

Unlocking True Dealmaking Potential

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## Who Should Make The First Proposal In A Deal?

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To be a brilliant dealmaker you must be able to make proposals. So, who should make the first proposal in a deal? Why, you of course!

Many people are reluctant to make the first move because they want to hear the other party's proposal first for just in case it's better than their own. People don't go first because they hope that if the other party makes the first offer, it will be a better offer than they could have wanted. However, this is seldom the case.

The problem with letting the other person make the first move is that they make it on their terms, they ask for what they want. This is seldom a better deal for us. I'm not certain what the exact statistics are, but from research I have conducted, the majority of people were disappointed with the offer they got when they let the other person make the first proposal.

The issue is that, irrespective of who makes the first move, once the first number is on the table it becomes the de facto starting point of the deal. It is difficult to move a person up from a low starting position without making that person look greedy – and no one likes to look greedy or lose face. Face is a big issue especially when doing deals in East Asia.

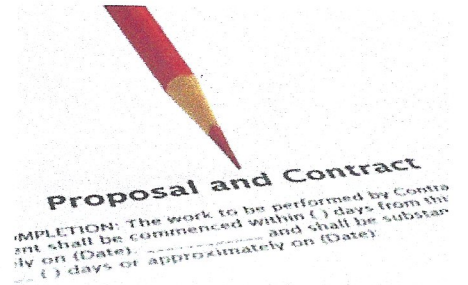
There is always the possibility of your proposal being rejected, but at least your intentions will be on the table and the deal will be from the base point that you set.

There are however two exceptions to the 'you must make the first proposal' rule.

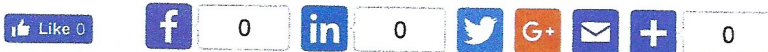
The first is when you have absolutely no idea how much something is worth. If you are genuinely unable to establish the value of something, wait to hear what the other person has to say first. Then postpone and do your homework before responding to their proposal.

The second exception is when you have messed up. Let the other person tell you what they want to do to put things right. Sometimes they will want an apology, and other times it will be compensation. At least with compensation you can negotiate around giving them what they want.

Happy dealmaking!



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