NEGOTIATING WITH STAKEHOLDERS - TURNING A POTENTIAL NO INTO A DEFINITE YES

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Introduction

Getting multiple people to agree to approve your deal doesn't have to be a chore. It can be, but it doesn't have to be. This eBook is designed to give both buyers and sellers tools and techniques to talk to stakeholders in a way that helps the buyers' stakeholders

- ⇒ accept the need for change by defeating the status quo argument, and
- ⇒ understand and approve your deal by establishing the value of this deal to your company.

I want to emphasize that sellers play a very important role in the stakeholder and value analysis. While it may seem that this eBook is geared to the customer it is not. It is geared to getting the deal approved by the customer's stakeholders, which includes sellers' activities in the process.

The value to you of using this eBook is increased clarity; I want to make it easier for you to get the right deals approved, and to let go of the deals that will not benefit the buying company. By using the suggestions that follow you will be

- ⇒ More aware of the underlying, and sometimes hidden, reasons stakeholders use to say "no",
- ⇒ Better prepared with techniques to ferret out those reasons and to then address them in a realistic manner, and
- ⇒ Able to demonstrate the deal's value to the organization in a way that gets them to say "yes".

So in this process, you may learn that the stakeholder's challenges to this deal are significant or there is too little value to the company to say "yes" to this deal. And, you should let go of the deal and focus on the deals that demonstrate value.

To prevent this topic from being a nice theory, I've documented a **Case Study**, based on real facts, to demonstrate my approach to the analysis. The **Case Study** is not meant to be the perfect guide. You might have your own take on the situation based on your company's dynamics. My aim is to get you thinking about how you will do your stakeholder analysis to get the result you are looking for.

So let's get started.

Stakeholders

Let's set the stage with a fun fact – It takes on average about four people to make a buying decision. Four people! Good news -- for those of you that thought it was just your company -- it's not just at your company. Bad news -- decision by consensus is the new norm in a whole range of deal sizes. It will take many people to say yes to your deal.

A stakeholder is "a person, group or organization that has interest or concern in an organization. Stakeholders can affect or be affected by the organization's actions, objectives and policies." (cite:BusinessDictionary.com)

This can seem at first to be a overwhelming list of people. The process outlined in this eBook and in the Negotiating webinar series will help you identify and narrow down the list of stakeholders you will need to persuade to approve you deal.

A stakeholder is not always a champion but your champion should always be a stakeholder. A champion is the person who literally champions or "cheers on" the project by providing some level of executive support. His or her support is important because he or she is also affected by the project. However, many projects can have no champions. Meaning, these stakeholders are not willing to lend their support. This should be a red flag to you that the deal is, or could be, dead in the water.

Take Note! The champion is not always the person who can say yes to the deal. In fact, the person who can say yes may not want the deal at first, especially if the argument for approving the deal does not take in to account his or her business objectives.

As a customer, you may be dealing directing with your internal stakeholders to develop requirements, help select the supplier (or approve your selection) and to approve the deal points once they have been negotiated. You will not likely be dealing with the supplier's stakeholders directly or indirectly.

As a supplier, not only will you have your own internal stakeholders to contend with, you will also have to support the buyer in working with their stakeholders. After all, it is likely that you and your company have seen your customers face similar stakeholder problems, issues and business objectives. Use those circumstances help prepare your buyers to effectively manage their stakeholders. And, keep in mind that you will most likely be dealing with the customer's stakeholders indirectly, if not directly at times. Having a consistent message that supports the buying team is important.

I. Two Challenges Stakeholder's Face: Change and the Status Quo

It goes without saying that stakeholders are an important part of the decision making process. Unfortunately, I've seen times when stakeholders' concerns, problems, and business objectives have been overlooked. You cannot overlook or sideline those issues, even when those concerns or business objectives are at odds with your concerns and business objectives.

Those problems, issues, business objectives can masquerade as two significant barriers to approve your deal. It is important to understand the barriers and to develop a solid case to address those barriers if you want your deal approved.

Change

When you are asking a stakeholder to approve a deal, you are asking him/her to make some sort of change. And, change is hard. The devil you know is better than the one you don't. People really don't want to put their neck on the line and agree to make a change if it is not the right decision.

As a customer, when you bring in a new supplier, or change the way an existing supplier works with you, you may be asking the stakeholder to change the way they do their job, change the way they interact with you/your team, or change the way they are going to spend their budget.

As the supplier, you may be asking your internal stakeholders to change the way they work with a customer. And, you really must understand that your customer will be changing how they operate internally, even if this is a second generation deal. Something always changes in the re-negotiation process. So your customer may face the challenge of change more acutely than you do.

* Take a moment to jot down the change (in general terms) you are asking your group of stakeholders to make: Is it to their job, how they work with your team or how they spend their budget?

The Tyranny of the Status Quo

The status quo – keeping things the way they are -- is comforting, even if it is a bit dysfunctional. This quote is adapted from bestselling author Jill Konrath in her book SNAP Selling. It is worth keeping this quote in mind when you talk to stakeholders who seem initially resistant to the fact that your deal with the supplier will help your organization improve and profit.

The status quo plays an even bigger part in decision making as stakeholders are further removed from the daily pain. My experience is that if the stakeholder is not the one feeling the pain, he or she may be more inclined to stay with the status quo.

> ***Everything in your organization***
>
> ***is set up to maintain your current***
>
> ***way of doing things – even if it is***
>
> ***not the best way to get the work done.***
>
> Adapted from: SNAP Selling, by Jill Konrath

This will be true for stakeholders on the deals you are working. Someone is a part of the decision team who is not the end user, who is not feeling the pain that this relationship with the supplier will help fix.

II. Identify the stakeholders and the one stakeholder who can say yes

The first step in your analysis will be to identify all the potential stakeholders, making sure to correctly identify the stakeholder who can say yes. As you will read in the accompanying **Case Study**, the person who could say yes to the deal was misidentified, causing a rift in a relationship and a delay in approving the deal.

Who are your stakeholders?

Stakeholder Analysis

Use this tool to pull together the key profiles for each stakeholder involved in making the decision to purchase a new contract management solution.

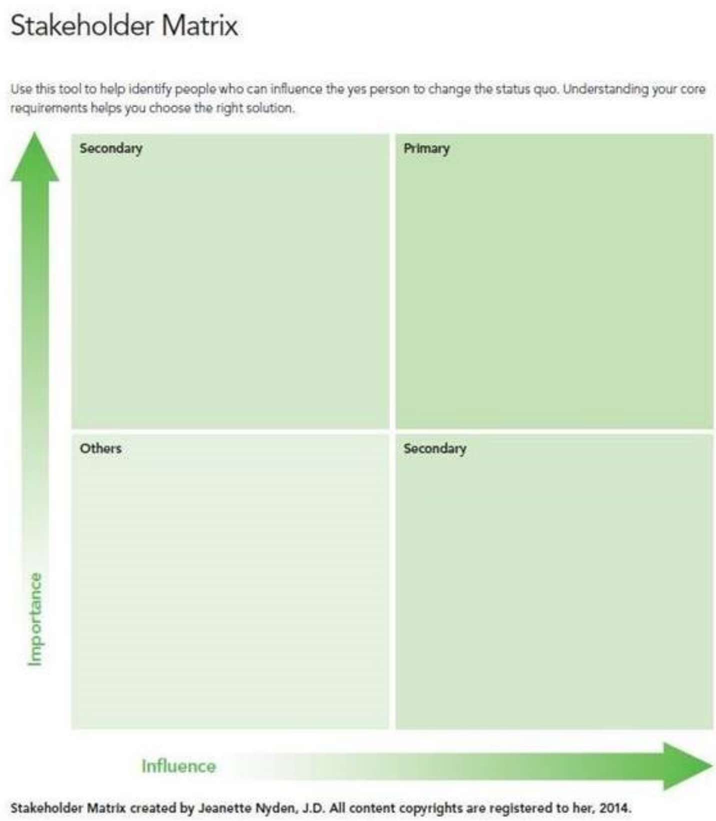
Stakeholder Name/Title	Business Objective(s)	External Challenges	Internal Challenges

Stakeholder Analysis Tool created by Jeanette Nyden, J.D. All content copyrights are registered to her, 2014.

* Take a moment to use the Stakeholder Analysis Tool to jot down all the people who will take part in making the decision to approve your deal. This could be a long list at first. You will continue to narrow your focus, but don't leave anyone out. Sometimes it's the people we overlook who throw a wrench in the works at the last minute precisely because we overlooked their concerns.

Who has the power to say no and who has the power to say yes?

It is vital to your success to correctly identify the person who can say yes. Identifying the right person who can say yes is not always as obvious as it seems. Too often we make assumptions about who can say yes. Depending on your company, a President, and even a Vice President may have some authority to say "yes". But



be careful that the person you identify is the final decision "yes" person, so to speak. In other words, if the Vice President can "yes" as long as her boss the President of the division says "yes", then the true "yes" person is the President, not the Vice President. You will want to gear your analysis towards both the person you are dealing with and the final "yes" person who you might not have access to, for example the Vice President and the President.

In the **Case Study**, the person who thought he was the final decision maker was not. And, it may not be all that unusual in big corporations to have some ambiguity about the decision making process and who the "yes" person might be.

Who are your influencers?

Just as important as your list of stakeholders is your list of influencers. Your influencers will play a very important role in providing insight and direction, socializing the deal when you are not present, and keeping you abreast of changes that could affect your deal.

Use the matrix on the previous page to plot out your stakeholders in the four quadrants. The decision maker(s) will go in the upper right quadrant. You want to understand who, besides you, can influence the "yes" person to approve your deal. More importantly, you will want to identify any detractors and then understand their concerns.

* To use this tool, place each name in one of the quadrants. If you would like an example, refer to the sample I prepared for the **Case Study**. Then place a (+),(?) or (–) sign next to their name to indicate their level support.

You now have your stakeholder analysis. You have the list of stakeholders, a general understanding of their business objectives and challenges, and their level of support. At this point, you should have a much clearer understanding of who has the power to say "yes".

Now it is time to look at why they might say "no".

III. What is the status quo "no"? ("Eh, What we have is good enough")

It is time now to identify the status quo for the primary decision maker. Remember the status quo is a big problem. It is the reason people give for saying "no". In part, people want to keep things the same, even if things could be better. They don't want the mess that comes with change unless the change is less painful and time consuming than the pain.

You will identify the status quo "no" for the "yes" person first. You need to know now, before you take another step, what the "what we have is good enough" argument will look like. The rest of the steps in the process will help you address this status quo "no".

For larger, more complex deals, you will want to identify potential status quo "no's" for other stakeholders too.

To begin to identify the “no”, take a look at these seven status quo “no’s”. I am being a bit tongue in cheek in the title, I know. The purpose of this list is to get you thinking about what the “yes” person might say to derail your deal.

These are often the stated reasons that people give to say no to a deal. Each one of these reasons has a valid under lying need. I will repeat myself. *Each of these reasons has a valid underlying need.* Meeting that need will help ensure that your deal gets approved.

Seven deadly reasons not to buy the perfect solution

1. The solution could take away some of what I (or someone I care about) does.
2. We should be able to do this ourselves in-house with what we already have in place.
3. I’ve tried implementing something like this in the past and it was a disaster.
4. We’d have to end or change our relationship with ABC vendor and I don’t want to do that.
5. I’d have to go to bat against “Bob” and I don’t want to over this issue.
6. There are other initiatives that are more important to me than this one.
7. I don’t believe that this solution will really do what you say it will.

* Take a moment to identify the status quo “no” your “yes” person may use. If you are not sure, of if you see more than one, look at your Stakeholder Matrix for other people who know your “yes” person. Maybe they could help you identify the status quo “no”.

In addition you may also want to consider,

- What else could be preventing them from changing (and therefore say “no”?
- What could prompt them to change (other than how the solution helps you or your team)?

The final question will be addressed in the section on value. But before you can look at value, you have to understand how to influence our stakeholders. Without understanding how to influence stakeholders, you might not choose the right value proposition.

IV. Make a solid case to approve your deal

The reality is you have a limited time to talk to your stakeholders to get their support. Often, people come to meetings (or not) and that ONE meeting is your chance to tell them all about the deal you want them to approve. But, what I saw in those presentations often did not do the trick.

You've all been there too. The meeting that starts with the formation of the supplier's company, then moves to the long list of clients served. Then slowly progresses through the formation of the earth's mantle to the shifting continents and finally to the present day. Ok, I exaggerate—a little. This type of presentation is so not helpful.

No one addressed the status quo issue. Or put a value to the solution. Instead, people talked *at* the stakeholders not *to* them. Talking at someone means telling them what is important to you, your team or your bottom line. Talking to someone means incorporating their needs, interests and concerns with your needs, interests and concerns.

In my opinion, when negotiating, influence is all about talking *to* them about their needs as much as possible. There are some very specific techniques to help you talk to their needs. I learned these techniques in my work as a professional mediator. This is not to say that you are in conflict with your stakeholders. Just that these are master level negotiation techniques that can prevent conflict from arising in the first place!

Avoid Power Struggles

I know it seems obvious, but . . . . we are all human and we can get triggered by another person's actions. Power struggles shows up as one of the status quo "no's" -- *I don't want to deal with, or go head to head with _____ (fill in the blank with the person's name)*. Too often people who don't have the techniques to persuade rely on power to assert their will. When someone says they don't want to talk to "Bob" about your deal, what they are really saying is that they don't want to get into a power struggle with him.

In the **Case Study**, the Chief Legal Officer tried to use power to drive the deal through. It did not work and only caused the process to stall. This experience could legitimately lead to a status quo “no” on the next deal that the CLO needs the Chief Technology Officer to approve.

We want to influence stakeholders with sound arguments based on commercial judgment. And, we need to communicate that commercial judgement to them in their own words by solving their problems.

Make Your Message Attractive

One specific aspect of influence is making your message attractive to your stakeholder. That means talking to him or her about his or her needs, issues and concerns in your argument for approving the deal. This is important. You must understand their business objectives, and internal and external challenges to be influential. Otherwise, you end up talking to him or her about you, and they might not see the need to say “yes” to your deal.

And then you must communicate your understanding clearly and succinctly. The Stakeholder has to see and hear from you that his or her needs are being met.

Take Note! There are two competing forces at play. You need to have one theme, or underlying message. And, you need to make sure that the theme or message resonates with people who have very different perspectives, business objectives and challenges.

If not done properly, one factor will win out. For example, people will create a deck with one theme but one or more of the stakeholders will not understand how this deal meets his or her needs. Or, people will attempt to talk to different stakeholder’s needs and look like they have different messages.

The key to your success is to develop ONE message and ensure that all the stakeholder’s needs are addressed. This is not as complicated as it sounds. Your Stakeholder Analysis Tool has the information you need. Look for patterns and themes and begin to build your case for approval.

Take a moment now to refer back to your Stakeholder Analysis to develop your message as described in the pages that follow.

To make your message more attractive tie your message to their:

⇒ Business Objectives

⇒ Internal and External Challenges

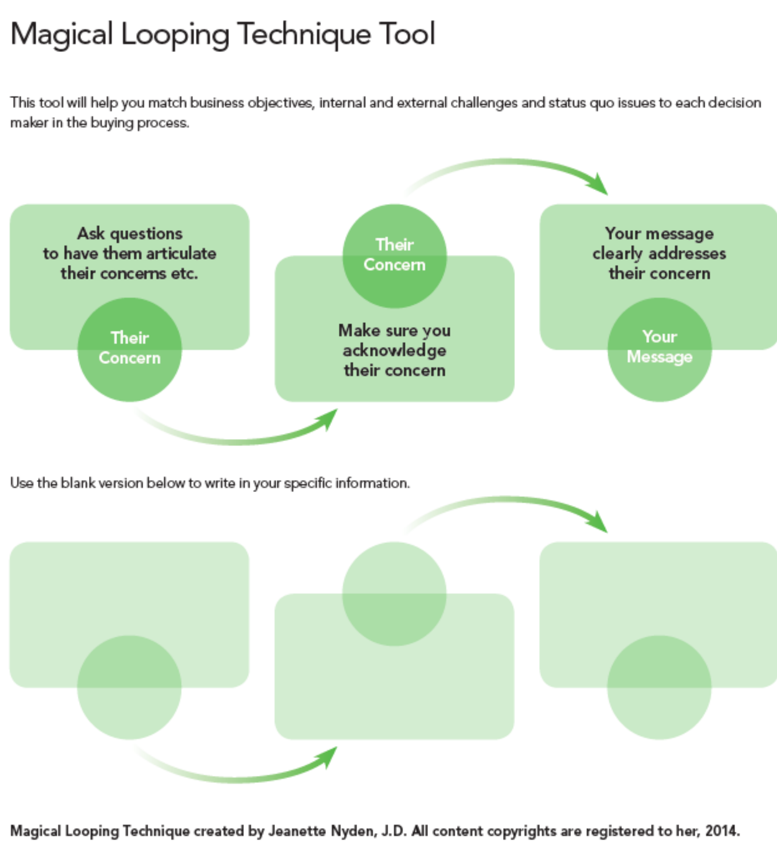
⇒ Issue with the status quo (i.e. the status quo is much worse than the solution)

The specific technique I use, and recommend you use, is something I call the "magical looping technique".

Magical Looping Technique

When I say it is magical, I am only partially teasing. It does not cast a Harry Potter style spell, but it does transform conversations into powerful dialogues! The tool shows the technique at a high level.

Looping is a form of active listening—but you will use it in a more protracted form. In other words, rather than looping your questions in response to their answers in the course of the conversation, you will loop in their answers when designing your deal and in your final presentation on the deal points.



Once they are talking, you will literally grab the information the stakeholder gives you and weave it into your argument or presentation to approve the deal. These are not superficial communication techniques. You are negotiating --- gathering information to help them see the value in the “yes”. You are not parroting them, or talking down to them. Rather you are sincerely trying to understand what challenge prevents them from saying “yes” and showing them how your deal, solution, idea can help them meet that challenge. If your deal doesn’t meet the need, you could look manipulative, so be cautious.

It bears repeating, you are going to directly address their concerns by telling them what you heard as their concerns and how you’ve addressed those concerns. I’ve found that the more direct you can be the more successful you will be. People are very busy and may not make the connection if you do not help them.

The **Case Study** has an example of the question that got the ball rolling again, which also addressed the CTO’s two frames of reference, process and identity.

Take Note! You are establishing a quality conversation by asking open ended questions that get the stakeholder talking about his or her concerns. In other words, you want to know the underlying unmet needs that he or she perceives are valid reasons for saying no to your deal. This is what trained mediators do when they are breaking a stalemate. Again, this is not to say that you are in conflict, but that this master negotiation technique will bring about understanding which will lead to an agreement.

***** Take a moment jot down a couple of questions that you think could get your “yes” person talking in more depth about his or her needs, concerns and issues. Move past the superficial, *this is not part of the budget this year*, if you can. If you cannot, talk to one of your other influencers to see what information he or she might have. It will be worth the effort if you want your deal approved.

With the status quo “no” argument, and the unmet need, you are now ready to think about value.

V. Value: What is the value (not just the cost)?

Price, price and more about price. Everyone, it seems, it interested in price. That might be true. Or it might be that people have not put a mathematical formula to value, and thus, put price into perspective!

Price seems so fixed and firm, while value seems too ambiguous. Price is not as firm as it seems—just ask anyone who has negotiated a few contracts. The price that buyer thought they would pay can be very different from the amount the accounts payable department actually paid. And, value can be more firm than it initially seems.

"Value is relative. It is the regard the people hold for something. There are subjective and objective elements to value." – Quote from Getting to We

A Common Language

I've found it helpful to use a common language when negotiating value. From my perspective, there are two problems for many businesses. One, is that there is no common language for talking about value. Everyone has their own way of describing value. But, if the buyer's way, the stakeholder's way and the seller's way of describing value differ, it is hard to come to an agreement on a single value proposition.

And, two people use words when they should be using numbers to describe value. For example, a logistics client used to talk only in terms of decreasing downtime. Some buyers were interested in stats on reduced downtime. Meaning, the service reduced downtime by 5%.

But, the logistics company was more successful when they talked in terms of reducing customer's internal costs and risks. The logistics company put a numerical value to the reduced internal costs of using their services and the costs of the risks they helped to prevent. Many more buyers appreciated the mathematical information on how reduced downtime led to decreased internal costs and risks. That led to more customers using the service to reduce internal costs and risks. If you want more examples on negotiating value, get a copy of my book, *Getting to We: Negotiating Agreements for Highly Collaborative Agreement,* which describes the 4 types of value in much greater detail.

Four types of value

This is the common language and is described in *Getting to We: Negotiating Agreements for Highly Collaborative Agreements*. These are the four general types of value that business people care about. Each one of these can be quantified into a dollar amount. Each of these elements has a monetary value that can and MUST be quantified. So be sure to show the math.

Decreased costs	Decreased risks	Increased opportunity	Increased benefit

For more examples listen to my free Negotiating Value Webinar available on my website www.jnyden.com.

*Take a moment to jot down the type of value that resonates with you. Then as you look at the examples below, identify the type of value that will resonate with the primary decision maker. Are they the same or different? It is not unusual to appreciate different types of value. A buyer may look at decreased costs internally, but a Chief Marketing Office might look at increased opportunities with the company's customers.

Decreased costs -- Costs are constraints that prevent either customer or supplier from achieving its goals.

The right contract software solution could reduce **the cost** to develop a contract with a supplier by reducing the time a contract manager needs to develop a contract. Freeing up 2 hours of time per contract equals $100. $100 x 1,000 contracts annually = $100,000 in savings that could go to reduce overtime costs, or go to other projects etc. The value to the customer by using the software is approximately $100,000 per year.

This is a fairly straightforward example and hopefully you've done the analysis to determine the customer's internal cost savings.

Decreased risks -- A risk is the possibility that something negative will happen. Think in terms of operation risks, not legal risks. While there are some very important and quantifiable legal risks, there are a myriad of operational risks that are overlooked and undervalued.

A contract management system could reduce the risk that a contract with an important supplier expires without the company knowing it. Imagine a supplier renewal clause that would have prevented price increases, but the customer was not aware of the expiration date and failed to renew according to the contract. Now that the contract expired without renewal, the supplier sends a notice to the customer that if the customer wants to continue with the service, the costs of XYZ service are 20% higher effective immediately. Rather than paying $120,000 annually, the company will start paying $144,000.

The risks of not renewing the contract means the company could be:

⇒ Without the service (which can be quantified);

⇒ Forced to pay a higher price to keep the service in place (which can be quantified)

⇒ Required to spending time and money going to market to issue RFP at the last minute, while paying higher prices until a new service is in place (all of which can be quantified).

I know some people who discredit this type of argument, and it is foolish. We've all been in business long enough to run into some similar type of service of product gap and the risk is real as well as the costs of that risk. As a matter of fact, more customer/supplier disagreements stem from small operational breakdowns than the large ones that make the headlines, so to speak. Look to quantify those smaller operational risks.

Increased opportunities -- An opportunity is the possibility that something positive will happen. This type of value is not limited to suppliers. Meaning, most people think in terms of the increased opportunities to the supplier, as the example below shows.

A supplier with the right software management tool can **increase its opportunities** by having a firm grasp of the contract expiration dates. It can prepare a renewal strategy well ahead of the renewal trigger date helping to ensure that their customers continue with the service.

For example, if a supplier had 1,000 contracts annually that were up for renewal and the supplier could increase the renewal rate to 45%, 450 contracts would not expire; go to competitive bid or to a competitor. And, the average contract value of the increase could be calculated to give an even more precise dollar amount to the value of the opportunity.

Customers have increased opportunities too: opportunities with their end user, whether internal or external. A customer that can use a supplier to increase its opportunities with their consumer base can also demonstrate a dollar value to their own business in increased revenue. Customer care centers often increase a customer oriented opportunity. A contract management solution could trigger notices to consumers to renew, or upgrade the product or service benefiting the contract management software customer vis-à-vis its customers. Again, I suggest that you put a numerical value to the opportunity.

Increased benefits – When thinking about the value of a benefit; think in terms of improving a brand, increasing inventory turnover or generating a better response from a marketing campaign.

A supplier with thousands of contracts with customers can **increase the benefits** by improving their brand and ease of doing business, by having a highly efficient and streamlined contracting process. Customers want it to be easy to do business with their suppliers.

Some customers may have substituted their own contract costing the supplier 10 hours of time at $50 per hour ($500 per contract) in additional costs to process the customer's contract, rather their own. Multiply that times 50 contracts that use the customer's template and that equals $25,000.

Conclusion

You now have the clarity to talk to your stakeholders in a way that helps them accept the need for change by addressing the status quo "no" argument. And, you have the tools and techniques to establish value in terms that people can quantify and accept.

You can manage the stakeholder approval process without many of the surprises that can happen in a dynamic business environment.

Now that you are ready to be more influential, impactful and articulate with talking with stakeholders, what's the next deal you need approved?

Case Study – From No to Yes

CLO Sees a Need – CTO Sees Dollar Signs

This case study involves two main decision makers – one who thought he was the decision maker and one who really was the decision maker. It is a good example of the pitfalls and the opportunities to win over stakeholders. One way to use this Case Study is as a guide to map out your own stakeholder analysis.

"We have a need."

A Chief Legal Officer (CLO) at a very large company knew he needed a robust contract management software solution. He reached out to a couple of contract management software companies. Merrill DataSite was one of the companies he invited in for a demonstration. After some internal discussions, he and his team were interested in obtaining the Merrill DataSite software.
The CLO thought the next step was to include the Chief Technology Officer (CTO) in the procurement process – not the decision making process. Because, the CLO did not do a stakeholder analysis, he made a critical error. He thought he was the primary decision maker, when in fact the protocol at his company made the CTO the primary decision maker.

After meeting with the Merrill DataSIte sales team the CTO said, "We can do this with the platform we have in house." The CTO believed since the company had recently invested in an Oracle platform, and Oracle could be used to meet the CLO's needs, there was no need to purchase the contract management software. The sales team was surprised because they too were laboring under the assumption that the CLO was the primary decision maker.

No one did a stakeholder analysis. If you are on the buying side it is critical that you do even a mental stakeholder analysis for small deals and a thorough one for very large deals. The time up front is well worth it. I've personally seen too many deals stalled and derailed because a stakeholder said "no" to late in the process. Sellers, it is IMPERATIVE that you help the buyers in this process. You've worked with other customers to purchase your product or service. Help the buyer understand the potential status quo "no's" and then prepare for it with a solid value proposition.

In response to the CTO's objection, the CLO bypassed the CTO and initiated the procurement process. The CLO and the CTO were at a standstill with no solution in place for the CLO's team. Unfortunately, the CLO tried to use power by controlling or commanding the CTO using his authority (title) as the Chief Legal Officer. And, it backfired.

What follows is an overview of the stakeholder analysis we did at the point when the decision to purchase the software seemed stalled.

I. Chief Technology Officer Stakeholder Profile

The team jotted down some bullet points in response to my inquiry. Here is what they had to offer:

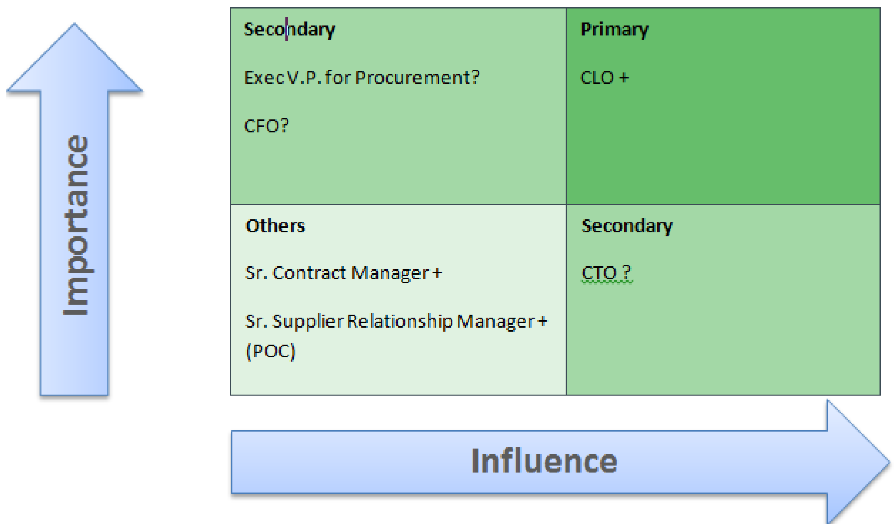
- ⇒ Business objectives
    - ⇒ Vet the software to ensure data security, and ensure redundancy to preserve data
- ⇒ External challenges
    - ⇒ Laws and regulations are always changing; hackers are always looking for a way into sensitive data
- ⇒ Internal challenges
    - ⇒ Limited budget to do all that needs to be done; team members are changing – short staffed; not enough hours in the day to get it all done

These are some broad brush strokes, and you may notice that the team missed some main points. That's ok. The idea is to look for patterns of concerns and opportunities. Ideally, you will start this early on, and not as a result of a crisis, and have time to vet your answers with some of the other stakeholders.

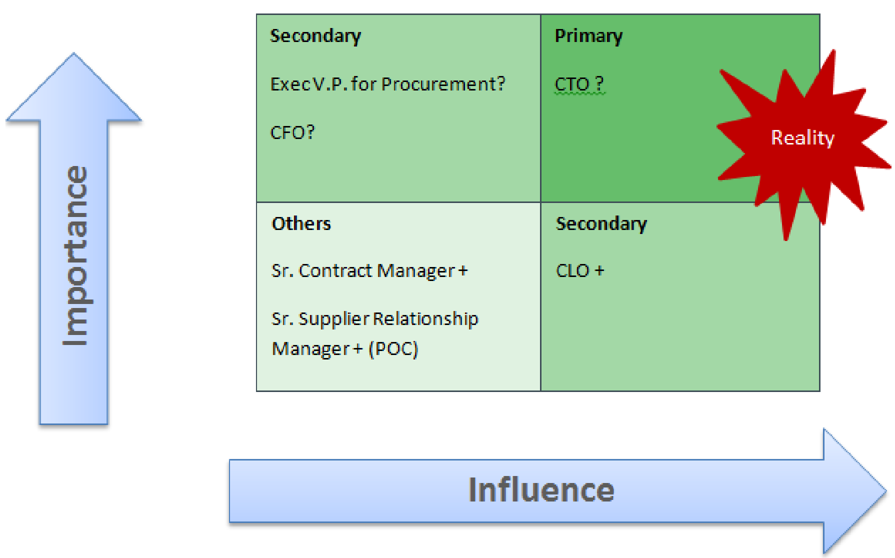
I've found that your understanding of the stakeholder may evolve over time if you personally have had little connection with him or her.

II. Stakeholder Matrix – How the CLO saw things

This is how the CLO would have mapped out the stakeholders. He is in the primary box to the upper right.



This is how the Stakeholder Matrix looked in reality. The CTO is in the upper right hand quadrant.



III. The Status Quo “No”

Chief Technology Officer

Status Quo No – Looking at the list of the Seven Deadly Reasons to Say No, we clearly see the CTO’s no as a status quo no. *We should be able to do this ourselves in-house with what we already have in place.* According to the CTO, the company has a software solution that “should” do the trick (but he is not sure). He’d have to look into it. Finally, he needs to preserve his team’s budget and personnel resources.

And what else could be preventing them from changing? While he makes the ultimate decision regarding technology purchases in a large corporation, he personally doesn’t feel the impact of the COST to the company of not having a contract management solution in place. He sees only the cost to purchase the software. Frankly, the CLO’s team’s challenges are not his (CTO’s) challenges. He is not directly impacted by the gap in contract management software.

IV. Influence

To be successful, the CLO would have to become influential. To do that, he and his team would need to understand the CTO’s frame of reference and his underlying concerns to the *“We can do this in house”* argument.

The critical element here is to remember that the CLO is not the primary decision maker. The CTO is.

The CLO needs a solution in place now and would prefer the Merrill DataSite solution for his team and the company.

Make the Message Attractive: CTO’s Business Challenges

By drilling down into the business challenges, including vetting software, we can glean more information to help make the message attractive. Here are some bullet points from the stakeholder Analysis.

⇒ Vet the software

- ✦ Ensure enterprise-wide conformity and usage
- ✦ All divisions use the same process for purchasing software for their division

⇒ Use his team’s resources wisely and efficiently

His job to vet, and approve software, is the show stopper. Not his team's resources. That is almost a red herring or secondary issue. All too often people will go to that argument and not realize his role as Chief Technology Officer as identity is the primary frame of reference to address. To be successful, you will need to follow his process and to address his identity as the primary decision maker.

We originally noted one objective of vetting the software for data security etc. on the Stakeholder Analysis. But after talking through the issues in the Identity Frame of Reference, the team realized that the analysis was lacking depth in this is part of the process. In very large outsourcing deals, I coach my clients to refresh the analysis before "socializing" the deal points. People and business issues are constantly changing so don't be afraid to refresh the original analysis on large deals.

The team had to learn more. That is where the "Magical Looping Technique " comes into play.

The Magical Looping Technique: Understanding and meeting the CTO's needs

Here are 3 questions that could prompt a more thorough understanding of the underlying reasons for the status quo "no". Keep in mind that there is no solution in place—even with the current software the company is using. So, what we "should" have is a diversion to the real issue – we need a solution in place!

Q: What is your biggest concern with implementing this solution?

A: *I don't have the money or the time to implement this. We should be able to do this with what we have with Oracle.*

Q: What would it take for your team to work with Oracle to develop Oracles' capabilities in house?

A: *Might cost money or take my team's time to customize Oracle.*

Q: What information would you need to make the comparison between choosing the current system by developing a solution in house and using the Merrill solution?

These questions are all within the process for making a software decision and his identity as the primary decision maker. There are certainly more questions you can ask. These are designed to get you thinking to get past the status quo "no".

The information you get from this question will go into your presentation deck – maybe as a comparison chart, maybe as a cost and time table. But, the point is that this is the quality question that you must address to get past the status quo no. And, loop the information back into the reason for approval.

V. Breaking the Standstill with Value

The CLO worked with members of his team and the CTO's team to better understand the CTO's needs and concerns. The last question the CLO needed to address was value.

What is the value to the company to have a contract management software solution in place? The value was in decreasing risks and costs.

The CLO talked to the CTO and clarified many issues making it easy for the CTO to say yes. The CLO talked in terms of internal cost to the entire company of not having a solution in place and in terms of the risks (legal of course) associated with the ad hoc handling of thousands of contracts enterprise-wide.

The CLO was careful to outline the cost to the company in dollars so the CTO could understand the financial risk to the company of not having a solution in place.

About the Author

Jeanette Nyden works with contracting professionals (procurement and sales) to maximize key customer/supplier relationships by providing tactical, customized contract negotiation coaching from the planning phase through to execution.

Ms. Nyden is a recognized expert in the field having co-authored ***Getting to We: Negotiating Agreement's for Highly Collaborative Relationships,*** written ***Negotiation Rules! A Practical Approach to Big Deal Negotiations*** and co-authored ***The Vested Outsourcing Manual: A Guide for Creating Successful Business and Outsourcing Relationships***.

Ms. Nyden earned her B.A. and Juris Doctorate from Southern Illinois University. Ms. Nyden is a non-practicing lawyer admitted to practice in Washington.

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