

38 Ways to Impact a Complex Negotiation by Bob LaBarbera

Introduction

Business negotiations can be incredibly complex. Multiple people on both sides, each with their own needs, wants, and agendas have a stake in them. What these stakeholders do or think before and during a negotiation go a long way to determining whether you'll end up with a great agreement, a mediocre one, or none at all.

The purpose of this document is to break down the complexity into 38 areas that impact a negotiation so you can come up with a strategy for each one. Some seem obvious and others maybe less so. You can use this as a checklist before an upcoming negotiation and even as a benchmark to see how strong your negotiating knowledge and skills are.

38 Impacts on a Complex Negotiation

- Power going into the negotiation, how much power do you think you have and how much power do they think you have & how much power do you think they have? Your confidence and their respect depend upon your belief (and theirs) in your level of power. Many salespeople and relationship managers feel their client has all the power. Not true. Not even close.
- 2. <u>Pressure</u> it's normal to feel pressure from all sides. Your side wants to maximize profit while keeping the client happy. Their side wants the best deal possible and wants you to fight for them. How do you plan to handle that pressure?
- 3. <u>Coaches</u> coaches are people who want us to succeed and can provide inside information to help us with strategy. They help us see the lay of the land in their organization and can give us perspective on stakeholder behavior (including consultants) on that side. Do you have at least one coach who can help you before & during the upcoming negotiation?
- 4. <u>Emotions</u> because we're human, we can't prevent our emotions from bubbling up. And, either can our clients. However, how we choose to respond to emotional situations can be controlled, and done right, can even give you an advantage.

- 5. Mindset we can go in thinking win-win or win-lose. We can choose a collaborative approach or a competitive one. Most of the time, a collaborative approach is by far the best approach when you want a long-term client relationship. The challenge is how do you do that when your client chooses to make it competitive?
- 6. Embarrassment if your counterpart is poorly prepared, or takes a stand that is easily shredded, or is called out on a false statement they made, or even endorses your company and you guys let him or her down, they could easily get embarrassed. Your ability to give them an escape route, to "save face", is an advanced, but critical skill that can save many a negotiation.
- 7. Connecting being able to find common ground early on is essential to the process of collaboration towards an all-win agreement. It's not always easy and when overlooked in negotiation preparation can lead to sluggish starts or wary behavior on the part of the other side.
- 8. <u>Demands</u> what a client wants out of the negotiation is often disguised by use of a demand. Many negotiators concede to the demand while others oppose it or counter with their own demands. Master negotiators reframe client demands because that leads to better wins for both sides.
- 9. <u>Framing</u> how well you position your offer, your policies, your terms & conditions, etc. go a long way to determining whether your client accepts them or not. Few negotiators practice this important skill. Savvy ones do.
- 10. <u>Concessions</u> there's always give and take in a negotiation and most clients will demand concessions. Master negotiators execute trades and only make concessions, not from client pressure, but as part of a deliberate strategy, planned out ahead of time.
- 11. <u>Deadlock</u> sometimes it's really hard for negotiators of good faith on both sides to come off positions that the other side can't accept so they end up in a stalemate. And, some negotiators use it as deliberate tactic. Master negotiators have a strategy for what to do when a deadlock is reached.
- 12. <u>Patience & discipline</u> Most negotiators (and executives behind the scenes) prefer the process to be over, as soon as possible. Both sides have been known to impose deadlines (real or artificial) for completing the negotiation. And, sometimes, clients will "slow-walk" the process because they believe you'll cave. You want to be disciplined enough to follow the process that can only lead to an all-win solution.
- 13. Ability to walk away there's a huge difference between you needing to make the deal happen and you wanting to make the deal happen. You

- lose all power when the other side perceives you as needy. It's imperative that you have the ability to walk away from a bad deal. Usually, the biggest challenge is getting others on your team to agree with that.
- 14. <u>Aspiration</u> besides setting what's minimally acceptable, the best negotiators set aspirational goals before any negotiation. Like any kind of goal setting, those focused on getting the maximum out of a deal do better than those focused only on meeting the minimally acceptable.
- 15. <u>Problem solving</u> complex negotiations are all about problem solving. The best negotiators are creative "inside-the-box". They find ways to brainstorm ideas by themselves, with teammates and with clients despite restrictions.
- 16. <u>Body language</u> body language can give away what's important to stakeholders on both sides. Savvy negotiators look for mismatches between what they hear and what they observe to uncover needs and wants.
- 17. <u>Style differences</u> nothing frustrates an analytical buyer more than an overly expressive seller who believes enthusiasm is more persuasive than proof sources and logic. The best negotiators try to adapt their style to the communication style of their counterparts.
- 18. <u>Standards</u> fairness requires both sides to agree on which proof sources are viable when discussing an issue. Master negotiators know how to look at a standard from both sides and persuasively explain why the standard used is fair.
- 19. Need strength the stronger the perceived need for your solution, the easier the negotiation will be. How strong the need is and where it's perceived in the client organization factors greatly into your strategy. Of course, master salespeople and relationship managers realize that the building of that desire for your solution happens way before the contract negotiation.
- 20. <u>Clarity</u> top negotiators continually strive for clarity. They practice making sure their message is crystal clear before delivering it to their client and they question their counterpart's message if they don't understand it.
- 21. Negotiate internally many relationship managers, sales executives & sales managers feel that negotiating inside their own organization is tougher than with their clients. It's the same with partners you're working with on a particular deal. Master negotiators know you can't skip this step and work the process doubly hard *internally* to make sure everyone on their team is on the same page.

- 22. <u>Client's internal negotiation</u> our counterparts have the same kinds of struggles working inside their organization (or with a consultant) as we do in ours in getting approval. Master negotiators don't leave this to chance and help their counterparts strategize what to do.
- 23. <u>Deadlines</u> whether real or artificial, deadlines are used by both sides to force resolutions (which often means concessions). Master negotiators have a strategy to use deadlines and how to react to them.
- 24. <u>Personal needs</u> the personal needs of stakeholders on both sides often go unspoken but that doesn't mean they don't have an impact on the negotiation. Savvy negotiators read between the lines and ask questions to build those into their strategy.
- 25. <u>Consultants</u> when your client hires a consultant, you need a strategy for them just like with any other stakeholder. Don't assume that their interests, their agenda, and what they're looking for runs in lockstep with their client's.
- 26. <u>Assumptions</u> making assumptions before a negotiation is not the problem. Problems occur when new, contradictory information comes to light and a misguided strategy stays the same. Savvy negotiators build an initial strategy but remain open to changing it when new information & new players come to their attention.
- 27. Competitive alternatives most salespeople and relationship managers overreact to the competitive threat thrown at them by the client, assuming the competition is a stronger alternative than it really is. Master negotiators not only have enough competitive knowledge to know how true that is, but they also work to uncover the client's real desires in going with the competitor or with your solution.
- 28. <u>Trust</u> Savvy negotiators know that without trust, it's incredibly hard to make a collaborative process work. So, they make it part of their strategy to build trust with new players and foster it with those who know them.
- 29. <u>Wants</u> figuring out what each stakeholder *needs* from a business perspective (the specs or functionality) is pretty straightforward, but understanding what they really *want* takes more effort. Of course, making sure you know whom *all* the stakeholders are is the first step.
- 30. <u>Politics</u> there are politics in every organization and the bigger the organization the more the politics come out disguised. Stakeholder behavior can even be seen as illogical, until you look at it thru the prism of personal needs and politics. Politics do rear their head in a negotiation

- and it's much easier to figure out when you have someone to guide you through it (see coach).
- 31. <u>Partners</u> to solve complex problems, we often introduce partners who bring special expertise to our recommendation. Savvy negotiators on the other side not only evaluate the solution fit, but also the competence of that partner and how well you all work together.
- 32. <u>Listening</u> so many things are said and unsaid, and so many clues are sent, that without concentration and active listening skills they will be missed or misinterpreted. Listening has always been the most important skill in being great selling and negotiating.
- 33. New players did something trigger the client bringing in someone new to the negotiation? Or, was that always the plan? Is that person's role to be the good cop, the bad cop, or the savior? Any introduction of new players should always cause you to think about what's going on & why.
- 34. Competing objectives this is perhaps the most difficult needle to thread. We expect competing objectives between buyers and sellers, but having to work through competing objectives within the teams themselves, is what causes most internal conflict during a negotiation. Master negotiators don't hope this built-in conflict works itself out. They address it.
- 35. <u>Baggage</u> any kind of problem that the client has experienced with you, your company, or your products and services falls under the heading of "baggage". Average negotiators ignore it and just plow ahead. Master negotiators address it right upfront.
- 36. <u>Surprises</u> new players, new demands, changing requirements, changing venues, and new time frames are all examples of tactics used by savvy negotiators on the other side to gain an advantage. It sounds oxymoronic, but master negotiators prepare themselves for surprise so they know how to react when they occur.
- 37. <u>Teammate errors</u> it can be extremely frustrating when a teammate goes off-script, does something they shouldn't have, or says something that sets the negotiation back. There are ways to reduce the likelihood of occurrence (prevention) and ways to fix them after they happen (cure). The best negotiators master both.
- 38. Negative tactics ranging from bullying to take it or leave it demands, there are too many to identify in this document. However, you do want to have a list of them, prepared responses for each of them, and to practice those responses just like and other skill.

So, there you have it. 38 different ways your complex negotiation can be impacted in a positive or negative way.

What's next?

This document gives you the "what" & the "why". We're launching our brand-new, *All-Win Negotiating System 3.0* training & coaching program, which gives you the "how". In it you'll learn how to handle these issues (and a whole lot more).

If you've already entered your email to download this document, you'll automatically be provided more information about the program and access to free training. Rest assured, there's no obligation to enroll in the class and we won't strong-arm you to do so. You'll know whether or not it's right for you.

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About the author

Bob LaBarbera helps improve the skills and strategies of sales executives, relationship managers and sales managers in the tech industry. He's trained over 5,000 busy professionals in negotiation, presentations, new business development, prospecting, account planning, strategic planning, and service excellence. For more information check out www.labarbergroup.com