



Can you afford to walk away; can you afford not too?

As consultants we regularly talk to people on either side of the same negotiation and we often notice that both sides view their position as uniquely negative or disadvantaged. The conclusion being that generally there is scope in most negotiations for us to feel more positive than we currently do and more hopeful than we have previously been; perhaps we have more power than we have to date assumed.

I was checking the prices of video cameras on “EBay”, the internet auction site, and I watched with interest an individual who actually paid more for a second hand video camera than he would have paid for a new one at the store (I know, I checked the same camera retail). Curious behaviour, but not particularly uncommon. Why does this happen? For some people the need to do the deal becomes more important than the deal itself. At Scotwork we describe this as “deal focus”. But that’s not the only reason. Paying more than market value, accepting less than we need, signing up to an unworkable deal, can all happen if we are insufficiently prepared.

Before the meeting, before the negotiation or in this case before the auction, negotiators define a “walk away”, or limit point or position, a “must get” or “must avoid” in which they must both believe and upon which they must be prepared to act. If you don’t do this you will potentially agree to something you really can’t do, or miss a deal you could make work.

Preparation means many things to many people but without doubt the most difficult element of preparation is for us to be clear in our minds, the conditions under which we would leave the room, at what point should we say “thanks” to the other side but decline the “opportunity”, beyond what price should we keep our hand in our pocket at the auction?

Not infrequently Scotwork clients will describe a situation where a large percentage of their business, sometimes even a majority of their turnover sources from one particular client relationship. They say things like, “this client is so important to us that I cannot imagine losing them” in which case we say that this is not a client to service provider/supplier relationship actually, because without having defined a walk away point, unfortunately they will give their client whatever they ask for. In truth as a result of not being “prepared” to walk away, they become a victim.

When we work with these clients to clearly define their walk away positions and we observe them in subsequent negotiations, their behaviour changes. When under pressure, where the situation is at or below their limit, their body language instead of being uncertain or reflecting nervousness under pressure, becomes determined; they become resolute in their position. If you do not have that point or position clearly in your mind then that message (through whatever means) will not be transmitted by you during the negotiation.

If you don’t usually define a “must get” or “must avoid” point or position, we urge you to adopt the habit from today. You definitely have nothing to lose by doing so, and have great deal to gain. But a warning, avoid complicating your objectives with too many “must gets”, check the main subjects of the discussion and ask yourself if there is a limit position on each major discussion point. Most of the time there won’t be, there are almost always situations that you can imagine in which under certain more positive conditions you could possibly accept a change in your intentions or adopt alterations to your proposal, but invariably maybe one or perhaps two issues per discussion will be a prerequisite for co-operation, perhaps a deal breaker if not achieved or if you are dealing in variables such as time, numbers, percentages or money, (elements of most negotiations) maybe



these could have an upper or lower limit which if exceeded or not achieved would render the discussion unsuccessful.

Given due consideration, walking away need no longer be a subject to avoid or to fear. You should eventually come to view your walk away limit as a point of strength. If you have the wisdom to define, and the courage and conviction to act upon your “must gets” and as a result it becomes necessary to wish the other party the best of luck (unfortunately without your co-operation), then walking away has been a good thing, it has protected you from loss, and/or saved you from a poor or expensive deal and probably damaged relationships through an unworkable business co-operation.

It’s a fact, but sometimes walking away is just good business, “be prepared” to do it.

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