

Negotiate like the best pirate of all times

August is here, the heatwave is making me dream of the Caribbean and I thought I'd take you there... Today we will talk about treasure, pirates and tough negotiations. And who else than the amazing Jack Sparrow to demonstrate that yes, you can still be efficient while consuming huge amounts of rum. So make yourself a Daikiri or a Mojito and enjoy reading matey.

When our dear Jack Sparrow is in a tricky situation, he doesn't miraculously get out of it, even though he pretends that everything was mere luck and madness.

The more he knows, the more information he has to make an educated proposal and decision. When it comes to comprises, however, even the most talented negotiators tend to let the adrenaline take over and stop the investigation.

If you make assumptions in times of negotiations you may as well go straight to the gallows. The consequences can be terrible including increased speculations, tense relationships, unwanted escalations and... bad decisions. As usual, if you are uncertain of what to ask, the key to all the treasure chests is the word: *why*. Why is this important to you?

“Why Fight When You Can Negotiate?” – Captain Jack Sparrow

In fact, if you did not ask this question you may assume the price is the most important factor of the transaction and ‘negotiate’ against yourself, lowering your price and value ahead of time when really, the most important issue was elsewhere.

“Not all treasure is silver and gold, mate.” – Captain Jack Sparrow

Our dreadlocked Captain may look like he was born under a lucky star but really, he consistently mitigates his risk. Do you? I often repeat ‘failure to prepare is preparing to fail.’

Before sending any proposal, make a list of what is non-negotiable, as a startup this list is harder to make because you feel the pressure to win every deal, every customer, and, like most pirates, you’d be willing to sell your family to close the deal. This is exactly the attitude that will make a bad deal for you.

“The problem is not the problem. The problem is your attitude about the problem. Do you understand?” – Captain Jack Sparrow

Always start the negotiations with your best-case scenario, you can only go down from there, too many times, startup owners are so scared of losing their prospects that they send out their -almost- worst-case scenario. The consequences of that are:

1. You have no room for negotiation

2. You are literally putting the future of your company at risk (Annual Contract Value below break-even, threatening your profit & loss, legal documents accepting clauses that are too risky ...)
3. You have not assessed properly why your prospect needs you and how you bring him value, if you have done a proper discovery phase your proposal should be proportional to the pain you are solving.

Pirate tip: When two parties enter into a *parley*, there is always one that has more to lose than the others. In most cases, the startup will think they are the lesser contender. WRONG. If you have done your discovery and build value phases right, you should be in a forceful position. If you haven't, then don't even enter the negotiation or you may as well walk the plank.

“Complications arose, ensued, were overcome” – Captain Jack Sparrow

The negotiation ends when the papers are signed. Until then, again, never assume the deal is done. Remember, this is pirate territory, any party, at any point can come with additional requirements or ‘misunderstandings’.

“You didn't beat me. You ignored the rules of engagement. In a fair fight, I'd kill you.” – Will Turner

“That's not much incentive for me to fight fair, then, is it?” – Captain Jack Sparrow

Too often, you may consider last-minute requests as painful and lengthy, putting your forecast date at risk. As a startup, this is the moment you may want to expedite the deal, to secure it. Your fear is taking over, you think that if you don't say yes to all you may lose the deal. Well, do not say yes to all, last-

minute requests often mean new opportunities to grow your deal!

“You’re mad.” – Lord Cutler Beckett

“Thank goodness for that, ‘cause if I wasn’t this would probably never work.” – Captain Jack Sparrow

I am very serious about this. Late requests in the negotiation phase are almost always driven by additional requirements, higher executives getting involved... You can grow the size of your deals at this moment by being curious about who is asking the questions, why it is important to that person and what would be the consequences of not doing it. And the answer is almost never: lose the deal. Continue your discovery as a trusted advisor, by all means, do not pull out your sword!

“This is either madness... or brilliance.” – Will Turner

“It’s remarkable how often those two traits coincide.” – Captain Jack Sparrow

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