

Guest Column: How to Use Emotional Intelligence to Improve Business Negotiations



By Frank Williamson

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The mergers and acquisitions process is complex, taking a lot of time and effort to complete effectively.

So, whether your business is on the buying or selling side of a deal, it's important to continuously look for ways to make the process smoother and more harmonious. One way to do that is to incorporate emotional

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OAKLYN CONSULTING

www.oaklynconsulting.com | 888.983.1617 | info@oaklynconsulting.com

intelligence (EQ) into your organization and negotiating team. In addition to making any negotiation process more productive, EQ increases stability after a business deal.

Emotional intelligence refers to the ability to identify and manage one's emotions and to recognize the feelings of others. It incorporates four specific practices — self-awareness, self-management, social awareness, and social skills — all of which can be learned or improved on.

Emotional intelligence during business negotiations

During the business negotiation process, an attitude of emotional intelligence can help everyone work through conflicts more productively and ensure each party's concerns and decisions receive equal respect. Here are some common scenarios in which to incorporate EQ:

1. Navigating through difficult conversations

Business negotiations can have moments of conflict when the two parties are working toward goals that may not be able to coexist. A business owner can help to alleviate this tension by adopting an attitude of curiosity and active listening.

If something in a conversation is unclear or involves a difficult topic, working to understand the perspective of the opposing party helps to come to a resolution.

It's also essential for both parties to fine-tune their approach to accommodate individual personalities. That includes asking questions and listening intently to the responses, even if they lead to frustration. In these situations, gathering information is more important than making sure your side is heard.

2. Keeping both parties at the table

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Working through a challenging conversation in the moment is easier than trying to convince a party to come back to the negotiating table later. It's important to remember that both parties want to have their ideas heard and considered by the other.

Recently, I read a letter between two parties in a negotiation that skillfully accomplished this. The letter started by acknowledging the problem at hand and analyzing the facts and potential costs of the other party's suggested solution. The conclusion left the door open to continued discussions between the parties to reach an amicable solution in a respectful way.

3. Knowing when to address issues one on one

Many steps of the business negotiation process are handled in small groups of two to three people. Key players in the process will hold discussions with their counterparts — business owners, executives, investment bankers, etc.

But sometimes, smaller, more sensitive matters don't need to be brought to these groups. Instead, a one-on-one conversation incorporating emotional intelligence may be a better option to address and resolve certain issues, after which the larger discussion can pick up where it left off.

4. Creating a schedule with flexibility

The timing of each deal is unique, and reaching a successful outcome can require flexibility from both parties. One party may have specific constraints, such as needing to complete a deal within the current fiscal year, for example.

I like to describe the ideal pace of a deal “as fast as possible, but no faster.” Putting a deal together may take weeks, months or even longer, but having open communication from the beginning is imperative to keep both parties mutually invested.

Understanding emotional intelligence and knowing how to incorporate it in

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business deals will result in a smoother negotiation process in which both sides feel heard and respected, paving the way for successful integration.

Frank Williamson is the founder of Oaklyn Consulting, a consulting firm that helps investor groups and private businesses, from startup to middle market, with mergers, acquisitions, capital-raising, investor relations, succession, and other strategic corporate finance decisions.