

Innovative Commercial Solutions for different Industries

By Rick Wilkinson.



Everyone is aware that there is more than one way to skin a cat, but the idea of taking well-used feline references into a business meeting may not catch on in today's sophisticated high-tech world no matter how apt they may be. Geoffrey Widmer prefers to think of it as being prepared to find "innovative commercial solutions".

He points out that all too often 'buyers' and 'sellers' around a negotiating table become entrenched in set positions and when that happens at least one party - sometimes both - leaves the meeting unhappy with the result. It doesn't have to be that way. In fact the aim should always be to come away with a win-win solution.

Widmer cites one instance during 2001 at the peak of the technology boom where he was brought in at short notice to virtually rubber stamp the purchase of expensive equipment for use in his company's communications area. During the course of a meeting with the supplier it became apparent that the technology was far in excess of the immediate needs. What's more, by the time the full capacity was required the equipment would be obsolete.

Nevertheless the supplier was adamant that the equipment could only be sold as one major unit and unfortunately the prospective buyer's technical people had come to believe that a purchase in full was their only solution. It wasn't.

With some probing questions Widmer found that the equipment could, in fact, be bought in modular blocks of capacity and added to as needs grew. Not only that, but the equipment was available in perfectly reliable refurbished units. Further questioning ascertained that the refurbished units could be leased and that payment via a tolling arrangement of dollars per gigabyte per month on the usage of the equipment would be acceptable.

The strategy then became one of arriving at a mutually acceptable toll rate and Widmer was able to bring his experience of the petroleum industry into play to make the calculation. The net result was an innovative commercial solution that allowed the supplier to make a good financial return and the purchaser to buy the equipment while at the same time conserving cash and paying for only the capacity it used.

With this experience as a backdrop, the service Widmer offers to Palliser's clients is one of help and advice in understanding the value of their assets and how to hone their strategies to make best and most efficient use of those assets. At the same time he instills the ability to carefully evaluate the needs and desires of the other party's negotiators across the table.

His counsel is to leave egos at the door, move away from set positions and work ideas around by exploring alternatives. Managers must understand the commercial reality of

there invariably being an acceptable position somewhere in between the two sides of a business negotiation. Good negotiators will provide a mechanism - maybe even a concession - to break a deadlock.

Above all, he says it is important to be well prepared before sitting at the table. No good comes from rushing into a meeting without prior calm consideration of possible strategies and being forced to 'think on the run'. The consequences of failure can be very bad, personally and for the company concerned. Often the end result is crisis management brought on by a dispute or court hearing.

In short, Widmer's advice to those wanting to leave business negotiations with win-win innovative commercial solutions: "Do the homework. Don't stick to a rigid formula. Respect the past - but be optimistic about the future."

Rick Wilkinson is a long-time writer and commentator on the Petroleum Industry who has worked for a number of publications both in Australia and overseas during the past 30 years. He is currently a contributor to the weekly online petroleum service, Oil and Gas Viewpoint, as well as to the Electricity Supply Association of Australia's monthly magazine, "Electricity Supply". He is also editor of the Australian Petroleum Production and Exploration Association's quarterly magazine, "Flowline."