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Bringing in a big gun

Experts can add power to a negotiating session — if used properly

Question:

When should experts be used to assist in the negotiation process?

Answer:

Experts should be used anytime specific knowledge is needed to establish credibility with the other party or to strengthen the knowledge base of your position. Recognize that anytime you invite a third party into the negotiation, you risk losing control. Negotiations are volatile situations where every word and action is measured.

Choosing an expert – Experts have many faces. They can be company employees who possess specialized knowledge, such as engineers, controllers (CFOs), computer experts, etc. Or they can be people who have a recognized reputation. Their presence alone may be sufficient to shift the attitude of the other party so you gain a strategic advantage.

An example of such presence would be an offer from Donald Trump to attend a commercial real estate negotiation on your behalf. His perceived power in and of itself might cause the other party to rethink strategies without Trump ever having to say a word.

That is called legitimacy power. It is when the reputation, achievements, track record or credibility of one party influences the mindset of the other party.

The role of the expert – Be aware that anytime you invite someone to participate in your negotiation, you risk losing some control. That usually happens in one of two ways: Either the expert innocently reveals more information than what was originally agreed to or the other party asks questions you don't want addressed, and the negotiation shifts focus.

In some cases, you might have an expert with a strong ego and, in the course of the negotiation, that person takes over the discussion. That's difficult to control, especially when it is unexpected. One of the more frequent situations where this occurs is when an executive of a company enters a negotiation at the invitation of the salesperson.

The salesperson has been working to defend margin and needs some help finding some common ground. The executive enters into the discussion, takes a liking to the prospect and agrees to reduce the profit margin. The account executive is left holding the bag with little credibility in the customer's eyes.

That sets up a terrible situation for long-term business development. The account executive is now at risk. Every time there is a price disparity, the customer feels comfortable picking up the phone and negotiating the agreement with the top-level executive. All power and authority has been ripped right out from underneath the sales person for trying to do the right thing.

The role of the expert is to add value — not to control the negotiation.

Never give the expert control over the negotiation unless the situation is emotionally charged (a divorce) or highly technical (certain types of contractual agreements e.g. buying or selling a business).

It is wise to seek the advice of experts in preparation for the negotiation but, whenever possible, negotiate your own agreement. No one knows the situation better than you. Turning your negotiation over to someone else may result in missing some of the finer points of the other party's communications and strategic opportunities may be missed.

Leveraging the expert – When you anticipate the need to use an expert in the negotiation process, careful planning must be conducted in advance.

It is crucial to review as much of your game plan as possible beforehand if the expert will be participating in the entire negotiation. That includes what you want and need from the negotiation, your walk-away position, the anticipated concession demands you expect from the other party and your response, as well as the boundaries of what is appropriate to say and what is not.

Brainstorm the types of questions you expect the other party might field to the expert. Think out of the box during that exercise. Be sure to cover the sensitive information. It's a mistake to underestimate the other party's willingness to probe. It is to their benefit to gather as much information as possible.

Next, craft the answers based on what is ac-

ceptable and what is not. That will help your expert think under pressure, if the need arises.

The expert's tendency will be to "talk" when put on the spot, but the negotiation is not the time to think out loud. Instead, it is the time for well-rehearsed language. In this case, having the right answer and knowing how to deliver it are critical.

There is no replacement for preparation. Short-changing this step sets you up for a wild-card experience where you can lose control and you are forced to surrender your initiative. The more information your expert has in understanding your position and his/her boundaries, the better your chances of achieving a positive outcome.

Outside experts – When the situation arises when you have to pay for expert assistance, be sure you know what you are getting. It's not unusual to think you are paying for top talent and then have a lesser-experienced associate show up. To prevent that from happening, make sure any agreement contains provisions identifying who will be doing the work. Also, it may be beneficial to limit the number of hours that will be billed. An open-ended agreement is an invitation to run up unexpected charges.

Furthermore, you may want to consider inviting the expert to participate only in those parts of the discussion where his or her contribution is essential, after which the expert should be excused from attendance.

Be smart; use experts when their value enhances your probability for success. Take time to prepare. Be clear about expectations and boundaries. Rehearse answers to tough questions. Never relinquish your control. You have to live with the consequences.



Christine McMahon

is the owner of Christine McMahon & Associates, a training and coaching firm in Milwaukee. She can be reached at 414-290-3344. *Small Business Times* readers who would like a negotiating situation addressed in this

column can send a fax to 414-290-3330, or e-mail her at: ccm@christinemcmahon.com. Her column appears in every other issue of *SBT*.