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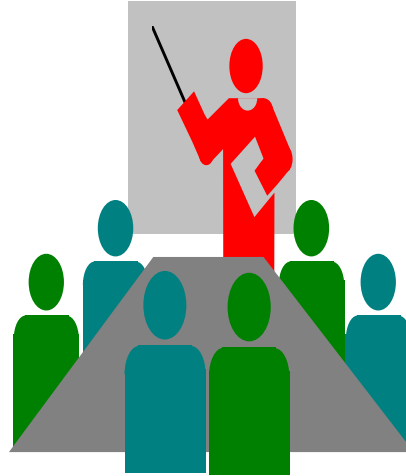
Using The Tools of Persuasion to “Sell” your Estimate

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Jennifer Kirchhoffer CCEA

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Persuasion



An attempt to change attitudes or behaviors (or both) without using coercion or deception.

■ Persuasion

- A delicate mix of....
 - Rational argument
 - Social forces
 - Psychological forces

Most estimators
stop here!



Source of Data

- **Robert B. Cialdini, *Influence: The Psychology of Persuasion*, (revised; New York: Harper Collins, 2007)**



Tools of Persuasion

- 1. Reciprocity**
- 2. Commitment & Consistency**
- 3. Social proof**
- 4. Authority**
- 5. Likeability**
- 6. Scarcity**



1. Reciprocity

One of the most potent weapons of influence and compliance:

We want to repay, in kind, what another person has provided us

The **key** to using the principle of reciprocity is to **be the first**.

Be the first to give concession.

Be the first to help.

Be the first to be courteous.

Be the first to be cooperative.

Be the first to give information.

Whatever you do first, will come back to you eventually



1. Reciprocity

i.e.: **We want to repay, in kind, what another person has provided us**

- e.g.:**
- give a flower then ask for a donation
 - LBJ called in favors; Carter had none to call in; political patronage
 - send prospect pre-printed return address labels with solicitation letter
 - small gifts and compensated meals



1. Reciprocity

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- **Technique 1:** If someone makes a concession, we are obligated to respond with a concession
 - Making a concession gives the other party a feeling of responsibility for the outcome and greater satisfaction with resolution



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- **Technique 2: Rejection then retreat: exaggerated request rejected, desired lesser request acceded to**



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- **Technique 2: Rejection then retreat: exaggerated request rejected, desired lesser request acceded to**
- **Technique 3: Contrast principle: sell the costly item first; or present the undesirable option first**



2. Commitment & Consistency

Our nearly obsessive desire to be (and to appear) consistent with what we have already done

Consistency is usually associated with strength, inconsistency with weakness: **we want to look virtuous**



2. Consistency

- **Technique 1:** Elicit a commitment, then expect consistency
- **Technique 2:** Public, active, effortful commitments tend to be lasting commitments
- **Technique 3:** Get a large favor by first getting a small one (small commitments manipulate a person's self-image and position them for large commitment)



2. Commitment & Consistency

- **Outcome 1:** Commitments people own, take inner responsibility for, are profound
- **Outcome 2:** Commitments lead to inner change and grow their own legs



2. Commitment & Consistency

Examples:

- Negotiating a car price
- “Hi, how are you?”
- Howard Dean’s campaign (meet ups and volunteers writing letters)
- Have customers, not salespeople, fill out sale agreements
- Testimonials
- Campaign leadership



3. Social Proof

One means we use to determine what is correct is to find out what other people think is correct.

- The greater number of people who find an idea correct, the more the idea will be correct
- Pluralistic ignorance: each person decides that since nobody is concerned, nothing is wrong
- Similarity: social proof operates most powerfully when we observe people just like us



3. Social Proof

Examples:

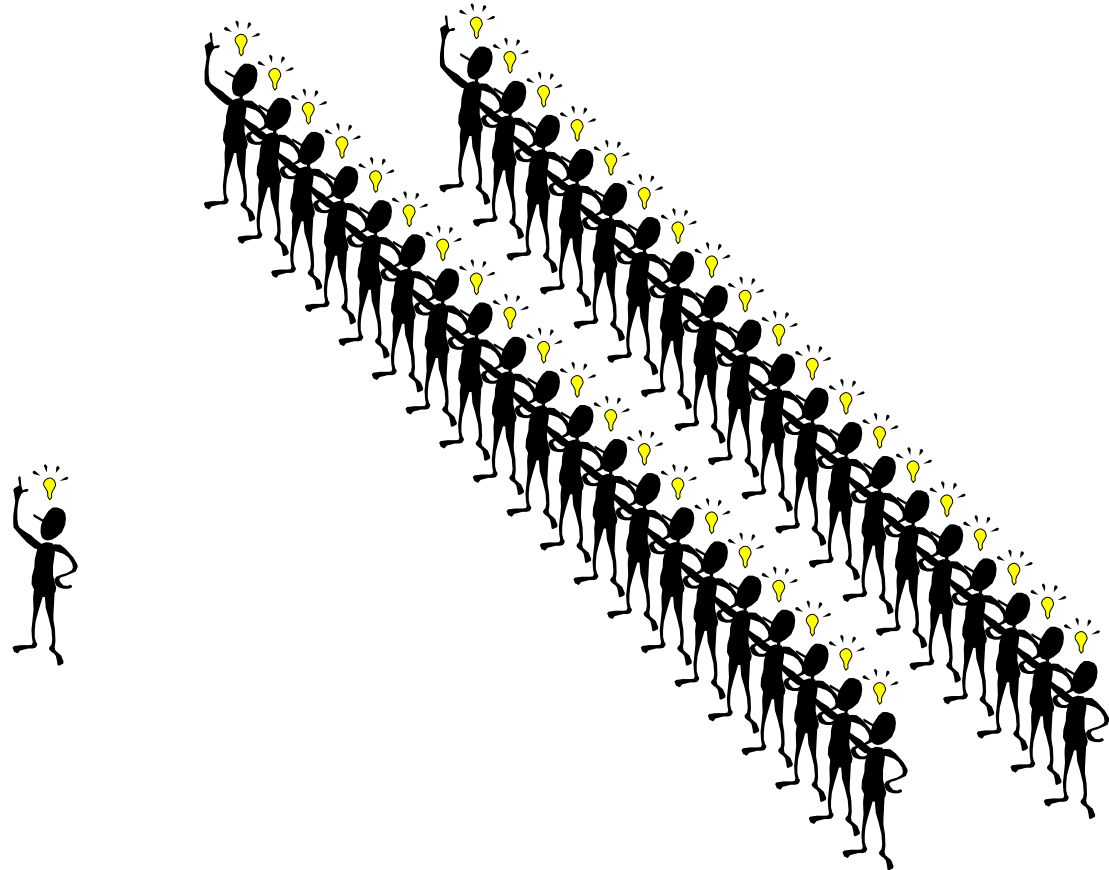
- Laugh tracks
- Faith communities
- Mob behavior
- Inaction toward crime or emergency
- Jonestown
- Applause
- Testimonials



3. Social Proof

Consensus & Group Think

POWER IN NUMBERS



4. Authority

People are easily influenced by what they deem as legitimate authorities.

- We have a deep-seated sense of duty to authority
- Tests demonstrate that adults will do extreme things when instructed to do so by an authority figure



4. Authority

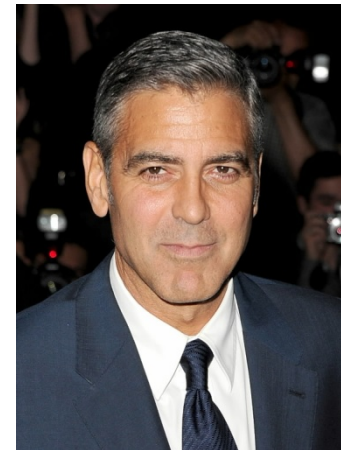
- **Titles**
- **Uniforms**
- **Clothes**
- **Trappings of status**



5. Likeability

People are easily influenced by what they like:

We prefer to say yes to someone we know and like



5. Likeability

Compliance factors:

- Similarity of opinion, life-style, background, personality traits
- Familiarity and contact
- Cooperation in shared goals
- Physical attractiveness
- Compliments
- Association with positive things (beauty, what's hip, food)
- Success
- Smile



5. Likeability

Examples:

- Tupperware parties
- Peer solicitation
- Good cop / bad cop
- Eating together
- Celebrity endorsements



6. Scarcity

**Opportunities seem more valuable to us
when their availability is limited:**

**We want it even more when we are in
competition for it!**

How to make people want something more?

- Make it scarce
- Scarcity is a huge decision trigger
- People are more afraid of the pain of losing than the contentment of gaining
- Tell them what benefits they will lose



Tools of Persuasion

1. **Reciprocity:** we want to repay, in kind, what another person has provided us
2. **Consistency:** desire to be (and to appear) consistent with what we have already done
3. **Social proof:** to determine what is correct find out what other people think is correct
4. **Authority:** deep-seated sense of duty to authority
5. **Likeability:** we say yes to someone we like
6. **Scarcity:** limitation enhances desirability



How an Estimator Can Employ Tools of Persuasion

- **This is a toolbox – not an arsenal**
- **Do not try to use all tools at one time**
- **Build your influence over time**



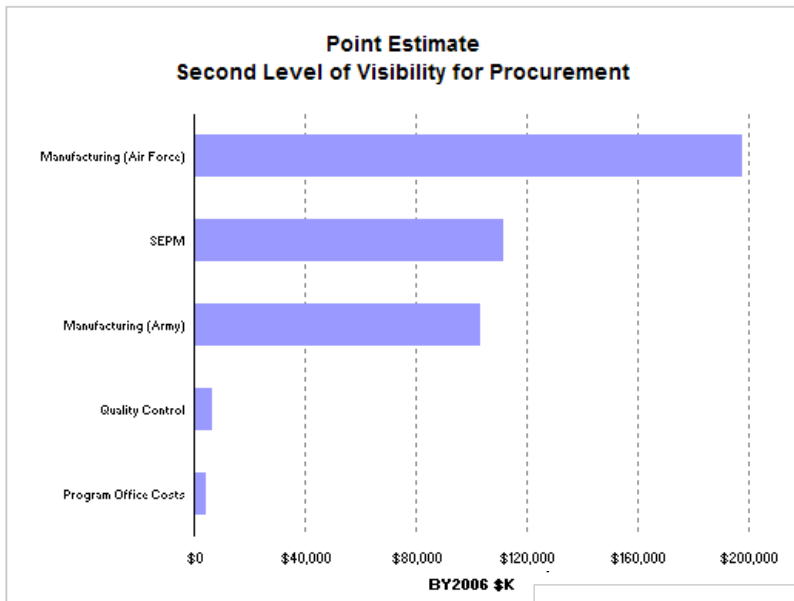
1. Reciprocity Strategies

- **Contrast Principle**– Show actuals from “higher cost” systems at beginning of presentation
- **Build concessions into your estimate briefing**
 - Present highest cost case first
 - Show higher confidence level estimates rather than point estimate
 - Traditional cost presentations start with the point estimate then introduce risk at the end of the presentation
 - Consider showing risk adjusted estimate prior to explaining the point estimate
- **Deliver more than just the estimate**
 - Estimators often have more knowledge of the total program than the Program Manager – **share your technical knowledge** in the briefing
 - Enhance quality of “non-estimating products”
 - Risk matrices
 - Schedules and Schedule Risk
 - Technical Documentation
 - **Be a leader in the Should Cost development**

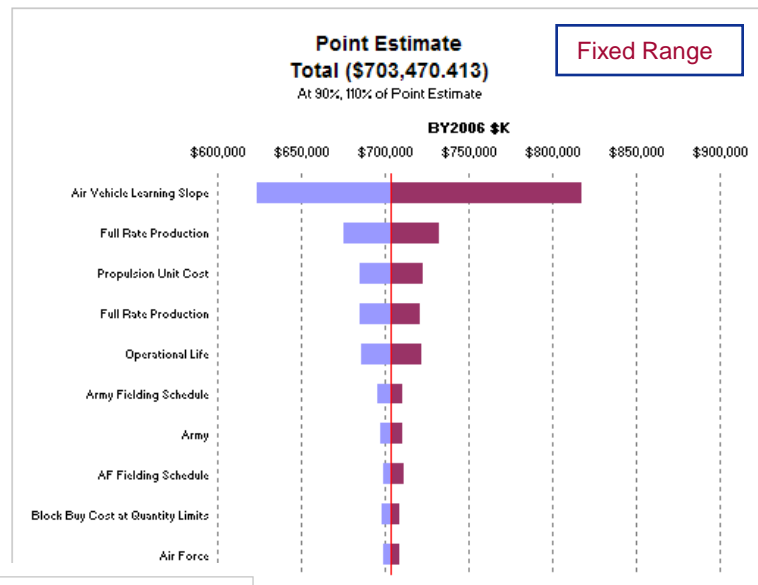


Key Charts for Reciprocity

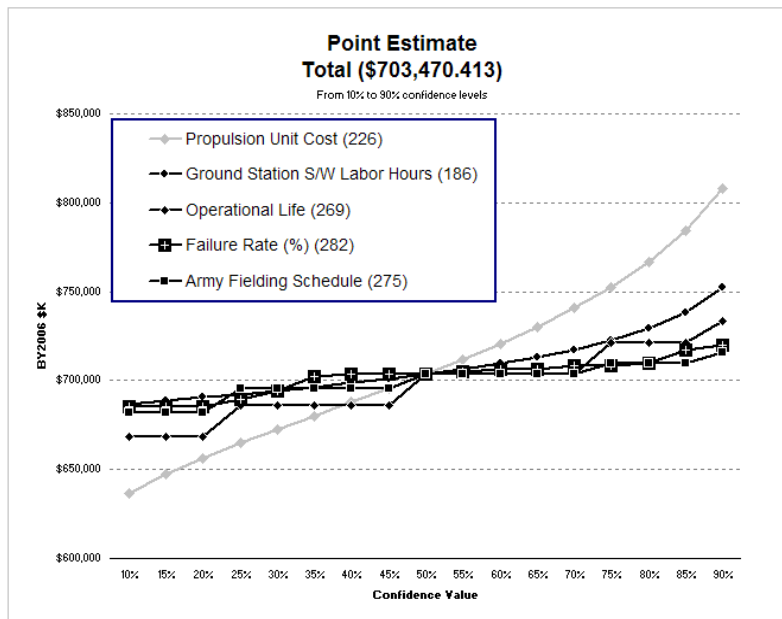
Identify Cost Passengers – Big Ticket Items



Identify High Volatility Items in Estimate



Identify Cost Drivers – Management Focus



2. Commitment & Consistency Strategies

- Know if your customer has made **prior statements** that could cause issues
- **Try to get public statements** regarding commitment to accurately represent anticipated cost of program
 - Educate customer on GAO findings regarding insufficient estimates
 - Ask if they are committed to showing the most “realistic” estimate
- **Get a large commitment by first getting a small one (small commitments manipulate a person’s self-image and position them for large commitment)**
 - Focus on selling methodology and bases of estimates prior to presenting total estimate. Get verbal buy-in for all elements individually
 - If customer accepts element level estimates and has made a commitment, they will accept the program level estimate in order to remain consistent



3. Social Proof Strategies

- **Statements regarding estimating/cost from **leaders outside your organization****
- **Socialize your estimate prior to briefing the boss**
 - Quote members of the team (**testimonials**)
 - Know what other leaders (programs) at the same level as your customer are doing
 - “Our counterpart has increased their estimate by 30% over the last year”
- **Give your customer supporting evidence that **he is not alone in his actions****



4. Authority Strategies

- **Introduce your qualifications and experience**
 - Don't brag
 - You can do this in preliminary conversations with your reviewer
- **One tactic to demonstrate your trustworthiness is to admit your own personal weaknesses**
 - If you are weak in a particular technical area, admit it
 - This will actually lower the influence barrier
- **Before you give your strongest argument, mention a weakness in your argument first**
 - Tell them even if they already know
 - Do not pretend to be in a position which you are not
 - As soon as you are able to point out your weakness, you have increased your credibility
 - You show that you are being truthful
 - Higher credibility, lower barriers
- **Show your expertise and understanding of estimate – Use Effective Charts**



5. Likeability Strategies

■ Similarity

- Find something that you genuinely share in common between you and the other party
- It really has to be genuine or the other party can see through it immediately
- Something which you are able to find a real connection with that person and create an interesting conversation

■ The way to bring down the influence barrier is to **let the other party see that you like the**. This is more important than them liking you.

■ Speak their language

- **Avoid estimating jargon**
- Explain new concepts in simplistic terms



6. Scarcity Strategies

- **This is the most difficult to employ in cost estimating**
- **Remember -- “If we can’t have it, we want it. We make a decision we want it.”**
 - This can apply to the estimator – **“Become the estimator that everybody wants!”**
- **Before any negotiation, think about what is unique and uncommon that we have to offer.**
 - What is there to lose for them if they do not accept our estimate?
- **Sometimes, we can be more persuasive if we are able to present what stands to be lost than emphasizing what stands to be gained.**
 - Emphasize the benefits that the parties will lose if they do not embrace the estimate
 - In estimating, **the biggest risk is not endorsing a realistic estimate early in the program.**



QUESTIONS ???

