

# The Leading Edge

Produced by  
Knowledge Works Consulting



## The Essentials of Negotiation



In this issue:

Varying views on improving  
strategic negotiations skills.

As Managing Director of Knowledge Works Consulting, the Caribbean distributor for the Harvard's online corporate leadership programmes I am here to answer your questions about negotiation and strategy. Questions? Comments? Contact me at [pbbryan@gmail.com](mailto:pbbryan@gmail.com).

*Paul Bryan, Managing  
Director*



# Negotiation Strategies for a Downturn

During a downturn, things change. As the frenzied pace of a frothy market slows, there are fewer opportunities, and every deal matters. This tends to make sales and business development negotiators more desperate and anxious to close deals and hit their numbers. Those on the other side know this and take advantage of their new leverage. Negotiations become more difficult, and pressure on the deal makers to deliver increases. In a downturn, there will be fewer deals, so each must be done more carefully to ensure it actually delivers value.

**Continued on page 3**



## A balancing act



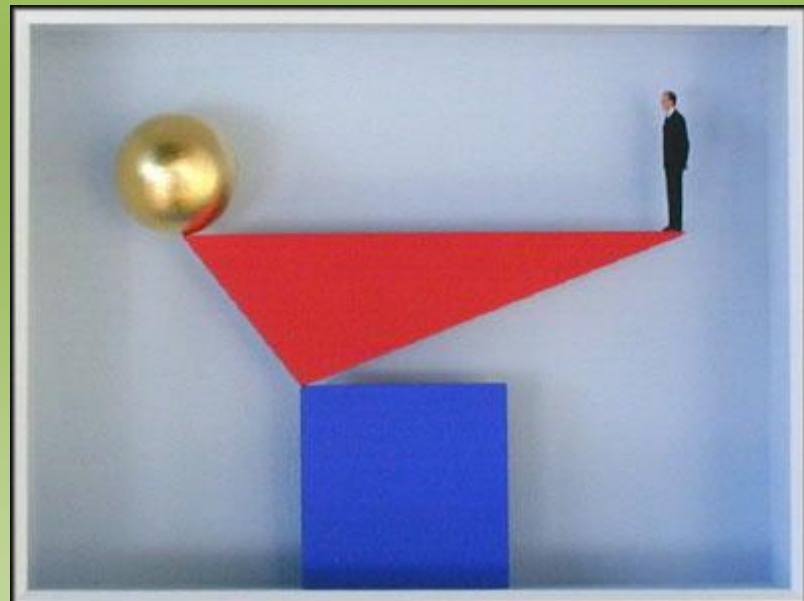
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Training Managers | Empowering Leaders | Delivering Results

AS a manager, many times it falls to you to negotiate with members of the community, local politicians and competitors and others who might provide your company with opportunities. Skillful negotiation involves a delicate balance of authenticity and persuasion — and it's a skill that anyone who needs to negotiate in professional life can learn.

**BELIEVE** – It is incumbent on you, the manager to establish credibility so that when you speak as a negotiator, others will be encouraged to listen and believe what you say.

**BOND** – In order to create the right setting for a negotiation, it is important that you come prepared for your meetings. As you establish a bond, you can discover more commonalities which will prompt the other side to start thinking how a deal might be achieved.

**BRIDGE** - People overestimate how distinct their lives are, so finding others with overlapping biographies can seem like a miracle. Research confirms that we seek — and are gratified by — these bridges, these emotional connections.



## Downturn continued...

We're not talking about the kinds of deals where you can just sign it, or click "send" and be done. Our focus is deals where after you sign there is still lots to do to realize any value and where you need the other side to work with you, exercise good judgment, and occasionally even do something not strictly required of them. For those who negotiate deals where implementation actually matters, during a recession what you can't afford is deals that fail. Here are a few ideas to help make every deal count:

**1. Consult broadly:** It is tempting, when pressing for a quick close, to limit those in the know. But when you can't afford deals that don't work, you can't afford to keep those who have to implement them in the dark.

**2. Make risk management a joint activity:** During difficult economic conditions, risk is going to be on your minds. But if you don't discuss it, constructively, as a shared business problem, you will either (a) ignore it, to your detriment; or (b) try to protect yourself unilaterally, by demanding all manner of indemnifications and limitations on liability. Together, you may find strategies to prevent the problem or to mitigate its impact.

**3. Don't extract overcommitments:** Negotiators often feel compelled to get whatever they can. In a downturn, your counterpart might be just desperate enough to promise you the moon and even agree to penalties for failing to deliver. But strong contract language doesn't actually get you the results you need. Good due diligence and insisting on realistic commitments is what pays off after the ink is dry.

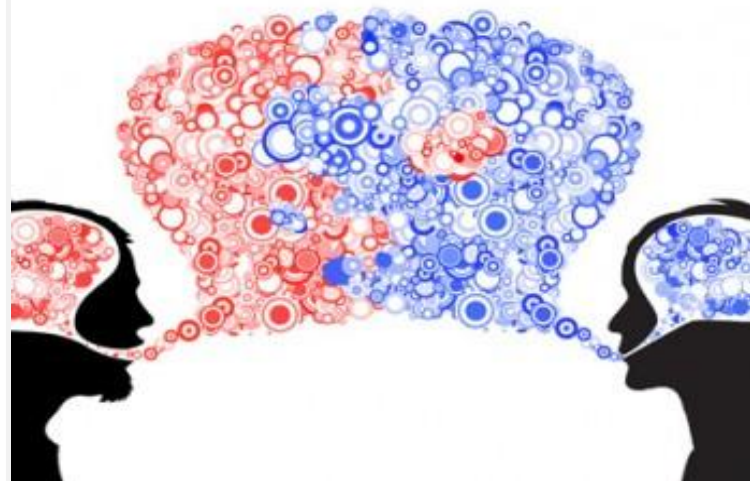
[http://blogs.hbr.org/cs/2008/04/negotiation\\_strategies\\_for\\_a\\_d.html](http://blogs.hbr.org/cs/2008/04/negotiation_strategies_for_a_d.html)

# Professional Development

The "Stepping Up To Management" Program has certainly addressed the real needs of new Managers. It helps them to hit the ground running. The material and the delivery is impressive. I willingly recommend it to all my colleagues. I have freed up so much time and space from the insights and tools.

—DENNIS BECKFORD, SENIOR OPERATIONS OFFICER - BOJ

## How to Size Up a Negotiation



**S**izing up your negotiation before it starts and periodically during the negotiation will help you understand what it really means to win. In most negotiations, people enter with pre-determined positions and then in the process allow emotion to override logic. Having the discipline to assess and quantify the facts beforehand helps one to maintain rationality and perspective. *Continued on page 4*



## Size up continued...

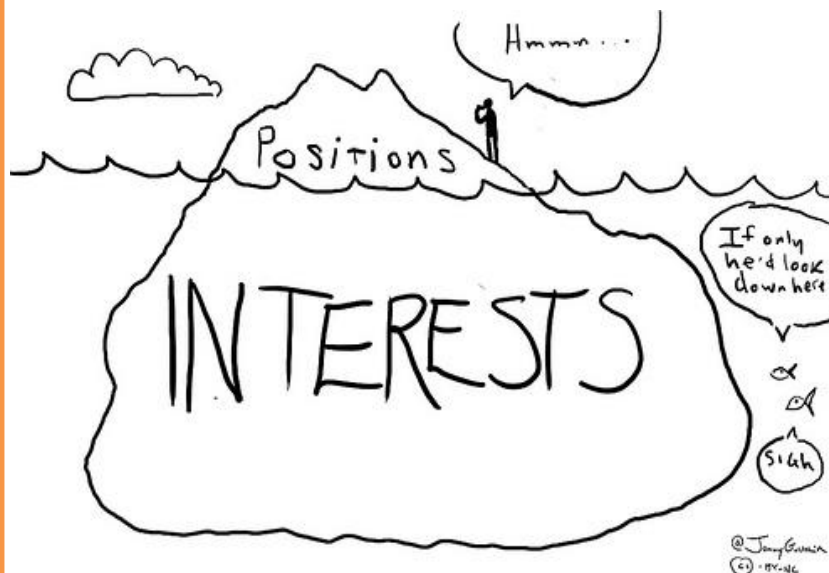
Here is a quick look at how best to quantify a negotiation:

- Understand the big picture price / value you are trying to achieve
- Determine which of the negotiation points are quantifiable
- Bound the low and high values of each point
- Create scenarios for both "edge cases" which might be of concern and for "likely scenarios"
- Re-prioritize negotiation points
- Aggregate quantifiable points to see how they compare to the big picture you are trying to achieve.

The big picture of the negotiation is critical to quantify. In the course of a negotiation many people end up negotiating on a point-by-point basis and without remembering the real value of any given point in the context of the broader ultimate goal. Making efforts to quantify the spread in a deal makes the negotiation much easier and can even eliminate points of negotiation. With the big picture understood, set low and high values for each negotiation point and develop some scenarios. You then need to try and understand these points in their full context and be careful in how you trade them off against the overall goal.

Scenarios help put a reality check on the negotiation. Often while you are doing a deal it feels like you are negotiating both a pre-nup and a pre-agreement to how you'll share winnings if you hit the jackpot. It helps to outline scenarios to see how meaningful certain deal points really are. You can learn a lot about what someone is really thinking by quantifying a few scenarios and with that proposing the appropriate one to the opposing side.

<http://blogs.hbr.org/tjan/2010/02/how-to-size-up-a-negotiation.html>



## Training Solutions at your Fingertips

Even the most talented managers often have gaps in their skill sets. At Knowledge Works Consulting in partnership with Harvard Business School, our online courses will help develop specific, high-value skills that leaders and managers need to be successful. The content is interactive, engaging, rich, and highly applicable to everyday business issues.

The courses covered are:

- What is a Leader?
- Leading For Results
- Managing Change
- Leading Teams with Emotional Intelligence
- Decision Making
- Coaching For Results
- Influencing & Motivating Others
- Productive Business Dialogues
- Managing Difficult Conversations
- Negotiating For Results

Click [here](#) to see our programmes.



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