

“Getting to yes” has for a long time been the principle in negotiations. This is especially true in today’s fast pace of business. CEO’s and senior managers are under extreme time pressure managing complex situations with venture partners, in alliances or initiating and closing deals. To speed up the process we make assumptions even though we subconsciously register the flaws. Continual danger and uncertainty makes us want to act fast and project control to the other side (even when we don’t have any), use coercion and defuse tension at any cost.

We have, however, more time than we think. Often we rely on the answers extracted from the data we know, when in fact the answers lie in what we don’t know – in other words we need to learn new facts.

Step 1 is to Manage and Understand the Strategic Agenda by understanding the other side’s point of view, and start shaping the objectives.

When we acquired WTG, a subsidiary of Cable & Wireless UK, through an MBO from Cable & Wireless, we were under extreme pressure. We were placed in an auction by the Cable & Wireless CEO.

Moregate was by far the smallest player compared with multi-billion FTSE listed plc’s, so we thought we needed to do more and know more than our competition.

Within days the pressure mounted to submit a bid. We had an abundance of data well above the usual data submitted as we solicited additional data from trustworthy sources close to the deal. Our models were perfect. But, our initial offer was rejected.

We assumed the other side’s motivations and intentions were obvious – selling at the best price. The auction was run by a Big 4 Audit firm – who didn’t place us in the auction, it was the CEO. They felt they had to prove a point by rejecting our offer. Clearly, we felt we had all the facts when in fact we didn’t include politics in our equation.

Step 2 is to Uncover and Collaborate. We had to learn the other party’s motivations. We found out that the Big 4’s motivation was to demonstrate their knowledge of the industry by successfully inviting and managing large, international corporations who were at a par with Cable & Wireless.

We were in a threatening situation, on the brink of being expelled from the auction. We could have tried and demonstrate how strong we were and that we could easily control the situation. It would have become a battle of wills.

Instead we offered to work in partnership and resolve the concerns relating to the financing of the deal and Moregate’s ability to take on 100 employees and grow the company going forward, rather than going bust and create a political issue for the vendor as it would be

seen as an embarrassment to both the Big 4 firm and Cable & Wireless.

As a result both sides started to share information to make either side more comfortable. Respect started to show from both sides and our bid won credibility. We are able to demonstrate our professional approach and time pressure eased as milestones were moved.

Step 3 is to generate Buy-In. We weren’t safe yet. At the time we were anxious to meet and start negotiate with the decision makers at Cable & Wireless. Whilst we achieved a massive step in the right direction by collaborating with the Big 4 firm we felt that the competing parties in the auction were allowed access to the Cable & Wireless decision makers.

Danger could have tempted us to play hardball and force our way into meetings with the leadership team at Cable & Wireless. We realised, however, that any meeting at this stage would have proven to be too early; we weren’t prepared and neither was Cable & Wireless.

Using “soft” tactics we asked for permission to speak to the WTG MBO team. We knew the MBO team would like us as their influence on managing the company going forward would be far greater than in a large conglomerate. We also anticipated that the MBO team would “sell” our vision to the Cable & Wireless leadership and thus create the Buy-In we needed.

After eight months of political chess, we finally succeeded in buying WTG from Cable & Wireless.

Getting to yes, sometimes means to accept a few No’s during the journey. In the last few years we have been involved in a great deal of pressured conversations, negotiations and hard decisions.

Whether to appoint a Director to the board, exit a Managing Director or negotiate with banks, we believe that when the pressure mounts to act fast or stake out a position, it is best to do neither and instead regroup and reference the situation against your strategy as defined at the outset.

Become strategic rather than reactive. This will allow you to control the situation, thinking several moves ahead and understand how your behaviour will be perceived. You will be open and constructive without giving in.