

# The Startup Survival Podcast by Peter Harrington

## Series 2 Get Better, Go Further

### Transcript: Episode 13 – Negotiating Negotiation



July 2021

Speaker 1 ([00:11](#)):

Well, we are back again. Delighted you can be here. Welcome once more to the Startup Survival Podcast with me, your host, Peter Harrington. Now let me get straight to the point about this episode. It's a cracker or rather my special guest Devon Smiley is wisdom blessed and has the skills to negotiate negotiation in a way you just don't want to miss. Devon is one of those rare, talented human beings who we all need in our entrepreneurial lives. As well as being the most delightful of guests, Devon is a guru of business diplomacy. And for me a negotiation superhero. Her extensive experience in the field of deals means she can see through the noise. She can navigate the complex. She has the strength to overcome the bad guys, and she can rescue relationships and contracts when others believe all is lost. What Devon knows is gold dust. Yet by listening to this episode, it's yours for free, and I'm sure her advice will change how you approach your negotiations forever and all for the better.

Speaker 1 ([01:29](#)):

Now, several people have been in touch since listening to Vikrant Shaurya in episode 12. What a story that was. If you have yet to tune in, Vikrant went from a lonely laughed at college dropout to CEO of a global publishing powerhouse, all in less than a decade. And one person who enjoyed that episode and kindly promoted it on LinkedIn too, was Donncha Hughes. Donncha is a highly respected trainer, mentor and business advisor based over in Galway on the beautiful west coast of Ireland. On that note, if you have yet to wind your way to Galway, book market as a future holiday destination, it's stunning paradise of a place. Anyhow, apologies. Let me get back to Donncha who has not only been a loyal fan of this podcast since it kicked off last year, but he has also provided some valuable research material and advice for this episode.

Speaker 1 ([02:26](#)):

Donncha, I will do my best to weave in some of your generous thinking. Let's crack on and negotiate negotiation with my special guest Devon Smiley. Devon is a negotiation and commercial consultant for founders, startups, and scale-ups are ready to go after bigger, better deals without sacrificing vision impact or relationships. She's distilled over 15 years and \$5 billion of negotiation experience into accessible and actionable guidance that help build the skills needed to navigate conversations with confidence. A strong believer that negotiation isn't just about boosting bottom lines, Devon has worked with pro bono partners,

including UN women and the Clinton Foundation. So through the mysterious marvels of the digital airways, let's get Devon onto the show. Devon smiley welcome to the Startup Survival Podcast.

Speaker 2 ([03:26](#)):

Hello, Peter, happy to be here.

Speaker 1 ([03:30](#)):

Delighted you are here. I'm really looking forward to chatting with you, but before we wrestle with the subject of negotiation, can you share a bit about your background?

Speaker 2 ([03:40](#)):

Yeah, so oddly enough, I didn't grow up dreaming of being a negotiation consultant for startups. It wasn't really on the career list that I had as a little kid. I'm more of an accidental negotiator. I got my corporate job right away after graduation worked a few years was offered the golden opportunity to move into the negotiation department negotiating all sorts of procurement contracts for aerospace, nuts, and bolts, titanium bar stock, all very fun, all very glamorous.

Speaker 1 ([04:10](#)):

Devon. This was in Canada.

Speaker 2 ([04:12](#)):

I was in Montreal at the time and working with vendors and companies all around the world, which was absolutely a wonderful learning by experience for how to interact with all sorts of different people, all sorts of very lovely personalities and some not so lovely personalities. And really I spent almost 10 years doing that. Helping the big boys make even more money.

Speaker 2 ([04:41](#)):

And towards the end of that, what I really found I enjoyed the most was working with junior employees. So the young, fresh faces who were going into their very first negotiation, who were terrified of what they were going to find and being able to spend time with them as a mentor, as a coach. And just seeing the difference that made that with a little bit of guidance, the right strategies, their eyes lit up, their shoulders went back. They were so much more enthusiastic about negotiating. So after a few years of doing that, I had one of my mentors actually say, you know what? Everyone needs to Devon because a lot of people out there are a lot of small businesses who could get benefit from this.

Speaker 1 ([05:23](#)):

A great story, Devon, and to share a sense of perspective. What kind of deals were you negotiating when you worked in the corporate space?

Speaker 2 ([05:32](#)):

They really ranged anywhere from a hundred thousand dollars a year up to 10, 20, 30 million a year. So at any given time I had about five or six of those on the go lots to let's bite into on those.

Speaker 1 ([05:46](#)):

You discovered you really enjoyed being a coach and mentor and helping others. Why did you find that so rewarding?

Speaker 2 ([05:54](#)):

I think it was because I could remember my absolute terror. When I first sat down at the negotiation table, I was young. I was still in my mid to late twenties, female in a very male dominated industry. My last name really is Smiley. No one is ever intimidated to meet with a Miss Smiley, to do a negotiation. So I really thought I was doomed and I never wanted someone else to have to feel that way I did. And thanks to my mentors, my coaches I'd gotten their time to pay it forward and help others.

Speaker 1 ([06:27](#)):

Lovely story Devon. I'm sure many listeners will enjoy hearing your take on things and moving forward, you didn't just leave the safety of the big corporate world, but you also migrated and flew over the pond, otherwise known as the Atlantic Ocean and started your own business in France. Why did you do that?

Speaker 2 ([06:48](#)):

Well, after leaving corporate, I worked with a lot of small business owners. Entrepreneurs became more engaged in the startup scene and decided I wanted to move to France. I bought in to the whole French tech. Macron was really pushing with special F was opening, lots of exciting things going on. Thankfully it was all true. Cause I picked up my entire life and moved here to help these startups. But I really thought, especially in Europe, I was finding that the local approaches weren't going to be working anymore. You needed global unique global customers, global partners. So being able to add all those tips and tricks and techniques that I'd learned over my years in Canada, to the startups here, the scale ups here, I thought it would be a good place for me. And it turns out it was.

Speaker 1 ([07:37](#)):

And your business focuses on supporting startups. Can you share the nature of the work you're doing to help entrepreneurs?

Speaker 2 ([07:46](#)):

Main clients right now fit into two main categories. The first is accelerator and incubator programs. So really great push within university systems, for example, to get more students looking at entrepreneurship as a viable option for them when they graduate a lot more spin-outs happening with the great tech work. So one of my main roles is serving as an expert in residence coach, leading workshops within the accelerator systems. And the other side of that is working with startup founders directly, who are out on their own, who are maybe raising their first rounds, even heading towards their series where they're scaling and they realize I can't keep making this work just by brute force alone. I need some sort of strategy. I'm bringing on people to my team. My team needs a strategy. How am I going to get the best results possible for every deal that I'm signing for my business?

Speaker 1 ([08:40](#)):

Going back to episode 12, my guest Martin Hutchins recommended listeners should get the book, Start with Why by Simon Sinek. So I'm going to do that here. Why is negotiation such an important issue for all entrepreneurs Devon?

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Speaker 3 ([08:55](#)):

Other than the, the very true yet, very cliché statement of you, don't ask you don't get, so we're never going to get anything handed to us on a silver platter. We want something we have to ask for it, go after it. I think for founders, it's especially important because you're setting the mission, the vision, the ultimate course for your startup, and you need to be the one advocating for that every step of the way. So that means in every interaction with a vendor, with a client, with an investor, especially with an investor that you're bringing on, that you're able to advocate for what you need to move the business forward in the direction you want to go. And this is something to share a bit of a story with you about how this can maybe go a little wrong. I worked with a founder who was amazing at pitching.

Speaker 2 ([09:43](#)):

She can get her vision across crystal clear. Everyone was excited. People would buy in, but she ran into the difficulty that she'd started to bring on investors and was finding herself pulled in way too many directions. And about three, four months after this started happening, I met with her she said Devon I am so far away from what I wanted to accomplish in my business. And it was because she'd been saying yes to any deal, cause I should just be lucky. They want to work with me. She was saying yes to everything any investor offered because I'm new at this. They know what they're doing. So I should just do what they say and had completely abdicated responsibility for holding to that mission or vision. So being able to negotiate, being able to speak up to ask for what you really want and need is part of every conversation you're going to have as a founder. That's on you. You're the boss, the upside, the downside. You're the boss.

Speaker 1 ([10:35](#)):

Many lessons to learn from that story. Devon. And I may pick up on one or two later, but a point I'm sensing right now is that the art of negotiation can be deployed by the startup in various places. Is that right?

Speaker 2 ([10:48](#)):

So true. It's an absolutely everything. A lot of the negotiation you will actually do as a founder. When we think of the sexy bits, the million dollar contracts, the big exits with your investors, it's really about how do I get my co-founder to agree to something with me? How do I manage my relationship with my parents, with my partner, even with my children, because I have this whole other part of my life that needs my focus. It's every single conversation you have with a client, with a vendor from day one. Before you even sit down with a contract in front of you, you're always setting the tone, always setting expectation for your negotiations.

Speaker 1 ([11:28](#)):

So I imagine what you will be sharing with us is how people manage subtle, soft skills and develop a deeper appreciation as to how they communicate with others?

Speaker 2 ([11:37](#)):

Very true. Most of negotiation is about connecting with people, building relationships, but finding the right way to communicate with them. You can have the best Excel spreadsheet in the world, most perfect decision matrix, and it will all fall apart. If you aren't able to get the communication down.

Speaker 1 ([11:55](#)):

Ah now, you've just mentioned the R word Devon relationships, and going back to episode one in this series, Andy Penaluna referenced, the fact humans are feeling machines that think, in other words, if uncontrolled our emotions and feelings will trump, how we logic things out. Is that a fundamental part of how we orient and understand ourselves when it comes to negotiation?

Speaker 3 ([12:19](#)):

Absolutely. It's knowing that you could put the perfect on paper argument in front of someone and depending on what happened that morning with their spouse, that they spilled their coffee all over themselves, the minute they got down to their desk that could impact whether you get a yes or no. And being able to read that and adjust your approach accordingly has a lot to do with getting them to say, yes. It's also to be very self-aware of our emotions and our triggers and the things that get under our skin and mean that we start to behave more emotionally than rationally. So controlling our own emotions is a huge part of negotiation. Some, some tricks I've learned from friends is that if you find yourself getting really stressed out at a negotiation table to slowly start putting your, your fingernails into the Palm of your hand, sort of keeping yourself grounded, keeping yourself centered pretty much invisible you when you're negotiating with, but you're able to avoid having one of those emotional outbursts. Those aren't going to take you any farther.

Speaker 1 ([13:22](#)):

So, so, so good negotiators Devon invest in understanding themselves as well as being able to understand and build relationships with others?

Speaker 3 ([13:31](#)):

Precisely. And I think that's one of the parts of negotiation that's so important is the pre preliminary relationship building. Sometimes people hate the small talk. It's a waste of time. I just want to get down to business. I only have 15 minutes for this meeting. Let's get on with it, but it's building that lower stress situation, acknowledgement, relationship rapport with someone that's going to help you better read their signals later on. If I have no clue, if I've never met you before, if you start getting angry, that can look very different from person to person. I don't know your baseline. If we've already chatted a little bit, I've gotten to know you, ah, it's a much easier for me to now realize I've accidentally said something to annoy you.

Speaker 2 ([14:14](#)):

Okay, and on that note, Devon in our pandemic world where communication is online rather than face-to-face just like you and me right now, I imagine negotiation is made even more difficult because we can't read body language signals so easily?

Speaker 3 ([14:29](#)):

It's a lot different. I'd say it is. It is a challenge. Maybe for lower stakes negotiation, okay. We can get around it. But a lot of the key variables I found in my experience, you know, if you're working on a deal, it's taking a year, it's a multimillion dollar contract. You want to have the face to face. For me, I want to sit down. I want to have dinner. You, I want to have lunch with you. I want to get to know you as a human being outside of the conference room context. That's how I'm going to help the negotiation move forward. But in absence of that. Thankfully, we have videos that we can rely on.

Speaker 1 ([15:06](#)):

Okay, and to clarify Devon, for people hearing you recommend the friendly meal out, I suspect this isn't because you advocate buttering people up? Or may be it is?

Speaker 2 ([15:14](#)):

No, buttering people up, but it's incredibly hard to do that and be genuine about it. It really is more having a business relationship taking it outside of that stressful context. So an example of this is I was down in the Southern US doing under contract negotiation. It was challenging to say the least; we were asking for quite a hefty reduction on the price you were going to be paying. And we had spent eight hours in a conference room trying to get the deal across the line. Wasn't working. We're going to go out for dinner. A whole team of us. There are six or seven of us out to dinner. It was myself and everyone else was from the vendor I was working with. And instead of you know, they were very gentlemanly. So I got to pick where we went for dinner. Bonus.

Speaker 2 ([16:04](#)):

I said, let's go to a Thai restaurant. Now we're in, we're in like South Carolina. We're in, let's go to a Thai restaurant and we're going to order family style. And we sat down, we had seven, eight, probably 10 knowing us dishes in front of us. And we were sharing plates, sharing food, trying things off of each other's things that we'd ordered. And it just brought us back to okay, businesses, business, but we can all get along as people. That dinner was actually for me, a turning point in that negotiation that when we came back 9:00 AM the next morning, everyone had a slightly different perspective on the others that were in the room. And it really helped us get over the combativeness that we've been facing.

Speaker 1 ([16:52](#)):

Love that story. Devon. Now I imagine many listeners will be at the point where they may be recognizing the real value of negotiation to them, but they will also be itching to know how to get good at it. So what do people have to do to become effective negotiators?

Speaker 2 ([17:11](#)):

So the approach I take with negotiating effectively is really three phases. And these are steps that I've used throughout my career, big negotiation, small negotiations. I've used it to get extra vacation time back when I had the corporate gig. Basic steps, I call it, make the ask MTA, we map, we translate. And then we ask. So the first step of this is probably the one founders think is the least sexy, the least enjoyable. The map. We research, we want to know what's going on in the environment what's going on in the market. This is a lot of different variables that come into play. One of the reasons this is so important and why you should spend the time doing it, and you should refresh your research every once in a while. So things change so quickly. So about a year and a half ago, I was sitting down to do a negotiation with someone and it had been in the calendar for a while.

Speaker 2 ([18:05](#)):

I get on the zoom call, I'm all excited. Cause I think this is us moving a deal across the line. And he looks at me and says, well, Devon, I really don't think we're in a position to move forward. Completely blindsided. What is going on? What changed from a week ago? My big fail was that I hadn't checked the company name in the news that morning. And if I had, I would have seen that head quarters head office had actually put that division up for sale. They were starting to divest, not the time to be having a call, to try and get several tens of thousands of dollars from this company. My fail. Lesson learned before I'm getting on a call

with someone before I'm negotiating. I am Googling the company name just to see if anything has happened overnight.

Speaker 1 ([18:53](#)):

So this research is absolutely vital?

Speaker 2 ([18:56](#)):

It takes some time, the riskier, your negotiation, more time you'll spend, this could be a five minute quickie search. It could mean tapping into your network, talking to others. Who've negotiated with someone figuring out what they've agreed to with other startups. That's a really great reason to talk to other startup founders. And then we also want to figure out where I am and where I want to be going. Because launching into a negotiation without a clear vision for where you even want to go means you're just talking in circles, you'll end up somewhere, but it might not be the right place. So what do you want? What do you need? What helps you get to that next milestone and using those sort of as your guiding light for the next part of negotiation, which is translating all that wonderful knowledge. What have I learned about the other person?.

Speaker 2 ([19:43](#)):

What have I learned about that company? What have I learned about myself? Turning it into an actual strategy. And for that, I really recommend creating a negotiation sandbox. So set of parameters, all the different variables, your price, your delivery, the equity, you might be willing to hand over to an investor, setting all those parameters as if you were in a sandbox. Mom says you can play in that sandbox as much as you want you step outside, someone's going to be yelling at you to get back in. Set the parameters in advance so that you are prepared for making proposals in a negotiation. I'd say one of the big mistakes negotiators make, as they think that once they're in the moment, they'll be able to make good decisions. Not true. Our brains don't work well under stress. There's too much adrenaline. We need to have a plan before we get there.

Speaker 1 ([20:35](#)):

Okay. So as a three-phase structure, you recommend people map translate, and then ask. I'll come back to the third issue, 'the ask' a little later Devon, but for now, let me pick up on those emotions. You mentioned, as far as I know our retail stores, don't sell technology that informs us we are stressed or high on adrenaline, but I'm sure Mr. Bezos has this in his sight. But when we are invaded by these unseen forces, why is it a bad time to make decisions?

Speaker 3 ([21:05](#)):

It's a bad time because we tend to a bit, try to run a bit faster than our feet can really take us. We also are not paying as close attention to the details. So when we're in the moment, we're excited, we're feeling momentum. We want to move it forward. We may not triple check the math that we're doing. We may not remember that thing that our accountant said three weeks ago that actually could impact the deal. Specifically, if I didn't map anything with figures, I've seen founders go very wrong when they have missed a decimal place. And all of a sudden the deal was not so good anymore. It would have been worth mapping out some numbers beforehand, or taking a pause, asking for 24 hours to go back and do the homework before re-engaging.

Speaker 1 ([21:53](#)):

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Okay, so the mapping out is the research and the translating helps people to strategize and set the direction when working out the strategy, should people focus on one clear goal?

Speaker 3 ([22:04](#)):

I think having a single point as your goal is incredibly important, that will keep you aligned. Keep you moving in the right direction. The fun thing with, for me, it's fun. It'll become fun for others. Once they buy into negotiation, the fun bit is seeing all the different permutations for what a good deal could look like for you. So the joy and the sandbox is that, you know, as long as you agree to something that falls within these parameters, it works. It's a perfectly valid deal to bring back to your investors, to your team, to, to say that you got it done. But ultimately know where you're headed. Know what's on your mind before you hear what's on someone. It's incredibly important. A lot of good negotiators tend to be good salespeople as well, so they can have you buy into their idea, buy into a new vision, turn you on your head a little bit. If you don't have a solid sense of where you actually want the deal for your business to go.

Speaker 1 ([23:01](#)):

So you mentioned the connection between sales and negotiation and in the sales episode, the importance of asking questions and listening to capture information is stressed throughout. How important is this dynamic in a negotiations scenario?

Speaker 2 ([23:14](#)):

Incredibly important. A lot of listening, a lot of, I take a lot of notes. If I'm starting to hear words over and over again, I'm noting them down. It's like when we were in school and the teacher kept saying a certain word and you're keeping track on the top of your page for the day. So I was in a negotiation once and the person I was negotiating with continuously referred to their company's unique risk profile, unique risk profile, unique risk profile. Was it actually a unique risk? I didn't think so. It doesn't matter what I think because this person thinks it's a unique risk profile. So my lesson in that is, oh, when I shaped my proposal, I'm proposing the following in order to address your unique risk profile and being able to tap into the fact that this is something that's important to them, the more they repeat it, the more important it is, the more priority I should be giving it in the proposals that I'm making over to someone.

Speaker 1 ([24:12](#)):

So client empathy is, is clearly a key issue. And you've mentioned the words, relationship and rapport earlier. Is building empathetic relationships and rapport, the place all new good negotiators should have?

Speaker 2 ([24:25](#)):

I think it really is. And part of the benefit to having proposals laid out in advance, knowing where you can go in your negotiation is that it means you can stop just thinking about what you're going to say next, and actually use your brain power to listen to what the other person is saying. You don't have to try and do the two processes simultaneously. Very few people are very good at that. Having your plan means I'm listening, I'm receiving the information, I'm taking my notes. And then I pick from my list of where I've come up with some other proposals, some other ideas, put those out on the table. Repeat the process, asking questions can actually be very scary in some negotiations and a benefit to having a good rapport with someone is that when you do hit a roadblock, you can ask straightforward questions. Like what part of the deal specifically, isn't working for you? What are your top three priorities? What's the number one thing you want to achieve today? And people get caught off guard because they're not used to being asked directly what their



priorities are or what they want to achieve. It really helps us get that bit of information from them to shape what we then say.

Speaker 1 ([25:38](#)):

Those are crazy questions from Devon. And I completely agree with her. You don't even need to change the words she suggested you use. Now I believe one of Donncha Hughes's recommended negotiation reads to me was a book called 'Never Split the Difference' by Christopher Voss. And as part of my prep for talking with Devon, I got the book and went through just about all of it. It's a fab read and mirrors so much of what Devon says. And one point he refers to regularly is the issue of time by asking questions and listening. You are better able to control a meeting, collect valuable information and bide your time, which means you are much more likely to get the outcome you seek. But sometimes the other side of the negotiating table may set deadlines that create pressure and stress people into making decisions before they want to. So I was keen to get Devon's take on this point.

Speaker 2 ([26:36](#)):

I would say that artificial timelines are one of the biggest pressure points. I see founders, a lot of investors in particular, I'm seeing do this with what to you and I might seem like an obviously sneaky approach of sending a text on a Friday night saying, you know what, we really need this term sheet signed by Monday morning or the deal's off the table. That's just a pressure tactic. Monday morning isn't the real deadline. Why on earth would Monday morning suddenly become when we need to have this deal done. But for a founder, this creates an incredible amount of stress. They can fall subject to.

Speaker 1 ([27:15](#)):

Holy moly. For a founder getting that message. I imagine their first reaction is likely to be panic and their second will be to cave into the curve ball demand. But what should they do Devon in this kind of situation?

Speaker 2 ([27:28](#)):

I usually take a kill them with kindness approach. Really glad you're excited to move forward. Dear Mr. Mrs. Investor. My team and I are going to need more time to think about it. I'll be able to get you a response by Wednesday morning. Will that be okay by yourself? If the response is, 'No Wednesday morning is not okay', this magical 48 hours that suddenly they need, that's a red flag. Maybe someone you don't want to be getting onto your cap table.

Speaker 1 ([27:58](#)):

When people make unseen and unfair demands like this, it's a sign that Rocky roads lie ahead.

Speaker 2 ([28:03](#)):

Definitely the red flags for me are. if someone isn't willing to give you 48 hours to think about something or a week or two weeks, whatever time you need, red flag. if they're not willing to take the time to walk through a deal with you, the big part of negotiation is both being on the same page. Understanding where you are before you start trying to change it. If they won't take an hour to walk to every item in that deal with you, red flag, they're not going to take the time to support you or work with you later on.

Speaker 1 ([28:37](#)):

Devon. Your advice is clear and pragmatic. Now you have tremendous experience of working in the corporate world and you've created your own small business in Paris and now work with many startups. With that experience and context in mind, how do you view these two different worlds in terms of negotiation? And what's the learning for entrepreneurs?

Speaker 2 ([28:59](#)):

The big difference in those worlds is that the corporate world still unfortunately has a lot of very toxic negotiation practices that crush them and win. Be the victor at all costs. We're very much short-term focused. Everyone just wants to hit their quarter or hit their year to get their promotion and move on. And a lot of those very negative techniques find their way into the startup world because that's what founders think they have to emulate. When they look to the guidance on negotiation, a lot of it is corporate based and they think they need to behave like the guy banging his fist on the table in the boardroom till the deal they want. The big difference is that in a startup environment, you really need to relationships to last. It's going to be those sustainable relationships. The network you're building that will take you farther because very few founders only have one project. This might be their first or their second, but there will be eight, nine or 10. And then every single one of those launches, every single one of those companies, they found they're going to need to rely on the goodwill, the community they've built to move them forward most helpful.

Speaker 1 ([30:07](#)):

And that now Devon brings me nicely onto a pet subject of mine. Young startups typically trade with bigger organizations, sometimes much bigger organizations. And it can be very easy to feel like the intimidated David up against the giant Goliath in a negotiation situation. Is this natural. And what advice can you share to help startups who feel intimidated?

Speaker 2 ([30:31](#)):

Definitely natural, to feel like the underdog, to feel like the little guy, to feel that we have to do whatever they say or whatever, take whatever they're offering us, because we're just so lucky that they're dealing with us at all. I'd say the way to fight that is to figure out the reason why they're actually talking to you because no one has free time. No one is booking meetings or doing negotiations with startups, just for the heck of it. They have other things to do. There's a reason why they are there. So they might be the largest corporation in the world, but you know what? They don't have the subject matter expertise that your team has. If they were going to innovate internally, that would take them several years and tens of millions of dollars because they are slow dinosaur movers. There is a reason why they have put time in their schedule to speak to you. That is your source of power. That's why they need you.

Speaker 1 ([31:22](#)):

So this should be all part of mapping.

Speaker 2 ([31:25](#)):

Definitely. You're doing the research you want to see. For example working with a startup in the food tech space, they're talking to a big bank, a high street bank. Everyone knows the bank's name. The bank probably has the technical capability to come up with whatever the startup has come up with. But you would do the research. What has their innovation looked like in the past? Who have they had in the news, who's been interviewed? Have they tried this before and failed? That's why they're talking to you now, the startup, because they weren't able to accomplish what you're bringing to the table, getting that lay of the

land, who was involved, what departments they have, where they failed in the past really helps you find that kernel of power that you've taken with you gives you the capability to say, no, this still doesn't work for me, but here's something like us.

Speaker 1 ([32:15](#)):

Great. And a reminder for me too, since we've just mentioned that word mapping, which is one part of your trinity structure. Mapping, translating and asking. It's about time. I asked you about the 'ask' that final, but oh, so important stage of effective negotiation. Can you share Devon how people should approach the, the ask phase?

Speaker 2 ([32:36](#)):

It's the part of a negotiation that gets people the most stressed out, it's taking all those great ideas and thoughts and theories and putting them out into the real world. The way to get really good at asking in negotiation is to practice practice, practice. There is nothing too small to be negotiated. A big thing I find with founders is that they want to wait until it's the giant exit deal to somehow then learn to negotiate. Wrong. Your first negotiation is when someone asks you for an 8:00 AM phone call and you would rather it be a 10:00 AM phone call. It's small, relatively inconsequential. If it goes well, it goes well. If it goes poorly, the world doesn't end. Being a founder means looking for opportunities to negotiate anywhere. You can, things that make you more effective, more efficient things that will make your work more enjoyable. Cause we love a hustle, but it doesn't have to feel horrible. Asking, asking, asking for all the small things, build your confidence helps you make the mistakes low stakes situations. So when you get to the big ones, you've already got that muscle trained.

Speaker 1 ([33:46](#)):

Devon, you've shared how people should negotiate effectively. And like many other guests on this show, you have referenced the fact error is natural, but learning from mistakes is the key to progress. So to give our listeners a head-start on this issue, where do you find startups get negotiation wrong?

Speaker 2 ([34:06](#)):

We've discussed the big thing of getting it wrong is rushing, trying to do it too quickly. Trying to make an enterprise type deal, work on a startup schedule may be impossible. The other mistake that they tend to make because they are so busy as they try to outsource their negotiation to a third party. So about 50% of the people I have contacting me are actually asking me to negotiate their deal for them. And I say, thank you for thinking of me, but no, that's not what I do because you need those relationships as a founder because the negotiation is in part about getting the first deal done. But the real value in that negotiations, what happens on day two ink is dry deal is done. Something goes wrong. How are we going to navigate and negotiate in that moment? If all they ever know is that they've negotiated with Devon smiley.

Speaker 2 ([34:58](#)):

You don't want to have to keep calling me up every week to try and resolve your other issues for you. You need to have that strength, that confidence, that experience with the negotiation yourself. So do not outsource to a third party. The other mistake startup founders tend to make as being way too casual. The maybe it's a generational difference. I work with a lot of very young founders. But negotiation isn't something for WhatsApp or texting. We need to be a little more professional. It's a phone call. It's a Zoom call. It's capturing whatever we've said by email and a story about how this has gone quite wrong is I sat

down with a founder who was on the verge of going into litigation with one of their sub-contractors. Things hadn't been delivered, quality wasn't up to par, payments hadn't been made. It was a bit of a mess.

Speaker 2 ([35:53](#)):

And I sat down with them and he said, well, let me show you how the negotiation went. And he pulled out his phone and he started scrolling through WhatsApp messages. And this had been the negotiation that was now on the verge of litigation. Like, okay, the problem one, why were we doing this on WhatsApp? It's fine to coordinate. Hey, are you on the Zoom call? Here's the link logistics. Great, love it. But let's not dive into quality issues. Relationship building on WhatsApp. We're far too casual. We respond way too quickly. Little fingers of fury, thumbs of fury. As we type out quick messages to people and tone is entirely lost. No matter how many emojis you're using tone is lost. So though it may work with your team, but what may work for logistics step away from doing your negotiations to casually. Being a little more uptight will take you a long way.

Speaker 3 ([36:54](#)):

A third mistake founders tend to make is having too many cooks in their negotiation. This will mean maybe there's a co-founding team. There's three people. There's three different voices showing up in that negotiation. Sometimes it's ego-driven. Everyone wants to play their part to put their little fingerprint, their thumbprint on the deal, but you really need a lot of discipline to have a multi-person negotiation. One spokesperson, one note taker, someone there to observe two of those three people have to keep their mouth shut most of the time. So I see founders get into the trouble that they want to be very democratic. They want to have a lot of decisions made by a group. They bring everyone into the negotiation and then it falls apart because they accidentally contradict one. Another, someone sets up a side channel there's emails going on over here. While phone calls are happening with someone else, it devolves into a mess. So not a lot of cooks at the table, keep them behind, help them have having other people help you build your sandbox that you then take into the negotiation. Don't allow too many voices to be at the table with you.

Speaker 1 ([38:05](#)):

Get that completely Devon and linked to the issue of working as a group. Do you recommend people role-play practice, especially if they are preparing to negotiate a big issue with an investor client or supplier?

Speaker 2 ([38:17](#)):

I do love a role play. I think that I avoid doing it when I do workshops or training because all of a sudden it's like everyone's trying to win an Oscar and it becomes very much dramatic, more dramatic than it needs to be. But having a role-play between founders with someone like a coach with the friend who you love dearly, but is very good at being difficult. Someone like that to test you, to poke you, to actually try to get a rise out of you can be a good way to battle test for negotiation.

Speaker12 ([38:49](#)):

And when you say someone tries to get a rise, do you mean someone tries to get you to react emotionally rather than rationally? So you are knocked off your stride?

Speaker 2 ([38:59](#)):

Yes, exactly. To, to push back a little too hard to play the broken record, to be completely illogical. In what they're asking you for in that role-play so that you get a sense of what it feels like to be confronted by that.

One of my biggest learning experiences in a negotiation, unfortunately not in a role-play it was a real live active negotiation was having the person across the table from me, start to raise their voice and actually start to call me names. Exact terminology was what would you know, you're just a stupid little girl. And to have those words come out of the mouth of a New York city attorney who was being paid way more than he was worth, obviously to have that come at me in the middle of a \$30 million negotiation. I wish I had had that type of poke from someone before, because it took everything in my body to not lash out, to not respond and to not crumble.

Speaker 1 ([40:02](#)):

Geez, Devon, it baffles me that so called bright people spend years parting with a small fortune to get their qualifications. Yet they seem to treasure they're rude, stupid switch all too easily triggered by ignorance, arrogance and insecurity. And of course, when people behave like this, I imagine even the most promising of deals can unwind and collapse very quickly?

Speaker 2 ([40:24](#)):

Incredibly quick. I, in that moment that deal could have entirely fallen apart. I'm glad it didn't. We ended up in a good place. It meant he was no longer part of our discussions, thankfully but everything, it comes down to that idea of trust and credibility that you spent so long building it. And you spend so long in a negotiation getting progress, and then you can lose it in a second.

Speaker 1 ([40:53](#)):

But you managed to keep your call with the gentleman from New York?

Speaker 3 ([40:58](#)):

Well, in the moment I took a deep breath. Thankfully I was very into yoga at the time I took a big yoga breath, calmed myself down, and I, I responded with your tone is not appreciated. If it's going to continue, the discussion is over. Let's take a 10 minute break and come back. And we took a 10 minute break and I went to the restroom and I was shaking. The, the adrenaline in my body was finally pumping. My hands were shaking. Being able to practice, even phrases like that. Your tone is not appreciated. We need to take a break. Let's come back to it are great ways to train yourself as a negotiator for when the going gets tough. You have that capability, but the same sang froid, as we would say.

Speaker 2 ([41:55](#)):

Cool sang froid Indeed Devon. I have so much enjoyed spending time with you and learning as I have listened. Sadly, our time together is coming to an end. But I am keen to ask you one final question. Since I now ask guests to recommend related books and resources to listeners. Do, do you have anything you want to share with the listeners that will help them to become better negotiate?

Speaker 2 ([42:18](#)):

Two books that I would definitely recommend? And it may seem odd. I don't recommend negotiation books for the most part. I don't read a lot of negotiation books for me. Negotiation is learning by doing the more you do it, the better you get, what really helps is understanding how people communicate and how people make decisions. So I would recommend the book 'Surrounded by Idiots' by Thomas Erickson. I saw this at the bookstore, the title alone meant I needed to buy it. Amazingly, if you feel like you're surrounded by idiots, there's probably a communication issue happening. You weren't hearing them they are not

hearing you, how do we fix it? The other one is 'The Culture Map' by Aaron Meyers. And it's about how different cultures make their decisions. Within three pages of this book, I'd already realized, oh, that's why that deal went horribly wrong. I hadn't been paying attention to the fact that culturally they made their decisions differently. Absolutely, absolutely invaluable as a resource.

Speaker 1 ([43:22](#)):

That's 'Surrounded by idiots' by Thomas Erickson and 'The Culture Map' by Erin Meyer. Brilliant. Thank you. And to everyone out there who wants to be better at negotiation, I suggest you go out there and do it and get Devon's recommended reads. Meantime, I have one last task to complete Devon. It has been a pleasure talking with you here on the Startup Survival Podcast. Thank you for sharing your time, your insight and extensive experience.

Speaker 2 ([43:55](#)):

Thank you so much for having me, Peter. I've really enjoyed it. And if I may leave listeners with a challenge, it's that during the course of this podcast, there has been something pop into your brain where you've said, oh, I should really be asking for that. You have seven days.

Speaker 1 ([44:16](#)):

My goodness. Well, that was a conversation I won't forget for a long time. Amongst the many invaluable messages and lessons that Devon shared. I want to reiterate. One of them. Entrepreneurship is a long-term project and people who do well establish many long-term relationships based on trust. You've heard this theme from me before. You may think you've negotiated the best deal ever, but if that person never wants to work with you again and worse shares their bad experience with others, you've almost certainly lost far more than you think you've gained. But I think we've all benefited and gained from Devon Smiley Devon. Huge. Thanks for sharing your experience, advice and stories on the startup survival podcast. I'm so pleased you left the corporate world and decided to offer your skills and knowledge to the startup community. And for his ongoing production work thank you to my producer Duncan. And thank you to Chris for your research. And another shout out to the music sponsors 'Seajam Moths'. And of course, let me also give a final shout out to Donncha Hughes for his research and help with this episode. Last, but by no means least, without the support of LJ at the London School of Economics, as well as the SimVenture team who allow me time out to do this, this podcast would not be possible.

Speaker 1 ([45:40](#)):

The next episode published on Thursday, the 29th of July, that's the penultimate episode in this series. I'll be talking to someone I first met over 20 years ago on the main stage at the national Young Enterprise finals event in London, Alex was 18 back then and he presented like a pro. He's since gone on to have his own radio and television shows and has DJ'd to thousands of people all over the world. So if you want to know how to become a world class presenter, tune into my chat with Alex Simmons. Until then your podcast feedback is not just welcomed. It's needed. Share what you really like. And let me know the truth about what needs to be improved. And of course, whatever you're listening channel of preference, please remember to rate, review and subscribe. So until you and I meet again in two weeks' time, let me say farewell. My name's Peter Harrington, and this has been your Startup's Survival Podcast. Go well, stay safe and thank you.