

By Simon Buzza

## ***Technology has changed the way we communicate!***

The influence of digitisation and the Internet has caused a change in the way we communicate, learn and conduct commercial business. There is no question that easy access to the Internet, like the introduction of mail service and the invention of the telephone, has changed the nature of people's connection to others in their social world. Mail made possible connections among people without physical proximity, the telephone facilitated communication among distant people, making rapid connections possible across long distances, and e-mail enables the rapid dissemination of information to multiple locations simultaneously. So far so good – indeed, progress is a fact of life and technological advances are being made at an ever increasing rate. However, as we embrace these changes are we forgetting some of the more traditional means of communication and is there a cost to this?

## ***Consequently, the Negotiating Table is changing***

As a professional sales coach, I recently advised a client and good friend on how to manage a proposal as part of an e-auction. This is not an isolated incident, and I often come across people negotiating by e-mail or over the phone as they try to manage the ever-increasing volume of day to day data whilst still maintaining relationships and cutting good deals. Indeed, businesses seem to be rapidly being manoeuvred into this type of supplier/customer engagement increasingly often in the new digital age. We all know that the advantages of digital technology are enormous and the internet is impacting nearly every aspect of commercial life. However, we need to guard against losing some of our inter-personal and communication skills as we communicate using data, including mobile phones and e-mail, rather than the many other types of communication we previously used in face to face to meetings. The negotiating table is rapidly changing, but are you aware of these changes and what are you doing about them?

## ***It's about Value!***

Negotiations involve some form of interaction and relationship between individuals and/or organisations and the relative importance of the outcome is a key defining factor in determining the negotiation style. Let's be clear - all relationships have a value; it is just that some are clearly more important than others. Low value relationships, where price is the key differentiator, are well suited to the digital space. The sale and purchase of paper clips is a great example of how the internet can introduce effective competition and minimise time and effort for both the buyer and seller. But we, as professional sellers, should all recognise that our customers are not all the same, and not all customers have the same value to us. Buyers face similar challenges as not all suppliers have the same value to them. And remember, value is not just measured by price or profitability, there are vital non-financial criteria such as reliability, trust, service and innovation which are equally if not more important (and this was a key element of my advice to my client on the e-auction!). So what? Well, unscrupulous or un-enlightened buyers are utilising the new technology to undermine the value and status of their suppliers. This is both an unintentional and a deliberate policy, dependent upon the sophistication of the buyer. However, we should be in no doubt, some buyers are deliberately commoditising their suppliers in order to secure greater power over them. After all, it is quite difficult to explain your differentiating proposition and strategic relationship during an e-auction!

## ***Changes pose challenges for negotiators***

These changes pose a series of challenges for the sales community when negotiating a deal:

- The relationship – once the holy grail of strategic accounts – is demoted to a near irrelevance. This is replaced by a contract.
- Goodwill trust (based on a willingness to do more than is formally required and a strong moral component of key relationships) is replaced by contractual trust – how can you really trust someone you have not met?
- Similarly, ethics and reputation, which are prime persuaders, are denoted by contractual terms rather than by the shake of the hand and/or a morally enforceable relationship agreement.
- Non-verbal communication such as tone and body language become an irrelevance.

By Simon Buzza

- Written words, which are prone to mis-interpretation, become the only method of communication. Without seeing and hearing non-verbals, it is easier to misunderstand the words. When we are unsure about words and when we trust the other person less, we pay more attention to the non-verbal communication of what we hear and see.
- Emotion is removed from the negotiation. As such, empathy is replaced by insensitivity and a number of persuasion techniques are eradicated. Rapport and feel good emotions no longer count.

## ***A digital relationship is not enough?***

More complex relationships and negotiations desperately need a more personal touch – people want to buy from people and trust is paramount. However, if we allow the relationship to be:

- Manipulated by ‘more traditional buyers’, or
- Neglected through the pursuit of faster, more efficient, high volume communication

the value in our relationships is lost. Consequently and in parallel with this, we run the risk of losing our high value negotiation skills as digital technology takes over and we spend less time practising them.

If you have a high value or important relationship that you wish to protect and develop, a purely digital relationship will not be sufficient. The physical interaction between two parties is not something that can be effectively achieved over the internet. It is a basic human fact that two people or organisations need to be physically present in order to build rapport and trust. Sellers and negotiators need to get back face to face with their key clients, they need to build relationships with the end-users, and they need to hone their rusty negotiation skills quickly before they are lost.

## ***So what should we do?***

- Segment customer or prospect portfolios according to value (and by this, I mean more than just profitability).
- Develop appropriate guidelines and strategies for managing negotiations and relationships for each customer segment.
- Revise and hone negotiation and persuasion processes and skills – practise them. Recent research has shown that major companies without defined negotiation processes in place suffered an average fall in bottom line profitability of 63% between 2007 and 2008. In stark contrast, the top quartile of companies who have processes recorded an average profitability increase of 43%!
- Build stronger relationships with high value clients (prior to negotiations kicking off). Sellers need to get in front of prospective clients and away from their desks and PCs.
- Find the enlightened buyers and supportive operators rather than the manipulative traditional buyers quickly, before it is too late.
- Embrace new technologies and digitisation as tools to support these strategies rather than being driven into technology-led relationships. Electronic and digital methodologies are very useful in certain circumstances but they should be complementary to rather than supplanting conventional human interaction.



*Simon Buzza FInstSMM is a Founding Partner of the **NewDawn Partnership** – specialists in delivering highly effective negotiation practices and behaviours through training and consultancy. He served for 23 years in the Royal Marines before retiring as a Colonel.*

*(See more about The NewDawn Partnership at <http://www.newdawnpartners.com>)*