The Negotiating Table has Two Sides;
The Company Side and the Government Side;
How much do you know about the Other Side?

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Abstract

The author uses his 45 years of experience in the petroleum business as a vehicle to develop more effective negotiating strategies for companies who plan to obtain exploration and development contracts within the developing world. To document this, his relevant experiences as an Oil Company General Manager, the World Bank's Principal Petroleum Engineer and as an Independent Petroleum Management Consultant are described. The objectives as well as the unspoken desires of host Governments and National Oil Companies are laid out and examined. Two case studies of poorly executed negotiations are described and analyzed as to how they could have been successful had more relevant preparations been undertaken prior to their commencement.

Introduction

The type of petroleum contract negotiations that I would like to discuss today involve those between the International Oil Companies (IOCs) on one side of the negotiating table and the Government or its National Oil Company (NOCs) on the other side. The points that I will be making have not been taken from a text book or somebody else's course; they came from my own experiences. Therefore, I think that I owe you documentation as to what it is that I have learned, how it was learned and why. From this, you can draw your own conclusions.

Accordingly, I propose to put this discussion into a personal format. Over my career in the international petroleum sector, I have had an in-depth view of both sides of the negotiations. I would like to share these with you, to describe some of my experiences and to draw some specific as well as general conclusions as to how we can manage these negotiations better.

To do this, I need to build a case for the proposals that I will be making at the end of this presentation. This case is based on my experience in the oil industry, the World Bank and as an independent management consultant to various governments around the world. Please bear with me; I think that you might find much of it of interest since this type of petroleum sector experience is not common to those of us in the industry.

At the end, following the discussion, at the request of the program chairman, I have prepared a slide show of three countries that I have worked in that are of great current interest, but which probably most of you have never seen. The countries are Afghanistan, Sao Tome and Kazakhstan. For each country there will be a brief bit about the geological issues under discussion, usually a few slides of the national counterparts that I have worked with as well as some general "tourist' shots. I think that you will enjoy them.

The Oil side of the table

Most of us in this room know quite well how to deal with our side of the negotiating table: We buy the data package, we evaluate the blocks on offer for their petroleum potential, we calculate the risks, we run the economics, we develop an appropriate work program, we obtain management approval and then we negotiate.

I did this too, just like you. After I left Amoco, I joined Aminoil as a VP for International. I found that I was good at negotiating and won a number of blocks, including one here in Egypt. Aminoil however, was sold four years after I joined it. My handler from Phillips said "It has been marvelous to have met you." It was clear that I needed a new job.

Networking resulted in the discovery that the only US geologist slot in the World Bank was coming open in six months due to a retirement of the incumbent. 10,000 people in the Bank and the one position that matched my qualifications was going to be available for me, if I wanted it. That was a positive sign; I took it.

The World Bank Experience

Economic Sector Work

The first year was an immersion course in Development Banking. Most of my colleages were Economists and Financial Analysts; I had little idea of what they were saying; nor did they understand me. Over time we learned to understand one another. In Kenya I finally asked my German banker colleague "What does the phrase 'To address the issue mean? I hear it all the time." He looked at me and grinned; "It means to ask the right question."

Progress was being made and during that first year, working with Governments around Latin America and Africa, I learned not only a new language, but a new thought process as well. I began to learn how Governments think. It was a new world.

I worked with the National Oil Companies and Ministries of Petroleum. YPF in Argentina was going bankrupt at the time I joined the Bank. What were they doing wrong? My colleagues would look at cash flow, debt to equity ratios, Government subsidies. I looked at work plans, staffing, pay and incentives, discovery costs per barrel, replacement ratios, reserve to production ratios, overhead as a percentage of revenue, the list was endless.

I worked the Andean countries; Columbia, Ecuador, Peru, Bolivia, Chile. Most of these visits were one on one with the Presidents, Exploration Managers, and Production Managers of the local NOCs. The questions I had to deal with were heavily weighted towards how to be as cost effective as the IOCs that were working there.

In Ghana, my Mission Leader and I were interviewing the American educated Exploration Manger of GNPC. The Manager and I were talking through what he wanted to accomplish and why. It was his five year plan for the National Oil of Ghana and it was making sense. The Mission Leader was a British macro-economist and he didn't understand anything. Finally he asked me to translate for him. By that time I could put an exploration program into Bank Speak; I began to find my niche in the Bank.

National Energy Balances

Several years later, I was involved in developing National Energy Balances for Ethiopia and Namibia at the request of their respective Governments. Our counterparts in each case were the Minister of Energy.

These are high level overviews of how each Government deals with its national energy requirements; How much energy do they require to run their economies, from where do they get this energy, how do they use it, how much do they pay for it, what is their source of funds for these payments and how much do they charge their citizens for the resulting electric power, gasoline, diesel, kerosene and butagas?

We looked at old Soviet-age refineries, ports, loading and storage facilities, Geothermal fields under development, discovered but undeveloped gas fields, we toured large hydropower dams and huge mining facilities, we went into the market place and established the real cost and availability of charcoal. We looked at BTU-based shadow pricing for imported crude oil and electricity. We calculated the cost of refining imported crude oil, trucking it to regional storage depots and distributing it to retail outlets versus the economics of simply buying the required products. With a lot of difficulty we got to the bottom of retail domestic fuel pricing programs.

Our outputs in both cases were what we called Issues and Options papers. We listed problems or issues for the Ministers. For each identified issue, we listed a range of potential options for its resolution. For each option, we listed the pros and cons.

In short, we provided each Minister with a planning document as to how to better manage his energy sector, where the problems in this management lay and suggestions as to how to counter the problems. We proposed development programs which we would help fund, but had learned by this time to leave the ultimate decision to the Minister. Some made the correct choices; some did not.

The breakup of the Former Soviet Union

The Soviet Union collapsed in 1991. Within 18 months, the Bank had 17 new client Governments, each of whom wanted energy assessments, technical assistance, facilities modernization, computerization, management restructuring and above all remediation of old oil fields. During this chaotic period, I spent a great deal of time in Baku, with lesser amounts in Kazakhstan, Uzbekistan and West Siberia.

There a multitude of field reconstruction projects, particularly in and around Baku. There were major management issues of how to restructure the NOCs from their previous Soviet command/ control style. These had been driven by quotas without regard to cost or efficiency. The new NOCs needed more modern management systems which included profit and loss and the time value of money.

Overlying all of these discussions was the realization that the Soviets did not have the concept of the time value of money in any of their decision making practices. This impacted everything; including reserve calculations. The principle definition of reserves in the west is "those reserves that can be economically produced with existing technology." In the FSU, the cost of production was not an issue; achieving the quota was. We tried to develop conversion practices to allow the Soviet A, B and C form of published reserves to be converted into the Proved, Probable and Possible constructs used in the West. This proved to be impossible since the issue at hand was a basic difference in thought processes, rather than a numeric transformation.

I toured the old fields that surround Baku, talking to the field managers, exchanging views, listening to their stories of how the Nobel Brothers had modernized the industry in Baku about the time my father was born. I talked to the vendors as to the economics of providing oil field goods and services within an economic system that was largely non-monetary. We discussed the concept of developing "Living Museums" from these classic old fields.

Across the FSU, the oil fields provided social services for which the Government did not have the finances to provide. These services included the provision of homes, food, lodging, schooling and hospitals, which each field management provided from their own cash flow. Overstaffing may make the fields uneconomic, but it kept people employed, fed, healthy, housed and off the streets. The serious issues here were social and economic, rather than technical.

The Russian managers had virtually all returned to Russia, leaving the local Department Heads and Division Chiefs to sort out how a National Oil Company or Field Management Organization (NGDU) should be run on an unfamiliar economic basis. Record keeping was fabulous, decision making based on these records were terrible.

In the 46 older onshore fields surrounding Baku, there appears to be some 2 billion barrels of remaining recoverable oil. Without the application of modern technology from the west, the economics of field redevelopment are very difficult. Price controls on produced crude oil for domestic purposes were so low that the major IOCs would not consider taking them over. Accordingly a lot of fly-by-night "companies" from all over the world flocked to Baku to negotiate staggering deals; it was the Wild West of the late 20th century. Part of our job was to disengage the Governments from these ill considered contracts.

Exploration Promotion Programs

In other parts of the world, I undertook exploration promotion programs with Romania, Ethiopia, Bangladesh and Sudan. It was rewarding work, being at the interface between the Government and the industry. When these programs were most successful, they were highly focused scientific advertising, taken to a very high level of marketing, in which the Government had a clear view of what they wanted to achieve. They included writing and marketing technical reports on the country's petroleum prospectivity, making road shows to London and Houston, as well as presentations in their capital cities, organizing data rooms and receptions.

Romania was a spectacular success; well presented, well organized, the promotion held in the Presidential Palace and well attended, with an outstanding data room and a world class enabling envelope of petroleum laws and regulations. Bangladesh was a text book example of success, but failed miserably as corruption entered into the ranking process on the Government side.

Independent Consulting

Following retirement from the Bank, I became involved in several Governmental consultancies, each of which had specific petroleum sector issues that needed resolution. I would like to describe three of them.

Sao Tome and Principe

In Sao Tome and Principe, I became the Prime Minister's Petroleum Advisor for several years on how to deal with the international oil companies who wanted ultra-deep water PSCs to explore the over-thrust folds along the toe of the Niger Delta. These folds extended from Nigeria, across Sao Tome's EEZ to Equatorial Guinea. Discoveries had been made in the countries on either side, and early seismic indicated that there were a large number of similar structures within Sao Tome's area of control. Many of these had clearly defined horizontal bright spots. Heretofore, Sao Tome had never had any contact with the International Petroleum business and had no idea as to how to proceed.

Together, we attempted to renegotiated earlier, spurious claims to exploration rights by small, incompetent promoters, as well as some of the international seismic service providers. We were only partially successful. We negotiated a median line dispute with Nigeria which resulted in the compromise solution of the Joint Development Zone. We created a Petroleum Authority. We developed economic evaluation tools to better understand the financial structure of the proposals that the Government was receiving. We explored the concept of a Sovereign Wealth Fund to protect the prospective massive inflow of funds into a country whose gross national product was $4 million/year.

And we developed training programs to allow the young population to acquire the skills that the Oil Companies would require, as a means of insuring that the incoming petroleum wealth would trickle down into the general economy of this poorly schooled population. There was only one Secondary School in the country and those who went on to University went to Portugal and rarely returned.

Afghanistan

In 2003 through 2005, I went to Afghanistan three times as part of an Infrastructure Redevelopment Team, at the request of the Government, to assess in part, how much natural gas the Russians had left behind in the Afghan portion of the Amu Drau Basin when they left so hurriedly in 1979.

The objective was to determine if there was sufficient gas remaining to power one or more 100 MW power plants and if so, what would be specifically required to reopen the fields and how much would it cost. The required output therefore was the development of a detailed budget and work program for this remediation work.

We also looked at the small oil fields along the southern margin of the basin with a view to the feasibility of installing a small modular, skid-mounted refinery to provide liquid fuel to that area north of the Hindu Kush Mountains. We created economic balances with the cost of an installed refinery on one side, and on the other, the costs and consequences of 300 tanker trucks a day importing fuel from Pakistan.

We looked at electricity wheeling between the neighboring countries to the north; of building power lines over the Hindu Kush from the gas fields at Shebrighan, to the consuming centers around Kabul. And we looked at the cost/benefit ratios of regional pipelines along the north flank of the mountains, a regional gas pipeline loop around the end of the mountains in western Afghanistan. We also looked at the economic and practical feasibility of interconnections with a proposed transnational gas line out of Turkmenistan across Afghanistan to Pakistan and on to India.

We were in fact evaluating how to maximize the Government's economic benefits from the development of its natural resource endowment as a tool for national economic development.

Kazakhstan

Last year, I was the upstream part of an evaluation team working for KazkhMuniGaz (KMG), Kazakhstan's National Oil Company. The purpose was to undertake a forensic examination of the manner in which the Caspian Consortium was undertaking development of the giant Kashagan field in the northern Caspian Sea.

As with all Production Sharing Contracts, the costs of any field development are eventually paid for by the host government out of the cost recovery flow of production. For very large fields, such as the Kashagan, cash flows resulting from its production will have a marked positive effect on the national budget. Delays in the onset of production adversely effect national development through delays providing the required development funds.

First production from Kashagan had been promised by 2005 at a cost of $8.9 billion. By the time our examination was commissioned, the commencement of first production had slid to 2012 and costs had doubled to $19.5 billion. The National budget was, as a result, twice impacted, once by the enormity of the cost expansion and secondly by significant delay in revenue flow. The Government wanted to know why, in detail, this had occured.

This was not a straightforward investigation, since KMG was a member of the Consortium and therefore privy in theory to the decision making processes. In short, our client may have been part of the problem.

Secondly, the President of Kazakhstan had insisted on early production on a fast track basis as a condition of granting the Production License. That meant the undertaking of basic oil field construction while technical design was still in the early FEED stage of planning.

The early design did not pass subsequent HSE standards and had to be radically redesigned. There was much wastage, and subsequent issues of engineering compatibility between already constructed modules. Our client's owner was also apparently part of the problem.

The focus of the investigation lay in the methodology of the Consortium's decision making processes, the leadership of the Consortium and the manner in which these decisions were conveyed to the Government. Our mandate specifically excluded recommendations as to what KMG or the Government should do as a result of our conclusions.

Final resolution resulted in a significant penalty being paid, and enlargement of KMG's participation within the Consortium and a renegotiation of the commercial terms of the PSC so as to be more highly in favor of the Government as a form of compensation.

Subsequently, I have been asked by KMG to develop a workshop presentation for them on the subject of how to run a NOC as efficiently as a private sector oil company. They have specifically asked for a detailed examination on how Statoil is organized and managed, to use as a role model for themselves.

The Government side of the Table

I think that at this point it makes sense to summarize these observations that I have made. I propose that we stand back a bit and take a high altitude, 50,000 foot view of what Governments and their National Oil Companies really want.

I will follow this high altitude view with two examples of negotiations which did not go well because neither side of the negotiating table really understood the desires of their opposite counterpart and from this, we will draw some conclusions. I will close with a summary of proposed best practices in negotiating with Governments and their National Oil Companies.

Before moving on, I would like to make the point that this part of the presentation is not confined solely to governments of Developing Countries; it also applies to most of the National Oil Companies of Developed Countries as well. China, India, Russia, Norway, Canada, Mexico and Brazil come to mind in this regard.

Governmental Requirements – The Obvious Agenda

First, what is the Government obviously looking for? Why do they want you in their country? They are not going to ever actually tell you this, but you need to know these issues, understand them and internalize them in your negotiation strategy.

They want your help to:

a. Develop their national resource base
b. Increase their nation's economic strength
c. Create additional sources of foreign exchange
d. Increase Foreign Direct Investment
e. Conserve national risk capital
f. Acquire new technology and training
g. Job creation
h. Small business development
i. Construction of needed regional infrastructure

The case for National Oil Companies

In order to achieve these objectives, many countries, including several who are well developed, have created National Oil Companies who generally have the following objectives or strategies:

a. Economic development of the country
b. Provision of energy to the domestic market
c. Provision of jobs
d. Development of domestic markets
e. Government control over the nation's energy endowment

These issues are clearly part of the mandate of each of the National Oil Companies within OPEC, as an example.

The Not-so-obvious Agendas of both Governments and NOCs

In addition to the obvious objectives of Governments and their newly formed National Oil Companies are the more basic, more subtle principles that negatively impact these more positive reasons for wanting to have you in their country.

I would suggest that the following points are also often present and need to be recognized if you are to be successful in your negotiations:

a. Nationalism – the firmly held belief that the country does not need foreigners; that they can undertake the work themselves.
b. The opportunity to develop the nation according to the needs of the country and not according to the needs of the foreign company.
c. The desire to develop their own country according to their own plans and time schedule. In other words, to pace the development capability of the country at the rate at which its economy and population can efficiently absorb the cash inflow and make use of the new infrastructure, rather than the need of the foreign company for maximum early cash flow.
d. To maximize the development of the country's human capital; to make use of its national managerial capabilities, to create jobs for the population and in the process to develop a national technological capability.
e. A tool to direct resource development to the various areas in the country where the Government feels that development is needed.
f. Self sufficiency – We can do this work ourselves; eg. ONGC., Sonatrach, Pemex, Statoil, Sinopec.
g. Retention of the profits within the country

None of these secondary, possibly negative objectives serve the core interests or strengths of the international oil industry. The industry's objective is to maximize its return on invested capital, rather than to focus national development.

I am not putting value judgments on any of the items in either list; I am simply pointing out that they exist and the prudent negotiator will recognize this and act accordingly.

With this more detailed view of what Governments and their National Oil Companies want, I would like to give two examples of negotiations that did not take these national desires and objectives into consideration during the negotiations. This is particularly true for the second list of more negative objectives. I will focus on the consequences of this failure to be attuned to the other side of the negotiating table.

Sao Tome

This case study took place in the US headquarters of a major oil company. It was to be the conclusion of a long period of negotiations between the two parties. All major points had been resolved, only the final details of the financial terms needed to be concluded. Both sides had undertaken economic modeling of the proposed PSC and both sides were very eager to come to closure.

For Sao Tome, I had a colleague of mine in the IMF create a comprehensive model of the proposed contract. It had high, low and expected reserve cases and high, low and expected oil prices. He used the company's development costs as presented in their proposal, to ensure that we would have meaningful results. At the end it displayed for each case, the expected financial returns to both parties after cost recovery, payment of taxes, royalties and rentals. It laid out what each party would realize financially as the result of this project, if it were successful.

This was Friday; the last scheduled day for the negotiations and the company was taking a hard stand on the mechanisms of royalty and tax determinations as well as percentage of production flow designated for Cost Recovery. Much of the discussion was technical and not at all understood by the Sao Tome team. The meeting was rapidly failing and the Sao Tome team was scheduled to return home the next day

In desperation, the Team Leader asked me to address the issue and to try and bring the negotiations back on track. This was well outside of my Terms of Reference, but I agreed. I took the IMF-created economic program out of my coat pocket and laid the diskette on the desk in front of the company's negotiating team leader and asked her to give it to her economic modeler. If any of our assumptions were wrong, could she change them and rerun the cases? I wanted to insure that both sides had a common understanding of the issues under discussion. Transparency in this business is very important.

I made a short presentation on the next steps for Sao Tome, which would involve the Prime Minister presenting the outcome of this meeting to his Parliament for discussion and approval. I pointed out that if the final proceeds, after Cost Recovery, did not provide the Government with at least 50% of the resulting cash flow, including royalties, taxes, rentals as well as profits, it would not pass. This was a political reality. It was also a good deal for the company.

The mechanics of how the company would achieve this were secondary and up to them to structure the contract according to their management's requirements, but without the final 50/50 split of post cost recovery revenues, it would fail.

The Government was very anxious to have these negotiations succeed. Had the company agreed to the 50/50 principle it would have gone through Parliament and within three months it would have been law. With that, the company would have had the entirety of the Joint Development Zone between Nigeria and Sao Tome under contract, which was what both sides wanted.

They did not agree. Only several years later did they finally agree to something close to the 50/50 principle. As a result of this unwillingness to bend, the company, rather than having the entirety of Sao Tome's prospective acreage under contract, now find themselves as a lesser player in one of the original nine blocks.

Kazakhstan

Following the breakup of the Former Soviet Union in 1991, there was a land rush by the IOCs of the world to obtain the development rights for these 17 Republics which replaced the FSU.

In the case of Kazakhstan, there were immense fields that had been discovered, partially developed, or were strongly suspected to be present. It was a very attractive prospect for the industry. In many cases, the development of these fields would be technically demanding and hence difficult. There development would be complicated and with many potential environmental and safety hazards. They would therefore be expensive and well as potentially dangerous.

From the perspective of the Government of Kazakhstan, it was well aware of its potential wealth from its natural resource endowment. It wished to have this endowment developed quickly so that the resulting flow of funds could be used to undertake their newly formed nation's development. The Government knew that this could not be done on its own, without outside assistance.

It wanted however, not just the cash flow, but the technology and the managerial capabilities to undertake much of it themselves. In short, it wanted a development partnership with the foreign companies; it very strongly did not want to simply be a tax collector.

A corporate screening matrix was completed and on this basis, the Government invited each of the interested IOCs to Almaty to make their presentations as to why they should be invited to make proposals for petroleum development in Kazakhstan. It wanted technical presentations and it wanted assurances that the companies were sufficiently well financed that they could undertake such development. It wanted a short list of competent potential Development Partners with whom to negotiate. It was a well planned program and well executed. At the conclusion of this round of presentations, a number of companies were invited to present their technical and financial proposals.

One of the Majors had made an impressive initial presentation detailing the technology that they proposed to use. They presented the last three years of their audited annual reports as evidence of their financial strength. They proposed mechanisms as to how they would involve their Kazakh counterparts and train them in their proposed development efforts. In short, they were at or near the top of the short list of potential partners in Kazakhstan.

During the detailed presentations of one of the Majors, formal proposals for development were made for the fields of their choice. The negotiations were going very well. They were nearing closure on a contract when the discussion turned to how they would manage the transfer of the superb technology which they had described in their first presentation to the Kazakh Government, as part of this process of national economic development.

The talks stalled. The company was adamant that while they would make available all of their technology to the project, the Kazakhs must recognize that this was proprietary to the company, that it had been developed in their labs at great effort and cost. It represented their competitive advantage over the other companies. It was therefore highly confidential and while it would be used in the project, under no circumstances could it actually be transferred to the Government.

The talks came to an inconclusive end. Now, rather than managing the projects of their choice, which was their objective, They are a minor (but equal) partner in the consortium that is now developing several of the major fields in the Caspian Sea. It is true that they achieved some of their objectives, but they missed the grand prize through their refusal to recognize the depths of the Kazakh's desire for their own technological development.

Conclusions

So what conclusions can we draw from this collection of very real experiences with very real issues? There are several and they are very logical.

Negotiations are a logical, structured process in which both sides have objectives that they wish to achieve as a result of these processes. This is a reality for both sides.

The Oil Companies

We all know what the oil companies want; they want the cash flow, the reserves, and the production that will result from the successful development of the project under discussion.

There are less tangible objectives as well, involving the favorable return on invested capital, an increase in their corporate reserve to production ratio, reduced finding costs per barrel, barrels of production per employee ratio, and the addition of a bright yellow spot on the map included in their annual report which looks good to their shareholders.

There are in addition, the unspoken intangibles of corporate pride, the egos of the negotiating team, their desire to be seen by their management as having negotiated a very advantageous deal for their company. These intangibles are real as well, but they sometimes get in the way of coming to closure on a mutually advantageous agreement. I would suggest that they represent excess baggage.

The Governments

From the Government's side, there too, are very tangible objectives of national development, increased economic wealth, and the creation of required infrastructure, job creation and technology transfer.

In addition, however, they also have their own intangible objectives. Most of these are subtle and not easily observed unless the corporate negotiating team studies their counterparts carefully. These involve issues of trust, language, culture, familiarity with their potential partner; religion and often a preference for hand shake agreements between known parties over the structure of a formal contract based on Anglo Saxon law.

There are often the more subtle intangibles of a deep seated dislike of foreigners, xenophobia, if you will, a strong desire to develop their own nation, to be self sufficient, to control the rate of development to the rate at which such development can be absorbed by their economy and their society. They also very strongly believe that the financial benefits of this development should remain within the country.

There is in summary, a very strong national pride involved which does not look very kindly on an unknown foreigner making a profit from their natural resource development and taking the profits from the proposed project out of the country.

The Negotiating Table

Clearly, not all of these national aspirations can be realized in the course of a PSC negotiation, but they must be recognized as being there, invisibly on the table and need to be addressed in one way or another. To not recognize this puts the success of the negotiations at serious risk.

In the case of Sao Tome, the company wanted a deal highly in its favor which was viewed as extortion by the national government and was a deal breaker. Perhaps it was on the table in the form of the egos of the company's negotiating team, probably they wanted to be viewed by their management as being highly competent in what they were employed to accomplish. Economically, the deal which they could have made was fair; it was a win-win agreement and both sides would have profited. In the end, both sides got much less than what they wanted.

In the case of Kazakhstan, the company failed to realize the depth of national pride of their counterparts, their desire to be viewed as equal development partners, to learn how to use the technology of the company in return for the large profits, cash flow, reserve additions and related issues that would have resulted from the negotiations.

It is true that all of the large oil companies make use of advanced technology. The reality however, is that most of this technology is available to any company, including the NOCs, from the market place. The secret to its success lies in how it is applied by the company's talented personnel. To refuse to share this with their negotiating partners was shortsighted, I believe. It was viewed as an insult to their national pride and both sides lost the opportunities which otherwise would have been shared.

Summary

Going back to our 50,000 foot elevation overview, I would suggest that every national government has sharply defined objectives before they come to the negotiating tables. For a company to have not studied these, understood them and developed mechanisms to satisfy most, if not all of them, shows poor preparation, limited thinking and ultimately, poor performance.

In short, make sure you fully understand the other side of the table; not just what they are offering, but what they really want in return. The returns to your company will be enormous if you follow this advice.

Thank you