

Next, do the details

Expect an element of fun as Americans get down to the nitty-gritty of striking a bargain, writes **Sergey Frank**



How to negotiate

The previous article in this series described how negotiations in the US display a contrast between easy-going communication and a desire to achieve well-defined goals. This article will look at the negotiations in detail.

Usually, after alluding to abstract principles and global considerations of business, the discussion will swiftly turn to the details of the project.

The essential thing is to pin down precise definitions of most of the key terms of any agreement. Not without reason is there a saying that "he who defines the terms wins the argument".

The style of negotiating is pragmatic, directed towards results and may sometimes be fast and efficient. Communication is polite, direct and straightforward. This also applies to the search for solutions to impasses.

US partners use rhetoric for mainly pragmatic reasons, to reach their goals faster and more effectively. Interruptions during a presentation are not necessarily impolite.

US businesspeople are

process more often and much earlier than they are in other countries.

For important deals in the US, it is therefore wise to involve an attorney from the beginning. He or she should be a specialist in the particular business sector and be familiar with the legal system of the particular state.

This may be expensive, because legal advice costs more in the US than just about anywhere else. You should negotiate in advance over the hourly fee, including additional expenses. You should also get lawyers to prepare an estimate for their services.

Contracts based on Anglo-American law generally come from the tradition of case law and do not draw on the principles of a commercial code. Therefore they are usually full of detailed definitions and consider all eventualities.

Americans stick to contracts. There is rarely any allowance for "contract repentance" when circumstances change unexpectedly. Instead, US partners will feel entitled to insist on the terms of the deal. They may try to negotiate a contract amendment, but they will not consider the contract non-binding.

open and flexible. Without being asked, they will give examples to illustrate what they mean and help the other side by providing the information it needs to see the "whole picture".

Because of their distinctive pragmatism, US negotiators are often imaginative in looking for new solutions and options. It therefore makes sense to exchange information freely - as long as it is not confidential - and to have the flexibility to explore new options in "brainstorming" meetings.

Negotiations in the US contain a fair amount of bargaining. US partners offer compromises on the basis of reciprocity: they expect the other side to make concessions in return. They believe in fair competition and tend to choose solutions based on the criterion that they want to win, rather than that they want to see the other side lose.

Hence you can often identify mutual concessions and thus reach a solution that benefits everyone - although this does not apply when one party negotiates from a position of strength.

The US is a country where lawyers play a significant role. The attorney-at-law combines the functions of a solicitor and a barrister as they exist in the UK. The litigious character of the country strongly influences business negotiations. In-house lawyers are involved in the negotiating

The following aspects should also be considered:

- The US is a multicultural and multi-ethnic melting pot where many business people are immigrants of the first or second generation. All of them have one thing in common: they are US citizens, live by US values and enjoy the high standards of the American way of life.

- Women have made progress towards achieving equality in US business life. Senior positions in various sectors, such as management consultancy, accountancy, law and advertising, are occupied by women more often in the US than they are in Europe.

- The dress code is conservative and classic - even on "casual" days. Avoid looking scruffy. In negotiations, you should err on the side of elegance. Dashing combinations are not accepted in most industries. Dark-blue and dark-grey suits with black shoes and dark socks are appropriate. Light-coloured or white socks are worn by the American for sports activities, but not in business life.

And do not forget that Americans love to have fun. Indeed, it may be exactly this outlook that makes doing business in the US so attractive.

The author is a partner at Kienbaum Executive Consultants and managing director of the London office. www.kienbaum.co.uk