

Complex, multimillion dollar deals call for team negotiations

Here's how to put together a winning team

By Tom Wood

Successful sports teams invest in their players and encourage individual contribution. In turn, the players commit to extensive practice so they'll work well as a team.

By game time, superstars, second-string players and coaches all know what they must do. The result is a winning game plan. A company and its managers should give no less thought to team selection, planning and execution of major negotiations.

Build the team

Select team members with expertise relevant to the negotiation. The team should include skilled negotiators, as well as “number crunchers” and subject matter experts, such as engineering, manufacturing and information systems. Also consider adding someone experienced in group dynamics, along with creative types.

Pick who leads and who follows, who observes and who speaks, who will be the “good guy” and who will be the “bad guy.” Decide ahead of time on the hierarchy of team decision-making, whether by majority vote or boss rules.

Most importantly, pick which team members will attend the negotiation. The probability for miscommunication increases proportionately with the number of team members in the room. So, while balancing the need for expertise, select as few team members as possible to



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be at the table. Keep the rest of the team behind the scenes, active in all preparation, and easily accessible throughout the negotiations.

Preparing for a team negotiation

Prepare, rehearse, practice—but the important thing is, do your homework. Successful team negotiations require extensive research, playing out scenarios, development of alternatives and stage rehearsals. Practical steps include:

- ◆ Negotiate first with internal stakeholders to ensure buy-in on the prospective deal.
- ◆ Research the customer's business and culture. Does the customer have an entrepreneurial spirit or imposing corporate hierarchy? Know who the customer's vendors are and how they treat their employees. Learn about the satisfaction of their suppliers.
- ◆ Touch base with the customer prior to negotiations. Knowing who will attend and their respective roles offer important clues.
- ◆ Understanding your customer's viewpoint will allow the team to develop creative solutions.
- ◆ Pinpoint cultural differences and similarities between the two teams. Emphasize graciousness as a way to overcome cultural misunderstandings.
- ◆ Decide key issues in advance. Determine the most desired outcome, goal, bottom line and alternatives to a

Build mutual trust during negotiations

While assertiveness can be an asset, it's important to build mutual trust. Follow these strategies:

- ✓ The team speaks with one voice and doesn't deviate from the plan. (Remember, built into the plan are alternative strategies and creative solutions.)
- ✓ One voice doesn't mean only one team member speaks; it means the message and strategy are followed until the team, not an individual with an idea, changes them.
- ✓ Listen until it hurts. Nothing will be learned by talking. Everyone on the team should take notes as well. Identify shifts in position by the customer and use them to reopen issues that the customer previously listed as nonnegotiable.
- ✓ Caucus, caucus, caucus. It signals to the customer that an individual cannot be lured away from the team mindset, while at the same time shows willingness to rethink solutions. Compare notes at the caucus.
- ✓ Avoid whispering or passing notes to team members. It's rude. It raises unnecessary suspicions and takes negotiators off track. Caucus instead.
- ✓ It's true that everything is negotiable, but don't exhaust a team or its customer by trying to negotiate everything. Reserve resources for critical terms.
- ✓ At the close of a session, the lead negotiator should summarize what was agreed upon so far and action items and deadlines for the next session.
- ✓ After each session, share a written summary of decisions, open concerns and next steps with the customer. ■

negotiated agreement. Identify throwaway items and likely sticking points. Anticipate the other team's opening proposal and prepare your response.

Time to negotiate

"Sensing disorganization and discord is actually key to getting a better deal," says **Phillip Yieh**, director of pricing for **Pepsi Cola International**, in Purchase, N.Y. On the flip side, doing your homework allows your team to present with one voice speaking justifiable options. "What is . . . important to me is that my team is ready and we have our facts. We have a philosophy with customers: to have deals that are defensible," says Yieh. "Defensible means that I can sit all of our customers around the table and look each of them in the eye and tell them why each deal is different."

With the research done and the opening well practiced, don't forget the need for rapport. Introduce the individuals from one team, and engage the individuals on the other team. There should be no question who the lead negotiator is; so when it's time to start, draw a definable line between human interaction and professional negotiations.

Complex contracts require complex negotiating

As any salesperson knows—closing a deal is the highlight of the day. And success is sweet when the salesperson drives the bargain. But, when complex multimillion-dollar deals are at stake, effective team negotiating can make or break the deal. ■

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