

UNILATERAL DEMAND – AN OPPORTUNITY?

In the past few years, the unilateral demand has become a vogue negotiation tactic. The other side leverages their power by asking, demanding, telling the other party to support their business - the "Big Ask." Do you write the check, or seize this opportunity?

We get calls from clients after the "***it" hits the fan. They didn't plan and they paid for it – literally. People lost their jobs.

You know these demands are coming – they usually announce it. You do your research and have a good idea of how they will be conducting the negotiation. You and your senior management have been summoned to their offices. Now what...

1. This is a Great Opportunity

Do not look upon this engagement with fear or trepidation. Every client we work with on these negotiations comes out ahead. This is because they planned, prepared, understood what they wanted and went after it. Most importantly, they took control of the negotiation.

2. Power and Fear

The other side is powerful – right? You need them. But they need you too, otherwise, why would you be doing business with them? If you operate from a position of weakness or fear, then you should just write the check. Instead, look deeply at the power you hold and then how to use it.

This is the biggest mistake we see. If you really think about it, it is you who has the power. Successful companies with solid financials rarely target their negotiation partners – they focus on growing their business.

Case Study: Use the strong to protect the weak

We worked with a brand on a "Big Ask" strategy build. They have some products the retailer cannot live without. But they have some products the retailer does not need or are easily substitutable. The company desired more support and listings for their smaller brands. So, they leveraged their entire portfolio to protect and grow their weaker products. When threats were exercised on smaller brands, they reciprocated those threats in the brands the retailer could not afford to lose. They moved from threatening each other, to growing value.

Case Study: Rebalancing the small versus big.

A very small company was faced with a "give us 1% or else" from a key account. In the first meeting, the small brand handed them an invoice for illegal deductions taken for not paying on time (couple days late). "When you give us a check for the amount you owe us, we can then move forward to talk about your request." It turned the tables and balanced the "open extreme" demand.

Both these companies were effective because they had a unique understanding of the power they possessed and the other sides plan. Open your eyes to the power you have and get inside the other party's head. They are leveraging all their power against you, don't be afraid to strategically do the same in return.

3. The Process & Plan – Own It!

The other side initiated the process - they have a plan. Do you need to work within their plan to some extent – sure. But don't let their plan define yours. Skilled negotiators always do what is right for their business and the negotiation. You need a plan as well!

Case Study: The Power of Ramifications

Big company was asked to come for their obligatory "Big Ask" meeting. They declined to attend the meeting until an agenda was provided – a slow shift of control. It took two weeks for the other side to give in. The big company sent back items they wanted included on the agenda. The other side declined to discuss those topics. Big company refused to attend the meeting until a more collaborative agenda was used. "Big Ask" company stated they were not willing to discuss topics until their "Big Ask" was dealt with. (Their Plan.) Big brand kindly refused to participate in the negotiation. When threatened to stop buying products (Their Plan), Big Brand simply stated they would be disappointed but understood their position. They then pointed out the consequences of what the removal would do to funding, sales, support, category management, access to innovation, etc. The negotiation died right there.

Case Study: Oh, that's it?

Big brand requested at "Big Ask" meeting. With prep and research, they determined the other side would ask them for something around \$20 million. So, it came time for the meeting with all the senior leaders. They sat there and waited for the request - \$18 million. (Their Plan). "Oh, that's it?" They handed the other side a page on how they could get a check for \$25 million. (Brand Strategy & Plan). It took the negotiation immediately collaborative - you need money, we have it but need value in return. Both sides secured a huge win.

Wing-it or Plan?

What is your plan? Will you "wing-it?" You need to draft a multi-level, "what if..." contingency strategy prior to engagement. You need to understand power at a deep level.

Build the plan. Work the plan. This drives confidence and that drives power to realize a true value driving opportunity.