



“A CONFLICT OF INTEREST OF A VALUE-OPTIMIZING OPPORTUNITY?”

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A friend of mine recently asked me whether we teach our retail clients different skills from our supplier clients on our workshops. As I had just started the downswing on my final tee shot on what was, to that point, the best round of golf I'd played in about ten years, his question was certainly unexpected (and I suspect designed to be deliberately distracting, leading as I was by two shots at that point!). As we both watched my tee shot sail 'majestically' out of bounds into the trees, I inquired (as calmly as I could between gritted teeth) why he was asking the question.

His response was that, whichever side of the fence he sat, *'I would still want to be able to get one over my opponent, to know some tactics that they didn't to give me an advantage I could use against them'*.

My friend's question reflected not just the fact that for him 'etiquette' is an entirely foreign concept, but also one of the major challenges that faces negotiations the world over. Implicit in his statement is a wholly competitive mentality, a belief that having an advantage over the other party is essential to get the best deal. Implicit in this view of negotiation is a desire to win, to view the other party as an opponent, an adversary, as someone to beat.

As I prepared to play three off the tee, I asked him. *'In your scenario, are you negotiating with, or against, the other party?'*

There are occasions when the counter-party to you in a negotiation is someone whom you are definitely negotiating **against**. If it's a competitive, distributive negotiation, you want to get as much of the available value for yourself as possible. Being firm, tough, cold, hard, dismissive and even a bit arrogant might be highly appropriate in these situations. And being more skilled here than the other party, knowing things they don't, would undoubtedly give you an advantage and most likely result in you getting the greatest share of value. There's likely no need for trust and no long-term relationship needed or sought.

However, for the majority of our clients, this competitive approach to negotiations is likely to minimize, rather than maximize value because for the aforementioned clients, most will be, or should be, trying to negotiate **with** the other party. It is unlikely that our clients will ever find themselves negotiating directly **against** their competitors in the same room.



The reality is that they will very regularly need to negotiate **with** their partners – be that a supplier or a retailer.

Negotiating ‘with’. That word ‘with’ changes the way you need to view your negotiations. ‘With’ means opportunity. ‘With’ means willingness. ‘With’ means together.

Too often however, people can miss the ‘with’ part and still view the other party as an adversary, someone with whom they will shake hands but only while holding a spiked club behind their back. In these situations, it is not surprising that both parties leave dissatisfied with only a short-term position agreed, while the opportunity for a long-term solution is entirely missed. Often this competitive approach is driven by the character of the individual(s) involved, and the principal casualty other than lost value is trust. And without trust, or at least the evidence of a desire and willingness to build it, there will never be the chance to maximize value because someone will always hold something back, always be suspicious, always want to have an insurance policy.

However, if both parties understand where they are, what is at stake, what the opportunity is and if they are both focused on looking for the optimal solution, guess what happens? They are more likely to find it. Where parties need to work together, where there is tangible dependency, where for one party to succeed the other party also needs to succeed, a collaborative approach is the only way to identify the value that can be created, and then negotiate a mutually beneficial solution.

It can often be viewed by people as counter-intuitive, but if you want to maximize the value of your deals not just from the variables traded today, but from additional value you’ll see from the strengthening of a long-term, mutually-focused relationship / partnership, it is far better to deal with an equally skilled negotiator because like you, they will be looking for the opportunities.

And this equality in skill levels will become even more important if ever serious issues occur. If a situation requires a problem-solving mentality, then the last thing you want to see is the other party trying to use the situation to get one over on you, or to make a short-term land grab at the expense of any trust there may have been. You want someone who can work with you, not against you.

So, rather than worry about whether the other party has been trained as well as you have, or by the same people, think about the possibilities that situation offers and then sit down with them and discuss how best to achieve them together.

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