

## Negotiating Tips for the U.S. Market

Your company's entry into the U.S. market will undoubtedly include strategic partnerships and joint marketing or service agreements with American companies. The deal you cut with these companies will be a function of your negotiating skills and your ability to adjust to the American view and execution of the negotiating process. Here are some hints:

- Americans conduct business at a rapid pace. They often want to complete a preliminary understanding at the first or second meeting. If you want to do business with them, you need to be able to decide quickly.
- Americans can be blunt and appear to be abrupt. There is no understanding of the concept of allowing the other side to "save face" when the negotiations are going against them.
- Americans are extremely profit oriented and will place profit before most other considerations. They do not place protocol, honor, personal status or other principles above profit.
- Americans are risk takers and often strive to control most business deals. If you require their capital as well as their contacts, be prepared to relinquish some aspects of control.
- Negotiations are conducted according to a set policy. The individual negotiator is bound by the confines of that policy. Nonetheless, Americans enter negotiations with more than one position and are prepared to be flexible, in accordance with their perception of the "power" relationship between the two sides. Americans believe there is always a way to resolve a negotiating dispute and will seek to explore all options. If you wish to close a deal, you should have fallback positions as well, since the Americans will not understand that your stated position is your only position. Conversely, once the deal is closed, the Americans will not seek to change it.
- During the negotiations, the Americans will make their points by pointing out supportive facts. They rarely use emotion or emotional arguments to make themselves understood. The goal is either to have the other side agree or admit defeat. Emotions are not part of the equation.
- Americans do not like long periods of silence during negotiations. It makes them feel as if scheming or other unacceptable planning is taking place.

It is within the process and environment detailed above that non-U.S. companies would seek to negotiate and partner with American firms. Here are some things you can do to improve your chances of achieving your negotiating objectives:

- Establish a Good Comfort Level - tense negotiations make people less accommodating. Establish a good comfort level by listening to the other party, acknowledging good points made and making reasonable responses. Americans are aggressive negotiators, but they are not interested in a negotiating process

that spoils the cooperative relationship that needs to be implemented once the negotiations are completed.

- Create Trust - credibility in negotiations is crucial. If you pull a "bait and switch" or backtrack on a commitment you already made the American side will lose faith in you and begin taking tougher stances. Always deliver on your promises. Never over-promise or under-deliver.
- Know What You Want - enter the negotiations with a clear and realistic expectation of what you want and need to make the deal worthwhile and practical for you. Be prepared to make quick decisions, and to do that you need to know where your red lines are and where you can compromise.
- Understand the Other Side - just as you have expectations and limitations, so does the other side. Do your homework. Try to understand what the other party is seeking and try to estimate what they should be willing to provide in exchange. Also, understand their limitations. Asking for something outside the other party's range is a non-starter.
- Make Sure You Have the Right Lawyer - the United States is the most litigious society in the world and there are lawyers specializing in just about every industry. Make sure you have a smart, experienced attorney with you. While you may be expecting the agreement to simply reflect the clauses agreed upon in the negotiations, the lawyers will add exits, protection clauses, penalties and a slew of other legal maneuvers that will come back to haunt you if your lawyer isn't up to par.

The Americans may negotiate hard and be careless with the traditions and cultures of others. In trying to access the richest market in the world, you may indeed need to put some pride aside. Yet, once the agreement is signed, you can expect the Americans to be diligent in their fulfillment of the agreement and work together with you to maximize profits for themselves...and you.