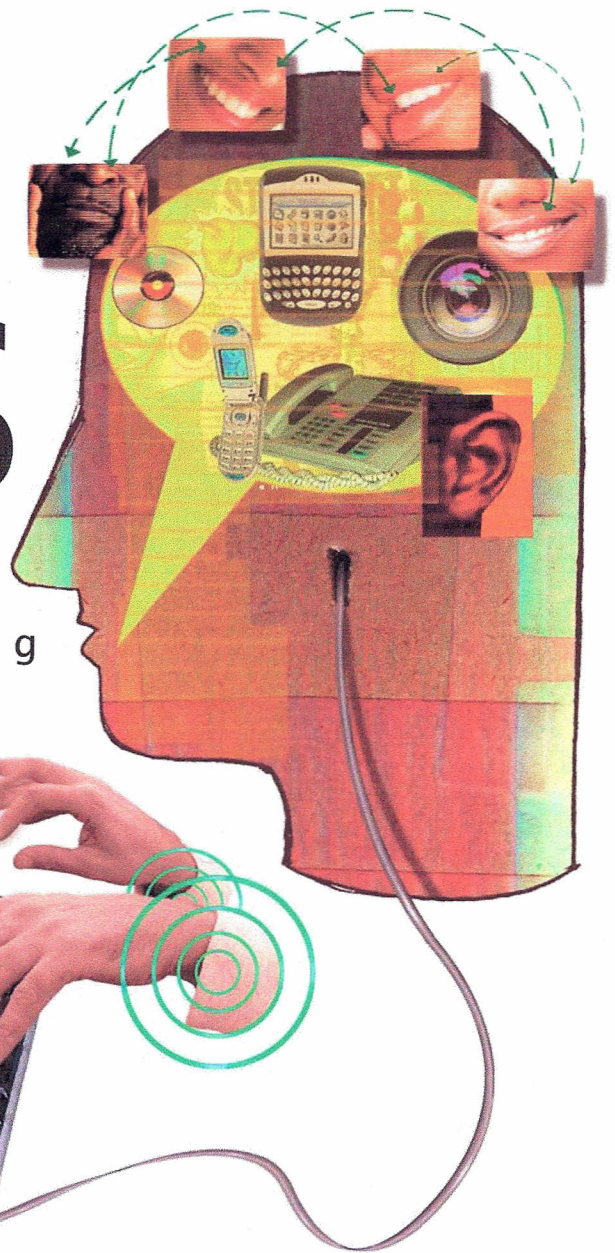


# The New Tools of

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N e g o t i a t i n g



There is a much greater reliance today on less personal methods of communication such as telephone, computer, and Blackberry. Software programs exist that allow multiple “invitees” to work on a contract simultaneously online, and online auctions are replacing the traditional “sharpen your pencil” meetings.

The positive aspects of these methods are that they permit us to carry on business with someone on the other side of the globe or with the company next door, without leaving the comfort of our own environment. This can open whole new markets to minority and women’s business enterprises (M/WBEs), without the costs associated with extensive travel.

Caution  
is needed  
when doing a  
deal in the  
digital age.

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But is it necessary in the digital world to reassess approaches to business negotiations? Have these new technologies fundamentally affected the strategies and tactics surrounding negotiation? What are the pitfalls and advantages of using technology to negotiate a deal? Are the days of carefully building a relationship during a negotiation over? How are the fundamentals of negotiation and business strategy being adapted in this technological world?

In a traditional negotiation, planning and preparation are key. Many businesses flounder in a digital negotiation, particularly where it is perceived to be like a Star Wars video game, where the name of the game is action and reaction, rather than a comprehensive business deal. This is a recipe for disaster.

It doesn't matter whether state-of-the-art video conferencing, Skype "phone calls," or e-mail is the chosen method of the communication—it is essential to know what must be done to make a deal acceptable before any negotiation, whether digital or traditional. Technology cannot cure lack of preparedness.

### Successful Strategies

In planning and preparing for any negotiation, there needs to be an awareness of the bottom line. What is unacceptable? What are the walk-away points? Technology should not change these, but in some circumstances it can make it more difficult to stick to them.

In an **online auction**, the buyer sets the parameters for delivery and price, and the vendors are "bidding" real-time. As with a real live auction, the seductive smell of victory can lead people to offer a lower price than can actually be tolerated by the business. The con-

stantly shifting numbers of the other contenders are there in front of you on the screen, egging you on. It is not unnatural for a business to believe that there must be some flaw in its original pricing metric, because how can some of the other suppliers reduce their price significantly below that which reflects your best offer?

Remember that the "low-ball" supplier may not be properly prepared, and may itself be caught up in the excitement of the bidding. Second, consider that quality has also been quantified by the customer. The bidder with the lowest price will not necessarily be awarded the deal. Discipline, as in face-to-face negotiations, is vital, as the worst scenario would be winning the battle (the deal) and losing the war (your business).

**I**t may be stating the obvious, but the **telephone** is a "can't do without it" business tool. In the last few years, the telephone has become more frequently used in negotiations than it was in the past. With the advent of voice over internet protocol (VOIP), cell phones, and push e-mail services, no one is ever away from the demands of their business for very long.

This constant contact comes with its own pros and cons. Business can be transacted without the usual "away from the office" issues, and therefore, the completion of deals can potentially be performed in record time. Nevertheless, the temptation to negotiate without reviewing or checking facts can result in agreeing to conditions that, upon reflection, are not the best. It is important to bear in mind that instant communication does not always require instant response. Remember to review, reflect, and *then* reply.

The impersonal nature of tele-

phone negotiation can result in a disadvantage for a negotiator who is accustomed to "reading" body language. In a face-to-face negotiation, this is often key in assessing whether or not the negotiation strategies (not goals) need to be adjusted mid-stream.

Yet, although the opportunity to gauge body language is lost in a telephone negotiation, the ability to listen to the words used and voice modulation is not. The tonality of the voice, the inflections used, the breath intake or sighs that can be heard through the phone line, can be used as effectively in sizing up the progress of a negotiation as reading body language in an in-person meeting.

It's important to note here that men and women, and likewise, other cultures, use words differently and their tonality can also be misconstrued if the specifics of the communication style of the gender or culture are unknown. To ensure that both parties have an equal understanding of what is being agreed to, remember to clarify and summarize constantly throughout the negotiation.

When negotiating in a different cultural milieu, it is important to research cultural nuances. Communication styles and body language can be widely divergent in different cultures, and the inability to fully appreciate this can derail an opportunity. Furthermore, in some cultures, business will only be conducted with individuals that can be evaluated in person, and the mere suggestion of conducting business and a negotiation digitally could be enough to thwart the possibility of a deal. Desirable product or service aside, some cultures insist on multiple in-person meetings to conclude a deal.

**Video conferencing** or utilizing webcams can bridge the gap between

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being there and just talking on the phone. They provide the opportunity to read body language, as well as establish a bit more rapport than by telephone only.

In fact, in some ways, during these situations individuals are less guarded with the signals that are being sent via their body language, because there is something that makes people believe they are not as "noticeable" as when in the same room. How often are people in their cars oblivious to the reality that almost anything they are doing can be seen by others? The same reality break sometimes occurs during video/webcam conferencing. This can potentially be a significant advantage for a negotiator, or a disadvantage, if there is a momentary lapse for all to see.

E-mail is now used to send drafts of documents for a deal, as well as to exchange information on an agreement. Many e-mail communications are quite casual, but when working on a transaction there is a greater requirement to use more of a formal presentation style. And, there is a tendency to "read between the lines" of written communications, so it is important to ensure that the subliminal message being sent is that you and your organization are professional and dependable. Tone, wording, and the utilization of bold-face and underline are all critical.

As a result of its casual and regular use, many people are unaware that e-mail is a permanent record. E-mails can be retrieved from many

points within e-mail systems by you, your ISP provider, or through the recipients' systems. Whenever using e-mail, don't just fire off a response. Draft it, review it (with others if it contains a very important message), refine it, and then send it. Draft e-mails in a word processing program, saving frequently, and then copy the final version into an e-mail. Or at the very least, the *last* thing that should be done is to add the addresses of the recipients so that it's not accidentally transmitted before completion. And double check the addresses. Treat it like you would a letter.

### Final Thoughts

The improper use of technology can throw the deal process off course, and has sometimes resulted in long-term damage to business relationships. The comfort felt by utilizing the telephone's mute button, only to discover that opinions and strategies that were thought to be private discussions were in effect being heard loud and clear by the other side, quickly turns to horror. E-mails sent to the wrong addressee, only partially completed, or with the wrong sentiment have often been sent inadvertently. Accidentally hitting the send button before the message is finalized and properly addressed (or selecting the wrong "Fred" in the e-mail address book) can send the wrong message in more ways than one.

The utilization of technology in negotiations can speed up the process

significantly, but it also increases the opportunity for errors and missteps. So even when technology is being utilized in lieu of an in-person negotiation, the same business decorum and strategies should be employed. It can define your business as one that is committed to the negotiation and respectful of the business opportunity, while making good use of the available technology.

In negotiating, as in most business transactions, the more things change the more they stay the same. ♦

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