

Ten Million More, Please!

Matthias Schraner negotiated in hostage-takings for the German Government. Now business executives shall learn from him BY KATRIN WILKENS

Only his mirror image can look as hard-nosed as he himself

Matthias Schraner's favorite word is "difficult". But when Schraner, Europe's best-known negotiator, says "difficult" with a friendly expression on his face, it does not mean that there is a problem somewhere. It means: "I need time." This word helps Schraner to sit through eight-hour negotiation marathons with ease. Even through the whole night, if necessary. When Schraner says "difficult", it is like a local politician declaring that they want to "build bridges" or "overcome challenges"—acoustic sugar candy that looks great but does not provide nourishment.

Matthias Schraner, 52, negotiated for the German government in hostage-takings and kidnappings. He has been consultant to the United Nations, to large corporations like the German Railways, and to their opponents, the unions. And when a super-rich woman calls and asks him to help her in her divorce negotiations with her husband, he does that as well. Negotiation professionals like him are free of ideologies, otherwise they would not be able to negotiate so well. Schraner's biography taught him to make no big distinction between bovines, politicians, and criminals.

Schraner used to provide personal security for Franz Josef Strauß

Schraner is the son of a Bavarian farmer. When he finished school he worked in the riot police, then was responsible for the security of Franz Josef Strauß, joined the drug squad and, after earning an administrative-law degree, worked as a negotiator at the Federal Ministry of the Interior. Today he manages his own firm, the Schraner Negotiation Institute in Zürich. His team includes 47 employees, and among his clients, he says, are "almost all Dax Corporations". He is married to a good-looking extreme mountaineer, has four children, likes to cook, runs marathons, plays the piano. He is tanned, athletic, witty, quick on his feet, and when he lightly steps up to the podium, he looks flawless. A total professional with a profession that has no room for doubts. And where too many new things are unsettling. He says, "I've already read all the books that interest me in my life."

Who is this man who is so sure of himself? Can managers learn something from him? Is it possible to translate the negotiation tactic for a hostage-taking into the corporate world?

In order to find out, one has to observe him live at one of his confidential negotiation trainings.

Schraner's condition: The name of the company he consults for must not be mentioned. Just some background: It is a mid-size company from southwestern Germany and one of the most important European representatives of its industry. They want to sell a new technology to a global corporation. Schraner is supposed to help the mid-size company get the best price for it. The amounts in question were slightly altered for this article to help protect the company's identity.

The coaching is to take place in a luxury hotel. In the evening, the managing director of the mid-size company sits in the hotel's lobby; he is nice, young, and wears jeans with big white seams, just like the German TV icon Dieter Bohlen. "So, for how much do you actually want to sell your innovation?" Schraner asks. 4.2 million Euros, the managing director replies. Or maybe 21.3 million. A final decision has not yet been made.

Two years of development—and now he doesn't even know for how much money he wants to sell his product? For Schraner, the former police negotiator, it's a familiar situation. The mid-size manager is

like a hostage-taker who has not figured out yet whether he should ask for a getaway car or rather a helicopter. Schraner nods, smiles, stays silent.

"Difficult," he says.

The next morning, Schraner faces a total of six company employees: the managing director, sales managers, purchasing managers, and logistics managers. Professionals, all of them. Of the amenities the luxury hotel where the men meet has to offer, they do not see much, because they sit in the catacombs all day long and only stagger out once every three hours to fetch some dried fruit and espresso from a vending machine.

"What is your negotiation goal?" Schraner asks. "Sales," the sales manager replies. "That's not a goal, that's a wish," Schraner says. He wants concrete numbers. Goals are measurable, wishes are "a children's carnival".

Then they talk about the price that the company should ask for its invention. The night before, some four million Euros were mentioned. And now Schraner asks: "If I say 14 million, would you say that Schraner has gone crazy?" — "Nope," a buyer says, "actually not," and suddenly the price jumps up, just like a fantasy amount, as if the gentlemen were sitting in a bar betting on how many goals Thomas Müller will score in the next Bayern Munich soccer match.

After one hour they agree that they want to get something between seven and eleven million in their negotiation with the big corporation. "You must learn that what you aim for is something different from what the corporation is thinking about," Schraner says. "They have an annual budget of more than one billion Euros, ten million are peanuts to them."

In the industry he is known for hating win-win solutions

The sales people look as if the Dalai Lama was talking to them. The Dalai Lama with the business knowledge of Bill Gates. The men, who have no heroes in their daily business, seem to long for someone showing them the way and maybe offer them a well-sculpted shoulder to lean on. Schraner knows that. He listens to a report on the preliminary talks with the big corporation. Then he says, "You sent two signals here. First: We are interested in you. This is good. And second: We want to avoid conflicts. This is bad." Because avoiding conflicts means that you cannot negotiate. Negotiating *is* conflict. "Now we need a battle plan," Schraner announces.

Then he draws a dense network of relationships onto a flip chart. He shows the relationships between seller and buyer. Loose connections are represented by a dashed line, collegial ties get a single line, and friendly ties, a double line. In the end it becomes clear that lines lead to only one-third of the people involved with the deal on the corporation side; the contacts are too sparse. Therefore, strategic luncheons must be set up. Fans of the series *House of Cards* are familiar with these preliminaries as part of an overall strategy. The sales people from southwest Germany, however, do not look like they have internalized *House of Cards*. Schraner asks, "Who in this relationship matrix is most closely involved with the opposing party?" — "I," one guy proudly pipes up. "You are out of the direct negotiations," Schraner declares. Closeness and negotiation success, he preaches, do not go well together.

In Schraner's system, there is generally one person only who negotiates: the so-called Negotiator who is interested neither in contents nor in relationships but just wants to get the best price possible. What he needs are willingness to enter into conflicts, stability, and stress-resistance.

The negotiator has a colleague, the "Commander" in Schraner's terminology, who makes sure that the negotiator does not get stuck. Most of all, the Commander needs to be able to keep quiet, and when he does say something, he should underscore commonalities in an effort to make the opponent malleable. Neither of them makes decisions, there is a third person for that, the "Decision Maker". He is somewhere else, has no direct contact with the negotiators but in the end will be the man who turns the thumb up or down. Just like "M" in the James Bond movies, he should generally be involved only in the beginning and end of a case.

The managers take lots of notes and work out who will assume what role in the upcoming real negotiations with the corporation. Next agenda item is the strategy. First option: Apply pressure and show

little willingness to cooperate. Like a hostage-taker. "Getaway car or I will shoot one of you," Schraner says. Second option: Give in strategically to get into business at all. Third option: a compromise that benefits both. A win-win solution, actually. Schraner is known in the industry for hating win-win solutions. How should someone who used to negotiate with suicides whether they will jump or not approve a compromise? "Could you imagine to jump just a little bit, let's say, only to the fourth floor?" No, this isn't Schraner's thing. Instead, he tells his negotiation team about the fireman's suit that, as a police negotiator, he once got for a man who wanted to jump from a building. Schraner had realized what the biggest problem for the man at the edge of the roof was: "Oh darn, how do I get back down here without anyone recognizing me?" The fireman's suit is incredibly important in negotiations, Schraner finds, "because without it, you are forced to remain tough in negotiations. The fireman's suit is the key to success." For the mid-size company that could mean that they wrestle a good price out of the corporation but offer a maintenance warranty free of charge, thus giving the opposing negotiators something to show for themselves.

By day's end, there is a plan. Schraner defined a concrete goal, a network strategy, and assigned roles for the negotiation. The people from the mid-size company are satisfied. Now they have to put into practice what they learned.

Any prognosis whether this will work? Difficult.

Legendary Negotiators

"Ben Wisch" saves hostages

The SPD politician Hans-Jürgen Wischniewski negotiated for the German government in 1977 that the hostages in the hijacked plane "Landshut" were freed. He liked to start negotiations by saying, "Before we say anything about the contents, I would like to tell you what I think you want."

A Brit ends apartheid The young Brit Michael Young works for a mining company in South Africa, in 1985 he organizes the talks between the South-African government and the ANC, Nelson Mandela's organization. They last five years, lead to Mandela's release from prison and to the end of apartheid. Today, Young teaches negotiation seminars, also for corporate managers.

"Silver Fox" solves Iran conflict Because of her gray hair the media call her silver fox. In 2015, the US-American Wendy Sherman (photo, with John Kerry) succeeds in brokering the deal that shall prevent the building of an atomic bomb and gradually lifts the sanctions against the country.