

DO YOU KNOW HOW THE OTHER PARTY IS COMPENSATED?

Are you motivated by money? Most people are to some degree, especially when given a binary choice. If you can figure how the other party is compensated, specific to the negotiation you are conducting – do you think you will get a better deal?

If you know what puts a Tesla versus a Chevy Spark (nothing against Chevy) in the other party's garage at year end, bonus time, do you think they will be more accommodating? Will they help get you a better deal – what you want? Most likely.

Counter to that, understanding when you put proposals on the table which directly work against this compensation, you should expect serious resistance. You need to be prepared for this.

So, assuming we do not know this answer 100%, how do we go about finding the answer. Will they tell you? Probably not. Can you figure it out? Most likely, but it will take some time and it will be work. Here is a simple three step process.

1. SEGMENT THE PLAYERS

Who are the influencers, key decision makers, etc.? They are most likely compensated differently. Don't assume the vanilla approach. You need to know how to get into everyone's head (or garage). It is also important to understand how these structures might conflict with each other, and how you work within this constraint. You need an answer for all key players.

2. TARGET

People know this information. Who are they? How do you get to them? What about websites and public information.

- The person themselves
- Other non-competes with this information
- Websites: Glassdoor
- Recruiters
- Former employees

Case Study: One firm found two former employees who had been fired. They offered them \$5,000 each to come in for the day and share what they know. These two individuals, being disgruntled about being let go, provided an open book into the company. This \$10,000 spend was worth millions in helping build a negotiation strategy.

3. BUILD A QUESTION STRATEGY

This may be done over many interactions.

- "What are your key priorities this period/year?"
- "What's important to you?"
- Test an assumption. "I was surprised to hear your company rewards this metric. Is it really that important? There has to be other things – no?"
- "If I did this..., does that help you?"
- "Seems like there is internal conflict here. How can I help you then?"
- Test an assumption: "I know 50% of your bonus is based on hitting your margin target of 25%." Read their response.

***Case Study:** A sales rep said they were bonus'ed on sales by product class. Their boss was bonus'ed on total net sales from the team. In other words, the boss didn't care what they sold, the rep did. Conflict. So, if the rep sold 120% of product 1 and 80% of product 2, the boss got 100% credit for the bonus. The employee got only 50% as this firm gave no bonus if one doesn't hit 90% of an objective. Wow! Imagine if you knew this and could craft a deal which got the sales rep the 100% in each product class and their bonus.*

How do you give them what they want, while at the same time getting what you want.