



There is a silent battle that goes on every day in businesses throughout the world. But half the combatants have no idea that they are even involved in pre-negotiation warfare.

It is a battle, because in a negotiation information is power. In fact, many times the negotiation is won or lost before the formal conversation even begins. Key to this pre-negotiation stage is a process called back-door selling.

This technique includes a whole series of probing questions salespeople are taught to ask prior to the face-to-face negotiation. They ask them not just of purchasing but also of other areas of the business. Many times these other departments have no idea they are giving away vital information. For instance, the salesperson might ask engineering: "Who is our competition?" or, "Who else received a request for quotation (RFQ) besides us?"

So, if the salesperson knows who their specific competitors are, what might they also learn? Sometimes everything.

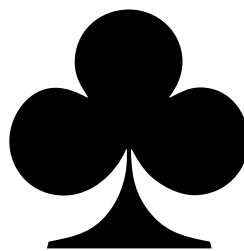
Another back-door question is: "Regarding quality, how do we stack up?" If you or your people are too effusive in your praise, any comments made about how



excellent the supplier's product is will be used by that seller later in the formal negotiation as a reason why they have to charge a premium price – or why they can justify a higher price than the competitors.

Have you ever heard the seemingly innocent questions: "How's business?", "When do you really need this by?", or the old classic: "Are we in the ballpark on price?". These, together with many like them, can build the seller's leverage enormously if you or any of your colleagues answer them the wrong way.

It is drilled into salespeople to ask these questions in the most informal, "arm around the shoulder" manner, so as to not give the slightest clue of the devastation that can be inflicted upon your company's negotiation position. Clients are often amazed when I read portions of popular sales negotiations books to them. Aside from detailing what specific back-door questions to ask, the books bluntly list the salesperson's goals:



- ♣ Don't leave money on the table
- ♣ Undermine purchasing and engineering
- ♣ Be sure by the time you enter into a formal negotiation there is no negotiation left

A prepared response

I'm not suggesting that the salespeople are being unethical or immoral in asking these back-door questions. But your organisation must control the information given out to have any power in the actual negotiation.

I'm going to look at some of the most frequently used back-door questions, and explain why they can be harmful to your firm's negotiating health, as well as offer some suggested responses.

When do you really need this by?

If the seller knows you need the product or service "yesterday," obviously your chance of getting a better price or terms is greatly diminished. Ask the following questions:

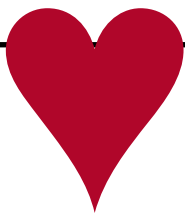
- "What's your standard delivery?"
- "What are you currently delivering at?"

With the use of carefully asked 'back-door' questions suppliers can gain information to win a negotiation before it has begun. In the first of two articles **Bob Benedict** explains how to keep things close to your chest



Holding all the aces





(sometimes their current delivery is better than their standard delivery)

"If push comes to shove, how fast could you have it here without an expediting fee?"

This way you've obtained information without giving any up. An additional response is: "Refer to the RFQ."

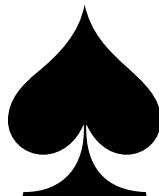
Professional sellers usually don't stop with one rebuff. They will just ask it in a different way: "Oh, I understand what is on the RFQ. But what I'm asking is, what could your company live with if you had to? In other words, what are your internal time frames?". Response: "Whatever is on the RFQ."

Who is our competition?

Professional salespeople keep extensive data on the competition. If they know who is quoting against them, they may have a good idea of where they need to be on such items as price, terms, delivery, warranty, freight – sometimes every negotiable item!

If you have a quality supplier who is well known in the industry for giving a fair,

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competitive price you might want to reveal its name, since it does build your leverage. But it's not usually in your best interest to tell a supplier who its competitors are.

Recommended responses are: "You've been around long enough to know who your competitors are." (deflecting)

"Company policy doesn't allow me to reveal that." (telling them it's not an appropriate question)

Again, you will need to be prepared for the question to be asked again: "I certainly don't want to get you into any trouble. Let me ask you this, will the competition be domestic only or are you looking internationally?"

Response: "Company policy doesn't allow me to reveal that, but let me ask you this – who do you regard as your major competition?"

By asking that question, my clients tell me that they have actually obtained names of suppliers and sent them RFQs.

Suppliers are used to asking the questions and the customer responding. They are not used to customers turning it around and asking questions of them.

What do you like/dislike about your current supplier?

It's the second part of the seller's two-question combination that can be harmful. If anyone at the buyer company begins to talk about the problems of the current supplier, the guy asking the back-door questions will use the information as leverage at the formal negotiation.

Recommended responses are: "Our company policy doesn't allow me to reveal information about your competitor." Or, "Would you want us talking about your problems with your competitors?"

Out of price, quality, delivery, terms and warranty, what's most important to you?

If you answer "quality" to this question, the salesperson will immediately assume price is a secondary concern. In fact, if you fall in the trap of answering with just one factor (warranty, for example), the salesperson will often try to close the sale on that very point. You should state: "They are all important."

Seller: "But surely one must stand out above the others."

Response: "I'm concerned about the total package – price, terms, quality, delivery, warranty, contract length. They are all important."

Next issue I will discuss more ways to avoid questions that could destroy your negotiating leverage – including questions that lead to unnecessary single or sole-source situations.

■ Bob Benedict is president of Benedict Negotiating Seminars (www.bns-inc.com), author of *The Negotiation is Won (or Lost) Before it Ever Starts* and runs a workshop on back-door selling (www.backdoorselling.com)

