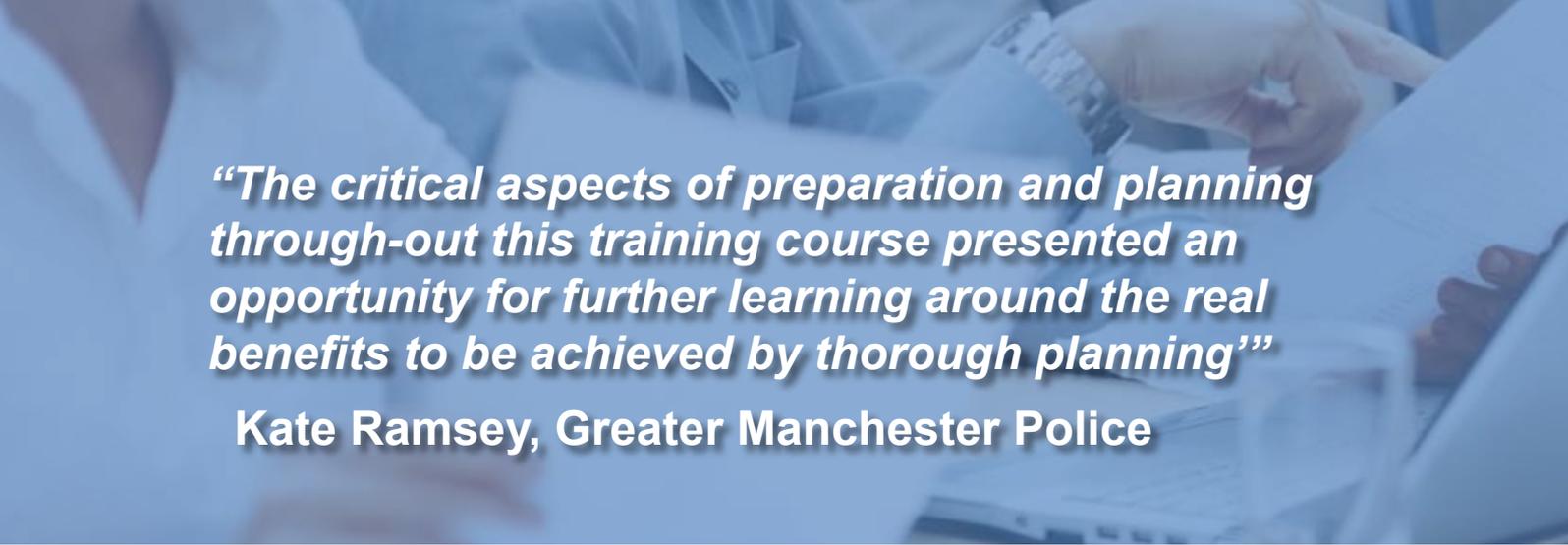


Trafford Council

Negotiating for a better future





“The critical aspects of preparation and planning through-out this training course presented an opportunity for further learning around the real benefits to be achieved by thorough planning”

Kate Ramsey, Greater Manchester Police

An innovative project has returned immediate and powerful financial gains through improving the art of negotiation. Lisa Hooley from Trafford Council reports on the learning and results to date.

Local authorities face budget cuts of some 30%. Yet everywhere there is fierce professional determination to fulfil service commitments to the public and maintain core values. That is a tough conundrum. Many outside contracts already in place are no longer really sustainable in their original form. A rising level of public-private partnerships, more traded services, and a greater reliance on service level agreements with suppliers, ask new questions of people directly and indirectly involved in acquiring goods or services. So when, last spring, ten local authorities and partner organisations in the north-west of England looked at their available commercial skills and their development needs for the years ahead, unsurprisingly one very specific skill set was identified as critical: Negotiation.

Crucially, in any move to make savings or to get more for less in response to tighter budgets, both parties – the local authority and the supplier – are facing the same challenge. Each is operating in financially difficult times, and the suppliers are no happier to see their income fall than the authorities are to

see their expenditure rise. So there is little to be gained from approaching such negotiations as a zero-sum game. Ultimately, any agreement will have to be acceptable for both sides, and form the basis for a long-term relationship. The question is, how can we achieve such an outcome?

Trafford MBC confronted the challenge directly, recognising that expert help would form a large part of the answer, and secured funding from the LGA to pursue it. Gill Taylor, principal adviser LGA North West, expressed the shared goal: ‘In these times of austerity and this rapidly-changing climate, obtaining value for money is increasingly important, and the ability to influence and negotiate in areas such as commissioning and smarter procurement is a critical skill.’

Trafford ran a tender process in early 2012 to find a provider for a pilot Negotiation Skills training course. In May, the chosen provider, Huthwaite International, ran the programme. Senior managers from Bury, Oldham, Stockport, Tameside, Blackpool, Warrington, Rochdale and Trafford councils, Greater Manchester Police and Greater Manchester Fire and Rescue Service attended to gain insights into the challenges of negotiating, to improve their own skills, and to assess the programme for future roll out to staff facing similar needs inside and beyond those authorities.

There were certain guiding principles for everyone involved that sat above

the identified individual issues. The most important of these were the need to strike a balance between getting the best deal for their own organisation without putting the service or reputation of the other party at risk; unlocking entrenched positions; and obtaining the best possible deal, whilst holding onto the organisations’ core values. However, no two negotiations are the same, and the organising team quickly identified that there were many different settings in which the skills would need to be applied.

That wide range included influencing and negotiating with partner organisations; commissioning and smarter procurement; collaborating with other public sector organisations on shared services and partnerships with the private sector; obtaining better value for money; meeting increasing expectations of our local communities; and re-negotiating existing contracts in spite of having agreed them in good faith relatively recently. With such a breadth of challenges, small wonder that part of the remit for the provider was to deliver a course that was ‘not just about models and theory, but very much about the individual.’

With that in mind, the collaboration began even before the training intervention, with a short pre-course questionnaire, helping participants to identify their own personal negotiating challenges and objectives – a simple but effective way to ensure that the course was aligned to their specific needs.

“There are real benefits to be gained from receiving personal feedback, to be able to identify how to improve and make a difference in achieving objectives”

Gemma Isles, Trafford MBC

Another important way to guarantee that each delegate improved in their own particular way was to focus on their use of very specific verbal face-to-face behaviours which, the research shows, are most effective when used in certain known ratios. Some of these, such as ‘Seeking Information’, ‘Summarising’ and ‘Behaviour Labelling’ are typically used more often by successful negotiators. Others such as ‘Counter-Proposals’, ‘Giving Information’ or ‘Defend-Attack’ correlate less closely to successful outcomes. It’s all a question of balance.

Some participants were surprised to learn that, contrary to the classic stereotype of the poker-faced, inscrutable negotiator, successful outcomes are in fact more often achieved by those who voluntarily and frequently share with the other party how they are feeling at various stages of the interaction. These behavioural insights, and individual behavioural profiling, were undoubtedly a revelation to the group. ‘There are real benefits to be gained from receiving personal feedback, to be able to identify how to improve and make a difference in achieving objectives’, observed Gemma Isles, acting head of procurement, Trafford MBC.

But there was focus on process as well. Preparation and planning (as delegates learned, these similar-sounding activities are not in fact the same thing), identification and ranking of negotiable issues, handling the balance of power,

working out and recording a bargaining strategy, awareness of realistic fall-back alternatives – these were all covered in the intensive and highly interactive 3-day programme.

Positive reaction was immediate. Participants reported a greater awareness of their own and other parties’ positions within negotiation situations, and welcomed access to a range of tools which they can use in challenging negotiating situations. ‘The critical aspects of preparation and planning throughout this training course presented an opportunity for further learning around the real benefits to be achieved by thorough planning’, said Kate Ramsey, AGMA collaboration lead at Greater Manchester Police. As a group, there was consensus around the outcomes: delegates would be better equipped to recognise common ground and use it to strategic advantage; devise creative deals perceived as win/win by both sides; resolve difficult issues; develop power and know how to use it; and plan strategies to trade rather than concede – all within a structured approach to negotiating.

However, the real proof of success has emerged through practical application in the ensuing months. Gemma Isles points to three in particular. Trafford secured a reduction in relocation costs to the refurbished town hall (specifically for multifunctional devices), better outcomes in the procurement team through the performance development review process, and

sponsorship for the annual Meet the Buyer event. For Kate Ramsey, the gains will be long-term. ‘The Huthwaite research, based on Behaviour Analysis, identified that skilled negotiators can see the situation as the other party sees it,’ she reports. ‘I have used the behavioural skills training to underpin my daily contact with potential partners. This allows me to better understand when a situation is worth negotiating and how best to do it, as well as when to walk away and cut my losses.’

With early payoffs like these, it’s no surprise that everyone involved sees a strong case for building on this event across a wider population in the near future. Huthwaite International is a consultancy with 40 years of research and training experience, helping organisations around the world to improve their buy-side and sell-side negotiation skills.





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Huthwaite International Headquarters

Hooper House, Wentworth, S62 7SA, South Yorkshire, UK
Tel: +44 (0)1709 710081 | Fax: +44 (0)1709 710065
Email: info@huthwaite.co.uk | Web: www.huthwaite.co.uk