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Negotiate Like a CEO

You're ready for the mediation. You understand your client's interests, and the options that are available if no deal is reached. But have you considered the problems your counterpart is facing? Professor James K. Sebenius of the Harvard Business School cautions that neglecting the other side's problem is a common mistake. Getting to yes also requires understanding and addressing your counterpart's problem as a means to solving your own.

Take a cue from Steve Holtman, former Chief Business Officer of Millennium Pharmaceuticals, who grew his company from a startup in 1993 to a company with a \$10.6 billion market cap in 2001, who observed: "We spent a lot of time thinking about how the poor guy or woman on the other side of the table is going to have to go sell this deal to his or her boss . . . [and] trying to understand how they are modeling it."

Wayne Huizenga, whose experience includes founding three Fortune 500 corporations and six New York Stock Exchange listed companies, offered this basic advice: "In all my years of doing deals, a few rules and lessons have emerged. Most important, always try to put yourself in the other person's shoes. It's vital to try to understand in depth what the other side really wants out of the deal."

Professor Sebenius notes that tough negotiators sometimes see the other side's concerns but dismiss them as "their problem." This attitude can undercut your ability to profitably influence how your counterpart sees its problem. Mike Volpi, former Chief Strategy Officer at Cisco Systems, had trouble closing deals early in his career because his "outward confidence" was often mistaken for arrogance. Many acquisitions later, a colleague observed that "the most important part of [Volpi's] development is that he learned power doesn't come from telling people you are powerful. He went from being a guy driving the deal from his side of the table to the guy who understood the deal from the other side."

An associate of Rupert Murdoch remarked that, as a buyer, Murdoch "understands the seller—and, whatever the guy's trying to do, he crafts his offer that way," indicating that if you want to change someone's mind, you should first learn where that person's mind is. With that understanding, you can work to bridge the gap between your counterpart's position and your goal.

Remember Professor Sebenius' advice. It is a mistake to focus on your own problem, exclusively. Solve the other side's problem as the means to solving your own. Let them see that your way is their way.