
Renegotiating With Integrity

by MARC FREEMAN

Negotiating is a necessary part of life. Most of us don't realize how often we negotiate deals and relationships. While negotiation is an essential skill, re-negotiating is far more tightly woven into the fabric of our lives. Re-negotiating is the art of altering, revising or changing a previously negotiated relationship. This relationship can be in the form of any professional or personal contract or commitment involving a written or oral promise.

If you have ever missed a deadline and must explain why you were late, you now have to renegotiate your previous commitment. How you renegotiate this will be critical. Also, how often you tend to be late will be critical in determining how you will approach this renegotiation.

Before the renegotiation process can begin, we must admit that we are renegeing on a promise or agreement we've made. This starting point will afford a valuable perspective on what we're attempting to do when renegotiating.

But what is renegotiation? It is basically renegeing on a promise or commitment. We often don't think very highly of people who fail to keep their promises or commitments.

Nevertheless, it is possible to renegotiate with integrity. We can renegotiate successfully and keep our reputation intact — whether we're the ones who must break a commitment or the ones on the receiving end of a broken commitment.

The need to renegotiate a deal does not mean the original negotiation was a failure. Most deals probably won't remain completely satisfactory for both parties. And if the contract is a problem for one party, then it is a problem for the other. Renegotiating is an ideal response in most instances.

Refining the Approach

Before the renegotiation process can begin, we must admit that we are renegeing on a promise or agreement we've made. This starting point will afford a valuable perspective on what we're attempting to do when renegotiating. We shouldn't fool ourselves into thinking we are not breaking or changing a promise or commitment. This is why the approach is so critical.

Don't ever try to "spin" this perspective. It won't work, and it's not honest. Be clear about what you're doing when you renegotiate, and your position will be much more positively received. On the other hand, don't feel guilty that you can't keep your promise: guilt is a waste of time. Renegotiating is inevitable

because things change. Just understand renegotiating for what it is — an opportunity to change a relationship or agreement that is no longer working.

While the renegotiation process can be tricky, there are several principles that will greatly increase the probability that all parties will walk away from the table happy with the results:

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forward because you have a Common Ground with the landlord.

The landlord offers you a discount if you can give him some assurances. Now you have created a Plausible Solution (#2).

The Comfort Zone (#3) involves working out the details of the Plausible Solution: e.g., how much rent you can afford, versus how much the landlord is willing to take off.

Once you've arrived at a Comfort Zone agreeable to both parties, you must put it in writing. This written document, once signed, is the Settlement (#4). Deals and agreements often change dramatically during this process.

2. The Secret of the Orange Ball

Principle: Know who is in control of the Orange Ball, and how to get it back.

We refer to the person in control as the one holding the Orange Ball. Someone has to be in control in order for the renegotiation to move forward. If you don't know who has the Orange Ball, it will be difficult to drive the renegotiation in your direction.

Using the above example, when you go to your landlord, he controls the Orange Ball. This is impor-

tant because if you don't control renegotiation you can't direct it in your direction.

The next day, the landlord tells you he's willing to let you change the lease, but not break it. He'll give you a break on the rent if you give him some assurances. You explain to the landlord that you really can't afford much and would rather just move. The landlord asks you how much you can afford. You tell him you can afford to halve the current rent. Now you've taken back the Orange Ball.

He suggests that he accept half rent for four months, and then you would pay \$200 extra each month until the discount is paid off. He has now taken back the Orange Ball.

You tell him you can't afford an extra \$200 per month, but you can handle an additional \$50. You settle on an additional \$75 and then you ask for six months instead of four months. The landlord agrees. You've controlled the Orange Ball and directed the renegotiation.

3. Hit the Refresh Button

Principle: Never overreact or act impulsively — take a deep breath and listen.

The Refresh Button techniques are used to get control of, and keep, the Orange Ball:

- Listen — Listening is a skill, it shows respect, and being silent and listening brings great knowledge.
- Be Nice — Being nice doesn't mean being insipid or insincere. It means being pleasant and calm, showing understanding for the other party's point of view, and not verbally attacking anyone.
- Use Humor — If you can laugh together then you can renegotiate almost anything. Humor is a great way to create an easier and more productive relationship.

The solution to any renegotiation usually does not lie in the details of the transaction. It is important to not get bogged down in details that don't help create a settlement.

It is important not to renegotiate with your ego.

These three techniques help set the manner in which you renegotiate. They also set a tone for how you will behave and lead the renegotiation to help both sides behave properly.

4. Transcend the Details

Principle: Go beyond the details in order to stay on The Critical Path.

The solution to any renegotiation usually does not lie in the details of the transaction. It is important to not get bogged down in details that don't help create a settlement. Focusing on details that don't move the renegotiation forward will always impede the process.

5. Call in the Cavalry

Principle: Make sure you have the right person renegotiating at all times. If not, Call in the Cavalry.

It is important *not* to renegotiate with your ego. Bringing in a third party to renegotiate on your behalf can be critical to creating a settlement. Creating a buffer between you and the other party can help to provide a quicker settlement than trying to do everything yourself.

These principles are based on the fact that everyone can learn to renegotiate successfully, and with integrity. In fact, everyone must learn to renegotiate with integrity. If we have to break our promises or commitments, let's learn to do it right. And let's behave properly — with insight, forethought, and compassion — when promises or commitments to us are broken. It works both ways. □

ABOUT THE AUTHOR:

Marc Freeman, author of the upcoming book Renegotiating with Integrity: It's Not Business, It's Personal, has worked with companies all over the world, helping them to renegotiate hundreds of millions of dollars in contracts. A recognized expert in his field, he has developed a unique, practical approach to renegotiating based on the simple principles of respect, honesty, creativity and clear communication. For more information, please contact Marc at marc@marcfreeman.us or at (641) 472-2727.

