How to Use Intimidation to Deal from a Position of Strength

WINNING THROUGH INTIMIDATION

By the Bestselling Author of MILLION DOLLAR HABITS

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MAIN IDEA
The Theory of Intimidation states that in any financial transaction, the person who is intimidated the most will earn the least. The person who, through a strong posture, does the intimidating, will earn the most.

Everyone can either use business intimidation to their advantage or automatically have it used against them.
1. LAYING THE GROUNDWORK FOR WINNING

Main Idea

THE BIG TWO BUSINESS MYTHS

Most popular success formulas can be boiled down to:
1. Work long, hard hours.
2. Keep a positive mental attitude.

Successful people usually cannot dispassionately analyze the reasons for their success. They always think they know, but in reality they are too close to the forest to see the trees - that is, they're so caught up in the nuts and bolts of what they're doing they can’t mentally step back and logically describe their actions. Therefore, when successful people are asked how they got there, they often give a conditioned response and repeat society’s big two business myths. In fact, they may be too cowardly to acknowledge how they got where they are today for fear of offending the masses. Or, they may have their own commercial reasons for recycling society’s standard responses.

Supporting Ideas
Consider each of these myths in turn;

1. Work long, hard hours.
Firstly, the words “hard” and “long” are relative. What one person considers is working hard may be half speed to someone else. These terms are vague, and can be adjusted to suit anyone’s work pattern whether their work habits are good or bad.

This myth also doesn’t take into account individual abilities. What one person does in 10 hours, someone else might do in one hour. There’s also a point where relaxation is the most efficient use of time. There are just too many unknowns in this myth.

Therefore, replace the “work long, hard hours” myth with:

UNCLE GEORGE THEORY

All other things being equal, if you keep your nose to the grindstone and work long, hard hours, the only thing you’re absolutely guaranteed is that you’ll get older.

There’s not a single person in the world who can’t see all around him examples of people who have worked long, hard hours all their adult lives without achieving any great financial or other success.

The trick is not to wonder whether this is just, but to acknowledge the reality and use it to your advantage instead of allowing it to work against you. Hard work does not prevent you from being a success, but in and of itself, it doesn’t guarantee success either.

Now, turning to the second myth;

2. Keep a positive mental attitude
Most people have the cart before the horse on positive mental attitudes. They think of it as a cause of success, when in reality a positive mental attitude is the result of being prepared.
A true positive mental attitude comes from being prepared, understanding the realities of what it will take to succeed and being very good at the necessary techniques. The more thoroughly you’re prepared, the more positive you will be and the better your chances of succeeding.

Some people have a distorted view of positive mental attitude. They think it can be synthetically manufactured by standing in front of a mirror smiling and repeating over and over simple slogans, or by heartily shaking hands with the people they meet and grinning from ear to ear.

However, while being prepared is essential to the development of a positive mental attitude, it does not guarantee success by itself. Personal preparation can’t control all the realities of every business situation. This is summed up in the next theory;

**SUSTENANCE OF A POSITIVE ATTITUDE THROUGH THE ASSUMPTION OF A NEGATIVE RESULT**

In any situation, you should realistically assume that you won’t make a sale due to any of a number of factors beyond your control. The trick lies in being prepared and confident enough to take advantage of that situation if things do work out, but realistically assuming the worst.

This theory is a method for sustaining a positive mental attitude in the face of consecutive failures. By assuming things will go wrong, you can sustain a positive state of preparation over a long period.

You prepare for long-term success by being prepared to accept short-term failure. This works only if you’re prepared to succeed, and honestly confident you can move ahead if the right door opens.

Look at each negative result as an educational experience, extract the lessons you can learn and then move on rather than dwelling on all the thoughts on how things could have worked out.

2. BASIC THEORIES OF INTIMIDATION

**Main Idea**
The theories explained in this section are the basic groundwork of a business philosophy. There are four cornerstone theories, which are all firmly anchored to a foundation theory.

**Supporting Ideas**

**FOUNDATION THEORY**
**THEORY OF REALITY**

1. Reality isn’t the way you wish things to be, nor the way things appear to be, but the way they actually are.
2. Either you acknowledge reality and use it to your benefit or it will automatically work against you.
Most people pay lip service to reality but fail to acknowledge it in actual practice. They confuse the way they’d like things to be with the way they actually are. It’s wish vs. reality.

For example:
--Many people do deals on a handshake instead of insisting on a clear written agreement. When the deal unravels, it’s always the other person who did them a disservice.
--Some people do one good deed after another, concentrating on the other person’s best interests and believing that somewhere somehow they’ll be appropriately rewarded.
--Many people wish the game of business took place on a school playground. The reality is business has always taken place in a jungle under "survival of the fittest" rules at best or more often no rules whatsoever.

**CORNERSTONE THEORY No. 1**

**THEORY OF RELATIVITY**

Few people take the trouble to consider facts in a relative light. Until this is done, you cannot intelligently settle on the correct course of action.

Standing alone, many business terms have no absolute definition. They can only be considered in the perspective of someone’s mental framework, and are therefore entirely relative.

Consider some examples of this theory;
--"Honesty" - everyone tailors their definition of honesty to suit their own actions, so that they are "honest" and people they deal with are "dishonest". This is another of society's subjective terms. In reality, a person can only be "honest" or "dishonest" relative to the facts in any given situation, or relative to their own arbitrary set of standards.
--"Success" - again this is entirely arbitrary. When someone talks to you about "success", you usually have an entirely different mental picture of what that means.

**CORNERSTONE THEORY No. 2**

**THEORY OF RELEVANCE**

No matter how interesting something is, how true it is or how much it might please you, the primary factor to consider is whether or not it’s relevant to what you’re trying to accomplish. It’s important to work only on those things that are relevant.

You can expend an awful lot of energy on interesting things that are sidebars to your central aims if you aren’t watchful. Many people dwell on things that are totally irrelevant for the vast majority of their time.

For example:
--In a sales situation, the seller often dwells on how much it cost him to buy something. That is totally irrelevant to the buyer, who is dwelling only on what something is worth to him, not what someone else previously paid.
--Some people say a written agreement is not necessary as they are "honest". However, that is totally irrelevant. Time should be spent on putting an understanding into writing.
A written agreement is relevant. A discussion of dishonesty is irrelevant.

**CORNERSTONE THEORY No. 3**

**THIRTY YEAR THEORY**

Your working career will be about thirty years long, give or take a few years. Therefore, go after all the good things you can achieve as quickly as you can achieve them.

In other words, don’t try to hide your head in the mythical fountain of youth. Acknowledge the reality you’ll only have one chance to play the game of business, that your time is limited and that you should make the most of it while you can.

Obviously, the thirty year time period is completely arbitrary, and you can adjust it upwards or downwards as you like. However, don’t forget that due to factors beyond your control, your time might be cut short sooner than you think, or stretch out further than you anticipated.

**CORNERSTONE THEORY No. 4**

**ICE BALL THEORY**

It’s ridiculous to take yourself too seriously, because years from now it won’t make any difference anyway. In 50 billion years, the sun will stop shining and the earth will turn into a huge block of ice. When that happens, nobody will be too terribly worried exactly what you did with your life, no matter who you are or what you achieve.

No single business deal means the difference between life or death. Look at life as a large game, with business being like a poker game within that bigger game of life. You get to participate for an unknown period of time, and the name of the game is to see how many chips you can pile up while you’re at the poker table.

Business is only a game, so why not have some fun and try to win. Don’t take any situation too seriously, or you might end up making things worse by pressing too hard.

### 3. ADVANCED INTIMIDATION THEORIES

**Main Idea**

**THEORY OF INTIMIDATION**

The results any person achieves are inversely proportional to the degree to which they are intimidated.

In any business transaction, the person who is the most intimidated will make the least amount of money. Therefore, to make money, position yourself as the intimidator.

**Supporting Ideas**

In any business field, there is always a "Discouragement Fraternity". These are people who are already active in your chosen field of business, who can tell you;

1. How tough that business profession is.
2. How it is almost impossible to get started in that field.
3. How exceptional a person has to be to survive.
4. Why it would be a mistake for you to enter that field.

In reality, these people are simply trying to bolster their own egos because of a lack of accomplishment. They are hiding behind their own business insecurities.

To get past the discouragement fraternity, use these theories;

**TORTOISE AND HARE THEORY**

Don't tell me how fast you get out of the starting blocks; I'm only interested in where you are when the race is over.

Life is like a nine innings baseball game. The guy who's ahead in the first innings merely wins a battle; the guy who's ahead at the end of nine innings wins the war. Battles aren't relevant, wars are.

**COURT-HOLDER THEORY**

Don't allow yourself to be intimidated by know-it-alls who thrive on bestowing their knowledge on insecure people. Put cotton in your ears and blinders on your eyes; and trudge ahead with the confidence that whether or not someone else "knows-it-all" really isn't relevant to what you know and do. If the other guy wants to show off, that's his business; mind your own. What anyone else knows or doesn't know will not affect your success one way or another.

"Court-Holders" are members of the Discouragement Fraternity who make a career out of intimidating people with their knowledge. Don't fall for it - the actions and seemingly infinite amounts of knowledge of other people are totally and completely irrelevant to what you can or cannot achieve.

In the business jungle, you'll meet all different types of people. They will all come across differently, but in reality there are only three different types of people you will meet with one exception.

**THREE TYPE THEORY**

There are only three types of people in the business world;

**TYPE NUMBER ONE**
A person who acknowledges from the outset that they always act in their own self-interest.

**TYPE NUMBER TWO**
A person who understands they always act in their own interests, but tries to make you believe otherwise. This type assures you he wants you to get everything you deserve while at the same time he is acting to make sure you get nothing.

**TYPE NUMBER THREE**
This person sincerely assures you he is looking out for your interests, but due to any of a number of reasons supposedly beyond his control, he will still end up
trying to grab everything for himself when it comes down to the final crunch.

No matter how anyone else comes on, you’d better acknowledge the reality that they are acting in their own self interests only, and it's up to you to protect yourself accordingly.

The only exception to the three type theory are people who stand to benefit directly as a result of your earning and receiving an income. These exceptions are extremely rare, and often include only a spouse or child.

Type Number One’s are easy to spot. They make it clear from the outset that the name of the game is to win, and that you automatically become their opponent by attempting to get some of their money off them. If you go into a business transaction with them, you go in with your eyes open and an awareness of the risks involved.

Type Number Two’s are treacherous, because they are hard to recognize and extremely difficult to handle. They are devious, and work hard behind the scenes at getting something. They usually give long lectures about “honesty” and “integrity”, and intimidate people into a situation where they don’t feel the need for a written agreement.

Type Number Three’s are menacing because their intentions are good. They honestly want you to get a “fair shake”, but because of their own bungling or their own definitions, they are forced by "circumstances beyond their control" to see you get nothing at all.

Wealthy people have staying power. They are always prepared to walk away from any deal that doesn’t suit them, and no one deal is a life-or-death proposition. As a result, they can’t be intimidated by time restrictions.

LEAPFROG THEORY

In business, you are under no obligation to "fight your way up through the ranks"or let someone else decide when you have "paid your dues". Only you know when you’re ready, and when you are, leapfrog to exactly the point on the business ladder where you think you belong.

The catch is that are not properly prepared, the realities of the business world will knock you back into the pack quick smart. If, on the other hand, you are honestly prepared, you have a good chance of staying above the pack.

In the business world, people operate at the professional level for which they are best prepared. There is no certification board that clears business people to be involved in deals of certain amounts. It is literally a jungle. Industry, society or any other abstract entity cannot tell you where you should be operating - only you can do that for yourself.

POSTURE THEORY

It’s not what you say or do that counts, but what your posture is when you say or do it.

If you have a weak posture, you are more likely to be intimidated. The trick to earning large amounts of money lies in achieving a strong posture that means you can’t be intimidated by other business people.
Posture is the direct result of the amount of "power" at your disposal. Rich people have "staying power" and consequently a strong posture.

You can offset this by creating:
1. Image Power
2. Legal Power
3. Performance Power

1. "Image Power" is achieved by creating respect for your business organization. It means you have earned the "right" to demand handsome returns by creating an organization that is above the run-of-the-mill offered by any competitors. In effect, you create a brand name giving increased value. For example, many successful merchant bankers create an exclusive image by building expensive offices for their organizations.

2. "Legal Power" means having the proper legal tools available so that if you have to go to court to protect your position, you have every i dotted and every t crossed. This will include having all licenses, signed written agreements, third-party certifications, correct legal structure, etc.

3. "Performance Power" means to be the best in your field. It is the difference between creating the illusion of success and the real thing. It means to be absolutely fanatical about operational procedures and your actual performance. You’re backing up a powerful posture by providing a superior business service or product.

To apply these theories takes unwavering amounts of skill and determination, and a commitment to avoid the instinctive thing if that is the incorrect action to take. You should realize that anyone who tries to be above the pack automatically turns up the proverbial heat in their own kitchen. Jealousy, resentment and increased heat are simply the natural by-products of anyone trying to life the level of their business achievements.

The real question you should ask yourself is:

Is the payoff of dignity, peace of mind and money worth the price of jealousy, resentment and heat?

You can either be poor and well-liked, or be wealthy and have a few people dislike you for that reason alone.

4. APPLYING THE INTIMIDATION THEORIES

Main Idea
The general principles of intimidation can be applied to any situation in the business jungle. From this philosophical base, specific techniques can be developed to fit your own personality and business objectives. The key lies in realizing the underlying realities, not in specific techniques geared towards one specific career field or another.

Getting paid can be divided into five basic steps;
1. Obtain a product to sell
2. Locate a market for that product
3. Implement a marketing method
4. Be able to close the sale
5. GET PAID for making that sale.

**Supporting Ideas**
Taking each of these steps in turn:

**1. OBTAIN A PRODUCT TO SELL**

The first rule of business is avoid working with other salesmen. Many people derive their thrills by talking about deals rather than facing the hard realities of trying to do one of these deals themselves.

Never try to avoid the arena - the place where the real action is happening all the time.

The shortest distance between two points is a straight line. The odds against closing a deal can be staggering, but when you introduce a third person, you make a triangle and the odds against success can become even more overwhelming.

To create an impressive posture in your business field, look for powerful ways to do the opposite of what everyone else is doing. For example, you might create an expensive brochure that makes a subtle statement about who you are and what you can achieve.

**MAKEABLE DEAL THEORY**

Expend your efforts in working hard to find a few makeable deals rather than working hard on an endless number of unmakeable deals and clinging to the hope that somehow one will close.

This is the opposite to the approach followed by many businesses who hope that the law of averages will bring them success sooner or later.

Find the key factors that distinguish makeable deals, and focus on those factors alone. In real estate, it is "cash flow" and "net income", with "tax loss" being the frosting on the cake. If someone dwells on the tax shelter aspect or quality of construction, it generally means the deal is unmakeable. It’s far better to identify an unmakeable deal before expending energy, funds and time.

**2. LOCATE A MARKET**

This is usually the least difficult step of all, although that is by comparison with the other four steps only. Locating a market of serious, interested buyers may still take a great deal of money, time and effort.

It’s always in the buyers best interests to look at as many possible deals as possible. This combines with the fact that most buyers won’t end up paying commission to the salesmen themselves, so they welcome any submission you wish to send.

Every business field has their own techniques for separating the browsers from the serious buyers. You need to learn and apply the techniques that are appropriate for your particular product line.

For example, non-serious buyers might:
1. Dwell on factors that are insignificant and irrelevant.
2. Have no definite guidelines - they’re just browsing.

With a product to sell and a pre-qualified, serious buyer or buyers, you’re now about half-way through the process.

3. IMPLEMENT A MARKETING METHOD

Invest some research and development resources into preparing a professional marketing system whatever your product or service. Ideally, you should develop a system that can be taught to an employee so that you can increase the effective use of your own time.

The objective in this step is to provide a superior service to your client. Ideally your marketing method should have a readily identifiable audit trail that can be handy in the event that legal action becomes necessary later. (For example, certified mail is used in the real estate industry to establish bona-fide sales contacts.)

The ideal marketing method has built-in legal tools and protection measures. This is an acknowledgement of the reality that you might have to take legal action to collect your commission or other fees. This is hoping for the best (that legal action won’t be required) but preparing for the worst just in case. Your marketing should always anticipate normal events, and wherever possible, handle these items in the opposite way to your competition. For example, most real estate salesman don’t like buyers and sellers to talk directly with each other. You should anticipate that this request will arise and encourage it by arranging a conference call between the three of you. This will strengthen your position as a capable operator who knows what they’re doing.

The marketing method should strengthen your posture. That is, your posture becomes extremely impressive when you have the right image backed up by the full compliment of legal tools. The final polish comes from doing an exceptionally good job at execution - by providing superior service above and beyond the call of duty. With these three tools, your posture is extremely strong.

FIDDLE THEORY

The longer a person fiddles around with something, the greater the odds that the result will be negative.

In general, the longer it takes to get to the point of closing, the more potential there is for deal-killers to emerge, or for circumstances to change. It is always in your best interests to do everything possible to expedite any and all sales processes.

The marketing ends at the point where you have a verbal agreement between the buyer and the seller. You’re now getting close, but most football players will tell you that being close doesn’t count - you’ve actually got to close the sale to have any chance of being paid.

4. CLOSE THE SALE

In business, there’s a weird phenomena that occurs over and over again. Whenever a buyer starts talking seriously about actually buying something, suddenly a host of other
potential buyers will pop up out of the woodwork right on cue. You should anticipate this and warn the seller that it will happen.

**BOY-GIRL THEORY**

There is a basic human weakness inherent in every person that tempts them to want what they can't have and not want whatever is readily available.

In growing up, this theory manifests itself in the fact that all the boys always want to go out with the girls who hate them, and all the girls want to go out with the boys that give them a cold shoulder. The same happens in business - everyone always wants a deal they can't have, and isn’t satisfied with the deal they can arrange. You should anticipate these feelings and use it to your advantage as a salesman.

**BETTER DEAL THEORY**

Whenever you have a "deal" sewn up, its human nature to wonder whether there isn’t a better deal just around the corner.

This is another uncontrollable instinct. Everyone worries whether they are getting the best possible deal in any situation, or whether they will be kicking themselves at not waiting just a bit longer.

To combat both the Boy-Girl and Better Deal theories, forewarn the seller and buyer that they will feel that way. The trick lies in putting a money on the table as quickly as possible. Everyone else then has to put up their money or go back into the background. The other thing you can do is take matters into your own hands and make sure all the details are covered. This is a critical moment that can fall through for a host of different reasons, so do everything possible to improve your chances.

5. GET PAID

The object of the game is not to close deals. That is only a means to your ultimate end - to actually get paid for your work. This is the difference between "earning" and "receiving" income. Most sales people put their emphasis on the other steps of selling, in the hope that this step will sort itself out. There is no conflict in doing a job well and being paid well for your results.

There are two final defenses that must be overcome to actually get paid for closing any significant business negotiation;

**THE ATTORNEY GOAL LINE DEFENSE**

No attorney worth his salt will sit back and allow a deal to close without putting up a fight.

Nothing of any significance can be done by most people without their attorney being present. You need to be anticipating this conditioned business response.

 Approach their attorney calmly and matter-of-faculty. If you allow them to intimidate you, you’re dead in the water. If you try to intimidate them, it won’t work either. Whenever they bring anything up, state that there is no concern about that point and that it can be
handles as a normal part of the business negotiations. The fact that you neither argue nor cower will totally confuse their attorney.

If the attorney persists in bringing out tricks designed to kill the deal, appeal to the seller’s Boy-Girl instincts. Tell them you’re sorry things haven’t worked out, and that you’ll get started straight away on generating another serious buyer for them. If their instinct is strong enough, they can tell their attorney to back off and start calling the shots themselves again.

Never lose sight of the reality that the attorney is a formidable defense mechanism, and you will certainly lose a percentage of your deals to this defense over a period of time. Acknowledge that reality and use it to your advantage.

The other final obstacle is usually;

**DIRTY LAUNDRY THEORY**

In any major transaction, you should expect a host of hidden secrets to get dragged into the light.

Offset these secrets by forewarning the buyer. Create an atmosphere of expectancy (rather than shock) at the inevitable dirty laundry. At least that way, you strengthen your posture and lay the groundwork for some damage control.

The reality is that some of your deals will be lost through last minute unforeseen dirty laundry.

If you can get past the attorney and the dirty laundry and actually close the deal, you may be tempted to put the score up on the board. This is a major mistake. Despite all the effort expended so far, the hardest step of all still remains - getting paid for what you’ve done.

**BLUFF THEORY**

The best way to bluff is not to bluff.

Wealthy people can’t be intimidated because they have staying power - they can walk away from any deal. The only other substitute for wealth is guts. Draw your line in the sand beyond which you won’t be pushed, and stick to your position. Always be prepared to back up your work with a lawsuit based on all the meticulous preparations you’ve already made.

The choice is yours. Either the seller gets upset because you walked away with the commission you’ve earn or else the seller can think you’re a real nice guy while you struggle to pay your bills and feed your family.

**FACTORS BEYOND YOUR CONTROL THEORY**

In the business world, most deals simply do not close because of factors totally beyond the salesman’s control.

If you acknowledge this reality, you’re bound to have a happier and more productive
working career. There are many more reasons for any deal to not proceed than there ever are to go ahead. Realise that more often than not, things won’t work out as planned. Don’t sweat it. Business is just a game within the larger game of life.

It’s counter productive to dislike your opponent just because he wins. When you have the proper perspective, you can admire an opponent’s skills while looking out for your own best interests. That doesn’t mean not getting paid - it simply means you alone make sure you do get paid fairly for the good service rendered.

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