



**Product Leaders Alliance**



PRODUCT MANAGEMENT PAPER

# Negotiating Internally

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## Why are internal negotiations important?

It's estimated that product managers spend approximately 20 to 25% of their time negotiating with others.

Whether this is agreeing on a roadmap slot for a new feature with the development team, the timing of a marketing email, or aligning their product pricing strategies with their pricing and finance partners.

Product teams connect with practically every team within a company, and to be successful you must balance differing requirements & opinions all while keeping your delivery dates intact.

Internal negotiation skills are important to understand and leverage for your success as a product manager.

- The team charter will help establish some ground rules and encourage good habits.
- Reframing negotiations into problem solving discussions can ensure a "win-win" discussion.



# Adding Detail to your Product Plan

## The Problem with Internal Negotiations

Internal negotiations can be difficult for several reasons:

- 1. Conflicting KPIs between teams:**  
For example, the sales team may have an overall revenue target, but the product team may have a return-on-investment target.
- 2. Confusing structures:**  
No clear project ownership or undefined roles and responsibilities.
- 3. Lack of understanding of our internal stakeholder motivations:**  
Product managers sometimes assume that because we're all on the same team, we don't need to prepare as thoroughly. This can put us on the defensive.
- 4. Lack of early engagement between teams:**  
If the cross-functional teams are not aligned in the create phase this will cause a lack of alignment later.
- 5. Them versus us:**  
There is often a "them versus us" mentality between teams.



# Adding Detail to your Product Plan

## Effective Behaviours

Product managers can protect themselves against many unnecessary negotiations by setting some ground rules for effective behaviours.

This includes:

- ◆ Agreeing on a cross-functional team charter that includes shared targets. The team charter represents the governance structure of a project with clearly defined roles and responsibilities.
- ◆ Careful planning so that the talent and collaboration of a project team result in a successful project.
- ◆ Making decisions based on research and sharing that research with the cross-functional team, making it much harder for the team to negotiate arbitrary changes.
- ◆ Having clear, hard limits (such as the launch date) and sharing these widely. Having a reputation for not negotiating on hard limits will encourage more constructive discussions.



## Reframing Negotiations as Shared Problems

Reframing negotiations as shared problem solving is a much more effective way to negotiate internally. This is because negotiations can be perceived as a “win-lose” situation, whereas shared problem solving can be positioned as a “win-win” situation.

In particular, if you have agreed shared targets, such as delivery dates or revenue generation, as part of the team charter, then anything that threatens those shared targets becomes a shared problem.

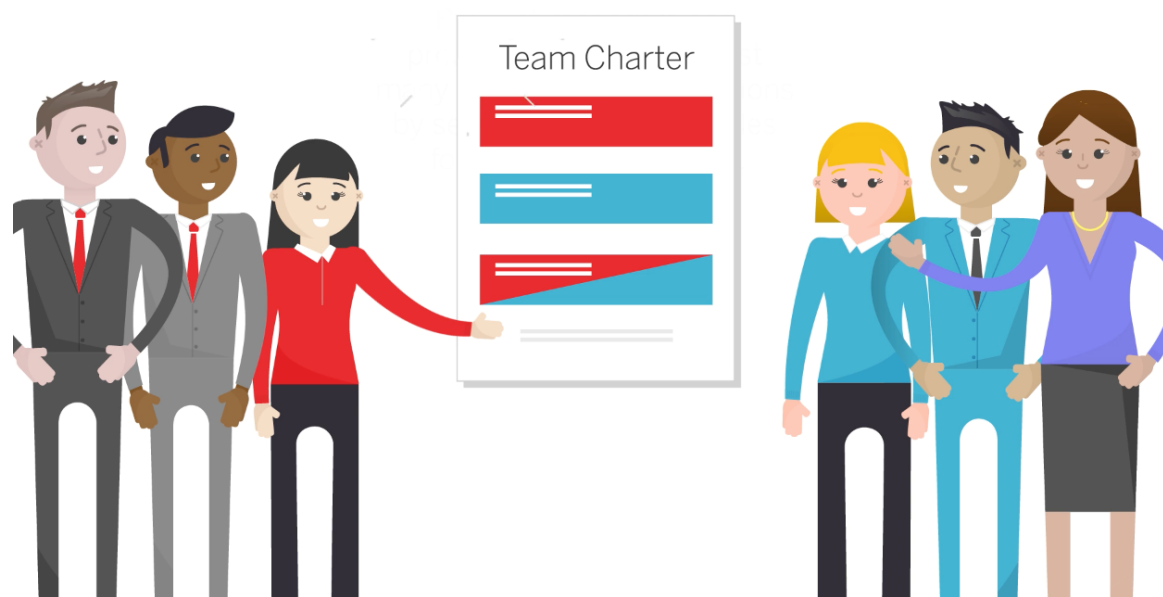
Now, we can apply recognised problem-solving techniques that will bring you together rather than pull you apart.

Let’s look an example of this in action.

## Team Problem Solving

Bob, the development manager, has asked to meet with Peter, the product manager, to discuss a missed development milestone. From the outset, Bob starts to negotiate a new launch date.

Peter reframes Bob’s negotiation into a shared problem based on the fact that the team would not hit its targets as agreed in the team charter.



# Adding Detail to your Product Plan

Peter uses active listening techniques to understand the reasons for the delay. Bob shares that he and his team are under immense pressure to deliver another project for a regulatory deadline.

Peter and Bob look at the market drivers and financial forecasts relating to Peter's product and re-establish that moving the launch date would be a mistake.

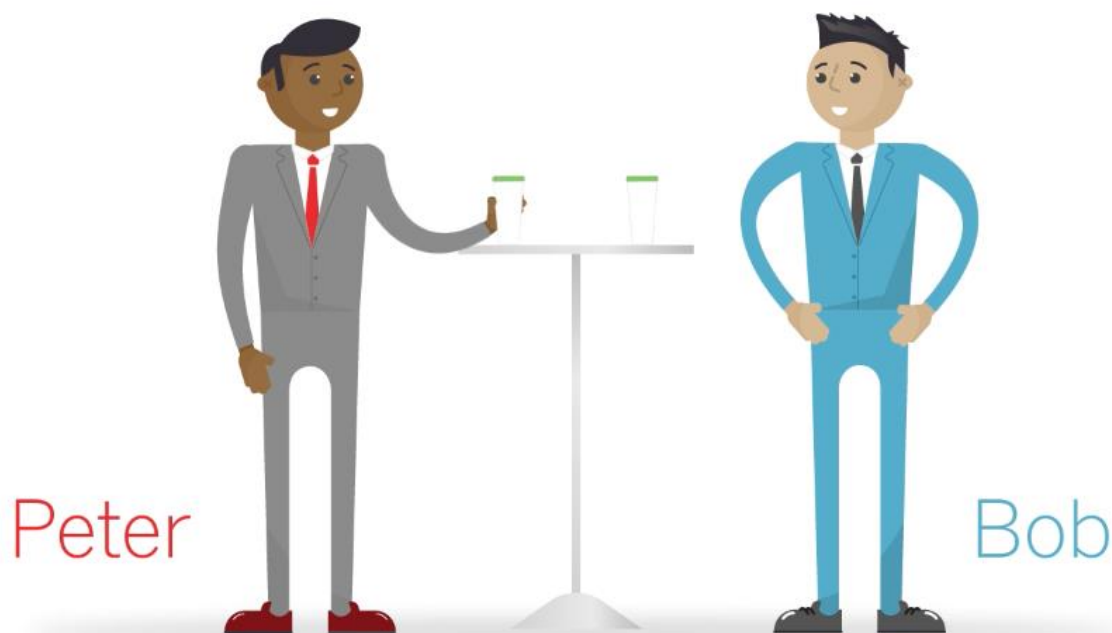
Now that they have agreement, they have a shared problem. Furthermore, they've reinforced their shared goal of holding the launch date and they're motivated to work together on a solution.

Peter identifies some items on the backlog that can be held back for launch, as he's only committed to an MVP to their two launch partners.

Together, Bob and Peter write a short but impactful proposal for their finance stakeholder showing that an increase in spend for some temporary resource will show an excellent return on investment, because the launch date has important commercial implications.

Bob takes an action to set up a meeting with their finance stakeholder and present their proposal.

Peter and Bob leave the meeting feeling like they're both on the same side.



# Adding Detail to your Product Plan

## Conclusion

A Team Charter template can be a great way to communicate the shared goals of your next cross functional project.

to summarise the team charter:

- It is created at the start of a project
- in a group setting
- and contains agreed ways of working
- shared targets
- and commitments from cross-functional team members to achieve the shared plan.

Remember roles and responsibilities must be fully documented and adapted to suit the size and complexity of the project. Team member skill sets should also be taken into consideration.

Let's summarise what we've learned in this paper:

- Internal negotiation skills are important to understand and leverage for your success as a product manager.
- The team charter will help establish some ground rules and encourage good habits.

Reframing negotiations into problem solving discussions can ensure a "win-win" discussion.

It is created at the **start of a project**;

in a **group setting**;

and contains **agreed ways of working**;

**shared targets**;

and **commitments from cross-functional team members** to achieve the shared plan.



## Get involved

We appreciate your feedback and thoughts. Join or start a discussion on market mapping. Share your examples, ask for feedback, let us know how it made a difference to your business.