



EPISODE  
231

THE DEAL ROOM

Ask Me Anything – What is the best way to approach emotions in negotiations? with Farzin Hesari

## The Deal Room Podcast

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## Transcript

**Joanna:**

Hi, it's Joanna Oakey here and welcome back to The Deal Room podcast, a podcast proudly brought to you by our commercial legal practice Aspect Legal. Now today, we have a bit of a different show. We have our Ask me anything episode today. So these are questions that I have been provided by you as the listeners or along the way along the journey in our day to day practice that I want to provide answers to for in a quick podcast session. So today, I'll run through a few. And we will be integrating this into our podcast from time to time. Now if you have a question that you'd like me to answer then please send it to us at [podcast@aspectlegal.com.au](mailto:podcast@aspectlegal.com.au). And we'll put that link in the show notes. Now here we go with very quick session for you.

**Joanna:**

Farzin welcome along to this segment, one of our exciting new segments called Ask me anything. So this is over to you Farzin. How about you ask me anything? What do you want to know?

**Farzin:**

Well, so here's the thing. We've been around, you know, some challenging transaction,

**Joanna:**

We are in business are with acquisition challenging transaction? What are you talking about?

**Farzin:**

If there was a reality TV show to be made. It has to be made for business brokers because there is more drama in there than anything. They need to make it. There's need to be one. So one of the questions I had was, I guess, emotion, and strategy, right? Emotion plays a big part. When tensions are high, as advisors ourselves yourself, we're there to ensure a successful transaction can happen with what we refer to as a efficient deal where a good deal for me is not a bad deal for somebody else. How do you ensure when I guess when you're in that room where the 11th hour, the vendor or the purchaser don't tend to agree on a certain clause that could be this the most inescapable tiniest little condition on a contract that could have the whole deal fall apart? What advice would you give your either your purchaser, client or your vendor?

**Joanna:**

Do you know what Farzin? That is such a good question. Because emotion is I believe, behind 80% of the issues that happen in these transactions absolutely is. And it's really interesting, because I've thought about this topic a lot, because I can see it happening a lot. And in fact, I have a keen interest in human psychology. So psychology was one of my, one of my majors, next to law when I was studying, and I just loved it. And it's been the most useful education, I think, to support the work that I do in this industry. Because understanding people is the key, I believe, to making transactions work, understanding people, and understanding process, there's two things here. And they're interlinked, because I think the first thing is education, buyers and sellers should be educated about the emotion that they're likely to face during a deal for sellers.

And, you know, we of course, we have a whole heap of different types of sellers. And when I'm talking about emotion being an issue in a large number of transactions, I'm probably talking about that sub \$5 million space or sub \$10 million space, actually, when when you're looking at a \$10 million plus transactions, it's actually different type of emotion, quite often more attached to ego in a deal, but but the the sub \$10 million space, we're talking about, you know, micro or medium businesses that are quite often run by the owner run businesses, or at least it's the, you know, the owner that you're dealing directly with in the transaction, and if they leading into retirement, and this has been something that they've built for years and years and years, which is quite often the case. You know, there's this emotion for them in in change, because, you know, of course, it's a period of massive change, not just for the business, but for themselves personally as they step into a new phase of life for the buyers as well. There's a lot of emotion potentially going on quite often.

We deal with buyers in this space who are first time buyers, and first time buyers can get really caught up in that emotion of the deal. Firstly, they're super excited and they just want to get it done immediately. And then if they get scared, you know, they get worried about the risk that sitting in the deal. So I think the first thing is to make sure that our buyers and sellers understand that this is a likely thing that can happen. So first thing is education. The second thing is process to try and get deal speed because I personally believe emotion comes out more as deals slow down. If you can keep deal speed up, if you can use process to push deals forward, you're going to have far more likelihood that emotion, either A won't creep up to the same extent or B won't create the roadblocks that they create.

And then the third one is communication between the parties. So keeping that open line of communication, and keeping the trust between the buyer and seller, and this is where I think it becomes very important that we are making sure that our buyers and sellers choose lawyers who understand what they're doing, and don't, you know, put the fear of God into them in relation to the transaction that they're about to do, because we all know that that can happen in the

background, and that transactions can run off course, because buyers or seller's have lawyers in their ear in the background, talking to them about risk, rather than talking to them about how to make sure they get a good deal done. So they go, that's my three points.

**Farzin:**

You know what, if I was a client that was looking for a solicitor to represent me, I will come to you right now. Because there's been so many times where our brokers say to us that I need lawyer, they know that cost us a deal, because it dragged this out for so long. And the process was so it could have been quick process. But no, they had to build all these except conditions or clauses in there because they had to get a win for their client and they couldn't raise it, you know, and it cost a deal. You know, and unfortunately, and I'm not going to please I think this is the wrong way. Our job, we don't get paid until the deal is done. Right.

But if I was decided that solicitor gets paid irrespective whether the deal goes ahead or not, right, so I'm sure they get their billing hourly rate in there and they've got their invoice paid. But you know, the accountant or maybe even the, you know, the broker, the advisor was doing a deal, like costing the customer the deal because one side, the broker had to do certain things that just wasn't right. You know, our team of Melbourne in 30 groves in Melbourne, we'd love to hear from you. Because we need more lawyers lucky to help us handle the transactions that we do. Because this will be so refreshing for them to go hear what you just said, and go, Oh my god, this is the kind of lawyer we've been looking for someone that gets a deal and expedite things where have you been.

**Joanna:**

Well, we try our hardest, but also, you know, the first thing comes from, I guess, understanding, you know, the industry we're in the issues that that can be created and how to try and get ahead of them. That's the first thing but and the second thing is education. And you know, I'm very committed to education for free for our audiences, this podcast is for free. We're up to episode, I think 230 or something now.

So there's a lot of education for buyers and sellers out there, you know, absolutely for free. Obviously, I've written this book and a whole heap of stuff there. So I think that's education. And providing accessibility of education is another really key thing, but process. And you know, we talked about this in an earlier podcast, we recorded Farzin and the importance of constant innovation, you know, and I'm deeply committed to that.

But it requires a lot of effort. And you talked in our episode together about sort of, you know, really, I could see how much commitment you had to the concept of innovation, you know, through time and effort and money. And, you know, we have that same commitment to innovation and you can't innovate without that, but I absolutely believe that, you know, to get to a great outcome for our clients, we must continue to innovate and make the process better.

**Farzin:**

I couldn't agree more. That is music to my ears.

**Joanna:**

Fabulous. Well, we've got two more minutes if you have a last ask me anything, but you don't have to have a last ask me anything.

**Farzin:**

No, I got one. This is probably more from Emily than I am because this was her idea.

**Joanna:**

Okay, give me Emily's ask me anything.

**Farzin:**

I think Emily's heard my stories many, many times. So she has been in these meetings with me over the years. What I would ask is, you know, and I would relate to this. What would you tell? A 10 year younger version of yourself 10 years ago? What would you tell that person? what advice would you give them?

**Joanna:**

Wow, I wasn't expecting we'd go there and I just I just must point out no Emily is also in our recording room for anyone who's not sure. I'm not sure if Emily will make it to our recording videos or not. But just in case, people are sitting there wondering "who's Emily?!" "what is he talking about?" Okay. So Emily wants to know what would I tell myself 10 years ago? Oh, holy Dooley. That's a really good one. Do you know what? I think the first one is back yourself? That's a critical thing, isn't it? You know because I think so many of us sit here and have ideas. But implementation of ideas requires commitment, and a certain strength of belief that you can pull things through. So I absolutely think it do.

You know, on that night, I was working through with our team, we working on our processes, I told you before, the process is really important to me, we're working on our process. So I have the whole team together, and we're working on the processes. And I on Earth, something that I'd built about probably six years ago, maybe five or six years ago, and I just went, oh my god, like I built this. And then I had this moment of Ah, maybe that's not the right way to do it. Maybe, you know, and a few people sort of said, oh, you know, I don't think this will work that way.

I don't think and so I stepped back from it, you know, and so the message to my cell five years ago, not 10 years ago, but five years ago would have been back yourself commit to the process, because I know in looking at it when when I opened it up today, I just went you know what I was so on the right track there and we're going to commit to finishing this right now. Because that was 100% right track. But you know, I second guess myself, and, and I think great things come out of backing yourself. So do you know what I'm going with backing yourself and daring to think differently and forcing yourself to think differently, but give yourself the space to be able to do that because nothing can be created without the discipline, the time and the resources you know, so that's what I'd say.

**Farzin:**

Amazing. Well, that's amazing. Emily did you hear that?

**Joanna:**

Emily's in the room nodding for anyone who can't see. Great work Farzin and thank you so much for coming into the Ask me anything today.

**Farzin:**

Thanks for having us. Appreciate it.

**Joanna:**

Well, that's it for our Ask Me Anything episode today. I hope you found that useful. Now we've got a few more of these in our podcasts coming up soon. I find it invaluable to be able to answer these top of mind questions whether they're from our guests, our audience or our client. Now if you have a specific topic or question that you'd like us to discuss then submit your Ask Me Anything questions to [podcast@aspectlegal.com.au](mailto:podcast@aspectlegal.com.au) Or check out the show notes to this episode where we will link right through to an email for you to submit to submit your Ask Me Anything questions and an important reminder that if you would like any legal assistance with matters that you're working on at the moment, then don't forget you can book in for an initial free call directly with our Legal Eagles at Aspect Legal by heading to our homepage at [aspectlegal.com.au](http://aspectlegal.com.au) - Well, that's it for me today. My name is Joanna Oakey, and you've been listening to another wonderful episode of our podcast proudly brought to you by our commercial legal practice Aspect Legal See you next time.