

## How Creative Conflict Can Propel Business Negotiations

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### UNDERSTANDING AND MASTERING THE EVOLVING NATURE OF B2B TRANSACTIONS

The business-to-business (B2B) landscape has changed dramatically over the years. But several megatrends continue to progress, including globalization, technological disruption, instant information exchange, and customized solutions versus commoditized inputs. These trends have led to new ways of doing business and new kinds of business transactions. Long-term agreements, exclusivity, strategic relationships, joint ventures, and partnerships have grown in place of old-style competitive price bidding.

However, many construction business owners learned to negotiate based on rules that are no longer suited for the current environment.

One thing has stayed the same, though, and that's conflict – all negotiations inherently involve conflict by their very nature. Creativity is the best way to break through the conflict and attain negotiating success in a way that solves the problem and builds a relationship. Fear and avoidance of conflict can lead to poorly negotiated agreements and missed opportunities. Negotiation is now more important than ever in a fast-paced and ever-changing industry. It's time for a more sophisticated negotiating approach.

Business negotiators must address the evolving nature of B2B transactions.



While common advice such as “don't split the difference” and “don't concede first” will always be a necessary part of a negotiator's toolkit, these tips miss the point of conducting a negotiation within a relationship setting.

### Not All Negotiations are the Same

There are three major regions to consider with creative negotiations: bargaining, creative deal-making, and relationship-building. Understanding the type of negotiation – and which region it falls into – will help you use the appropriate strategies and tactics.

The first region, bargaining, is the domain of The Gamesman. Buying and selling of true commodities (lots of options for the

buyer) or one-off sales or purchases are typical examples. Here, like in the game of poker, a certain amount of gamesmanship, bluffing, and misdirection goes on. Bargaining can be best thought of as a zero-sum contest, typically over one main issue like price, where anything you win comes out of my pocket and vice versa.

Bargaining negotiations center around power or leverage and the side that understands and best uses their leverage usually comes out on top. Business owners fail to appreciate that they almost always have more leverage than they realize. Negotiators need to recognize the tactics used by aggressive bargainers and deploy countermeasures. Bring creativity to the table by using key bargaining strategies for planning, discovery, leverage-building, target-setting, and making and winning concessions.

The next region is creative deal-making. This is where The Trader flourishes. When bargaining alone won't get the deal – or when possible but perhaps unseen synergies exist between the two sides – the nature of the deal might be expanded to the benefit of both. The Trader works to discover concessions they can afford to make that are highly valued by the other side, while getting something of even greater value back in return. Traders create value by expanding the pie so that each side gets a bigger slice. While there's still conflict between the sides, there's also a sense of collaboration as they work together to hammer out a mutually beneficial solution. This opportunity for a bigger and better deal is lost if both sides are stuck in the bargaining model.

The final stop is relationship building is where The Partner is found. When good business relationships work, they can be so important that keeping the relationship healthy may be the goal. Negotiating in this realm takes on a new perspective, where looking out for the interest of both yourself and your counterpart is equally essential. Relationships entail many ongoing negotiations – over time, things can go wrong.

The Partner uses different strategies and tactics, such as vigilant monitoring and rigorous communication to make sure things continue to work out as originally envisioned. It's all too easy to hope for the best once the contract is signed. At some point, the deal may change from what was originally negotiated. There is a danger of making the costly mistake of negotiating in the relationship mode when the other side

keeps pushing a hard bargain. Watch out for this pitfall and be prepared to move back into bargaining mode.

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## Conflict Can Create Better Agreements & Relationships


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Most people dread negotiation because conflict is present at every level of negotiating. After all, if you want something and I want something else, that's conflict. Most people are conditioned to avoid conflict. But look at it from a different angle. Not only better than what you might think you want for yourself but also better for your counterpart.

Rather than shrink or shy away from conflict, embrace the inherent conflict and allow it to spark ideas that lead to well-crafted, mutually beneficial agreements. Agreement-making is one of the most important skills anyone in business can possess. Skillful negotiating makes people more successful on the job, more valuable as employees or team members and leaders. It makes everyone's jobs easier and – your life, and the lives of those you work and deal with – run more smoothly.

With the fast-paced changes occurring in today's world, the way we do things is irreversibly impacted. Computers killed typewriters; digital cameras changed the face of photography; and cellphone technology forever changed not only the way we communicate, but also how we conduct business.

Negotiating is more important than ever. Existing agreements may no longer be workable and will need to be renegotiated. Resolutions to problems, compromises, and new, more creative deals need to be worked out.

Professionals with the skills to negotiate creative deals, find workable solutions, and rebuild relationships are more in need than ever. To get by and prosper in the current and future, massively disrupted business world, we all need new and innovative solutions – and the skills to create them. 



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### About the Author

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Bill Sanders is CEO of Mobus Creative Negotiating, a firm founded by the late Frank Mobus. Mobus's nationally recognized experts provide public seminars and private, in-house corporate training, coaching and consulting to Fortune 500 companies. He is the author of "Creative Conflict: A Practical Guide for Business Negotiators." Visit [mobusinc.com](http://mobusinc.com).

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