

WieseLaw Contract Studio Communiqué

-- The Value of Your Business is the Sum Total of its Deals --

Deal World Rule #11 – Leverage Rules!

“Give me a lever long enough . . . and I will move the world.” As good old Archimedes observed, if you got leverage, you can make things happen in a big way. In Deal World, negotiating leverage generates results; it gets you to your desired deal destination. Quite simply, if you have it, you’re laughing, and if you don’t, you’re crying.

True, enough, but what does it really mean to have or to not have leverage? Many people mistakenly view it as a given aspect of each particular deal situation. Just one of the circumstances they find themselves in. Yet skilled negotiators know that leverage, like beauty, is in the eye of the beholder. The beholder is the person sitting on the other side of the table. The “reality” is that you have as much or as little leverage as your opponent thinks you have. And vice versa. Once you appreciate this, you start to realize that – with the right moves – you have the power to enhance your leverage in almost any deal situation. Of course, the flip side is that – with the wrong moves – you can diminish your leverage.

To be in charge of your leverage takes awareness, preparation, monitoring, and skillful maneuvering. Leverage is primarily based on **perceptions** -- so if you alter the perceptions, then you alter the leverage -- so behave accordingly.

This is how we own deal leverage at the Studio:

1. Size it up – At the beginning – and continuously throughout the deal – we ask the following questions from both side’s perspectives:

- What do we want, and more importantly, what do we need from this deal?
- Why are we negotiating with the other party?
- What is the environment for this deal?
- When will the highest point of leverage occur during this deal?

2. Up its Size – Once you understand the deal's existing leverage, then employ tactics aimed at altering the balance in your favor. See the attachment for ideas to increase your leverage, decrease the other side's leverage, or both.

3. Use it or Lose it – Once you have leverage, you need to determine how best to serve it up. See the attachment for some suggested servings.

Do you effectively assess, enhance, manage, and exploit your leverage in your negotiations? If so, congratulations. If not, start today.

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THE LEVERAGE CANVAS*

(A) The Environment

(D) How We Decrease Their Leverage

(B) Behaviors that can lengthen or shorten the lever:

- Initiating Contact
- Meeting Location
- Document Control
- Response
- Timing
- Appearance
- Authority Limits
- Assigning Roles
- Communication Types
- Interaction(s)

CREATE ALTERNATIVES

MATCHING NEEDS

CREATE A DEPENDENT RELATIONSHIP

DISCOUNT THEIR ALTERNATIVES

ALTER THEIR NEEDS



BE DISINTERESTED

IDENTIFY DEFICIENCIES

EXPAND YOUR PROJECT

IDENTIFY COMPETITORS AND OTHER ALTERNATIVES

ESTABLISH EXIT STRATEGY

(C) How We Increase Our Leverage

(E) The Time Continuum Changes Leverage

(F) HOW TO SERVE IT UP - PERCEPTION IS REALITY

