

Developing negotiation strategies at AEA Technology

All negotiators need to prepare for the negotiating table - there is no point in going to the table and achieving a 'win-lose' result. Parties need to reach mutually acceptable terms resulting in a win-win outcome. Increasingly large companies are looking for ways to improve the quality of their negotiating through understanding the actions which skilled negotiators use and those which they avoid.

Huthwaite International through its research and training has established the criteria for identifying a good negotiator.

Skilled negotiators:

- ask lots of questions
- use feelings commentary
- test understanding and summarise.

Skilled negotiators tend to avoid:

- irritators
- defend/attack spirals
- counter proposals
- argument dilution.



Huthwaite has been using its knowledge and experience to advise AEA Technology, one of the world's leading innovation businesses. AEA Technology has, with the assistance of consultants from Huthwaite, successfully negotiated a contract worth £40 million over four years for its IT outsourcing. The full negotiation team, including corporate lawyers, went through detailed negotiation preparation. They agreed in advance the major issues to be addressed, the range of possible outcomes on each issue, and a mandate to be used by the team to achieve a win-win agreement.

AEA Technology is relying on the successful supplier for mission-critical IT support - so the outcome needed to be recognised by all parties as a success. There is always the potential that, if a supplier feels unhappy with the contract terms, it will try to claw back money by not providing the agreed level of support.

Ralph Watts, IT outsourcing manager at AEA Technology comments: *"Six months into the contract the relationship is working well to a large extent because of the frameworks we were able to put in place during our negotiations. Huthwaite's training provided our negotiators with a structure for preparing for this important contract and helped them to understand and develop their own negotiating skills."*

Huthwaite consultant, Barry Hazelwood, who advised AEA Technology and conducted the negotiation workshop, said: *"This was an especially interesting project as it directly applied Huthwaite methodologies to a 'real life' situation and had a direct impact on the effectiveness of the negotiating team. The final contract price was negotiated downwards substantially but with both parties feeling happy with the deal. As a result the implementation has gone smoothly - a true 'win-win' outcome."*

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Ralph Watts, IT outsourcing manager, AEA Technology