The biggest challenge may lie on your side of the table.

How to Manage Your Negotiating Team

by Jeanne M. Brett, Ray Friedman, and Kristin Behfar

You are leading a negotiating team for your company, facing off with a major client to work out a price increase. You think you're on solid footing—you've done your homework, and you know the terms you're looking for. But after some opening niceties, one of your team members blurts out: "Just tell us—what do we need to do to get more of your business?" And in that moment, you know you've lost the upper hand.

Gaffes like this are more common than most businesspeople would care to admit. Team members, often unwittingly, routinely undermine one another and thus their team's across-the-table strategies. We studied 45 negotiating teams from a wide array of organizations, including ones in the finance, health care, publishing, manufacturing, telecom, and nonprofit sectors. And they told us their biggest challenges came from their own side of the table.

Drawing on the lessons learned from the experiences of these teams, we offer advice on how to manage the two major obstacles to a negotiating team's success: aligning the conflicting interests held by members of your own team and implementing a disciplined strategy at the bargaining table.

Aligning Your Own Team's Interests

It's not surprising that negotiating teams wrestle with internal conflicts. After all, companies send teams to the negotiating table only when issues are political or complex and require input from various technical experts, functional groups, or geographic regions. Even though team members are all technically on the same side, they often have different priorities and imagine different ideal outcomes: Business development just wants to close the deal. Finance is most concerned about costs. The legal department is focused on patents and intellectual property. Teams that ignore or fail to resolve their differences over negotiation targets, trade-offs, concessions, and tactics will not come to the table with a coherent negotiation strategy. They risk ending up with an agreement that's good for one part of the company but bad for another. On the basis of our research, we recommend four techniques for managing conflicts of interest within the team.

Plot out the conflicts. Confronting diverging interests helps clarify team goals, uncover personality conflicts, and ultimately build unity of purpose. Many managers examine competing interests by creating a matrix of the issues that need to be addressed. For each issue, they plot out their own priorities and position, as well as what they think are the priorities and positions of each of the other team members.

Consider the team whose conflicts of interest are represented in the exhibit "What Does This Team Want?" The general manager would like her company to earn more profit. The product manager is concerned that a price increase will erode market share. The sales representative is bent on preserving his account relationship no matter what the cost is. And the business manager wants to increase customer support so that his department will get more work. By plotting out each element up for negotiation, team members can recognize the internal trade-offs they must make before they can coalesce around the highest-margin proposal.

Work with constituents. Underlying many conflicts of interest is the simple fact that members represent different constituencies within the organization. People don't want to let their departments down, so they dig in on an issue important to their constituents that might not be in the best interest of the whole company. If constituents are presented with all the facts, however, they might be willing to concede more ground because they'll also see the bigger picture.

To help get everyone on board with a single negotiation strategy, some leaders deliberately assemble teams that contain only individuals good at forming relationships across constituencies. Managers who don't have the luxury of choosing their team members, though, might have to go an extra mile to engage those constituencies themselves. One way is to invite important opinion leaders or decision makers to attend team planning sessions. Alternatively, team managers might have to embark on multiple rounds of bargaining with constituent departments. One manager described the many times he went back and forth between the customer service department, the program managers, and the engineers. He'd say, "OK, we need you to move a little bit more and get your number down a little bit more. We are close—just come this little extra bit."

If those approaches fail, you can engage in reality testing (dubbed "the nuclear scenario" by one manager). To illustrate the dangers of not working together to make a deal happen, for instance, one leader sent his team members back to their own departments with the worst-case outcome for the company and individual units. This sobering hypothetical softened up hard-liners and allowed members to align their interests. Finally, some companies have a formal structure in place to support negotiating teams: If deals involve strategic decisions that affect multiple divisions, a corporate coordinator (often a C-level executive) who has the formal power to get constituencies to fall in line joins the team.

Whatever tactics you choose, know that you cannot skip this step. If your team's members lack the authority or political clout to unilaterally commit their part of the organization to the negotiating strategy, you must somehow get all constituencies on board before you get to the table.

Mediate conflicts of interest. If, despite best efforts, the team cannot reconcile its differences, the best approach may be mediation, led by either a team member or an outside facilitator. The mediator acts as a buffer of sorts. One manager described his team's experience like this: "You've got team members who are extremely competitive, who want to win and are afraid to show weakness." The team member acting as mediator explained that he heard their concerns and their goals, told them where other teammates were coming from, and asked questions like, "Can you just kind of talk through this a little bit? Why do you guys need to be here, and why are you afraid to have that dialogue?" In other words, he applied the classic across-the-table negotiation strategy of asking "why" and "why not" questions to the negotiating team itself.

Persuade with data. The fact that team members don't have access to the same data is often the root of conflicts of interest. In our research, leaders found that their members were understandably unwilling to commit

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time and resources to the negotiating team until they saw facts and figures that clearly demonstrated the effect their efforts would have on their departments.

Unfortunately, the obvious solution—give people more data—is not as easy as it sounds. Individuals are likely to distrust data that come from other departments, suspecting the information to be biased and self-serving. One company solved that problem by assigning a small task force from within the team to jointly analyze the data provided by each department.

Other companies brought in an outside consultant to gather and analyze the data. An experienced consultant told us how explicit details relating to the purchase of hospital equipment helped one team decide on a strategy. "Physicians feel like they're generating revenue for the hospital, and therefore the hospital should be able to provide the equipment and products that the physician wants," the consultant explained. "What they're surprised to see is that a lot of times the hospital actually loses money on every procedure that's done in their group. Sharing that information with the physician is an eye-opener. So when we put the whole package together for the physicians across groups, they were more likely to understand and be willing to work with the hospital." A body of data, especially if it's provided in a way that emphasizes its objectivity, can align team interests because it offers members the opportunity to save face by making concessions for the greater good.

We found that when teams took the time to resolve their conflicts of interest, members discovered one another's strengths and weaknesses along the way. Thus, their efforts to manage internal conflicts also helped them identify the best roles for each member to play in the next phase of team negotiation: across-the-table bargaining.

What Does This Team Want?

A software company is about to negotiate a new contract with an important customer. But first it must fully understand and resolve the conflicting interests within its own team. A good place to start is drawing a matrix that sets out each member's priorities. Then it becomes easy to see which conflicts will have to be resolved before the team comes to the bargaining table.

Here, for example, the salesperson and product manager want to keep prices low to increase commissions and market share; the general manager wants to boost profits; and the business manager is far more interested than anyone else in the terms of the maintenance agreement.

		General Manager	Product Manager	Salesperson	Business Manager
Goal 1 Software units installed: 5,000 to 10,000	**Priority**	not sure	#2	#1	#3
	Preference	increase units installed	increase units installed	increase units installed	increase units installed
	Interests	profits	market share	commission	more maintenance work
Goal 2 Software price: $250 to $400	**Priority**	not sure	#1	#2	#4
	Preference	increase price	decrease price	maintain or decrease price	no opinion
	Interests	profits	market share	commission on volume	no opinion
Goal 3 Maintenance hours: 40 to 160 per week	**Priority**	not sure	#4	#3	#1
	Preference	increase maintenance	no change	no opinion	increase maintenance
	Interests	profits	market share	not a commission item	more maintenance work
Goal 4 Maintenance price: $70 to $180 per 10 units installed	**Priority**	not sure	#3	#4	#2
	Preference	increase price	decrease price	no opinion	increase price
	Interests	profits	market share	not a commission item	margins

Adapted from Jeanne M. Brett, *Negotiating Globally* (Wiley & Sons, 2007)

Implementing a Shared Strategy

Gaffes made at the bargaining table are usually the result of genuine differences in participants' negotiation styles, a lack of preparation, or frustration. Although rarely intentional, breakdowns in discipline sabotage a team's strategy in ways that are almost impossible to recover from. Such breakdowns reveal fissures that the other party eagerly exploits.

Our interviews uncovered many examples of undisciplined behavior. Sometimes team members get emotional and become irrationally intransigent toward the other side, revealing information that jeopardizes a position or exposes a weakness. Sometimes the reverse happens, and an overeager team member says, "We can do that"—without asking for a recip-

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rocal concession.

Interpersonal conflicts can contribute to these problems. We heard of many teams that struggled internally with defensive posturing, perceived arrogance, and clashes about appropriate negotiation styles. Emotional and personal differences can make people unpredictable and difficult to align with the agreed-upon strategy. Drawing on our research, we recommend three tactics to avoid breakdowns at the negotiating table.

Simulate the negotiation. To head off surprises at the table, savvy teams role-play ahead of time aspects of the negotiation that they expect to be contentious. Team members who have prior negotiation experience with the other party can be especially valuable. One manager asks his teammates "to throw out objections, so that you're able to figure out, 'OK, if they throw that one at me, who is going to respond to it, and what is the response going to be?'"

Rehearsals like that enable individuals to determine when they should contribute—and when they should keep silent. They help people anticipate their own and others' likeliest emotional responses, predict where team discipline might break down, and clarify who has authority to make concessions and decisions. Role playing takes time, however, and requires extensive knowledge of the other side in order to make accurate predictions. If your team lacks either of those requirements, focus instead on the next two negotiating tactics.

Assign roles to capitalize on team members' strengths and interests. Most people are familiar with the good cop–bad cop routine as a way to whipsaw an opponent. In a variation of that theme, you can help individual members feel comfortable with the team strategy by giving them specific roles. For example, one team protected the member ultimately responsible for long-term client care by "keeping the bullets away from him." His teammates were the ones who directly confronted the client about pricing.

Team members with particular expertise should, of course, be prepared to speak when their input is needed. But our interviews revealed that experts frequently offer too much information or chime in at inopportune moments. Experts need to be prepped: how much to say, when to speak up, and when not to. We found that teams also ran into trouble at the table when experts were unavailable. Well-prepared teams plan for the possibility that a key decision maker or expert might for some reason be prohibited from attending a session.

Negotiating teams need to have a leader, but sometimes, when a team lacks hierarchy, it's not obvious who that leader should be. Hence, team leadership itself can be the subject of intrateam negotiation. And although someone must take the reins—managing preparation logistics, making sure the team's strategy has been vetted by higher-level management or even the board, and finalizing roles and responsibilities for the bargaining session itself—the most effective team leaders we studied did not try to do everything themselves. You've got a team, managers told us, so use it!

One offered this example: "Even if I can handle all the technical issues myself, if at all possible I'm going to take another specialist with me, preferably someone who has negotiated before. That way, I don't have to be sitting there thinking, 'I've got to understand their point. I've got to figure out how to respond to it and then negotiate it.' Nobody's brain works that fast."

Research by psychologists Leigh Thompson and Susan Brodt found that negotiating teams achieve higher quality outcomes than solo negotiators. Teams are able to learn more about the other party's priorities than one person can. Having a lead negotiator who does most of the talking and a lead strategist who does most of the listening and is responsible for strategy adjustment makes maximum use of team resources.

Establish a plan for intrateam communication. This sounds like obvious advice, but it's often overlooked. Although caucusing is always an option, managers told us they tried to avoid it because they didn't want to signal a need to adjust strategy. Instead, they established creative ways to communicate with one another, which ranged from the explicit to the implicit and from low to high tech. Said one manager, "At one point Jim was going down the path I didn't want him to talk about, and I just put both my hands on the table and did my stretch thing. That was our code to change the subject." Other teams arrange the seating so members can nudge one another and pass notes discreetly.

Managers did say that it was better to caucus about critical issues than risk a major mishap. In one team we studied, only the lead negotiator was allowed to speak, but if a team member had critical input, she needed only to speak the leader's name, and he would stop, even in the middle of a sentence, for a quick recess.

There are higher-tech solutions for sidebar communications. Teams we studied whose members were geographically dispersed found text messaging to be particularly useful and more subtle than calling one another on cell phones. Text messaging also works well for teammates in the same room who want to discuss what's happening without distracting the lead negotiator. Large teams using text messaging or chat technology often had a gatekeeper decide when the lead negotiator needed to be alerted about new ideas bubbling up during the course of the talks. One team we interviewed believed that having an intrateam communication link via online chat was a strategic competency. The team also negotiated a contract with a vendor using computer-based document-sharing and conference call technology to talk across the table, while team members (spread across two continents) kept in touch and updated the strategy using chat. Although complex, this system allowed them to decide in real time when to move ahead in discussing an issue, when to reveal new information, and when to make offers and concessions.

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The payoff from negotiating as a team is clear. With access to greater expertise and the ability to assign members to specialized roles, teams can implement more complex strategies than a solo negotiator can ever pull off. But negotiating as a team also clearly presents challenges. How well a team resolves internal conflicts of interest is closely related to how well it performs at the negotiating table: A lack of internal alignment increases the probability that team discipline will break down. A lack of discipline increases the odds that a team's strategy will break down. Either deficiency can push the team into a spiral that is hard to reverse—one the other party will certainly capitalize on. That's why it's critical to engage in internal negotiations *before* your team sits down at the table.

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