



NegotiationWise



Executive Briefing - Horses for Courses

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What is your style and approach to complex negotiations and decision-making?

This article *is not* about *how* to approach complex negotiations and the decision-making processes, nor *is it* intended to be a *teaching guide*. As an executive, you have considerable experience dealing with difficult and complex situations. Rather, this article's purpose is to be an insight into the root causes of difficulties incurred during complex decision-making process that arise with complex negotiations. The article reflects on a typical approach which can make a complex scenario even more difficult than it already is.

How do you negotiate? What are the two key elements you missed in your last negotiation? Thinking of your last negotiation, consider how well you implemented the following two elements and if a better outcome could have resulted if you have taken these two steps more seriously.

How did you select your negotiating team members?
How did they prepare for the negotiation?

Lead Negotiator – An experienced and knowledgeable leader should be

- an individual of character and flexibility
- cool head, stays composed under pressure of deadline
- aware of occasional competition between individual team members for recognition by the leader and senior management. Able to address positively internal conflicts
- un-nerved & non-relational to the other side's undesirable behaviour
- considerate and does not react/respond to other side's attack
- influential in maintaining a united front [no internal conflict shown in front of other side]
- a team player that unites the team to have one voice
- discusses opinions, displeasure, ideas etc. during the breaks and not in front of the other side
- patient and does not seek quick results

Assigning a lead negotiator (negotiation team leader) is not an easy task. It is commonly entangled with an organisation's internal politics and status considerations.

Team Selection

Team selection is the first step in the negotiation process. Who did you consider? What were you thinking when you selected "John" to lead your last negotiation?

Was it because John is a good leader, a senior member of the executive team who managed the last procurement negotiation with the Austrians successfully? Did internal politics play a role in choosing John for this negotiation?

If this negotiation is with the Chinese, was John's successful negotiation record with the Austrians relevant?

Assigning a lead negotiator (negotiation team leader) is not an easy task. It is commonly entangled with an organisation's internal politics and status considerations. Often executives do not follow the key considerations and correct process for choosing a lead negotiator (see side note, first page). And it is not unusual for the executives to fail to recognise the right lead negotiator in their own team.

This is typically the starting point of a cascade of errors for a complex negotiation that results in weaknesses throughout the process.

From here onward, the next steps in the process include, the selection of the other negotiation team members, the preparation process, deciding on a correct strategy (and tactics) and the *conversation* with the other side, will all suffer from the lack of a *Wise* decision when selecting the lead negotiator. Select the right horse to begin with to improve your odds of success.

The lead negotiator requires exceptional skills and attributes. Whilst John may be the best choice to lead the procurement negotiation with Austrians, he may not be the right person to lead a sales negotiation with Chinese. That's nothing against John and his capabilities; it is just a matter of "horses for courses", he is simply "not fit for the purpose".



One of the biggest challenges during negotiation activity comes from your own team. Your lead negotiator should have the capability of influencing the internal key decision makers and stakeholders; to be able to get their "buy in" on the key negotiation topics. Often, one of the key difficulties in negotiation is the lack of a coherent view amongst internal stakeholders and executives of what their *Wise* negotiated outcome will look like. Often the "object" of negotiation cannot be defined internally or there are a number of conflicting internal objectives. That is, there is no internal cohesion as to what the organisation wants as an outcome and what should be the "strategy objective". In other words if the organisation cannot internally agree on what they want, how can they communicate with the other side and ask them to give them "something!" which they themselves do not know what it is!

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If that sounds familiar, consider the ambiguity of messages that were communicated to the other party during a recent negotiation. How a better outcome could have been achieved if the other party understood clearly what your team wanted from them.

So how did your lead negotiator dealt with internal politics? Was it that John heads the Marketing Department which made him the obvious choice to lead a *Sales Negotiation* with Chinese? After all, who would have support and co-operated with Michael from the Customer Service team.

The question is, did you follow a systematic approach in selecting your lead negotiator? Are you aware of all the criteria required of a lead negotiator in this negotiation to ensure a *Wise* outcome, opposed to one that is merely acceptable. Is your lead negotiator also the spoke person? If so, is this decision made on a case by case basis for each negotiation, or is it simply the organisation's culture that a lead negotiator is often a senior executive by virtue of seniority who is automatically appointed the spoke person?

Although this article is not about lead negotiator selection and their required personal attributes, the lead negotiator's "preparation for negotiation" will have a *profound* impact on developing the right negotiation strategy for a *Wise* negotiated outcome.

Preparation

This leads us to the second element, the *preparation*. How many times have you found your organisation and yourself in a rushed negotiation? Experience shows, if time constraints exist, the first sacrifice in the negotiation process is the preparation phase. Although, nowadays we all acknowledge that negotiations usually fail as a result of a lack of preparation, but do we really understand and appreciate what the process of preparation demands?

So let's reflect on the *unprepared amateurs* who ran the organisation's last negotiation activity on your watch.

No professional sports person, musician or entrepreneur can afford to compete without preparation. So what made you decide that your negotiation team can achieve their best performance to achieving a *Wise* outcome without due preparation?

Preparation is the most important part of any negotiation. However surprisingly, many organisations lack the skills to undertake a systematic approach to prepare prior to negotiating with the other side.

In *Complex Negotiations*, the preparation phase can take up to 70-80% of the entire negotiation effort. This means a systematic approach to preparation, *not the countless unhelpful meetings* to come up with a strategy and tactics.



Structured, systematic negotiation preparation and planning involves every member of the negotiation team with a common understanding of what they will face in the negotiation.

Strategy is a function of preparation. If your team are well prepared, a strategy will suggest itself. A clever strategy cannot replace lack of preparation.

Lack of knowledge in systematic preparation for negotiation is perhaps the *greatest weakness* in many organisations which results in poor agreements. How does your organisation rank?

So again, thinking back to your organisation's last major negotiation, how did your team prepare? How were negotiation roles assigned to the members? What was each role supposed to do? How did the team decide on what issues to be negotiated? How did they identify the problems?

Who took the responsibility to manage cross cultural behaviours, not only with the other side, but also internally? We often forget that internally within our own organisation we deal with a multi-cultural team.

Who within your negotiation team had the capability to prepare for cultural differences? If this topic was not a consideration, do you know if there were any failures in communications to transfer the *message*? (both internally and with the other party)

How did your team manage to understand the other side's requests if the communication was not effective? If your team did not understand clearly what the other side wants and did not transfer their own message clearly, how can a *Wise* outcome be achieved? Managing all these issues should be part of the preparation phase before sitting at the negotiating table.

Structured, systematic negotiation preparation and planning involves every member of the negotiation team with a common understanding of what they will face in the negotiation.

So why are they *unprepared amateurs*? Simply because there was no structured systematic preparation.

Turn your negotiators into *Negotiation Professionals* by implementing a structured and systematic approach to preparation.



Select the right horse and improve the preparation process for your next Complex Negotiation to improve your odds of achieving a Wise agreement.

A well-chosen team of skilful individuals with the right leader, given the authority, flexibility, and budget has an excellent chance to successfully negotiate a *Wise* outcome. Choosing the wrong team members could have serious consequences for the negotiation outcome resulting in heavy financial implications and missed opportunities. Selecting team members should be undertaken with understanding of their impact and contribution to the negotiation process.

Select the right horse and improve the preparation process for your next *Complex Negotiation* to improve your odds of achieving a *Wise* agreement. After all who wants to bet on the wrong horse?

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