

Negotiating continued growth at IBM Germany

A growing need to negotiate effectively

Computer hardware, software and services suppliers operate in a global marketplace, where the intensity of competition contributes greatly to the complexity of the sales process. In a world where there are fewer standard products and standard prices, each element in the solution has a perceived value to each party, resulting in a greater need to negotiate agreements. This in turn places greater demands on the negotiation skills of both seller and buyer.

In 1990 IBM Germany derived 65% of its turnover from hardware; by 1996 it was less than 47%. However, for IBM Germany to succeed in the long-term it needs strategies for contacting clients, creating agreements and negotiating appropriate outcomes in the growing services market - especially outsourcing.



Negotiating win/win agreements

This was the challenge facing the business unit Systeme und Netze at IBM Deutschland Informations Systeme GmbH, one of the most important IT-outsourcing suppliers in Germany. In response Huthwaite Deutschland designed negotiation skills training which focused on:

- getting a broader range of negotiable options for the customer and the salesperson;
- preparation and planning, including analysing strengths and weaknesses of the seller and the buyer;
- taking long-term views;
- using this data for planning future meetings;
- use of behaviour analysis to get a clear picture of the individual behaviour profile during negotiation, to identify areas for individual development and to provide objective feedback;
- development of strategies and tactics that enable the participants to gain competitive advantage by using more effective negotiation styles.

Objective feedback on negotiation skills levels

Many participants were surprised by the detail in the feedback and objective behaviour profiles which Huthwaite was able to provide. The key concept which they took away with them from the training was that, to maximise the possibility of a positive outcome in a negotiation, three elements are necessary:

- preparation and planning;
- strategies and tactics; and
- the ability to use the right behaviour.

Commenting on the training, one participant at IBM Systeme und Netze said: "None of the training I have been involved in before has provided me with such a clear picture of the behaviour profile I am using. Understanding my profile helps me to identify areas where I can improve further so that my skills continue to develop."