

Hardening up the soft skills of negotiation

Theresa May's decision to pause the sign off on the Hinckley Point nuclear reactor in July caused quite a stir. From a negotiation point of view, the pause made sense, giving her time to deliberate before approving it – with conditions – in September. This is going to be a long term, high value, high stakes deal, say **Janet Izatt**

■ Prior to signing a deal of this magnitude, good negotiators will want to check that the deal still meets its objectives and provides a solution to the problem it was trying to fix, within the criteria for success it identified. They will want to be sure there is agreement on how they are going to operate the contract in the years ahead - particularly through turbulent times and with changing personal relationships - and the terms for an exit.

These are the negotiation skills that private equity and venture capital rely on, not only to do the deal, but to seek out, manage and nurture, control and lead often complex relationships through the typical three to five-year period to a successful exit. A good negotiator will know what a great deal and an acceptable deal could look like, and will also know the point at which to walk away.

The industry attracts bright, confident people with strong analytical and numeracy skills. Communication and negotiation skills are often taken as a given. The ability to get a deal done is sometimes seen as a sign of a good negotiator, rather than the quality of the deal made. Surprisingly for those industries

that rely on excellent negotiation skills - such as and - they are rarely taught or form part of a formal degree education.

There is still a belief that talent is innate, that great negotiators are born not made. Research and our own experience in supporting negotiations and helping teams develop such skills through training

and coaching is much more optimistic. An understanding of the negotiation process, power, control skills, how to plan for a negotiation and the ability to choose from a range of styles, can all contribute to a step change in relationships and outcomes.

This knowledge provides a model of excellence against which individuals can measure and improve their own performance while retaining authenticity. Without it, all they can do is copy the behaviours of those they work with, and hope they have a good role model.

The impact of developing negotiation skills goes well beyond the deal-making phase. Those with excellent negotiation skills understand how to put them to good use on a daily basis to influence and persuade all stakeholders – potential targets, investors, boards of portfolio companies, colleagues and managers. They make conscious choices about when to challenge, persuade, and influence, and when to stay silent and avoid a subject.

We have run several negotiation skills workshops for members of the BVCA. From the feedback we've had, the training gives them greater self-awareness of their negotiating style and how they can broaden it to achieve better outcomes, along with practical approaches for planning, conducting and evaluating their deals, and driving ongoing success in their relationships with management teams. Crucially, this success can be quantified in monetary terms. Soft skills training? We prefer to think of them as hard skills – without them, success is going to be that much harder. ■

Janet Izatt is a partner at MaguireIzatt. MaguireIzatt runs the three-day negotiation skills workshop for BVCA. The next one is in London on 16 to 18 November. Please go to bvca.co.uk/training for more information.



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