

Starting Point

A mid-sized software company focused on one market segment was having since a couple of years some rather informal discussions with a much larger and diversified competitor concerning a strategic alliance in this segment.

At some point in time, those discussions became more formal, but the smaller company then began to fear that the larger one was trying to take advantage of it: several meetings had been totally inconclusive and the suspicion rose that the larger company was simply trying to gain time. The smaller company started to think that investing more time in exploring the potential of an alliance was useless and could even seriously jeopardize its own competitive position and prospects.

At the end of 2007, the management team of the smaller company was asking itself whether it should make the effort of putting the negotiation back on track or should rather walk away. Before making a final choice between cooperating and going alone, it wanted at least to clarify the respective positions.

The management team member in charge contacted us at the beginning of 2008 and asked whether we could give him some advice. Our first thought was that we might contact the other party too, in order to coordinate the preparation of the next meeting. Our client did not agree, fearing that this would even increase the risk that his company would be taken advantage of. In addition, there was little time available until the upcoming meeting.

Our Role

Over the phone, we first made sure that we correctly understood the ins and outs of the case, as well as the expectations of our client. We then sent him our comprehensive preparation checklist by email and asked him to fill it in over the week-end.

We met at the beginning of the following week and started from the thoughts which had popped up in the mind of our client while he was filling in the checklist. There was a lot of information to be considered and we therefore drew a "map of facts and events" on a large pin-wall in order to visualize the relevant links. At the end, we had a clear list of the issues and topics which would need to be addressed (the "what") as well as clear thoughts regarding the different possible ways to address them (the "how").

During the preparation session, our client became much more self-confident as far as the next negotiation round was concerned. The sequence of what had been said during the previous rounds, the links between some critical statements which had been made either openly or between the lines, and their effect on the negotiation process became much more intelligible. Our client felt that he now had a well thought-out game plan for re-starting the negotiation. On this basis, we drafted an agenda which was sent the same evening to the

other party – together with an unequivocal message expressing the wish to structure the upcoming meeting in a very transparent way.

Results:

Immediately after the meeting, our client informed us that the negotiation had been very good. The other party had gladly accepted the draft agenda which we had proposed. According to this agenda, both parties had first thoroughly exchanged their impressions regarding the status of the negotiation and their respective preoccupations. This open way to start did set the tone for the rest of the conversation. It quickly appeared that both parties appreciated one another and were genuinely willing to work together.

In a single meeting, the parties were able to settle all the details which were still open and to finalize the negotiation of a joint R&D agreement!

This case shows once again that astonishing results can be achieved by following a well-structured preparation process and by using visualization to clarify complex issues. Whereas one party had almost reached the point of walking away, all problems could be resolved, and a positive agreement was concluded rapidly.

The client particularly appreciated the efficiency of the preparation process. He later suggested that all team members involved in the project within his own company should be involved in such a process too.

Particularly interesting was an additional comment which our client made: As he was on the premises of the larger company on the very same day, he had another conversation which was supposed to be quite informal. This is what he told us about it: "I had a second meeting there which I had neither discussed with you nor prepared particularly well myself. The discussion turned out to be chaotic and laborious. This was a wonderful opportunity for me to compare a well prepared and not well-prepared meeting... Life is obviously a lifelong learning."

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