



# NEGOTIATOR'S NOTEBOOK

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What if we could build an office tower without any reference to building codes or structural engineering? What if we were asked to buy vehicles without any reference to mileage, frequency of repair, safety or performance data? What if we could negotiate an agreement without any criteria to guide or evaluate that negotiation and agreement?

## Negotiation Criteria; How May That Serve Us?

What are the criteria that you and your organization use to plan create and evaluate the agreements you negotiate? In many offices, we are clear on the goals of the negotiation. We can easily declare; "This is what we want. And this is what we think we will need to give to get the deal."

I have been a paid as a negotiator since 1975. I lead Negotiation Mastery Circles to develop negotiation mastery with professionals. I coach executives and management teams around the world. And, in all this, rarely do I witness negotiators or organizations that use a criterion to plan, design, conduct and review the resulting agreement. When an oil company drills and completes a new well, they plan it, drill it, test it and ultimately evaluate it on many criteria including costs, finding cost per unit of proven reserves, economic and volume impact on area infrastructure, net present value, safety and environmental standards, how it fits within the bigger drilling program, what impact it will have on communities, what value the public market may see and many more criteria. Yet for specific deals, we tend to lump them in the budget, objectives and performance criteria of the organization. What value would a negotiator realize if the negotiator, team and organization had clearer and specific criteria for each negotiation? And with such a criteria, how much more freedom to negotiate might that individual have to achieve those criteria?

For a business negotiation, what might the criteria include? I strongly encourage you as the negotiator to draft these criteria from the perspective of your goals, your company and the future of both.

As a start, the negotiation criteria will include the basics such as time, costs, benefits, risks, commitments, ownership, how you will work together and dispute resolution. You should also consider building a more significant negotiation criterion that includes measures of accountability, relationship building, success metrics, creativity, learning, commitment, energy, leadership and balance.

Start with specific deals and create the negotiation criteria that serves your organization and you best. This will be evolutionary. Grow the use of the criteria to more deals and to other negotiators. As the criteria becomes more meaningful as a measure of what, who, when, why, where and how you

negotiate, you will be judged on the basis of the negotiation and the outcomes the agreement creates. With greater certainty as to where you focus and how you will judge success, you should expect more independence in making the deals. While negotiation is an art, we must create standards and measures. In those organizations that are increasingly providing more authority to the negotiators (not just the executive), they gain confidence in this empowerment through having clear, consistent and objective criteria.

I challenge you to spend one hour this week with your team or peers creating a first draft of your own negotiation criteria. These are the criteria you will plan, design, conduct and evaluate the negotiation on.

To answer our questions at the beginning;

- a) What if we could build an office tower without any reference to building codes or structural engineering? We will be able to build a small structure that may appear acceptable on the surface and for a short time. But we better report this to the authorities as it will be a danger to the public.
- b) What if we were asked to buy vehicles without any reference to mileage, frequency of repair, safety or performance data? We will be able to buy a car that may appear acceptable on the surface and for a short time. But we better get it back to the dealer once we realize the facts.
- c) What if we could negotiate an agreement without any criteria to guide or evaluate that negotiation and agreement? We may be able to create an agreement that appears to achieve our specific goals for a period of time. But once we realize what we missed we spend even more time repeating more of the same.

Well thought out negotiations with objective criteria can make us successful beyond what we hoped for. Negotiations without criteria and review can drive us to distraction from what we really want. From the perspective of your company's big picture, what do you really want from your negotiations today, how will you design it, build it and inspect it? Will there be a warranty on your deals: of course it is your reputation and success.

Email your draft negotiation criteria to [dave@savagemanage.com](mailto:dave@savagemanage.com) and I will compile all that I receive and send that collaborative draft negotiation criteria back to you.