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Negotiation Skills for the Strategic Business Partner W118

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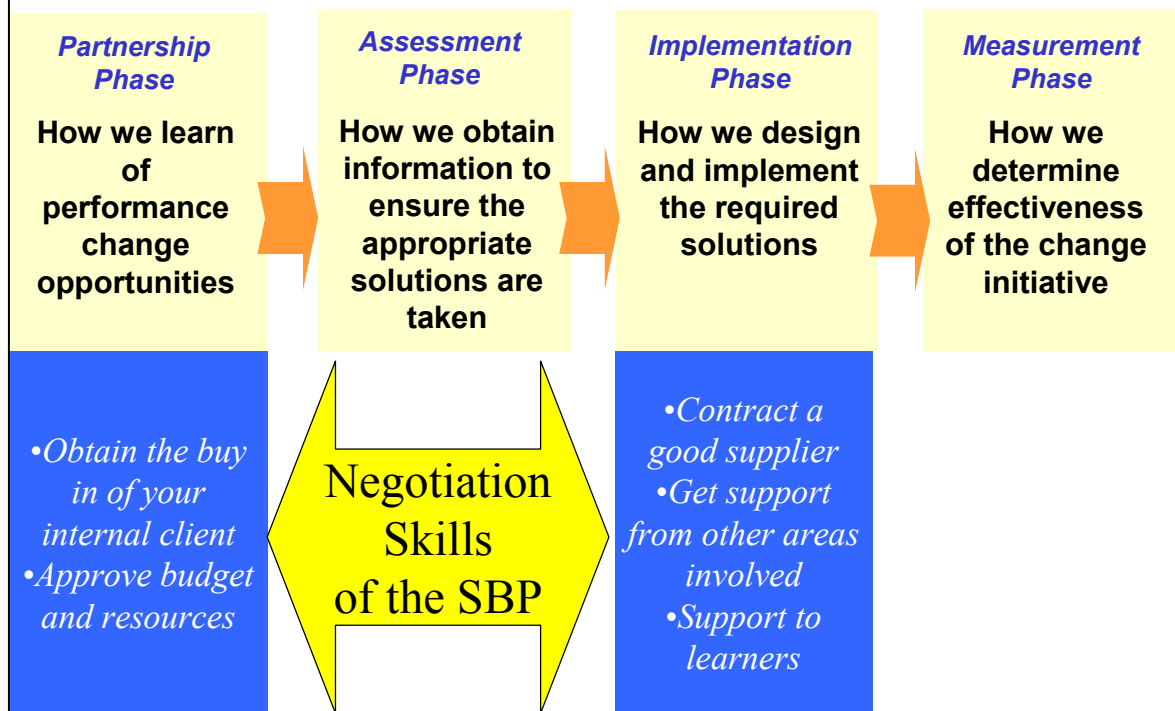
Learning Objectives

- **Identify the essentials of the Strategic Business Partner role**
- **Describe 7 steps of the NEGOCIE negotiation model**
- **Apply the negotiation techniques to the key steps of an intervention negotiation**
 - **Approve the budget**
 - **-Negotiate with vendors**
 - **-Contracting with the internal client**
 - **-Support to learners after the intervention**

Strategic Business Partner

- Links HR initiatives with business results
- Leads the systematic process of performance improvement
- Utilizes a clear and proven methodology, where actual performance IS different from what SHOULD be (Robinson)
- Focus both on tactical and strategic requirements
- Analyses causes without biases
- Design and implement more comprehensive interventions, not just training
- Negotiation is a key competence

When negotiation is needed?

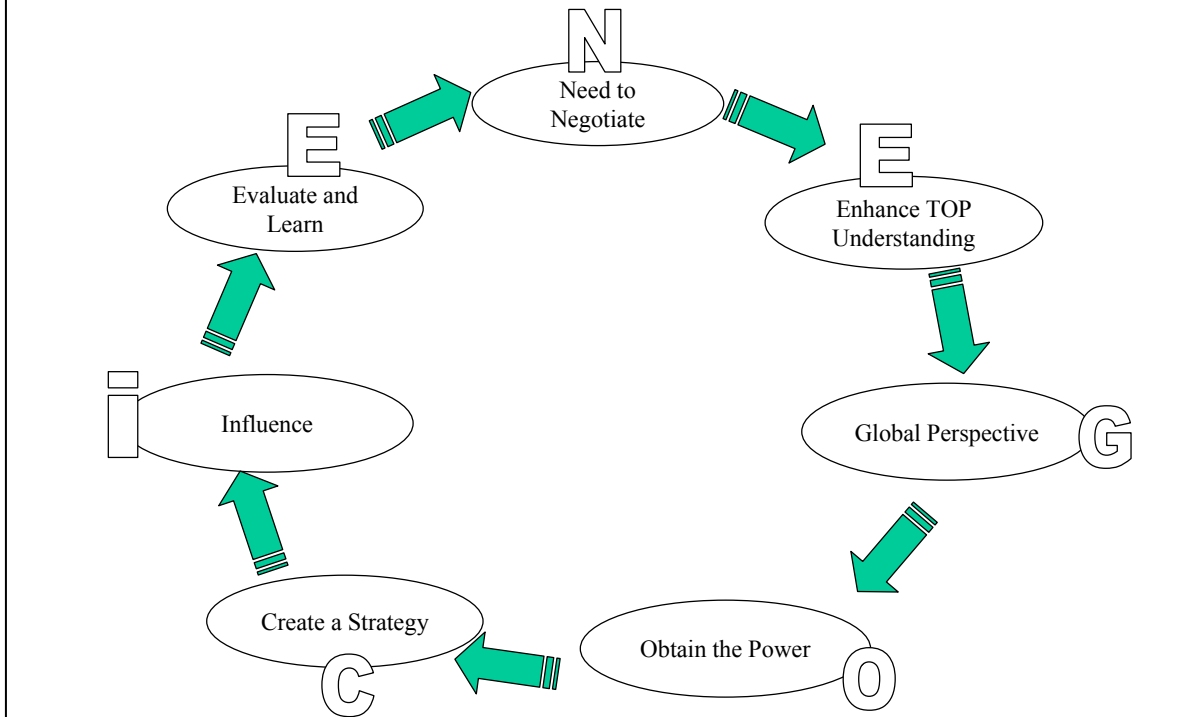


Scenario 1: The last apple

Your daughter Mary of 10 years old and your son Peter of 9 are fighting to get the last apple left in the house. Mary says that she deserves the apple because she saw it first and Peter is complaining that he is always second and that Mary is taking advantage because she is older. You listen to this quarrel and you want to find a solution. What would you do to solve the problem?

Share your solution with a small group of attendants sitting next to you and be prepared to share your strategy with the whole group. You have 5 minutes to do it.

N.E.G.O.C.I.E. : The 7 Steps



What to do first?

1. *Will*: I want to solve my differences through negotiation
2. *Technique*: How to do it wisely
3. *Perseverance*: It needs a lot of practice
4. *Social reinforcement*: Promote negotiation as the right way of dealing with problems

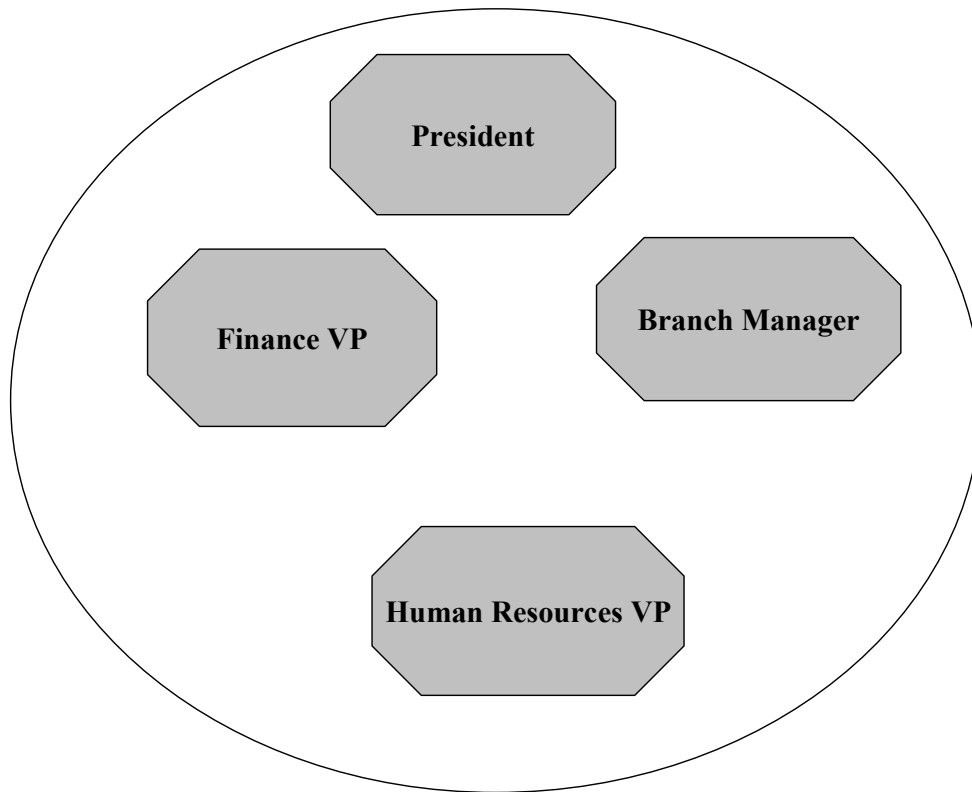
Need to Negotiate

- Some key issues not under your control
 - Performers goals, profile, salary
 - Work process
 - Budget
 - Equipment and technology available
- You need them to work on the solutions before, during and after your intervention
- Two brains think more than one

Enhance TOP understanding

- How many parties are there?
- Ghosts included
- Personal information is key
 - Motivation
 - Values
 - Preferences
- Draw a map of each party

How many parties are there?



Global perspective

- What is on the executive committee agenda this week? Month?
- Listen to the organizational heroes
- What issues are included on the budget this year?
- Relate your project to this issues
- Be clear and specific
- Do not oversell, your credibility is at stake

Obtain the power

- The more the better
- Use it wisely, the world is small and round
- Use it to bring them to the table
- Real or perceived: it does not matter
- What is your best alternative if they do not want to negotiate?

Power Map

Type of decisions	Member of TOP				
	A	B	C	D	E
Budget of the building	YES	NO	YES	YES	NO
Supplier X o Y o Z	NO	NO	YES	NO	NO
Operational issues	YES	NO	YES	NO	NO
Can modify the technical specifications of the project	YES	YES	YES	NO	NO

Create a Strategy

- Agenda and objectives
 - Issues that you need to agree upon to solve the problem
 - What do you want to get as a result
- Interests
 - Motives, desires, fears, expectations
- Proposals
 - Solutions to the problem
- Concessions
 - What are you willing to give?
- Commitments
 - What are you and TOP going to do in the future?

Influence

- Influence: voluntary movement
- Define a clear objective
- Identify who you are influencing
- Chose an adequate style
 - Open
 - Threat
 - Transactional
 - Emotional
 - Facilitator

Evaluate and learn

- Experience can be a lousy teacher
- Learn the right lesson from your experience
- When a negotiation is successful?
 - You reached your goals
 - With as few resources as possible
 - The agreement was reasonable for both parties, they can live with it
 - You still say hello to the other party

Scenarios

- Internal Client
- Budget and Resources
- Negotiating with your Supplier
- Support Learners

Scenario: Internal Client

John Connel has been working for almost 5 years as the training manager for the USA Division of Mobile Communications, Inc. the leading distributor of mobile communication solutions in the world. After completing his MBA, he attended a very challenging program on how to become a Strategic Business Partner, instead of being just a course coordinator. In fact, he accepted his actual job with the expectation of being a strategic partner of the Sales and Marketing VP, Mark Phillips, his former classmate at High School.

John has been talking with Mark about the training program for the telemarketing operators and they have a meeting tomorrow to coordinate this program. There is a telemarketing center with 350 operators, 15 supervisors and 3 Managers that report to the Telemarketing Director. Mark wants to run as soon as possible a two day Telemarketing and Sales Training Program that has a strong motivational component and also some techniques to deal with difficult clients. The same training company run this program three months ago on another region and they received excellent comments from participants. Mark will ask John to prepare a proposal including dates, groups, logistics and costs.

After the first time they met with Mark, John has been talking with some managers and supervisors, and he collected a lot of evidence that suggest that the high rate of lost calls is caused by a lack of appropriate supervision, particularly because Supervisors do not share the lost calls indicator with the operators. They just tell them the consolidated figure once a month during the sales meeting. Also the operators can not know how many incoming calls are waiting on the line, because the system shows that information only on the PC of the Supervisor. The three managers told John that a training course is very welcome but it will not solve the problem with the number of lost incoming calls.

How will you recommend John to negotiate a different solution with Mark?

Scenario: Budget and Resources

Brian Catwell has been working for 2 years as the training manager for the Southern Division of Cornflakes Corp, a leading manufacturing of cereals. After completing his MBA, he attended a very challenging program on how to become a Strategic Business Partner, instead of being just a course coordinator. In fact, he accepted his actual job with the expectation of being a strategic partner of the Manufacturing Director. Brian reports to the HR Director, Huge Garling

Brian has identified a business need: to keep the productivity of the packaging line over 83%, a strategic goal to reduce costs at the manufacturing plant. The Manufacturing Director is committed to reach that goal from the actual productivity of 79%, with an estimated improvement of \$1,245,000 in revenues just in the first year. The main problem is that the operators, a key position inside the Plant, do not know how to avoid stopping production because of some key mechanisms of the new computerized control system. The training that the vendor of the new equipment offered to the operators was very short and clearly insufficient to teach the operators the new technical procedures.

Brian designed an excellent training and development program for the 85 machine operators. The program includes 60 hours of classroom training, a customized elearning course with simulations of the most common problems with the equipment and how to prevent them. The total direct cost of the solution is \$245,000 plus the training time of the operators.

Brian has a meeting tomorrow with his boss to get the budget approved. Huge is reluctant to invest that amount of money in the program, because they did not have included this item in the annual budget. The main focus of the HR expenses this year will be the implementation of an integrated information system in the Plant. Huge thinks that at the most, a shorter training with the operators, like a half day or so should be enough, and that the Manufacturing Director should take care of this problem.

What would you recommend Brian to do to get his budget approved?

Scenario: Negotiating with your Supplier

Patricia Cantwell has been working for 3 years as the training manager for the Personal Care Division of an European Company, with subsidiaries in more than 34 countries. Patricia has a degree in Psychology and she attended a very challenging program on how to become a Strategic Business Partner, instead of being just a course coordinator. In fact, she accepted his actual job with the expectation of being a strategic partner of her main internal client, the Finance and Administration VP. Patricia reports to the Human Resources VP, Hobart Trend.

Patricia designed a very good solution for the 145 Cost Accountants, a key position in different manufacturing plants of the Company all over the USA. The program is a blended elearning course that allows the cost accountants to practice the right way of recording all the costs of a product, a key process for pricing them and ensure to have the expected sales margin. When Patricia attended the HR Global Meeting of the Company last summer in Paris, she discovered that all the subsidiaries have the same learning need, so there are about 550 cost accountants that have the same problem.

Patricia asked to three training companies to quote the course, and the best one, Total Learning Inc. has a price 20% higher than its competitors. She knows that the instructional design of Total Learning is superior, his LMS is easier to operate and the graphics are much attractive. They have been on the market for about 3 years in the USA and are very successful thanks to their focus on quality and customer service to their clients. Their costs are higher because they do not have enough volume to compete with the big training companies.

She has to decide during the next week, so she has the last meeting with Total Learning to try to reach an agreement. How should Patricia negotiate to close the deal with Total Learning but within the budget?

Scenario: Support Learners

Gina Ahmed has been working for 10 years as the training manager for Computer Supplies Inc, a global distributor of computer supplies with subsidiaries in more than 89 countries. Gina has a Master Degree in Finance and she attended a very challenging program on how to become a Strategic Business Partner, instead of being just a course coordinator. In fact, she accepted his actual job with the expectation of being a strategic partner of her main internal client, the Sales and Marketing Director. Gina reports to the Human Resources Director, Martha Lime, and has a functional report to the Global Sales Director, Mr. Ming Wong.

Gina is ready to start a brand new course for their Wholesale Representatives, the sales people that sell to big distributors and retailers. They are mostly veterans that sell more than 45 % of the total sales of the Company, and they report to a Sales Director, which in turn reports to the Global Sales Director. Gina is very enthusiastic about this workshop because its design includes cases, real life situations and some simulations prepared in conjunction with Mr. Ming, the Global Sales Director, a recognized expert both within the Company as well as in the industry. But she knows that if she runs just the workshop, it is very difficult to have a real impact on the behaviors of the sales force unless she can get the Sales Directors trained to follow up the application of the new sales techniques. She needs to convince her internal client, Mr. Ming, to invest in a follow up program that will include a meeting with all the Sales Directors and subsequent travels to coach them in the field on how to reinforce the sales representatives to apply the new techniques. Mr. Ming has already approved the workshop, but he is not sure that the cost of the follow up is worth while. He told Gina that “The job of the Sales Director is exactly that of supporting their people, if they do not know how to do it, we should replace them”.

Mr. Ming agreed to talk with Gina while he is at the headquarters office, but he will have not more than 10 minutes to listen to her. How could Gina persuade Mr. Ming to approve running the follow up program after the workshop?

Seven steps to prepare your negotiation

1. Need to negotiate. (Why do you need to negotiate? How does the agenda of the negotiation would look like?)
2. Enhance TOP understanding. (Who are the parties involved in this negotiation?)
3. Global perspective. (Which are the key organizational issues at stake?)
4. Where is the power? (Who has the power?)
5. Design a strategy. (What are the main interests of each party? What is the best alternative that you have if you do not reach an agreement?)
6. Choose the right influence behaviors. (What argument you should use with each participant?)
7. Learn from the experience. (What will you do different the next time you negotiate)

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Negotiation Worksheet

BEFORE

You get into a negotiation, answer these questions

WHILE

You negotiate, check how far from your plan are you

ONCE

Negotiation is over, draw some learnings

- Why do I/TOP need to negotiate? What will I/TOP get through negotiation that I/TOP can not get on my/their own?
- What are the most relevant characteristics that I need to consider in my party and TOP?
- What environmental factors are impacting my negotiation?
- Who has the power? Who decides what within each party?
- How will I organize my resources to reach my goal? What if I do not reach an agreement?
- How will I influence TOP?
- What did I learn from this experience? Identify what would you do different the next time

Negotiation is a way of solving problems with others, not against others