



## Dealmaking - The Power of Planning

Published on June 13, 2017



Kim Meredith  
CEO at The Dealmaker Company

👍 29    💬 2    ➦ 3

In a previous article I mentioned that one of the biggest threats to your deal is neglecting to plan. Planning allows dealmakers, even those with very few dealmaking skills or the weakest imaginable positions, to find power.

Knowing the strengths and weaknesses of your business or team; having a strategy, knowing what your key issues are, what your Ball-Park will be and who to include on your dealmaking team are all factors that are vital to the success of your deal.

### 1. The SWOT Analysis

A SWOT analysis is a good place to start your planning. This might seem like a simple tool but it is one used by some of the top business minds in their projects and business ventures. A SWOT analysis enables you to determine your Strengths, Weaknesses, Opportunities and Threats.

This dealmaking tool is relatively easy to use and there are lots of SWOT models available on the internet. The clarity a SWOT Analysis give you is hugely valuable.

**Strengths:** Internal characteristics of your business or team that give you an advantage

**Weaknesses:** Internal characteristics of your business or team that give you a disadvantage when compared to others

**Opportunities:** External opportunities to make greater sales, profits or deals in the environment

**Threats:** External elements in the environment that could cause problems for your business or team

## 2. Create A Strategy

When you go into a deal, you need to have a strategy – one that outlines:

- What you want
- How you are going to get it
- What information you will need
- What your key issues and priorities are
- Where your opening position and bottom line will be
- How to make the first move

Don't be tempted to develop your strategy around an existing structure. It will be like buying a pair of shoes that you like, but that don't really fit you. You can squeeze your feet into them but you will never be able to walk properly.

## 3. Define Your Deal

You'd be surprised to know how many people go into deals not knowing what they want or expect, hence the importance of defining your deal. There are three basic steps to defining your deal.

### Step 1: The Issues

Identify all the issues relevant to your deal – what you want from the deal. Brainstorming with your team is a good way to do this. Divide your list into critical (Key) issues and less important (Secondary) issues. You should have around three to five Key Issues, the balance of which will be your Secondary Issues. Focus on your key issues and use the secondary ones for leverage.

### Step 2: The Ball-Park

Define your Ball Park by determining a Likely, a Bottom Line and an Opening position for each of your Key Issues.

- Likely – realistically, what do you expect to get? What is your target? Set this first.
- Bottom Line – this is what you are prepared to walk away with, your limit, the point beyond which you will not go. Prepare this next
- Opening – this is the best or highest possible position you can imagine. You still need to be realistic though. Set this one last.

### **Step 3: The Players**

The people you choose for your dealmaking team can have a dramatic impact on your power. Having the right players is therefore very important. The right people can positively affect the authority and legitimacy of your team. They can bring credibility and knowledge, and provide the support you need during the dealmaking preparation and process. There is comfort and strength in having a structured, well-disciplined and well-briefed team.

Happy dealmaking!

---