



# A New Job Is on The Way – The CNO (Chief Negotiation Officer)



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93% of business leaders are in favor

In new research from McKinsey & Company, published in World Economic Forum, 93% of business leaders reported “great interest” in introducing a new role to improve negotiating results: that of chief negotiation officer. Furthermore, 70% agreed that a “negotiation centre of excellence” would have a broad impact on negotiation outcomes for their suppliers, customers, and M&A efforts.

By investing in dedicated negotiation deal teams committed to building skills, organizations can develop and incorporate a form of negotiation DNA into standard procurement practices.

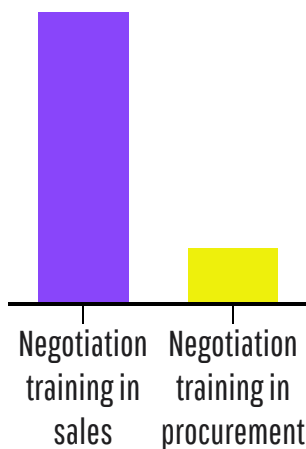
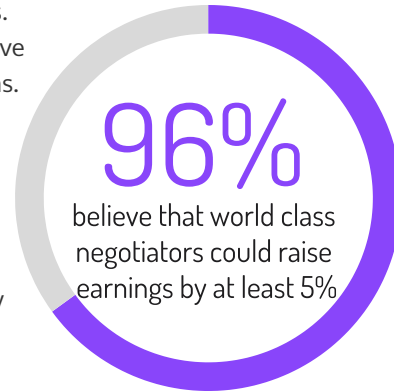


## Raise earnings by at least 5%

Yet even though artful negotiation is often the key to unlocking value in commercial contracts, CEOs and CFOs tend to stick to M&A agreements or financing deals. But there is substantial added value from broader world class negotiation maturity.

While introducing a new C-suite position or creating a centre of excellence won't happen overnight, 75% felt a CNO role will materialize within the next three years. There are also steps senior executives can take today for positive business and ESG impact tomorrow through better negotiations.

96% of the CEOs and CFOs interviewed suggested that the world-class negotiators in their organizations could raise earnings before interest and taxes by 3% or more, while the majority still believe the potential of at least 5% EBIT improvement. Yet the study found that few companies are truly at the top of their game in essential elements of successful negotiations.



## Underinvestment in negotiation training

Underinvestment is often stark: research shows that on average, sales professionals receive at least five times as much negotiation training as their procurement counterparts.

You could argue that procurement are filling out RFP's and preparing spreadsheets, while sales are focused on closing the deal.

# Conclusion

Negotiation is a management strategy, and I am happy to learn that this awareness is spreading among business leaders. The findings in the Mckensey & Company study, are very interesting and identical to my research results. Huge potentials are left on the negotiation table, without either party identifies, capitalize or utilizes that value. I believe the organization, that will lead the way in this transition, will celebrate enormous victories through improved negotiations and increased financial outcome.

Several successful companies I have studied, have already implemented a world-class negotiation organization, that across departments, are focused on improving negotiations.



[Link to the study published in World Economics Forum](#)

