

# Generation Entrepreni and The Emergence of New Business and Deal-Making Paradigms

By Simon Haigh BA (Hons Law), MBA, FAIM, GAICD

## **ABOUT THIS ARTICLE**

There is growing discussion about how Generation Y (also known as Millennials) and Generation Z, whom the author collectively describes as “Generation Entrepreni”, is changing the business landscape through their behavioural attributes. Is it also a coincidence that these same attributes happen to be aligned with good deal-making behaviours? This article provides insight into this fascinating discussion. It is written in an accessible, easy to read, no-nonsense style and should be of interest to company executives, sales managers, self-employed business people. In fact, anyone who needs to make a deal.

## **KEYWORDS**

Millenials, Generation Y, Generation Z, Deals, Deal-making, Deal-closing, Business, Entrepreneurs, Negotiation, Technology

## **PREVIOUS PUBLICATIONS BY AUTHOR**

Simon Haigh. 2016. Deal-making for Corporate Growth - the 7 P Approach to Successful Business Deal Execution. Dublin, Ireland: Oak Tree Press (foreword by best-selling author and leading business coach Marshall Goldsmith);

Simon Haigh. 2001. Contract Law in an E-Commerce Age. Dublin, Ireland: Round Hall Sweet & Maxwell- 2001

## INTRODUCTION

To varying degrees, and at different times, we all strike deals (agreements or similar economic arrangements) in business and in other aspects of our lives. Every person or organization engages in deal-making at some point, regardless of whether they are aware of it or not. We possess the innate ability to get what we want through selling, negotiating and other means – remember when you used to stamp your feet to make sure you got your own way? As I state in my book **Deal-making for Corporate Growth - the 7P Approach to Successful Deal Execution**: “We are born with an instinct for deal-making. Some people retain that deal-making instinct and develop it as they age, while others lose it for many reasons such as social conditioning or lack of practice. And so, many of us are poorer at deal-making and thus miss out on better outcomes”.

The nature of deal-making has undergone some paradigm shifts in keeping with the emergence of new generation of companies such as Uber, Classpass, Airbnb, Deliveroo, Netflix, Wework, Tripadvisor and Trov. Minimal click purchasing, rapid delivery, real-time order status updates and online feedbacks and reviews are becoming the new modern norms. How many people nowadays book restaurants and accommodation online without first checking prior online reviews?

Generation Y (or Millenials) are identified as those who were born from the 1980s to the late 1990s/early 2000s, and Generation Z as those who were born from the late 1990s/early 2000s (of which, see Bryan Lufkin. 28 February 2018. The post-millennial workforce. [www.bbc.com](http://www.bbc.com)). I describe these two groups together as Generation Entrepreni, and ask to what extent, if at all, the behavioural attributes of Generation Entrepreni are shaping these shifts in the nature of deal-making?

## Generation Entrepreni and The Emergence of New Business and Deal-making Paradigms

---

The concept of younger generations influencing the way organisations conduct themselves is not new. For example Jack Welch, while chief executive of General Electric in 1999, requested 500 of his key managers to pair up with younger workers to be “reverse mentored” in learning how to use the internet most effectively. Consumer, technology and innovation trends are heavily influenced and/or driven by the tastes, consumption and social media influencing patterns of younger generations. The influence of social media on brands together with growing technology use is contributing to changing the business landscape. Having grown up online, in an instantaneous “tweet world” of influencing, rapid feedbacks and constant technology iterations and versions, Generation Entrepreni contributes to informing, shaping and driving efficient, connected and “always-on” business.

According to a survey of the current, and future, impact of millennials on M&A strategy at the annual **Ernst & Young Deal Economy conference: Predictions & Perspectives for 2017**: “The rise of social media is also making it easier to launch and scale and start-up company – particularly in the consumer space”. The increasing ease in accessing business establishment tools, such as [incorporator.com.au](http://incorporator.com.au) and crowd funding, is also making it easier for Generation Entrepreni to get more directly involved in business.

Are these changes in business paradigms, driven largely by the behavioural attitudes of Generation Entrepreni, which in turn has been informed by the rapid, high speed, networked environment in which they were raised, also reflected in their deal-making attributes?

### **Good deal-making requires flexible and adaptable deal strategies**

Business is unpredictable, not least as macro and micro-economic factors are always changing. Deal-making in business is even more unpredictable, as it has its own particular set of obstacles, difficulties, and surprises that invariably arise: factors such as ego, dubious business ethics, corrupt practices, a “head in the sand” mentality, anger, greed and so on, add extra layers of uncertainty to the business mix.

Many things can go wrong in a deal-making journey, such as derailing tactics from the other side, unhelpful egos amongst the stakeholders, internal or external blockages or simply that the business environment changes during the deal-making process.

Being flexible in following a deal-making strategy and constantly monitoring and analyzing risk parameters are important ingredients for ensuring successful deal-making for corporate growth. In addition to being flexible, a good deal-maker also needs to be open to change and to learn from successes and mistakes in prior deals.

As discussed elsewhere, “The skills of the Millenials to be flexible and easily adapt to change, besides their digital skills, are core features of companies today”.

<https://www.morningfuture.com/en/article/2017/07/19/reverse-mentoring-the-alliance-between-juniors-and-seniors/38/>.

Generation Entrepreni has a pre-disposition to being flexible and nimble, driven largely by the instant social media world and constant technology changes. Possibly because it has grown up in the more transient, higher turnover “gig economy”,

Generation Entrepreni is also open to taking chances, is adaptable and not afraid of failing in the process. The fact that Generation Z, in particular, has grown up during the recent global recession has influenced its desire to be driven, but not at all costs. These are all deal-making positives.

### **Good deal-making requires good negotiating skills**

#### **The Cambridge Dictionary Online ([www.dictionary.cambridge.org](http://www.dictionary.cambridge.org))**

defines negotiating as: "To have formal discussions with someone in order to reach an agreement with them".

The ability to negotiate successfully requires honed interpersonal skills for maximum success. An accomplished negotiator can confidently ask for the outcome he/she is looking for, provided of course it is within reasonably achievable parameters. Armed with the skills of an accomplished negotiator, and provided he/she communicates in an effective, meaningful and authentic way, a good deal-maker should not be afraid to ask for what he/she wants in a deal. Not least given the way that it is educated to challenge ideas, Generation Entrepreni tends not to be lacking in self-confidence, with a "can do" approach to doing things. With these skills, Generation Entrepreni should be generally well armed for negotiation.

### **Deal Priorities and Values**

As part of the deal-maker's planning and preparation phase, it is essential to decide his/her key issues and priorities. For example, what his/her opening position and bottom line (see below) need to be established and how and when to make the first move. Only then can the deal-maker realistically prepare his/her arguments and proposals.

That said, he/she should resist the temptation of getting so fixated on achieving one issue that he/she loses sight of the relative, or potential, importance of other issues at play.

Deal-making requires an appreciation of what is important now, plus the ability to predict what will be important down the line and to balance the two. This requires a pro-active, observant approach to deal-making. Given that Generation Entrepreni has, through its endless access to online information sources, had ample opportunity to watch, monitor, discuss and learn from the failings of prior generations would suggest that it is well placed to take an informed and measured view in deal-making circumstances.

In deal-making, it is essential not to rush the first step of identifying and prioritizing all relevant issues. There are essentially two types of issue at play:

**Primary issues:** Including location, size of deal, price and so on;

**Secondary issues:** The “nice to haves” but not essentials.

Once the primary and secondary issues have been worked out, the deal-maker is ready to enter what I have called the “deal zone.”

To define the deal zone, it is necessary to research, prepare and stress test the following positions (in order) for each of all primary (and some secondary) issues:

**Likely outcome:** This is the dealmaker’s realistic target to achieve;

**Bottom line:** This is the deal-maker’s absolute worst-case position at which he/she will walk away from the deal;

**Opening position:** This is the best possible position the deal-maker thinks he/she might achieve.

The key outcome of defining the deal zone is to enable the deal-maker to eventually land somewhere between his/her opening and likely outcomes.

Developing the deal zone is really about determining how each side values the issues at play and identifying the zone in which a potential deal is possible. That zone should be a flexible win-win one. As **Ronen Gafni and Simcha Gluck. 2014. The New Entrepreneurz- Changing the way you play life: Wiley** put it: “The New Entrepreneurz understand that they can win the game without beating someone else down in order to do so”.

As **Ronen Gafni and Simcha Gluck. 2014. The New Entrepreneurz- Changing the way you play life: Wiley** put it: “The New Entrepreneurz are purpose driven, strong believers in smart work and great collaborators”. In referencing values in deal-making, as a rule, Generation Entrepreni is motivated by a sense of purpose, which often transcends traditional, more Baby-boomer/Gen X concepts of winning at all costs. A higher meaning than pure monetary reward, work-life balance and quality of life, is often a motivator for Generation Entrepreni. As such, the goal of creating a good deal for both parties through mutual value satisfaction is not only possible, but also the only really sustainable way to do business and one, which Generation Entrepreni should be well suited to achieve.

### **It is important to ask the right questions to get the right answers**

The use of direct questions is the time-honored way of gathering information from people willing to share it, but the questioning needs to be done in a careful, measured, thoughtful way.

Face-to-face questioning also gives a deal-maker the invaluable opportunity to pick up on the hints, gestures, suggestions and other subtleties that accompany the response. After all, the whole point of asking questions is to help the deal-maker explore and frame his/her “deal zone” for the deal and, in the process, to find out what the other side needs and wants.

Generation Entrepreni likes to learn and is not afraid of asking questions and seeking opportunity through interaction, so is arguably well placed to ask the right questions to get the right answers.

### **Information and knowledge enhance deal-making power**

Careful planning allows the deal-maker to frame his/her preparations for maximum effect and maximum deal power, highlighting potential deal strengths and weaknesses and providing him/her with the ability to fix any holes in his/her position. Good deal-makers do not cut corners in their planning. As a first step, they conduct a comprehensive assessment of relative power between both sides. Relative power directly impacts the deal-maker’s ability to execute deals. In fact, relative power is one of the most important factors that can determine the outcome of a deal.

Deal power is a frame of mind and can be developed. Even if initially it looks like there is a significant imbalance of power between both sides, by being smart, diligent and measured a good deal-maker can readjust that imbalance, for example, by moving the discussion away from price to quality or some other emotive subject.



Power is not static. It usually ebbs and flows during a deal and can change sides very quickly. Whether he/she likes it or not, a deal-maker's power is always influenced by his/her credibility, legitimacy, knowledge through information, authority, appearance and influence. Perception is an extremely powerful power source in deal-making: perceived power can be as powerful as actual power. Generation Entrepreni, and particularly Generation Z, appears to be particularly adept expert at managing perception, and even influencing others through self-brand projection on social media platforms in particular suggests that it is as well placed as any generation, and probably more so, in the perception power stakes.

It is important for a good deal-maker to focus on building the appearance (or at least the perception) of his/her own power.

### **In a corporate environment, recognized types of power include:**

**Personal organizational power:** This is based on a person's position within the organization's hierarchy. Generation Entrepreni tends to enjoy working, and thrives in a collaborative environment. It prefers to foster less hierarchical, closer, diverse structures within organisations where information tends to be freer flowing which, as a rule, tends to bolster its personal organizational power. As **Ronen Gafni and Simcha Gluck. 2014. The New Entrepreneurz- Changing the way you play life: Wiley** put it: "Knowing that they can win, and win faster through others, New Entrepreneurz always seek collaboration. Sharing platforms, creating joint ventures and smartnerships, and opting to expand the pie for everyone makes each action reverberate with power".

**Resources power:** This is comprised of the breadth and depth of resources at a person's disposal. Technology clearly plays an ever-increasingly important capital aspect within business. Generation Entrepreni has grown up with technology solutions and social media and its mastery of the opportunities that such digital platforms can deliver to them brings them a potential significant advantage.

Technology and the associated increased access to precedent information for informed decision making can open up the market, reduce the power gap between parties, reduce costs by cutting out expensive middlemen and increase the speed and efficiency and effectiveness of the deal-closing process. Clearly, Generation Entrepreni is best placed to avail of the benefits of technology usage in deal-making.

Digital dexterity is second nature to Generation Entrepreni and it is availing of the full suite of technology benefits to start-up, run and publicise business ventures. Technology itself is reinforcing the power of those who can master it best.

**Shared history power:** This is based on insights from prior interactions with the other party. Generally speaking, the more the deal-maker knows about the other side, the more he/she can plan and prepare his/her way to an effective strategy against them to optimize their deal (though, of course, this power is available to both parties). As Donna Fenn, author of **Upstarts! How GenY Entrepreneurs are Rocking the World of Business and 8 Ways You Can Profit From Their Success** puts it: "Millennial entrepreneurs tend to be highly collaborative, and less protective when it comes to ideas," so Generation Entrepreni's ability to reinforce its shared history power balance is arguably accelerated.

**Informational power:** This is where a person has access to important or valuable information. Information can clearly build the deal-maker's power. It follows that, as information underpins knowledge, converting information into knowledge produces the opportunity for even more power. Understanding the relevance and importance of information, and how it can be leveraged can assist in building the deal-maker's power. The more a deal-maker knows about what is unfolding, the more he/she can reliably assess your position, develop his/her strategy and then plan how to best execute the deal. Not only is information relevant to the inter-party dynamics, but good information management skills are also essential in corporate deals to avoid wrong decisions. Given Generation Entrepreni tends to embrace collaboration and flatter organizational structures and therefore, two-way free-flowing information sharing, it is again well disposed to bolster its informational power balance.

### **Networks and relationships increase your information base and deal Power**

The closer the deal-maker gets to knowing the intentions, desires and assumptions of the other side in a deal, the more likely he/she is to ultimately getting what he/she wants from the deal. So, using networks and relationships is a very important additional way for deal-makers to gather the all-important information they need, which then enhances their knowledge and ultimately their power. This is particularly the case if the network or relationship connects the deal-maker to the key decision-maker(s) on the other side.

**The Pew Research Center - <http://www.pewresearch.org/fact-tank/2017/07/31/millennials-and-gen-xers-outvoted-boomers-and-older-generations-in-2016-election/>** has affirmed that Generation Entrepreni is history's first "always connected" generation and so its networks are geometrically increased as a result.

Whether these increased networks are always effective is another question, however.

### **Good communication is critical for effective deal-making**

The “to and fro” of a successful deal is hinged upon both parties getting what they want from it. Good communication is critical for good deal-making. Letting the other side know what the deal-maker wants and, at the same time, letting the other side be under the impression they can also get what they want in return, is essential. Listening to counterproposals, and being flexible during the entire process, is also critically important.

A good deal-maker employs carefully selected words and uses smart gestures. He/she also actively listens to the words used by the other side, while being very alert to their subtle signs, gestures and other clues.

But, be aware that, even with language itself (let alone non-verbal communication), there are vast differences between cultures that give different meanings to certain words such as “reasonable” or “progress.”

The fact that Generation Entrepreni appears to be more culturally, sexually and racially tolerant than its predecessors in its attitudes, preferences and communication manners certainly appears to auger well for a “culturally competent”, collaborative and innovative deal-making communication mindset.

### **Good deal-makers see the bigger picture**

Despite the best efforts in putting a good deal on the table, the vagaries of deal-making mean that things can, and often do, go wrong. Not all deal discussions will result in a successful deal. Sometimes deadlock or dispute will arise.

Be aware that a “No” from the other side does not always mean that the deal is at an end. Too often parties walk away at this point, but many times in deal discussions I have heard “No” and yet I have seen a way forward. A good deal-maker will use “No” as a cue to reframe and try a new tactic. Be aware too that not consummating a deal does not always mean failure. It might even be the right outcome – perhaps there was not really a deal there. Given that Generation Entrepreni has grown up in a fast-moving, ever-changing world, it is perhaps well oriented to being comfortable with a “No”, approach to business.

### CONCLUSION

There is little doubt that Generation Entrepreneurs is impacting the business landscape, for example in the technology, innovative, collaborative solutions and consumer markets. This is perhaps not surprising given that Generation Entrepreneurs has grown up online, in an instantaneous, digital “tweet world” of rapid feedbacks and constant technology iterations. The environment in which Generation Entrepreneurs has been raised, of rapid, high speed, networked communications, has clearly shaped their behavioural attributes and so also their business choices.

It also happens to be the case that Generation Entrepreneurs appears to possess many of the attributes required for good deal-making. Generation Entrepreneurs has a pre-disposition for being nimble, adaptable to change, flexible, with a self-reliant, self confident “can do, give it a go” attitude. It is not afraid of taking chances and perhaps failing in the process. Its sense of purpose, collaborative spirit, increased tolerance and accommodation for freer flowing information share are all positive factors in Generation Entrepreneurs’ deal-making capabilities. Does this new body of Generation Entrepreneurs attributes represent evidence of a new deal-making paradigm, being a generation of accomplished deal-makers uniquely placed to shape the business and deal-making landscape? Alternatively, is it just a manifestation of convenient coincidence, shaped by the environment in which Generation Entrepreneurs has developed? What is clear is that, as with all suppositions, the answer will lie in the judgment of future generations.

**Simon Haigh**

### REFERENCES

Simon Haigh. 2016. Deal-making for Corporate Growth the 7P Approach to Successful Business Deal Execution. Dublin, Ireland: Oak Tree Press

Bryan Lufkin. 28 February 2018. The post-millennial workforce. [www.bbc.com](http://www.bbc.com)

Ernst & Young. 2017. Deal Economy conference: Predictions & Perspectives for 2017

<https://www.morningfuture.com/en/article/2017/07/19/reverse-mentoring-the-alliance-between-juniors-and-seniors/38/>

[www.dictionary.cambridge.org](http://www.dictionary.cambridge.org)

Ronen Gafni and Simcha Gluck. 2014. The New Entrepreneurz- Changing the way you play life: Wiley

Donna Fenn. 2009. Upstarts! How GenY Entrepreneurs are Rocking the World of Business and 8 Ways You Can Profit From Their Success

<http://www.pewresearch.org/fact-tank/2017/07/31/millennials-and-gen-xers-outvoted-boomers-and-older-generations-in-2016-election/>