

Volume	5	The Top Line
Chapter	03	Customers
Section	05	Make it Personal
Key Word Tags	Stalemate	

## SAVING FACE AND THE ORDER

File No. 5.030504 | 2017-06-01

Quick Summary: When a stalemate is reached, the game has to be changed to recover.

### Abstract:

*Once hard-line negotiation positions are taken, recovering is extremely difficult unless a fundamental, game-changing event can be introduced into the discussions. Allowing each company to save face and recover from the stalemate is critical to continuing negotiations and saving the order.*

None of us likes to be wrong and, worse, have to admit it publicly. This appears to be a common human trait that is more pronounced in certain cultures than others. In fact, saving face, as this situation can be interpreted, can result in the loss of life if a method is not found to keep both parties from being embarrassed! It wasn't too long ago that questions of honor over sometimes minor issues were settled by pistols at daybreak.

Fortunately, in business, this situation's consequences are not severe but can certainly strain relationships and do irreparable harm. One way to avoid this issue is to provide a gracious way out for the person faced with this situation. This is especially true when dealing with customers. During negotiations, it is easy to slip into a situation in which each side digs its heels in and refuses to budge. A battle of wills can quickly result in the situation degrading into a win-lose situation. In most situations, the result is very predictable: no purchase is finalized and perhaps, a damaged long-term relationship begins.

A highly effective way to resolve the situation is to change one or both of the players involved in the controversy. The change can include someone at the same level in the organization with equal decision-making authority, but most often requires someone at a higher level in the organization to offer a suggestion to break the deadlock. Essentially, it involves going to a higher court. Due to the customer-vendor typical relationship, it is more appropriate for the vendor to make the first move and suggest a change; there is no value in trying to pressure the customer to make the first move. This is especially important if the customer feels they must agree to the vendor's terms. This could be the case in the renewal of a contract or expansion of a system in which the cost of conversion to another alternative is cost or time prohibitive or there is no viable alternative. The appearance of holding a customer captive can have severe, long-lasting repercussions. With today's popular software as a service (SaaS) model, it is easy to fall into the captive customer trap.

The article in this collection, "[\*The CEO Sales Rep.\*](#)" discusses the pros and cons of the company's CEO acting as the sales rep. One of the major disadvantages of this situation is that no practical higher court can

enter the negotiations if the CEO has already been involved in the negotiations. It simply does not make any sense for someone lower in the organization to suggest a more flexible negotiation position than the position previously taken by the CEO.

Another approach that can result in a similar loggerhead situation is the early involvement of attorneys or contract compliance personnel. By their training, nature, and role, these individuals are focused on protecting their company's best interests, sometimes at any cost over every conceivable issue. An effective approach is to separate negotiations into two distinct activities: business and legal issues. Suppose individuals from both organizations focus solely on the business issues and the agreement on a fair and equitable arrangement. In that case, the legal discussions are likely to then proceed with fewer controversial issues. The focus becomes one of determining how to construct a reasonable legal framework consistent with the business agreement instead of focusing on unilateral protection from all potential circumstances.

Assuming both the vendor and the potential customer desire to successfully work together, it is prudent to develop face-saving strategies before negotiations even begin. Simply by considering the "what-if" situations that could arise that potentially could derail the deal, effective strategies to avoid the situation, if it arises, can be developed. No one wins with failed negotiations, and both companies can end up as long-term losers.