

Northern California Association of Law Libraries Newsletter

YOU WANT WHAT?

How to Have Fun While Negotiating Contracts

By: Sarah L. Nichols

Nobody who knows me would describe me as a cock-eyed optimist, so when I've repeatedly stated that I think the contract negotiation process can be fun, reactions have ranged from smirking disbelief to suggestions regarding the nearest hospital emergency room.

In my role as the Director of Research for a global law firm, I have responsibility for content expenditures amounting to several million dollars annually, mostly invested in online research platforms and digital delivery. Hardly a month goes by without me being in the thick of contract negotiations, and yes, I actually do have a lot of fun.

What I'd like to share are a few things I've learned along the way about how to take out the stress, enjoy the process and, by the way, get what you want. Here are some "rules" I've created from my own experience.

RULE# 1 Assume that the process will not be adversarial, and don't allow it to be. You and your negotiating partner(s) are at the table to find a mutually satisfactory arrangement, and it can be done. Beginning one potentially very difficult negotiation, I responded to the initial "how are you?" by replying "relentlessly optimistic" which got a laugh and broke the ice, and I believe it set the tone for a positive meeting.

RULE# 2 Be transparent about your overall objectives and share any must-haves right up front. It's only fair. If your COO has established a cost reduction target and you can't renew a contract at more than a 3.5% increase, say so at the outset. Then the conversation becomes focused on how to get there, with all the give and take.

RULE# 3 Get to know (and try to understand) your negotiating partner. It's likely they've been trained to assess your type, and it will definitely pay off if you make an effort to do the same. In my experience sales representatives generally have one of six major styles, as briefly described below. Later, I'll expand a bit on how I've worked with each of these styles, because recognizing them and adapting your own approach is absolutely critical to a satisfactory result.

Relationship Manager: "how can we make this work for both of us?"

Best Friend Forever: "my company pays me, but I really work for you."

Hardball Player: "we're the only game in town; if you won't come to terms, it's your loss."

End Runner: "I didn't hear back from you, so I contacted Mr. Smith and Ms. Jones in your executive offices."

Novice: "I'm new at this, what do you think the terms should be?"

Rainmaker: "I ink so many contracts that I can pretty much give you whatever you want."

RULE# 4 You probably have something that's valuable to the content provider besides dollars. For example, we've helped refine the initial digital offerings of entities that have historically been in the print space. We've given them concrete suggestions on such important things as website look and feel, site navigation and functionality, and how to work out IP authentication for intranet delivered content for the enterprise. Our attorneys have written testimonials for services they feel are essential to their practice areas. We've brainstormed with providers of business and financial information on ways to maneuver into the law firm market. I can say with confidence that we've been able to benefit from having given assistance and usually get favorable contract terms in exchange. Along with the occasional bouquet of flowers.

RULE# 5 Ask for a few things you're pretty sure you can't get, and be persistent. If I can get a negotiating partner to say "you want what???" and then to get on board with the challenge of trying to make it happen, I'm having fun! Also, some seemingly elusive things that have huge positive impact for you and your organization may actually be easy for the provider to deliver - a lagniappe, if you will. You won't find out if you don't ask.

RULE# 6 A deadline is never a deadline. Many years ago when I was vacillating about a decision, someone said to me "when you don't know what to do, don't do anything at all." Very simple, incredibly useful. When negotiating a contract, especially if it's high dollar, don't be pressured by an artificial deadline. If you are working on a renewal, and the content provider is satisfied that you are negotiating in good faith, they will extend your contract by a month or two under the same terms while you work out the details of the renewal. If it's a new relationship, they might well extend you some trial passwords; you can continue to build a user base for them while hammering out the terms. Allow yourself the time you need to feel confident about all the details. Make sure you know what you are doing.

Harking back to rule number three, following are a few remarks about my experiences with the different sales styles.

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