

45 POWERLESS TO NEGOTIATE



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Tim was trying to get to work.

Tim is the Sales Director for a large, international organisation, and he's worried that he might be late for the monthly board meeting.

There had been heavy snowfall overnight and, as he lived near the bottom of a hill, he had seen from his window several vehicles struggling to get up the hill that morning.

He had watched some cars slide back down the hill and their owners had abandoned their car at the side of the road in a flat section, out of the way. Some had made it to the top, but with considerable difficulty and risk.

Tim had no choice, he had to get to work and there was no way to avoid the hill.

Five minutes later Tim waited at the bottom of the slope, with his engine running, he watched as a driver in front attempted to get to the top.

The driver was obviously struggling, though he was making some steady, if faltering, progress.

Tim knew that he should not try to get up the hill directly behind the driver in front. He imagined a situation where the car in front came to a halt, and even started slipping back down the hill into his car, so he decided to wait until the driver was at least 70% of the way up the hill. His strategy was to then approach at a steady speed, hoping to maintain sufficient momentum to propel him to the top without stopping.

As the other car got near the top Tim set off, with gritted teeth, eyes peeled wide and white knuckles.

To Tim's horror, he saw the car in front halt, about 30 feet from the top, and so Tim too was forced to stop, a safe distance behind the vehicle. To his relief, he then saw two youths, probably about 16 or 17 years old, approach the driver in front, speak to him through the car window, and then proceed to push his car to the top of the hill.

Great, thought Tim. If those guys are prepared to help me too, I just might get to my meeting in time.

Sure enough, once the first driver had been pushed to the top, and disappeared from view, the youths approached Tim and asked him if he would like a push up the hill.

- Tim: *‘That would be great lads, as I don’t know what else to do, stuck here halfway up the hill.’*
- Youth 1: *‘Happy to help – that will be £10 please.’*
- Tim: *‘What, £10 for a 30-second push? You’re joking aren’t you?’*
- Youth 1: *‘Well that’s what the guy in front gave us, and he seemed to think it a fair price to get him out of a predicament.’*
- Tim: *‘Come on lads, £10 pound’s a bit steep.’*
- Youth 1: *‘Not as steep as this hill, sir.’*
- Tim: *‘I’ll tell you what, I’ll give you £5 to get me to the top.’*
- Youth 2: (Leaning forward to the driver’s window) *‘Sir, as I see it, you’re in no position to negotiate.’*

INSIGHTS AND LEARNING

This small incident has a number of strong negotiation messages.

It illustrates:

- The ‘power balance’ between two parties.
- The person with the greatest need is in a weaker position.
- When circumstances dictate, one party can charge a lot more for something than under normal conditions – that’s why the umbrella sales people come out on to the city streets when it’s raining. You don’t see them when the sun is shining, and it’s why they can charge £10 for a £2 umbrella.
- How a person who is normally used to being in control, and holding a powerful position in negotiations (remember he’s the Sales Director of a major corporation), can find himself in an unfamiliar and disempowering negotiation position.
- How the lack of a BATNA (‘Best Alternative To a Negotiated Agreement’) meant that Tim had little option other than to either try to negotiate a better price or to agree to their demand for £10.
- The effect that time pressure can have in the negotiation as it often means that the person who is under most time pressure (Tim in this case) is likely to concede quickly and to yield more.
- How price and value are not the same thing.

Time gave them the £10 they asked for, he was over the hill within 30 seconds and he arrived just in time for the start of the board meeting.

HOW CAN I USE THIS?

Consider each of the insights and lessons above and, whilst you can never predict a situation you might find yourself in, at least try to relate these important negotiation principles to your own business and personal life.

When have you needed something urgently or desperately, and what have been the consequences for you in terms of the power balance between you and the other party?

Have you made the mistake of admitting to needing to close a deal quickly or, even if not verbally, could you have conveyed your agitation non-verbally, through your body language or the speed with which you tried to move things along?

More positively, have you paid more for something than you normally would, but thinking objectively about it you're happy to have done so because, relative to the opportunity loss or consequential damage that would have resulted from not doing the deal, you made a sensible decision?

Remember that having a powerful job, perhaps one in which you're used to leveraging the power of your position and authority, can be irrelevant when you find yourself in very different circumstances. The Chief Executive in the lifeboat is no different from all of the other random passengers crammed into the dinghy adrift at sea.

I am reminded of a story of a famous person checking in for a flight and asking if she could be upgraded. The check-in assistant said that would not be possible, to which the celebrity challenged the check-in assistant with, *'Do you know who I am?'* *'One moment, madam,'* said the check-in assistant, at which point she picked up the airport public address system and announced, *'Can I please request a supervisor to desk 14? I have a passenger here who does not know who she is.'*

That story, unlike the cases in this book, is probably not true, but it is nevertheless funny, and a good example of how excessive hubris can backfire.

It has been emphasised elsewhere in this book that you must have a BATNA. If you don't, your power is wiped out, you lose confidence, you might have to resort to bluff, and your negotiating position is massively reduced. If you do not have a BATNA, put all of your energy into finding or creating one before you go into the negotiation.

SEQUEL

Two years later, Tim's organisation decided to grow the size of the sales team at his head office, where he worked.

They recruited four new sales people to join as junior members of the team. One of whom was called Craig.

He lived at the top of the hill.