast the roles.

And, we have used “self evaluation” type questions as well as “what do you see from your counterpart?” type questions to form a grounded view of negotiation behaviours. Free text options were also employed to capture the actual ‘dirty tricks’ experienced by respondents.

In all, 143 professionals responded, which comprised 23% occupying a dual buying & selling role, 53% pure buyers and pure 23% sellers. A wide-ranging population of professionals in multiple sectors responded to the survey, drawn from multiple networks to try to achieve an unbiased sample.
Similar mind sets but different methods
Sales and procurement have a lot in common

When asked which approach was closer to their core belief, both professions favoured ‘ethical and fair’ transactions over ‘maximum value’ for my organisation. And furthermore, the two professions were very similar in their preference as indicated by the infographic (left). A similar picture emerged when asked to reflect on whether ethics and commerce can be combined (see right)

Thus it seems at a high level the two professions have a similar belief in the purpose of the negotiation, but as we shall see, employ very different methods during the negotiation.

“Maximum value for my organisation”
“Ethical, transparent and fair”

Buyers
Sellers

35%
65%
30%
70%

31%
36%
Dual roles: The hardened outlaw
Executives doing both roles are more cynical

“Yes, with minimal conflict”

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>Yes, with minimal conflict</th>
<th>Yes, conflict is inevitable</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buyers</td>
<td>31.1</td>
<td>48.6</td>
<td>18.9</td>
<td>1.4</td>
</tr>
<tr>
<td>Sellers</td>
<td>36.4</td>
<td>45.5</td>
<td>18.2</td>
<td>0</td>
</tr>
<tr>
<td>Dual role</td>
<td>28.1</td>
<td>37.5</td>
<td><strong>31.3</strong></td>
<td>3.1</td>
</tr>
</tbody>
</table>

When we think of commerce, we tend to stereotype people into pure buyers and sellers. In fact a significant proportion of survey respondents (23%) do both. These are special characters with experience of both sides of the sales/procurement divide. **A significantly higher proportion of this group think conflict is inevitable (31.3%).** Has this given them a perspective that is realistic; a “non-idealistic” view of commerce, echoing the lone, tired, gunslinger who has been involved in one too many duels?
## The Negotiation: War or Peace?
How do they see the process of negotiation?

<table>
<thead>
<tr>
<th></th>
<th>“A war to be fought with one winner”</th>
<th>“A game of tactics, of cat and mouse, where the smartest operator makes the most gains”</th>
<th>“A mutual discussion to ensure a win/win outcome with fair distribution of gains”</th>
<th>“A process to be avoided where possible”</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buyers</td>
<td>2.7</td>
<td>36.5</td>
<td>60.8</td>
<td>0.0</td>
</tr>
<tr>
<td>Sellers</td>
<td>3.0</td>
<td>24.2</td>
<td>69.7</td>
<td>3.0</td>
</tr>
<tr>
<td>Dual</td>
<td>3.1</td>
<td>28.1</td>
<td>68.8</td>
<td>0.0</td>
</tr>
</tbody>
</table>

The significant difference between buyers and sellers, regarding use of tactics, shines light on the negotiating DNA of each. From the outset, buyers consider themselves more likely to behave tactically than sellers (36.5% vs. 24.2%). With this insight, some of the ‘dirty’ tricks that follow can be re-interpreted as ‘business as normal’ tactics for some. It is also interesting to observe that the majority of participants lean towards ‘a mutual discussion to ensure win/win’ as the way to conduct negotiations. However, the difference between buyers and sellers is again significant (Buyers 60.8%, Sellers 69.7%) reflecting their different mindsets at the negotiating table.
Deception: Dirty lyin’ cheatin’ rat
Lying & bluffing are alive and kicking

Overall 29.4% of respondents said “bluffing and lying is all part of the game of negotiation”.
Doesn’t sound too high: But when you’re sitting across the table, how do you know whether your counterpart is one of the 29.4%?
We should not be too surprised about lying & cheating: Lance Armstrong’s fall from grace reminds us of high profile cheating behaviour, and Ariely’s 2008 study³ of students who could earn money by cheating undetected, did so in the majority rather than the minority of instances.
Also, the imaginatively titled “How do unethical salespeople sleep at night”⁴ featured 5 neutralisation mechanisms that sales people use to live with themselves when committing acts counter to acceptable norms (e.g. denial of injury, appeal to higher loyalties).
Beware out there: You don’t know who to trust in this town!
Buyers are liars

...at least relative to salespeople

The buying population responded saying that lying is an acceptable part of the game of negotiation (37.2% vs. 15.2% of sales people). And, they admitted to being less honest in highlighting mistakes that were in their favour compared to sales (45% vs. 72%). Thus it seems there is no smoke without fire – the old saying among sales hacks that “buyers are liars” was somehow bourne-out by this survey. Given their training and general preference for using a more structured negotiation process than sales professionals, do buyers see bluffing/lying as a legitimate part of the professional tool kit?

“To what extent do you believe lying is acceptable”
% responding “It’s all part of the game of negotiation”.

“If your commercial partner did not spot a mistake that was in your favour, would you bring it to their attention?”
% responding ‘Yes’.

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Sales are sleazy: Here’s your little gift…

Sales operate differently to buyers

Buyers and sellers differ markedly on their attitude to using ‘under the radar’ methods to influence. 42% of sales people are “neutral” on their use compared to 16% of buyers. By ‘under the radar’ methods, we mean actions designed to create obligation. The examples given in the survey were the giving of a gift, helping the other in advance of a negotiation, withholding information, and flattery.

52.7% of buyers said “I would not use them” compared to only 21.1% of sales people. We are not inferring the use of bribes, merely the tactical deployment of methods designed to ‘soften’ the other to make negotiations easier.

The dual buyer/seller is more ambiguous: 40% say they would not use these obligation-building methods, but 21.9% are, in fact, relaxed and “comfortable” in using them.
The Zero sum game: Do you feel lucky?
Both sides are open to the idea of letting the other lose

When asked whether they would do a deal which gave them a personal bonus at the expense of the other party, 35% of buyers and 33% of sellers said ‘maybe’. So not much love lost there then! 22% of the ‘dual-rolers’ responded in kind, and some are even more cynical: 18% said a definite yes to this, the whole distribution of their answers markedly more adversarial. This question goes beyond cheating (which we know is sometimes expected) and shows how willing some are to win at the personal expense of another. i.e. a zero sum game. Looks like the cowboys are still out there!

“If you could set up a commercial deal which gained you a bonus of +10% of salary, but would result in an equivalent reduction in your commercial partner’s income, how likely would you be to do it?”
We asked “which tactics do you see in negotiation?”

Sales people’s biggest bugbear was ‘restricting access to decision-makers’ by the buyer, reported by 75.8%.

Buyer’s biggest issue was sellers ‘over emphasising positives’; ‘pure’ buyers (66.2%) and dual roles (68.8%).

Interestingly, both buyers and sellers see each other as just as bad when it comes to ‘delivering on agreements’ (54.1% vs. 54.5%).
Tactics: The wild frontier
What else do you see out there?

In designing the survey we were conscious that there would emerge tactics that we hadn’t necessarily previously encountered, and we wanted to give respondents a chance to describe them. The survey included a *free-text* section to share tactics seen in the field and we will now present a selection of them.

Over 75 respondents kindly detailed what they have experienced and we are very grateful to them for creating the spark that gave the report its title “The Good, the Bad and the Ugly”.
Tactics: The main themes

By using simple clustering techniques, we have identified the top 3 core themes respondents from each side observe in the other. Whilst there are not enough data inputs to make statistical claims about the prevalence of these themes, they should nevertheless serve as a useful guide in negotiation.

<table>
<thead>
<tr>
<th>Sellers see…</th>
<th>False deadlines</th>
<th>Inflated usage forecast</th>
<th>Intimidation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Explanation</strong></td>
<td>Creating insecurity by demanding information quickly</td>
<td>Over estimating usage to get better volume discounts</td>
<td>Use of personal / organisational power to get concessions</td>
</tr>
<tr>
<td><strong>Example quote</strong></td>
<td>“Phoning me up the day before I go on holiday at 4pm needing a deal on something”</td>
<td>“The most common is inflating usage to get better discounts”</td>
<td>“Overly criticised by the buyer to breed fear and insecurity”</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Buyers see…</th>
<th>Inducements</th>
<th>Using senior management</th>
<th>False claims</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Explanation</strong></td>
<td>Bribes and offers to win favour</td>
<td>Sellers hiding behind their hierarchy to avoid making concessions</td>
<td>Over stating benefits of the product or service</td>
</tr>
<tr>
<td><strong>Example quote</strong></td>
<td>“offers of jobs to win contract, cash for decision”</td>
<td>“seller claiming their corporate office would not agree to RFP submittal”</td>
<td>“giving wrong promises/information to get the deal done”</td>
</tr>
</tbody>
</table>
The Good
Tactics that could be perceived as simply intelligent negotiation

Some of the tactics described in the survey responses could be interpreted as simply the clever use of ‘information asymmetry’ by one negotiating party or the other. We think good homework and negotiation preparation can render these tactics largely ineffective. Negotiators need to behave like the expert poker player who thinks about not just his own hand, but everyone else’s.

“Tricky use of currencies and conversion rates to hide bad deals”

“Taking a vendor through a closed e-bidding process when there were no other vendors participating”

“Gaining inside information from contacts”

“When they used higher authority to influence the negotiation process…...”
The Bad

Unpleasant if you are on the receiving end

Some of the tactics that respondents reported definitely reside in the grey areas of negotiation / ‘dodgy’ business practice. The Bribery Act of 2010 probably will consign some of these to history.

“false claims, rejection of clear and obvious truths, active effort to obfuscate truth.”

“Supplier undermining one of my colleagues and repeatedly bringing up mistakes that had been previously made to try and imply they have a better understanding of the company than the Buyer does.”

“Phoning me up the day before I go on holiday at 4pm needing a deal on something”

“Falsifying true costs and attempting to speak to senior managers not involved in the process telling them the deal has been done and encouraging them to purchase”

“Taking gifts from vendors and pushing business their way. Living the high life with vendors (trips, entertainment, gifts) while cheating your company.”
The Ugly
From the real Wild West of negotiation

The tactics cited here are most definitely from the lawless badlands of negotiation and some are eye-poppingly inappropriate! They go to show just how far some people will go when money and the opportunity of success is at stake.

“Massive exaggeration / over promising / aggression / bullying

“Cigarette smoke blown in my face, no access to the toilet prior to concluding the negotiation and shouted at in reception when meeting the client”

“A colleague once put a supplier in a hot room, facing the sun on a broken chair just to get a deal. Not sure it worked…….”

“Offer of sexual favours………. ” “Request for bribes “
Ethics: Who owns the moral high ground?

Who’s fooling who?

Which profession sees themselves as most ethical – buyers or sellers? In these psychological badlands you could expect a lot of bias and attribution error. After all, who likes to admit they are more morally corrupt than their counterpart in a negotiation?

That both buyers and sellers appear to agree that buyers are more ethical than sales people is a fascinating insight into the mindset of each as they engage in negotiations. Could it be that the frustration sales people sometimes express when meeting with procurement is because they expect a higher ‘ethical’ standard from buyers than they experience in practice? The word ethical is of course fraught with ambiguity, so we have to be careful of drawing black/white conclusions. Nonetheless, the message seems clear…it’s not just *caveatemptor*, it’s *caveat vendor*!

**Buyers say:**

“Buyers are more ethical”: 58%

“We are both the same”: 41%

**Sellers say:**

“Sellers are more ethical”: 27%

“We are both the same”: 66%
Unethical behaviour: Has it got worse?
Maybe, maybe not, but the game has changed

In simple terms, buyers think behaviour has become more ethical, whilst sales people think it has got worse. Clearly the 2010 Bribery Act and the Chartered Institute of Purchasing & Supply (CIPS) Code of Ethics are creating a reality (and the perception) of improving standards amongst procurement professionals. Fewer sales people will be aware of this, so what else can have contributed to this result? Our 2012 research “Sharing the Spoils or Spoiling the Share” showed the sales profession has struggling to keep up with a rapidly evolving procurement function. The increasing use of sophisticated sourcing methods has meant that sales people often find themselves part of a buyer’s well-orchestrated negotiation process, without really understanding what is going on. They may sometimes perceive this as adversarial and not at all relationship-focused, and is perhaps why ‘unethical’ behaviour looks worse from a sales angle.

Buyers:
“It has increased”
24.3%
“It has decreased”
31.1%

Sellers:
“It has increased”
39.4%
“It has decreased”
9.1%
1. Sales and procurement have a similar perspective when it comes to their purpose in negotiation.

2. Buyers see negotiation more as a series of tactics compared to sales who view it more as relational; a process of influence.

3. Both professions are prepared to lie (29.4% overall), but buyers are twice as likely as sales people (37% vs. 15%).

4. Creation of false deadlines by buyers and over emphasising positives by sellers are the two most common tactics used to secure better deals.

5. A broad range of “dirty tricks” are used by both sides – both sides are prepared to stitch the other up in a zero sum game (33% and 35%).

6. Buyers tend to see themselves as the more ethical group (58%) whereas sales is slightly more optimistic in seeing both sides as the same (66%).

7. Whilst buyers believe that negotiation has become more ethical, sales people think it has become less so.

8. Those doing both buying and selling are the most cynical: 31% of this group believe conflict is inevitable in negotiation.
General Conclusions

Our 2012 research “Sharing the spoils or spoiling the share”\(^5\) indicated that sales people were lagging behind when it came to understanding the procurement agenda, so we carried out this negotiation research to understand just what tactics were being used during the negotiation process between buyers and sellers. 143 respondents have given us a fascinating insight into the dirty tricks that occur everyday in commercial dealings.

We picked the tongue-in-cheek theme of cowboys in the Wild West to depict the lying and sometimes shady tactics that are in play, and to make the point that the image of a transparent, win/win, fair exchange of value in negotiation is somewhat naive.

Whilst ethical behaviour may well have improved because of the 2008 Bribery Act and CIPS’ ethical code, we found more than twice as many buyers believe lying is acceptable compared to sellers. Is this because the procurement profession is more systematic in its negotiation practices and is more adept at planning and using tactics? Is “bluff” seen as all part of the game? Given the less than transparent behaviour in play from both sides, all negotiators must be prepared, sharp and “battle fit” if they want to secure a fair share of the value.
Actions: Saddling up for the Wild West
What can negotiators do?

The conclusion from our negotiation rodeo is crystal clear: Don’t head out into the Wild West of negotiation without comprehensive preparation. Diligently investigating the interests of both parties will bring you advantage.

Research all the negotiation tactics
Make sure you know your ‘salami slicing’, from your ‘future benefits’ and your ‘good cop/bad cop’. A healthy interest in negotiation process and dirty tricks will help you to head them off at the pass.

Know your counterpart’s modus operandi
Sellers need to understand the procurement role and vice versa. Don’t let ignorance cost you cash.

Be gracious with people and ruthless with information
Because lying and cheating are hard wired into our DNA, we have to subtly check what we are told from several sources without aggravating our partner. ‘Respect and inspect’. Forcing a loss of face is a high stakes move.

Get help from a hired gun
Bring in assistance when you need it via a senior executive coach or an external – their gun-slinging experience might just save your skin.

“An appeaser is one who feeds a crocodile, hoping it will eat him last”  
Churchill
Improving negotiation competence
Don’t be slow on the draw

This research has shown us all that negotiation competence remains as important as ever, and we find tactical, underhand behaviour still influencing our buying and selling professions. Whilst we wouldn’t wish to suggest that buyers are sellers should always see themselves as adversaries, what is clear is that the ability to negotiate effectively and do it with one’s eyes open to the reality of what drives high-stakes commercial behaviour, is a crucial skill. Both professionals would do well to ensure that their negotiation practices are as honed to the maximum as much as they can.
References


5. “Sharing the spoils or spoiling the share” Atkinson, D & Hirst, A [www.fourpillars.co](http://www.fourpillars.co) / [www.sellinginteractions.com](http://www.sellinginteractions.com)

We are profoundly grateful to all the respondents who took time out of their busy negotiating schedules to complete the survey and share their Wild West adventures with us.
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Partners across the great buyer-seller divide

Founder of selling interactions, Anderson is a specialist consultant in sales excellence. Cutting his teeth as a sales person in speciality chemicals and structural adhesives exposed him to some hard nosed buyers, and sparked his interest in negotiation and selling to procurement.

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Selling Interactions and Four Pillars have worked together in partnership for 3 years researching and developing solutions to improve the sales-procurement relationship.

We believe the combination of our unique domain expertise creates unique leading edge programmes.