

SHAPING THE GAME

The New Leader's Guide to Effective Negotiating

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MAIN IDEA

The better you are at negotiating, the more powerful you become as a business leader. Effective leaders always negotiate their way to success because this is the only way sources of potential energy (both within and external to the organization) can be properly aligned and accessed. Learn how to negotiate effectively with people inside and outside your organization and you have the ultimate source of business leverage available.

There are four fundamental objectives you should try and achieve in every negotiation you undertake:

1. To create as much added value as possible by aligning the interests of everyone involved.
2. To capture a fair and sustainable share of that added value for your organization.
3. To build and sustain good long-term relationships with all parties to the negotiation.
4. To enhance your personal credibility and reputation as a leader who is tough and creative but ultimately trustworthy.

To craft negotiations which will achieve these objectives, there are four strategic imperatives which you should always attempt to apply in every negotiation you face as a leader:

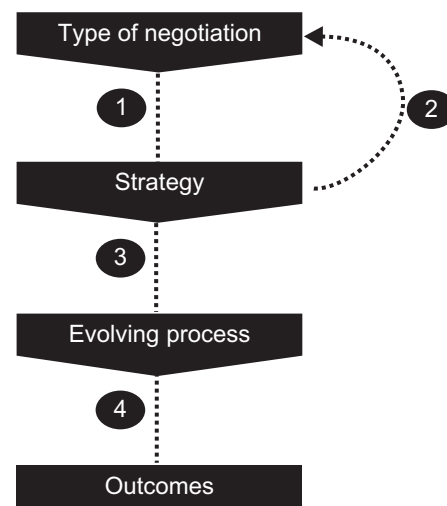
Four strategic imperatives

1
Match your strategy to your situation
Instead of thinking one-size-fits-all when negotiating, vary your negotiating style for better results.

2
Learn about and influence your counterparts
Gather information which you can use to shape and influence perceptions during a negotiation.

3
Actively shape the negotiations you participate in
Focus on who is involved in the negotiation, the key issues and the rules by which everyone participates.

4
Organize to learn from every negotiation
Reflect on your experiences, distill key lessons and systematically share them with others for future use.



“Leadership is ultimately about leverage. To lead, you must figure out how to tap into the sources of potential energy that are latent in your organization, and powerfully channel them to achieve desired goals. After all, you are just one person; alone, you can achieve little. The essence of leadership, then, lies in identifying sources of potential energy – in the people, relationships, technologies, products, systems and structures in your organization – and then in figuring out how to activate them and align them. Great leaders catalyze action; they serve as a template for driving alignment and creating a new sense of purpose in the seeming chaos and complexity of human organization. I have come to believe that negotiation is the single most important skill that leaders exercise during their transition into new roles. By negotiation, incidentally, I don’t mean haggling over a used car; I mean a more expansive view of negotiation as creating and capturing value in a network of relationships. Effective leaders negotiate their way to success in their new roles. Because if you can’t engage in effective negotiation (and its close relatives, influence and alliance building), the best analysis and planning isn’t going to take you anywhere. The key drivers of effectiveness in your new role – gaining alignment with your new boss, restructuring and leveraging your team, creating coalitions to support your early-win initiatives, and dealing with customers and suppliers – all boil down to negotiating effectively with influential players inside and outside your organization. To succeed in making transitions into challenging new positions, you have to be effective at negotiating.”

– Michael Watkins

A Negotiation Toolbox. Page 2
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