

NEWDAWN BRIEFING

Exactly how good was that last deal you negotiated? The Negotiation Dashboard 2021

How can you really know?

Your team tell you that it is the best deal that they could get, but you have that lingering doubt that it should, and could, be so much better! Just suppose that you could open your eyes to the real status of your commercial deals, or that you could eliminate 'bad deals' and reduce the time spent on poor deals? This would all have a very positive effect on your revenues, your margins and your costs! But more than that, it would also provide a powerful health-check on the state of your current sales and negotiation practises as well as providing insights and learnings for senior management to challenge their sales teams effectively. Suddenly that gut feeling about your deals has real substance and evidence—your instincts were right, or they were wrong, but at least you know.

Suppose you could see at a glance exactly how good your deals really are? Imagine if you could drill down to find the root causes of the positive and negative aspects of your deal-making? Welcome to the NewDawn Negotiation Dashboard—a web-based indicator panel showing the rating of your overall deal (from best through to bad) and the ratings of the key constituent inputs to the overall deal. Each of the key supporting constituent inputs can be further interrogated to determine those aspects which contribute positively and which negatively using a simple dial and RAG definition. We have designed a built a unique tool for assessing the quality of your negotiated deals.

Negotiation Deal Dashboard - ABC Ltd

How good is your deal?

Overall Deal Rating

A "Satisfactory" Result Overall

A satisfactory price because the blend of current market conditions, combined with your sales and negotiating skills and processes, plus the consideration of customer lifetime value are just able to close the deal within your limits.

Supporting Criteria Deal Ratings

- The Necessary Market Preconditions Analysis is "Satisfactory"**
The work has been done and deductions have been made. The analysis is complete and supported by clear evidence. The evidence indicates that a good deal is unlikely. Some actions/activities have been completed.
- The Proposal Management and Negotiation Processes are "Satisfactory"**
The work has been done and some deductions have been made. However, the evidence is not compelling and the deductions are unreliable. Some actions/activities in support of this have been undertaken.
- The conditions for maximising Customer Lifetime Value are "Bad"**
Some work on this has been done but not completed. Deductions have not been made or are unreliable.

© The NewDawn Partnership LLP Page 1 www.newdawnpartners.com

The Deal Dashboard Front Page

Negotiation Deal Dashboard - ABC Ltd

How good is your deal?

Are the necessary market preconditions for the best possible deal in place?

The Necessary Market Preconditions Analysis is "Satisfactory"

The work has been done and deductions have been made. The analysis is complete and supported by clear evidence. The evidence indicates that a good deal is unlikely. Some actions/activities have been completed.

Supporting Criteria Deal Ratings

- The Extent to which Market Analysis has been effective is "Satisfactory"**
The work has been done and deductions have been made. The analysis is complete and supported by clear evidence. The evidence indicates that a good deal is unlikely. Some actions/activities have been completed.
- The Opportunity Qualification and Definition of Business Needs is "Bad"**
Some work on this has been done but not completed. Deductions have not been made or are unreliable.
- The Solutions and Value Propositions are "Satisfactory"**
The work has been done and deductions have been made. The analysis is complete and supported by clear evidence. The evidence indicates that a good deal is unlikely. Some actions/activities have been completed.

© The NewDawn Partnership LLP Page 2 www.newdawnpartners.com

© The NewDawn Partnership LLP Page 3 www.newdawnpartners.com

© The NewDawn Partnership LLP Page 4 www.newdawnpartners.com

© The NewDawn Partnership LLP Page 5 www.newdawnpartners.com

Supporting Criteria Page Examples

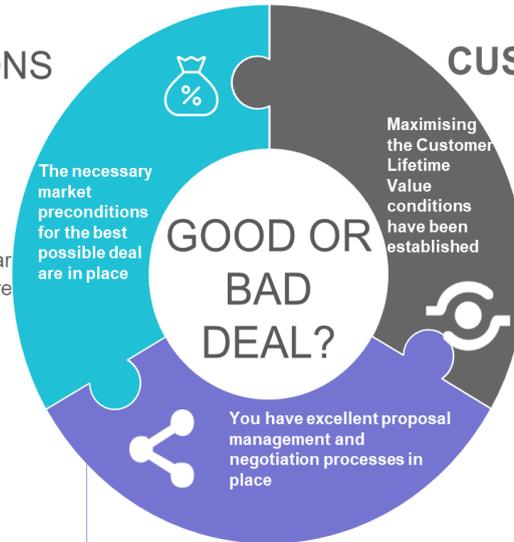
How Good Was Your Deal? The Seller's Perspective

There are three key constituent factors which will determine just how good the negotiated outcome really is:

MARKET PRECONDITIONS

You understand and analyse your market regularly. The answer is derived through the analysis of three key factors:

- The successful and effective application of appropriate market analysis tools.
- Opportunity qualification and a clear understanding of the other party's real business needs.
- Defined solutions and strong differentiated value propositions



CUSTOMER LIFETIME VALUE

This is established by effective and professional implementation of:

- Post contract implementation and management
- Client stakeholder management.
- Cross-selling and Up-selling plans

PROPOSAL AND NEGOTIATION PROCESSES

The answers are derived through the application of the following processes, behaviours and mindsets:

- Effective proposal management and cross functional teamwork.
- Excellent negotiation processes being applied
- The right attitudinal and behavioural alignment across your stakeholders

Are the market pre-conditions for the best deals in place or not?

If the market pre-conditions are stacked against you, it will be highly unlikely that you will be securing the best deals no matter how good your negotiations. However, it is possible to achieve the best deals when your market position is very strong compared to your customers and it is relatively hard for them to switch from you to another supplier, or to substitute your products and services. Similarly, it is best when you have power in the relationship and the fear of loss is minimised. Unsurprisingly, when you sell in a very uncompetitive market where there is little rivalry and there are significant barriers to new entrants entering your market sector, and you have robust and well-executed sales processes, you start to create very favourable pre-conditions where, frankly, the best deals are there to be taken. However, in a highly competitive market where differentiation is not possible, the best possible result may be a 'Good' or very occasionally 'Best Available' deal provided you can demonstrate that your result is at the top end of the market range and your targets.

Have you applied excellent proposal management and negotiation processes to this deal?

Well, have you? It is relatively simple to set a maintain a high bar on these processes. Yet, too much value is lost through well-intentioned but amateurish approaches to proposal management and negotiation. Having established the preconditions, it is an absolute must to apply excellent proposal and negotiation processes to the opportunity. Similarly, good attitudinal and behavioural alignment between all your stakeholders must be maintained throughout these processes with no 'bad behaviour' exhibited. You might want to take a hard look in the mirror here—are you setting up your team for mediocrity or even failure?

Have you established the conditions for maximising customer lifetime value?

The current negotiation should not be considered in isolation. The through-life relationship and opportunity for further growth is a major part of the equation—or you are thinking tactically rather than strategically. So, excellent processes and actions for the seamless handover of agreed contractual terms between the negotiators and the service delivery teams are vital to ensure that the spirit and the detail of the original contractual obligations are being met by both sides. In order to secure future growth development, and to defend the account from competitors, key stakeholder management plans must be established so that all stakeholders are 'marked' effectively. Finally, cross-selling, up-selling and contractual renewal plans need development and implementation, or it will all descend into that 'jam tomorrow' situation where opportunities never fulfil their potential. Loss leaders are bad deals, although they may create the opportunity for a future good deal – then again they may not...

If you would like to find out more, contact us at www.newdawnpartners.com or speak to me direct at:

Simon Buzza (Partner)

simon.buzza@newdawnpartners.com

+44 (0) 7860 545590