

FROM THE FOUNDER'S HUB

# Maximizing exit value with a single buyer



It's not uncommon for ScaleView to engage with clients who have received an unsolicited offer from a single buyer. Typically, sellers maximize value when they are able to run a competitive process that results in multiple offers. Sometimes, however, the unsolicited bid is the only offer that the seller can or is willing to entertain. Whether sellers are negotiating with multiple buyers or a single buyer, sellers always maximize value when they are able to make the buyer emotional.

Most buyers like to think that their decisions are purely rational. The reality is that emotions greatly influence – and, in many cases, even determine – our decisions<sup>1</sup>. Psychologists are able to prove this by analyzing the brain in real time through the use of Functional Magnetic Resonance Imaging (fMRI).

Cognitive dissonance is the idea that people are committed to a certain perception of themselves, and that they will tend to avoid putting themselves in situations that negate this perception. With this in mind, it's not hard to imagine a buyer acting mostly or even solely on emotion and then using data to justify their “rational” decision later on.

To extract maximum value from a buyer, the seller needs to get the buyer to feel: “I want this, I need it, and it will help solve my problem.” Sellers need to create or augment one or more of the buyer's emotional states. According to sales expert Geoffrey James<sup>2</sup>, all buying decisions come down to a mixture of the following emotional states:

1. **Greed.** “If I make a decision now, I will be rewarded.”
2. **Fear.** “If I don’t make a decision now, I’m toast.”
3. **Altruism.** “If I make a decision now, I will help others.”
4. **Envy.** “If I don’t make a decision now, my competition will win.”
5. **Pride.** “If I make a decision now, I will look smart.”
6. **Shame.** “If I don’t make a decision now, I will look stupid.”

However, these changes in emotional state can only be accomplished when the sales approach takes into account the buyer’s belief system. It is this belief system that determines how each emotion plays out. For example, if the single buyer is a strategic buyer, the “fear” and “envy” emotions will be vivid if the seller emphasizes the strategic value of a potential alternative combination with one of the buyer’s competitors. Or perhaps the single buyer is a financial buyer from a newly minted sponsor. In this case the “greed,” “pride,” or even “shame” emotions could be emphasized by the seller.

Clearly it’s imperative that the seller knows the buyer’s current emotional state and the beliefs that they’re using to evaluate the emotional weight of anything you present to them. This of course is achieved by thoroughly researching your buyer to better understand their current state and better marshal emotions to change that state.

It’s only in this context that you should provide the buyer with information to help them rationalize their decision. And then it’s critical that you tie this information back to their emotional state. Doing so will make it easier for the buyer to “rationalize” the extra value that the seller is hoping to extract.

<sup>1</sup> <https://www.psychologytoday.com/us/blog/inside-the-consumer-mind/201302/how-emotions-influence-what-we-buy>

<sup>2</sup> <https://www.inc.com/geoffrey-james/6-emotions-that-make-customers-buy.html>



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