



Book

What They Don't Teach You at Harvard Business School

Mark H. McCormack
[Profile Books](#), 1994
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You have your education; you got your M.B.A. Now, here's what you really need to know to sell, negotiate and communicate.

Recommendation

In this book, Mark H. McCormack draws on his experience as the head of a sports management company to provide some tips and techniques for selling, negotiating and managing. He presents a series of how-tos and recommendations, followed by several examples. The result is a well-organized guidebook to achieving success. The book's easy-to-read, breezy style and McCormack's personal touches make it an engaging and fun read. However, while the book claims to offer secrets and information that are usually not taught in school, most experienced businesspeople in any of the fields he mentions will be familiar with much of his guidance. It does mirror material that is widely covered in other books on the same topics. Still, McCormack's book is a classic written in an interesting way, and his opinions and experiences contribute to its appeal. *getAbstract* recommends it to recent graduates, and others in sales and negotiations who seek some real-life expert advice outside the ivy-covered walls of academia.

In this summary, you will learn

- What you need to know in business that you didn't learn in school (even at Harvard)
- How to excel at selling
- How to negotiate successfully
- How to communicate effectively

Take-Aways

- Apart from your college education, you need to be street-smart to sell, negotiate and manage well.
- Old customers can be the best customers. The ideal time to sell something is when the buyer has already said yes to something else you've offered.
- Giving away a product or service for free can get you in the door.
- A long silence can be significant in a tense negotiation session. Try not to be the one to break it.
- Walk away from a deal rather than abandoning your principles.
- Sometimes it can be critical to show up in person rather than sending a memo or making a call.

- Find ways to help others accept and embrace ideas regardless of where they originated.
- In written or verbal communication, be clear and concise.
- Don't be afraid to admit that you don't know something.
- Imagine yourself like a product. Use personal marketing. Think about how you would position yourself.

Summary

“The goal of any thriving organization is to stay lean rather than fat; hungry rather than satisfied.”

“If your idea is good, you don't need charts and visual aids to sell it. If your idea is bad, all the bells and whistles in the world won't improve it.”

“There's nothing more refreshing than a salesperson who honestly says, ‘This is probably not right for you. Let's defer it for another time.’”

Secrets of Successful Selling

Many salespeople will gladly give advice on how selling works. A typical lesson on selling would be: “Know your product. See a lot of people. Ask everyone to buy. Use common sense.” Great tips – but they need some tweaking to fit today's globalized, competitive economy:

1. **Know your product...and your industry** – Your customers will compare prices before they buy, so you should know your competition. Also, just knowing your product won't suffice; you need to believe in it as well.
2. **See a lot of people...who are likely to buy** – Beyond just knowing a lot of people, you should know the right ones.
3. **Ask everyone to buy...at the right time** – You should ask people to buy, but you shouldn't be too obtrusive. Give your customers space. Let them think that buying from you was their idea in the first place.
4. **Use common sense. Period.** – Beware: Overconfidence can kill common sense. Don't brag too much about a success.

“Supersalespeople” have a few more tricks of the trade. One is to “knock on old doors.” Realize that existing customers can be the most promising prospects. They have bought from you before; if they were satisfied, they will be inclined to buy more. Also, a supersalesperson knows to bring new information or ideas to each additional sales call. If you are a car dealer, you don't take prospects on a second test drive; instead, the second time, you offer them a finance plan. Supersalespeople “backpedal aggressively” when the time is not right for selling.

Sometimes offering to do something for free is a way to get in the door. Prospects can't refuse a free offer on the grounds that they have no budget. Then, if you do a good job, they may pay you well for what you have done or you can seek a paid arrangement in the future.

Remember who you are dealing with, and show respect for your clients and their products. One salesperson got the cold shoulder after sending a proposal to Federal Express – via DHL. Businesspeople are sensitive to any clue that shows a preference for their competitors; at a business lunch with a Coke executive, don't order a Pepsi.

Many people overlook the importance of buying in the sales equation. Recognize the leverage you have as a buyer, such as the size of your order, whether you are paying cash and whether your order could be the beginning of a long-term relationship. Use your leverage before the sale goes through to negotiate the best terms. Its effectiveness decreases dramatically after you have paid your money.

Having or obtaining the right information is half the battle. Ask questions even if you already know the answers to see if your customer might reveal new information. The more information you share, the more likely people are to reciprocate. Remember that people become chattier when they are farther away

“It is better to overwhelm than underwhelm a prospective client.”

“Like the advertising agent...who drives one client's cars, brushes with another account's tooth paste and uses another account's laundry detergent, being hypersensitive to a client's whims...is becoming second nature for us.”

“While I have always believed that the contents are more important than the packaging, that's meaningless if the desired consumer is turned off by the package.”

“You're always better off understating your ability to deliver and overdelivering on what you stated. If you can't do that, walk away.”

from their offices. Requesting information they shouldn't give you will teach you a lot about their trustworthiness. Don't hesitate to ask for numbers. If they are not ready to discuss dollar amounts with you, they are probably not ready to buy.

The Secrets of Good Negotiating

Negotiation skills won't come to you overnight. They require hard work. The five basic techniques of negotiating you need to practice again and again are:

1. **“Silence”** – A long silence can be of major significance in a tense negotiation session. Try not to break it no matter how uncomfortable it makes you feel.
2. **“Patience”** – Sometimes, doing nothing is the most effective strategy in a negotiation. Just the passage of time can change the circumstances. So sit it out until people calm down, problems resolve on their own and new ideas pop up.
3. **“Sensitivity”** – Be aware of the other person's perspective, needs and wants.
4. **“Curiosity”** – You can learn a lot about people by observing them, especially outside their professional environment.
5. **“Showing up”** – Make a point of meeting people in person rather than calling or sending a memo, “nothing is more flattering.”

When you have second thoughts about a deal, wait a while. Trying to seem decisive when you are not will cause you to make bad decisions.

The more information you gain, the more power you have in a negotiation. People like talking about themselves, so encourage them to do so. If they ask you questions you can't or don't want to answer, move to a different subject (possibly with humor). You can also change or praise the question, and then provide the information you want to supply or ask a question yourself.

At times, you can gain advantage from starting to work with the other party before you have a final contract. Hagglng over details can take a while and the other person may change his or her mind. Plus, being in a cooperative process can give you an edge in negotiating, since your client or customer may now have more to lose if the deal doesn't go through.

Money is certainly important, but noneconomic factors are critical, too. For example, if your company brings great quality or prestige to the table, many people will be willing to give up money in return for a boost in their reputation. Think long-term. Respect a company's traditions and keep a deal confidential before it closes. Leaking information, particularly to the press, can kill a negotiation.

The ideal outcome for a negotiation is a win-win situation where both parties feel satisfied. Sometimes one party is much more satisfied than the other. In a “mediocre” deal, both parties are satisfied, but not very much. Such deals may have unexpected consequences. For example, if people agree to a price even though they strongly feel their services are worth more, the quality of that service might decline. They may not even be conscious of rendering less effective work. If you end up with a mediocre deal, let the other party know that you are not entirely happy. But remember that a mediocre deal can lead to much better future business.

If the price isn't good enough and you have no chance of getting a better deal in the future, walk away. Don't throw good money after bad. Also don't hesitate to leave the table if you simply cannot offer what the clients want or if they ask you to abandon your core values or principles. That might bring short-term success, but it can hurt you in the future. Walking away does not necessarily mean that you can never go back. Wait a few months and try again.

The Secrets of Successful Managing

Start-up entrepreneurs generally go through three phases. In the first phase, income is very critical. In phase two, entrepreneurs are increasingly concerned with cutting costs to make a profit. Finally, in phase three, they start “managing cash” by reinvesting the money in their companies to make them more valuable. That is what Ted Turner was referring to when he said, “I’ve never been too concerned with building profits. My goal is to build value.” Building value often means growth. However, an expansion should make sense for your company and should actually be profitable. Generate a lot of ideas. A tendency to reject ideas that weren’t your own is not helpful. Get rid of that attitude within yourself and your people. Be open to new possibilities, and be creative in finding ways to help others accept and follow through with good ideas.

“The art of salesmanship is telling the customers what they want to hear. The art of customership is hearing the salesman’s pitch and getting it down on paper.”

As a manager, you will face two types of people in your organization: heroes and winners. The heroes are highly visible, and tend to get recognition. The winners are the people who do an excellent job behind the scenes. Don’t forget about them. Work hard to motivate and recognize the winners. The people who do the glamorous jobs are more visible, but inside experts are critical for a company’s success.

If you need to fire someone, prepare everything for a smooth transition afterward. That may mean alerting customers or assigning additional responsibility to someone else before the dismissal. Be generous with people who are leaving; maybe even help them find new jobs. If you treat them fairly during the termination, they won’t talk badly about your company after they leave.

“Once people dig in their heels on a position, no amount of spade work will get them out. You’re not really negotiating anymore; you’re finding a way for them to save face.”

Corporate culture can be a valuable motivator. After a presentation on corporate culture, one CEO turned to his assistant and said, “The corporate culture stuff is great. I want one by Monday.” Corporate culture can help your company become great. If you want to “get one,” communicate to prospective employees that your company is world class and expects outstanding performance; encourage team work; have prospective leaders work at lower levels so they really get to know the company; ensure that your employees know where the company is heading; quantify your goals; have clear corporate values and honor them; tell your company’s story to emphasize its class and values; and define corporate role models.

As a manager, you will have to hire, retain and fire employees. Try to find the best people. If they are more qualified than you are, that’s even better. Don’t let self-consciousness trick you into hiring anyone but the best-suited candidates. To keep them, make sure you place them in the right jobs, pay them what they are worth, give them their own projects and provide regular feedback. Be sensitive about your employees. Read the handwriting on the wall; no one leaves without giving you subtle clues beforehand.

“Two factors – timing and the individual’s loyalty to our company – determine everything that follows once I decide to let someone go.”

As a boss, focus on “adding value,” including bringing out the best in your people, rather than exercising your power. Always ask yourself if you need to be involved – if not, let your staff members do the job by themselves. Teach them how to do it or how to do it better, and then leave them to it. There’s a difference between “being the boss and being bossy.” Recognize your own areas of expertise, avoid inefficiencies, be a good example and provide people with clear objectives.

“Getting Ahead”

Imagine yourself as a product. Then think about how you would position yourself. Would you be high- or low-priced? First-to-market or a long-range seller? Practical or stylish? Apply the principles of marketing to yourself and use them to get ahead. Be aware of your weaknesses, but not proud of them. Nurture these crucial traits in yourself: “honesty and integrity, mental toughness, stubbornness, thoughtfulness” and “maturity.”

“The longer the letter, the less likely it will be

“Getting Organized”

answered.”

It doesn't matter what time management system you use as long as you use one. Always schedule free time in case something unforeseen happens. Plan ahead and respect others' busy schedules as well. Make notes of every conversation you have. If you are going to talk to someone on the phone, take a minute before you call to focus on what you want to say.

“Communicating”

If you are sending a letter or memo, obey the basic rules of good writing: Organize your message. Use bullet points if appropriate. Don't confuse your reader with complicated sentences. Keep them short and simple. Don't hide your message between the lines or make your reader guess. Say what you want to say in plain words. This is true for verbal communication as well. Avoid overinterpreting the other person's body language; instead, rely on better clues such as exact phrasing (“I might like to do that.” versus “I would really like to do that.”) or how much time the other person dedicates to the conversation.

“Short words, short sentences, short paragraphs work. Trust me.”

About the Author

Mark H. McCormack is the author of the classic *What They Don't Teach You at Harvard Business School*, published in 1984. He is also the founder and chairman of a sports management company that represents top athletes, including golfers Arnold Palmer, Gary Player and Jack Nicklaus.

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