## Introduction

Negotiations are often prepared by a team and later on conducted by a delegation. In such cases, we are always faced with a dilemma between cohesion and diversity:

- On the one hand, we would like all members of the delegation pulling together in the same direction instead of falling out with each other in front of the other party.
- On the other hand, if we decide to mobilize the time and resources of several individuals, why should they all think exactly in the same way? It would be less costly to put only one person in charge of the negotiation than building a delegation of clones!

The question is how to solve this dilemma.

## Objectives

Delegation management is about finding a good balance between cohesion and diversity, in order to increase effectiveness. The following objectives should be met in particular:

- To build up a delegation that is characterized by an optimal mix of resources and competences.
- To be able as a team to prepare a negotiation efficiently and well.
- Thanks to practical guidelines and a good distribution of roles within the delegation, to be able to negotiate successfully.

## Guidelines

### 1. Prior to the Negotiation

The bases of successful delegation management are being built before the negotiation starts. At this early stage, three questions should be addressed: How should we compose our delegation? Who does what in our delegation? On which points should we all agree within the delegation?

#### 1.1. Composition of a Delegation

There is no single best model regarding the composition of a delegation. As a matter of fact, there are numerous criteria that might be relevant when choosing the members of the team (see appendix, page 7). All of them, however, can lead to one choice or another.

A usual criterion relates to the areas concerned – i.e.: each area or department which is impacted by the negotiation is represented on the delegation (e.g.: if there are legal issues, a member of the legal department is asked to join; if there are commercial issues, the sales & marketing department gets on board, etc.). This model of course makes sense. The risk is however that the delegation will be split in "silos" with each member "fighting" for the concerns of his or her department.

Another usual criterion relates to hierarchy. Should a member of top management be part of the delegation (which will show to the other party that we take the negotiation seriously and have the authority to make binding commitments) or not (in which case senior executives with a fresh view may get involved later on, if the negotiation gets stuck)? The question is of course relevant, but can only be answered on a case by case basis.

Maybe the most important consideration is that we should never forget the different negotiation abilities which will be required. Depending upon the situation, we may indeed need individuals with strong analytical skills, persistency and stress resistance (and even in some places alcohol tolerance!), good observation and listening skills, creativity, etc. The diversity of personalities and abilities is at least as important as the common criteria mentioned above.

Good personal connections with key representatives of the other party may also, of course, represent a strong asset.

Two more points to be considered:

- Whenever possible, the composition of the delegations should be coordinated with the other party. (A negotiation may fail just because one party sends two representatives who then have to sit without prior warning in front of a group of 20 individuals, or because one party decides not to involve their lawyers while the other one brings them along.)
- The complexity of managing a delegation increases exponentially (not arithmetically!) with the number of its members! Therefore, a delegation should always be kept as small as possible[1].

### 1.2. Role Distribution

There is again no single best model regarding the distribution of roles within a delegation.

The most frequent models seen in practice are:

- Improvisation – Specific roles are not being assigned and each member of the delegation speaks when he or she wants to say something. This mode of operation, like any improvisation, can either lead to brilliant results (rare) or to complete chaos and ineffectiveness (frequent)!
- Technical knowledge – The one who speaks is the one who has the best technical understanding of the topic under discussion (the lawyer discuss legal issues; the sales manager leads the discussion of commercial questions, etc.). As already mentioned with regard to the composition of a delegation, this model makes sense unless it splits the negotiation in "silos" and reinforces positional bargaining.
- Hierarchy – The highest-ranking executive let the other members of the delegation conduct the negotiation and steps in only when the last and most difficult issues need to be resolved or when binding commitments have to be made.

[1] The members of the delegation are however not the only ones who should be involved! In addition to them, you should also consider: (a) the individuals whom you *must consult* – because they have a power of veto; (b) the individuals whom you *should consult* – because they can provide input and share relevant information or expertise, and will play an important role in implementing the agreement afterwards; (c) the individuals whom you should regularly *inform* – because they could otherwise become troublemakers.

- "Good cop / bad cop" – One member of the delegation plays bad cop, makes extremely high demands, attacks, threatens, etc.; his or her colleague plays good cop, makes constructive proposals, behaves respectfully, acts as a mediator and even tames the bad cop, etc. This tactic was invented by police investigators whose job was to induce suspects to confess to crime[2]. It belongs to the most common forms of manipulation in negotiation. In some cases, it is practiced intentionally – with a strongly negative impact on the quality of the working relationship between the parties. In most cases however, negotiators play this game without bad intentions but just because so many people do it. Even then, it is counter-productive: it brings confusion into the negotiation and muddies the water.[3]

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| A different and in our view most effective way to distribute roles consists in separating content and process. In this case, one member of the delegation manages the negotiation process while the other ones discuss the issues to be resolved. |

Managing the negotiation process means: negotiating the architecture of the negotiation (i.e.: discussing the purpose of the negotiation, the agenda, the ground rules, etc.); taking care of time management; allowing the other members of the delegation to speak and giving them the floor; leading a brainstorming exercise and collecting the ideas expressed by the participants; summarizing what has been said; etc.

Two more observations:

- As far as the content is concerned, it might make a lot of sense to have a lead negotiator who does most of the talking and a lead strategist (most probably the highest-ranking executive) who is responsible for strategy adjustment.[i]
- When the delegation is composed of more than two or three persons, one of them can assume the very useful role of an observer (see also below: paragraph 2.3, page 5).

### 1.3. Preparation

The preparation of a negotiation as a team is nothing else but a negotiation!

A common mistake is to think that the members of a delegation need to agree on everything before entering into a negotiation. Agreement among them – as well as between them and the managers whom they report to! – is however required on basically only three points:

- Our own "interests" (i.e.: What are the needs and fundamental interests which the result of the negotiation should allow us to fulfill?)
- Our own Best Alternative to a Negotiated Agreement (i.e.: What will we unilaterally do, if we can't reach an agreement?)
- Our own negotiating style (i.e.: Which kind of working relationship do we want to establish with the other party and *how* do we want to negotiate with them)? The choice here is mainly between the classical tactics of positional bargaining and interest-based negotiating.

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[2] See also: www.sumbiosis.com/images/good_bad_cop_e.pdf

[3] The "good cop – bad cop" tactic is often combined with a functional role distribution model (e.g.: marketing plays good cop and finance plays bad cop). This, however, does not improve the tactic!

At the beginning, there is seldom agreement regarding interests. As a matter of fact, the members of a delegation (and the organizational units which they represent) may even have completely different interests! It is therefore essential to first make an inventory of those particular interests and then work out what are which are the superior interests of the organization as a whole that should take priority. This question may or may not be resolved within the team preparing the negotiation; i.e.: it might be necessary to negotiate the issue at a higher level.[ii]

As far as perceptions are concerned, the members of the delegation should exchange their points of view regarding the issues to be discussed and the problems to be solved. Perceptions are usually different to quite a large extend *and can remain so* – as long as each member of the delegation understands and respects the point of view of his or her colleagues.

As far as options are concerned, trying to reach internal agreement prior to the negotiation would even be counter-productive! It makes of course sense to discuss ideas which might be brought into the discussion regarding some realistic ways to serve one's own interests or to create mutual gains. But the options that will make their way into an agreement can only be designed jointly with the other party. This is where creativity is called for. If a delegation has already determined *the* solution to the problem at hand prior to the negotiation, it will unavoidably take a position and there will be no room anymore for designing better ideas.

Two more points:

- The question whether the delegation has the authority to make binding commitments must be addressed during the preparation phase – the best thing being to discuss it also with the other party.
- The same is true for the question: How shall a member of the delegation proceed if he/she want to ask for a time-out?

Finally, one should never forget that a negotiation between two delegations is considerably more complex than a discussion between two individuals. The rule of thumb is therefore:

> At least 50% of the preparation time should be devoted to process management planning. A key question is for instance: What should we do or suggest in order to foster a meaningful dialogue and to design an efficient decision-making process with the other party – i.e.: to avoid chaos?

## 2. During the negotiation

### 2.1. Cohesion vs. Diversity

During the negotiation the question is again how to find a good balance between cohesion and diversity. The guiding principle is quite simple:

- Diversity – i.e.: conflicting views, different ideas, etc. – is called for mainly during the development of options (at this stage of a negotiation, creativity is indeed required and any form of "groupthink"[4] would be prejudicial).
- Cohesion:
  - ↳ regarding the negotiating style,
  - ↳ when explaining and defending one's own interests,
  - ↳ when insisting on legitimacy (i.e. on using neutral criteria or procedures to find a solution that might be considered as fair by both parties),
  - ↳ when bringing one's own walk-away alternatives into play,
  - ↳ and of course when making decisions and commitments.

A time-out should be requested as soon as the cohesion within the delegation starts to fall apart in one of those five critical areas.

### 2.2. Leadership

What does "leading a delegation" means? Quite often, the person who has the authority to make commitments is considered as the "leader". However, the authority to make decisions is only one form of leadership. Another way to lead – which is almost as influential – is to lead the negotiation *process*!

Those who are able to develop a good working relationship with the other party, manage time, move the conversation from positional to interest-based negotiating, stimulate creativity and brainstorming, etc. can help bring a negotiation to a successful end even more than classical "leaders".

It is not impossible for one individual to assume both leadership responsibilities at the same time, i.e.: being the one making binding decisions *and* managing the process. The difficulty, however, should not be underestimated. It is quite a challenge to concentrate one's own attention on all substantial issues under discussion in order to be able to take wise decisions and, at the same time, to manage the negotiation process carefully enough. Our advice is therefore to divide the tasks.

### 2.3. Communication within the Delegation

It is frequent to feel the need to communicate within the delegation: to exchange ideas and thoughts, share observations, discuss proposals, resolve differences of opinion, etc. One may of course pass small slips of paper to one another under the table, send emails or SMS, or define some codes in advance (e.g.: scratching one's own nose means that one disagree with was the other just said); but as soon as the other party realizes what happens, it creates a problem.

The following guidelines may help:

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[4] On groupthink see: www.sumbiosis.com/images/groupthink_e.pdf

- o Communicating with the other members of the delegation can to quite a large extend be done openly. Who knows? While listening, the other party may even have an idea that brings the negotiation forward!

  Words of introduction such as "I'm thinking loud", allow you to say something to your colleagues without putting them in an uncomfortable situation if they do not agree with what you said.

- o If you need to let your colleagues know that they may have missed something that was said or done by the other party, you may simply turn to the other party and ask: "Did I understand you correctly? You just said that (...). Is this correct?"

  More generally, this is the kind of intervention which the *observer* within a delegation may make in order to elegantly draw the attention of the other members of the team to what he or she observed.

- o When communicating openly really does not come into question, then a time-out should be requested as soon as possible.

3. Summary: Do's and Don'ts

- ➢ When defining the ideal profile of the members of your delegation, do not take only their technical expertise into consideration but also their negotiating abilities.

- ➢ Plan the distribution of roles carefully. Think about dividing the tasks of managing the substantial issues and managing the negotiation process. Do not play good cop / bad cop.

- ➢ Do not start the negotiation unless there is internal agreement on the following points: your own "interests", your own BATNA, and the negotiating style that you will adopt. Do not try to reach internal agreement on a series of "positions".

- ➢ Take enough time during your preparation to plan how you will manage the negotiation process.

- ➢ Communicate openly within your delegation as far as possible. Request a time-out as soon as you sense that there is no internal agreement anymore regarding interests, BATNA and negotiating style.

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[i] See: Jeanne M. Brett, Ray Friedmann, and Kirstin Behfar: *How to Manage Your Negotiation Team – The biggest challenge may lie on your side of the table*; Harvard Business Review, September 2009

[ii] See the same article in the Harvard Business Review.

The following list is a systematic classification of the criteria which may be relevant in choosing the members of a delegation[1]:

1. Individual characteristics

1.1. Socio-demographic characteristics

1.1.1. Age
1.1.2. Gender[2]
1.1.3. Nationality
1.1.4. Religion
1.1.5. etc.

1.2. Psychographic characteristics

1.2.1. Attitude
1.2.2. Experience
1.2.3. Discipline and loyalty
1.2.4. Knowledge and expertise
1.2.5. Personality and traits
1.2.6. Taste for risks
1.2.7. Values
1.2.8. etc.

1.3. Organizational characteristics

1.3.1. Degree of involvement
1.3.2. Hierarchical level
1.3.3. Organizational affiliation (department, function)
1.3.4. etc.

2. Negotiation-related characteristics

2.1. Analytical skills
2.2. Creativity
2.3. Good connections with the other party
2.4. Listening skills
2.5. Observation skills
2.6. Persistency
2.7. Perspective taking ability
2.8. Stress resistance
2.9. etc.

3. Team-related characteristics

3.1. Experience (newly formed team vs. long-standing team)
3.2. Homogeneity vs. heterogeneity
3.3. etc.

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[1] This classification is based on: Markus Voeth, Uta Herbst: Verhandlungsmanagement – Planung, Steuerung und Analyse; Schäffer-Poeschel Verlag, Stuttgart, 2009

[2] Experiences have shown that mixed male-female delegations achieve better negotiation results than pure-gender teams!