

THE BOOK OF AGREEMENT

10 Essential Elements for
Getting the Results You Want



Stewart Levine

*Contains 30 model agreements for
business, professional, and personal uses*

An Excerpt From

***The Book of Agreement:
10 Essential Elements for Getting the Results You Want***

by Stewart Levine
Published by Berrett-Koehler Publishers

CONTENTS



Foreword	xi
Preface	xv
Introduction: Welcome to the World of Agreement and Resolution	1
<i>Business Organizations</i>	7
<i>The Government</i>	9
<i>The Not-for-Profit Sector</i>	9
<i>Changing Personal Demographics</i>	9

PART I

THE FOUNDATION: LAWS, PRINCIPLES, ELEMENTS, AND TEMPLATES

13

CHAPTER 1	The Law of Agreement	15
CHAPTER 2	The Ten Essential Elements of Effective Agreements	26
CHAPTER 3	Three Facets of Agreement	39
CHAPTER 4	The New Mindset: Agreements for Results	44
CHAPTER 5	Are They Legally Binding Contracts?	55
CHAPTER 6	When Conflict Surfaces: The Resolutionary Model	60

PART II

ORGANIZATIONAL APPLICATIONS

67

CHAPTER 7	Employment Relationships	69
CHAPTER 8	Senior Executive Teams	74
CHAPTER 9	Agreements with Suppliers	78
CHAPTER 10	Sales Agreements	82
CHAPTER 11	Team Agreements	90

CHAPTER 12	Diversity Agreements	94
CHAPTER 13	Learning Agreements	98
CHAPTER 14	Joint Venture Agreements	103
CHAPTER 15	Agreements Between Departments	108
CHAPTER 16	Performance Appraisal Agreements	113
CHAPTER 17	Feedback Agreements	117
CHAPTER 18	Delegation Agreements	121
CHAPTER 19	Board of Directors Agreements	125
CHAPTER 20	Stockholders Agreements	129
CHAPTER 21	Stakeholders Agreements	133
CHAPTER 22	Community Agreements	137

PART III**PROFESSIONAL AND BUSINESS RELATIONSHIPS****141**

CHAPTER 23	Consultants	143
CHAPTER 24	Personal Coaches	148
CHAPTER 25	Therapists	152
CHAPTER 26	Physicians, Dentists, and Healthcare Practitioners	156
CHAPTER 27	Realtors	162
CHAPTER 28	Building Contractors	166
CHAPTER 29	Financial Planners	170
CHAPTER 30	Lawyers	173

PART IV**PERSONAL APPLICATIONS****177**

CHAPTER 31	Agreements with Yourself	179
CHAPTER 32	Agreements with Spouses or Domestic Partners	182
CHAPTER 33	Agreement Ending a Marriage	188
CHAPTER 34	A Nuclear Family Agreement	193
CHAPTER 35	Agreement with Extended Families	197
CHAPTER 36	Agreement with Parents	202
CHAPTER 37	Agreement Between Parents	205

PART V

CREATING A CULTURE OF AGREEMENT AND RESOLUTION

211

CHAPTER 38 The Benefits of a Culture of Agreement	213
CHAPTER 39 Creating a Culture of Agreement: Managing by Agreement, the New MBA	220
CHAPTER 40 Designing an Implementation Plan	233
Endnotes	237
Selected Bibliography	239
Index	241
About the Author	247

FOREWORD



Why is this book so needed?

As a former freelance legal secretary/paralegal who worked for more than five hundred lawyers in every field of law between 1976 and 1995, I can recall hundreds of cases where even a little of Stewart Levine’s compassionate common sense would have made a huge difference in people’s lives. Upon reflection, three themes emerge.

Too many contracts are poorly drafted. A single sentence in one contract ran for three pages. Comprised of a dizzying array of “whereases” and “wherefores” that were countered by several “notwithstandings,” the sentence supposedly answered two simple questions: “When does one of the parties have to pay a late fee to another party? How much?”

Most of the contracts I helped type over the years were perfect examples of what Stewart calls “fear-based” agreements. They were designed less to support whatever vision people wanted to accomplish than to limit liability should something go wrong. Because it is impossible to foresee all problems, fear-based contracts are more likely to lead to confusion (and further lawyer fees) than to create clarity and satisfaction.

Fear or misunderstanding of the contract process prevents many people from seeking the help they need to craft good agreements. A woman I’ll call Mary was forced by a court to sell her home at below-market value to a tenant who was the son of her close

friend. Though Mary had intended only to rent her house temporarily while she was out of the area, she had signed a contract (drawn up by a real estate agent who was a friend of her friend) that contained a very unfavorable “option to buy” clause.

“When I protested that clause,” Mary later said, “I was told it was just a formality. When I thought about getting a lawyer to represent me, I remembered my father’s warning that the fastest way to ruin a good friendship is to bring a lawyer to the table. I also assumed that because the agent was a friend of a trusted friend, I could trust him. By the time I realized how untrustworthy he was, I’d lost my house and my friendship.”

The heart and soul of the legal system contains processes for helping people deal with their worst aspects and bring out their best. Like most people in long-term relationships, I’ve been tempted to walk away from my wedding vows. The temptations were most frequent during the early 1990s, when my husband John was out of work, three close relatives were dying across the country, and I was doing a lot of overtime work as a legal secretary to pay the bills. During that time, I had a vision of my current business, and I was blaming my husband for the fact that I wasn’t moving toward it faster.

One day, while looking through the thick files of a contract negotiation, I was stunned by the beauty of it all. Out of these notes and letters and drafts emerged a story of two clients I’ll call Joe and Janice, who were going into business together. Unlike Mary, Joe and Janice were each represented by good lawyers who helped them take off their rose-colored glasses and get clear about what was needed to make their common dreams work. Yes, Joe’s lawyer was there primarily to support him, while Janice’s lawyer was there to support her, but together they were committed to creating something bigger than either of them. Like the people who had stood with John and me at our wedding, the lawyers were witnesses to hope and reminders of the hard work that would be necessary to fulfill that hope.

Soon after that realization, our marriage strengthened as my attitude toward law shifted, and vice versa. I began to see that the

legal work I was doing to pay the bills was not something separate from the best in our life but an essential part of it. The habits I had to develop in order to work for lawyers, like being attentive or trading assumptions for clarity, were also basic lessons for satisfying life and creative work. I began to see that contracts for such mundane things as renting a house or building a business could be as meaningful as the covenant of marriage.

Frustrated in my search for people who were interested in talking openly about such matters, I searched the Internet under the words “spirit AND law.” Of the perhaps four or five names that showed up, only Stewart Levine lived nearby.

Stewart Levine in person is much like Stewart Levine the author. He has that rare gift of making me think simultaneously, “Wow! What a great new idea!” and, “Oh, yeah, everybody knows that, but why didn’t anyone say it before?” Then, with his usual simply elegant style, he creates a wonderfully fertile climate that generates more new-old ideas.

Stewart’s first book, *Getting to Resolution*, was brilliant. Combining legal experience with human wisdom and a sense of humor, it shows how to create an “attitude of resolution” that leads naturally to a new relationship in which the parties can heal, grow, and create a new vision for their life or work.

In *The Book of Agreement*, Stewart has distilled the best of the contracts process, stretched it, deepened it, and broadened it. I can imagine that because of this book, many artists and lovers and business people will take time to ponder such questions as “What do we want to create?” and “What do we need from each other to make that happen?”

I don’t imagine that *The Book of Agreement* will make lawyers obsolete. Stewart Levine is not out to denigrate the legal system. For many years he has been in the forefront of a movement to reclaim the best of the system and to create new ways to better serve the needs of clients, lawyers, and the public at large. *The Book of Agreement* offers attorneys some much-needed guidance in crafting agreements that are simpler and truer to the needs and visions

of their clients. For individuals and groups, *The Book of Agreement* offers information that sharpens our discernment skills. When do we need a lawyer's help, and when are we called to do our own work? When do we need to trust traditional wisdom, and when do we need to create new ways of crafting and fulfilling agreements? How do we know when we are well served by another and when we are not?

Because *The Book of Agreement* is a ground-breaking book, perhaps it should come with a warning: Do not read if you are determined to protect your prejudices or your limited view of the world. Stewart's thoughts will leap off the pages of this book and into your mind and heart. They will not go away. Instead, they will stir your own thinking and dreaming. You will no longer be satisfied with a world that's hampered by complicated contracts. Instead, you'll be more willing to take on the work of creating clarity based on thoughtfulness and mutual respect.

Thank you Stewart!

Pat Sullivan

Founder, Visionary Resources

Former columnist, *San Francisco Chronicle*, Business Section

Author, *Work with Meaning*, *Work with Joy*:

How to Bring Your Spirit to Any Job

PREFACE



I was walking down Market Street in Philadelphia when the idea of “agreements for results” first emerged. I had recently hired a highly touted guru to help me figure out my next career move. We were trying to take my experience and articulate an innovative service offering a wise, trustworthy, skillful “recovering” lawyer might provide. That was an important point on the odyssey that has been my quest for the past twenty-five years. I had been looking for the way to create cultures of agreement and resolution within all of our social institutions so that we can reduce needless and costly conflict. At that time my experience included:

- New Jersey Deputy Attorney General
- Ten years practicing law, including many civil and criminal trials
- Time with a boutique Manhattan law firm representing public corporations, doing complex real-estate transactions, and structuring then-legal tax shelter syndications
- Six years in the AT&T marketing department serving major national law firms while AT&T was going through divestiture
- A teaching fellowship at Temple University Law School
- Reflections on my personal mission and social contribution

Through my responses to a series of questions I started to see the

positive vision of agreements as “road maps” and “wilderness guides” for people who were moving into unknown arenas. I kept having the vision of trusted advisors helping clients navigate major life changes and transitions using the vehicle of “agreements for results” to develop a positive vision for their future. Making this a reality has been my consuming passion. It is not easy to establish a new perspective. The dominant culture likes its way of doing things. Fortunately, when things were really rough, I could turn to the wisdom of people like Dr. Scott Peck, who reminded me that “many are called, few choose.” It has been a long journey, but my voice is now part of a growing chorus.

We collaborate by forming agreements. The agreements are either expressed (spoken or written) or implied (assumed). Usually, the cause of conflict is the lack of a clear agreement. Either we did not take the time or we did not know what we needed to talk about to craft an effective, explicit agreement. It is surprising that this is a skill we were never taught, given that crafting agreements with others is a fundamental life skill. This is especially true in view of the huge cost of conflict that results from our implicit, inartful, incomplete agreements. These agreements do not effectively express a joint vision or generate a collaborative partnership. One cause of the agreement breakdown is that the process of forming the agreement is seen as negotiating in an adversarial process through which you try to win.

Because of the way we have been conditioned by our culture, for most people, negotiating an agreement is experienced as an adversarial process. Most of us have been conditioned to function in a “me versus them” context. Negotiating is a process within which you try to advantage yourself. The negotiation is not held as a process intended to express a clear joint vision, with a road map to desired results. *I believe everyone would benefit greatly if we embraced the idea of creating agreements for results and stopped negotiating agreements for protection.* The new thinking in *The Book of Agreement* is to shift the context of the process of forming agreements from an adversarial win/lose negotiating to a joint visioning

process that articulates an inclusive vision of outcomes and a road map to the composite of desired results that everyone agrees on. It is a fundamental shift from the traditional idea of agreements for protection that focus on providing remedies for what goes wrong to designing agreements for results that express a joint vision that satisfies everyone. The idea is to shift our thinking from “you *or* me” to “you *and* me.”

As a young lawyer, I often worked with people who had to resolve conflicts in court. They usually ended up in a courtroom because their thinking and attitude (or the thinking and attitude of their advisors) toward conflict made their situation worse. But behind that attitude is something much more fundamental. Conflicts were generated because people’s agreements were incomplete or inaccurate. This revelation had greater clarity when I stopped practicing law and my work required forming new business relationships. As a business developer, with the primary goal of creating relationships, I quickly realized that most people do not know what dialogue to have that will generate a collaborative agreement.

This is true in partnerships, joint ventures, inside organizations, between organizations, and in personal relationships. It happens because we are conditioned to negotiate for protection! It’s understandable. We never learned a core competence for effective living—making agreements for results that embrace others as real partners with whom we want to succeed. Instead, we have become stuck in a competitive model that says it’s them or me, not them and me. This book provides that fundamental life competence that would have been very useful to learn when we were young.

As I started working with these new agreements with clients, I noticed how excited people became and how simple it was to create a new framework for any form of collaboration. The simple shift in perspective had me thinking I had invented sliced bread! As a lawyer, I had some initial concern about the “legality” of the agreements I was preparing. I quickly realized that the agreements did have legal effect, but that was not their purpose. Much more

important, they provided a new lens through which to view the world as I shifted my perspective from an adversarial orientation of “how can I win by protecting my client more than you protect your client” to the idea of “how can everyone get the results they desire from this collaboration.” I came to realize that although creating a meeting of the minds was very important, it was also important to create a meeting of the hearts. That is what I was doing, and that is why people were responding so favorably. Almost fifteen years of preparing agreements for results have taught me a lot about their value. I will do my best to share it with you. The following paragraph sums up our current thinking and is a core message of this book.

It is always important to remember that just beneath the anger of a conflict that results from a poor agreement is the sadness of a disappointed expectation. Someone anticipated and expected a specific result that did not happen. This book shows you how to minimize the conflict of disappointed expectations. Following the templates in *The Book of Agreement* enables collaborators to manage each other's expectations by making the specific purpose of the collaboration explicit.

This book shows us how to minimize the adversarial element we may bring to the negotiation process by shifting the focus from what can go wrong, and fighting to protect against it, to a process of jointly visioning the results everyone wants to produce. The book provides tools for preventing and managing *future* conflicts by addressing *present* differences. Its models help people forming new collaborations deal more effectively with differences of perspective and the many unknowns of a partnership so that they can work together to create stronger long-term collaborations, prevent hostility, and better manage conflicts that do surface. In the process of crafting an agreement for results, people have the expe-

rience of true collaboration as they articulate needs, concerns, and fears. This leads to covenantal relationships and provides the foundation for enduring collaborations.

Acknowledgments

Special thanks to Marsha Shenk for asking the right questions. Her listening helped distill what was positive and profound from my rant against lawyers and the legal profession.

Thanks to Steve Piersanti for seeing the contribution, then promoting and coaxing what I was not quite ready to do. Kudos to the entire Berrett-Koehler staff for the many things they do, from marketing to distribution to managing the office. They are an amazing group with a noble mission. Profound thanks to the five manuscript reviewers, the designer Detta Penna, and the copyeditor Judy Johnstone. To pre-publication endorsers, I thank you for the inspiration of your thoughtful comments.

I am grateful to the clients and students who have taught me so much and provided a rich context for learning. Special thanks to those who have paid me for the privilege of working with them. To the early innovators, thank you for your special courage and pioneering spirit.

For friends, relatives, and family, who have provided counsel and comfort and have listened to my poetry, I am profoundly grateful. I thank Ethel and Irving for their love, Meyer and Adeline for their acceptance and strength. I thank Janet for dancing and Marty for her gracious presence, generous heart, and enduring friendship.

And to all of my perfect clients, colleagues, and collaborators who will be attracted by this book, I look forward to meeting and serving you.

Stewart Levine, June 2002

INTRODUCTION: WELCOME TO THE WORLD OF AGREEMENT AND RESOLUTION



Some people see things as they are and say “Why.”

I dream things that never were and say “Why not.”

—George Bernard Shaw

Congratulations on making the choice to read this book. You are embarking on a learning process that will make you conscious of the ways relationships, productivity, and collaboration are intertwined. This book will teach you a fundamental life skill that we were never taught. Not having this skill has been very costly. Some costs you are already aware of; other costs you will realize as you read. As you use, and continue to use, the book as a reference tool, please share its ideas with others. My vision is that by sharing ideas, we can shift from a culture of distrust and separation to one of trust and connection. You will find sections with sample agreements for (1) business organizations, including all levels of management and many facets of corporate life; (2) professionals, including realtors, therapists, consultants, contractors, physicians, dentists, architects, coaches, and lawyers; and (3) personal relationships, including spouses, significant others, children, and families.

Agreements for Results

I have not seen any written material that frames effective collaboration, high levels of productivity, and personal satisfaction as a result of explicit agreements. What makes our current perspective startling is that we have been crafting agreements, and the relationships they frame, from a context of negotiation—and the way we think about negotiation is nominally collaborative but essentially adversarial. We begin negotiating as if our collaborator were our adversary! This book sets forth an operative premise that we can arrive at a joint vision of desired results from the common ground that incorporates everyone's concerns. *Working from this premise allows us to craft agreements for inclusive results based on a joint vision of outcomes* rather than worrying about what can go wrong and focusing on protection.

Agreement Continuum Characteristics

<i>No agreement</i>	<i>Legalistic agreement for protection</i>	<i>Results based on agreement</i>
Implicit	Explicit	Explicit
Conflict	Power	Cooperation
Chaos	Fear	Collaboration

The accompanying chart illustrates the continuum of agreements, from no agreement to a results-based agreement, and shows the different relationships that develop from the approach used. When we have no agreements, we experience a sense of chaos. Everyone, when operating from self-interest, is “doing their own thing” without a clear understanding of what others are doing, and the operative concerns motivating behavior.

I believe formal legal agreements have their origin in the hierarchy of the feudal system. It's not surprising that power and fear

are infused in the process. We're using a way of thinking and processes derived from a historic context that is very different from the educated, technological world we inhabit. The same phenomenon and controlling values are embedded in the operation of our courts. That's why courthouses are generally not the place to go for justice. Isn't it time for a change?

The purpose of this book is to introduce you to the simple and powerful tools of agreements for results, whose purpose is to create collaborative partnerships. You will find templates you can use as guides for crafting your own agreements. The templates are taken from real client situations I have worked with over the past fifteen years. For privacy reasons names have been changed, and sometimes I have used composites because they are better examples. The book highlights:

- The difference between *agreements for results* and *agreements for protection*
- The *Ten Essential Elements of agreements for results*—what you need to fully discuss to create a covenant-based, heartfelt agreement
- Templates of *effective agreements* for organizational, professional, joint venture, and personal situations
- The *value of constructing agreements for results*
- The perspective of seeing the construction of agreements through authentic dialogue as *trust-generating success tools*

Getting to Resolution

Conflict usually arises because our agreement was inadequate. We can eliminate a great deal of conflict if we begin with a solid agreement. In *Getting to Resolution*¹ I provided the conversational Resolutionary Model² for resolving conflict (Chapter 6 has a good summary). The model helps you understand that the final step in resolving any conflict is putting in place a new agreement that

incorporates the terms of the resolution and redefines the business or personal relationship.

When we move into action before we have built the solid foundation of an agreement for results, we often end up in conflict that has a transaction cost attached to it. I call this the *cost of conflict*. When conflict surfaces, even when you had a good agreement, you pay the transaction cost. It includes direct, productivity, opportunity, continuity, and emotional costs:

Direct—cost of professionals to help resolve

Productivity—lost time from work or diminished capacity

Opportunity—value you might be creating

Continuity—the cost of replacing valued contributors

Emotional—dampened spirit and diminished life energy

If you can develop the ability to bypass the knee-jerk reaction in evaluating a conflict situation by thinking about winning, who's right and who's wrong, who's to blame, and who needs to be punished, then you can move straight from something that's not working to creating a new agreement for results. (It's challenging to change your thinking, but have patience with yourself!) Resolving conflict could be that simple. Until that time, you can use the Resolutionary Model to get to a new agreement when conflict comes up. I say *when* because no matter how good your agreement is, some conflict will surface. Some conflict is also likely to surface in building an agreement for a new project or relationship. The Resolutionary Model is useful in either context.

Contents

Part I contains an explanation of agreements for results, along with templates and the principles on which they are based. The principles provide the logical and theoretical foundation from which the

Ten Essential Elements arise. Chapter 3 contrasts collaborative agreements for results with agreements for protection.

Part II consists of agreement “forms” for many aspects of organizational life. Given the flattened, self-directed, entrepreneurial, globalized, virtual world we live in, these agreements are becoming increasingly important.

Part III contains samples for professional and business relationships. It addresses consumers of services and their service providers. The goal is to demonstrate the value of agreements that detail anticipated results and mutual promises and, most important, that clearly manage expectations about the nature of the relationship and set forth specifics about the promised performance of the “professional.” This can be especially comforting if you’ve never been involved with the particular kind of service before.

Just as the traditional parameters that govern organizational relationships have changed, so have those that govern personal and family relationships. It used to be that the nature of the relationship implied a set of expectations. Those implied expectations have broken down because everyone has the freedom to negotiate and articulate the unique parameters of personal relationships. Some possibilities for individuals and families are contained in Part IV.

Part V contains an implementation plan. The material of this book is not intended as an intellectual, academic experience. To understand and not use it is a waste of time. This part of the text provides a plan by which you can take control and put in place detailed agreements in all areas of your life. In *Getting to Resolution* I showed you how to get out of trouble once you’re in it. This book is about staying out of trouble. More important, it’s about *thriving*. It provides practical tools that can enable everyone to realize their vision through using the detail and power of agreements for results.

The book contains templates that may seem similar. That’s because over the past fifteen years I was personally involved with them. As you begin working with the principles, ten elements, and samples, please stay mindful of the ways they must be modified to

reflect your unique circumstances. These agreements are simple. They return us to fundamental basics we know to be true. You might say agreements for results represent a return to a “new old paradigm,” the one that was in place before we all started acting like lawyers negotiating for protection. The agreements in this book reflect what we left behind as we became “sophisticated.” My experience tells me we need to go back to these deeper fundamental truths. Although they are simple, they are not easy. The challenge is to make sure you have an agreement before you move forward.

Contexts

It is important to remain mindful of the context in which you are operating. Different rules, standards, and expectations are present in different situations. To have successful collaborations, we need to have awareness of the accepted operative standards and the ways in which they are changing. There was a time when, in most contexts, even without a clearly articulated agreement, widely accepted parameters provided standards and boundaries. We had sets of shared expectations about the way things were supposed to be, both in the business world and in our personal lives.

That has changed. In both business and personal situations, we are living in a world of globalization and free agency. Given a lack of universally accepted standards, every context opens the potential to craft an original articulation of what the terms are. The good news is that we have the freedom and privilege of “making it up” each time. The bad news is that with this freedom comes the responsibility to do so. And that requires focus and attention. The material in this book is simple to understand, but it is not easy to implement. We are not in the habit of taking the time to craft agreements for results, and most people don’t even know what they are.

The contexts addressed in this book include business organi-

zations, government, the nonprofit sector, and changing personal demographics.

Business Organizations

Agreements for results provide a clear path to follow and a road map to desired results. This is true for senior executives, for the employment relationship, among team members, for joint ventures with external organizations, and for projects of all kinds. Although this need has always been present, agreements for results are particularly important in the world of knowledge workers who are engaged in intellectual and creative projects for which there is no prescriptive path.

Historically, people went to work with the following mantras: (1) do what you are told; (2) don't make too much noise; (3) wait your turn and after thirty-five years retire from the same company where you started; and (4) pick up your gold watch at your good-bye dinner.

Organizations had multiple layers. The idea of a good “self-starter” was someone who did not have to be told what to do each morning. If you showed up dressed and groomed properly each day, you had a good chance of having a job for life. That was my observation of the AT&T culture when I went to work for Ma Bell in 1981. Things have changed—more than a little! We have undergone dynamic shifts in our organizational life. Over the past fifty years we have changed our predominating organizational culture and structure because of:

- The explosion of knowledge workers
- The end of the “job”
- Downsizing and rightsizing (whatever the euphemism is for layoffs)
- Reengineering
- Self-managed teams and organizations

- The flattening of organizational structures
- Technology and the Internet
- Telecommuting
- Unprecedented stock market participation
- Stock options
- The concept of free agency
- Brand “Me”
- The learning organization
- Merger mania
- Golden parachutes
- Executive MBAs
- Employment litigation
- “Projects” as an organizing principle
- Dot.com mania and its ongoing aftermath
- The workplace as primary community
- People relying on their “work family”
- The virtual organization
- Individuals as consultants or independent contractors
- The growth of contract employees
- Recession

Given an evolving workplace of knowledge workers with fewer rules and greater autonomy, people need navigation tools. In addition, the breakdown of the restrictive hierarchy and the evolution of project teams provides a need for tools that will help us create structure for each cross-functional project team of which we are a part. Along with the freedom to do it our way comes the responsibility to make sure it gets done—on budget, on time, and with the requisite amount of innovation. Crafting an agreement for results at the beginning of a project provides the structure that is essential for success.

The Government

At one time, the government was a great place to put in your time and collect a pension. This is no longer true—certainly not since the “reinvention of government” and for quite some time before that. Although not on the leading edge in the same way as for-profit business, the government has experienced significant performance pressure over the past twenty-five years. Everyone is demanding better and more sophisticated service. Given the breakdown of traditional family structure and religious institutions, more and more people look to government agencies to provide support services and a social safety net. Because of the increased demand for services, government has been adopting many of the same management innovations to improve productivity and service as the private sector. Given the introduction of performance management, the needs for tools that foster collaboration are not much different in the government from in the private sector.

The Not-for-Profit Sector

The proliferation of NGOs has been dramatic during the past few decades. Many NGOs have been formed to take up the slack on the edges of the social-assistance capacity of government. Everything has become professionalized, and the huge growth in professional associations and industry groups reflects the appetite for resources. Some of the NGOs are similar to the government when compared to the for-profits. They are just behind the leading edge in terms of management practices, but they are reorganizing rapidly so they can provide the service demanded by leading-edge professionals.

Changing Personal Demographics

The structure of our society has changed profoundly. The images of a white Protestant mom and dad with two kids; an extended family of aunts, uncles, cousins, and grandparents; and a house with a

picket fence are history. We have changed, in many ways, the context in which we live. Some of these contextual changes include:

- Breakup of large, extended families due to patterns of education and mobility
- Mobility, as people make choices or are transferred by their organizations
- Changing ethnic and racial demographics (confirmed by the 2000 census)
- Breakdown of traditional religions
- The Sixties revolution, including recreational drugs and the sexual revolution
- Higher levels of college, graduate, and professional education
- Tolerance for group homes, communal living, out-of-wedlock children
- Genetic engineering, biotechnology, and the explosion of psychotropic drugs
- Increased levels of prosperity
- Embracing alternative lifestyles and redesigning the concept of family
- Globalization

As our context changed, there arose a need for dealing with all types of freedom. This means that *there is a need to articulate rules as you go along or face the conflicts uncertainty will bring*. These changes have left implicit standards in the dust. In the *negotiated* world we inhabit, we need the tools to craft agreements for results that will lead the way to the desired outcomes. Living in a virtual, Internet, flattened, self-managing world of free agents, with new forms of business and personal relationships, we will need new ways to express joint vision and articulate parameters and boundaries of new forms of collaboration. *In some sense the only rules of collaboration that exist are the ones you define for the particular transaction*. It's

so important to have a method that will take care of collaborative transactions *because today every transaction is collaborative*.

The Book of Agreement cuts through to the core of what gets in the way of the highest levels of performance and productivity. It helps you elegantly create joint vision and quiets the internal voices of dissonance and conflict (mind chatter) that get in the way of real partnership. Max DePree (author of *Leadership Is an Art*³ and *Leadership Jazz*⁴) was the CEO of the Herman Miller Company when it was consistently voted one of the best organizations to work for in America. He believed the success of the organization was due to *relationships based on covenant*. Agreements for results are a path to relationships based on covenant.

Summary: Formal legal agreements have their origin in the hierarchy of the feudal system. It's not surprising that power and fear are infused in the process. We're still using a way of thinking and a process derived from a historical context that is vastly different from the educated, technological world of today. The purpose of this book is to provide simple and powerful tools to arrive at *agreements for results*. You will find templates you can use as guides for crafting your own agreements. The book explores:

- The difference between *agreements for results* and *agreements for protection*
- The *ten essential elements* of agreements for results—what you need to fully discuss to create a covenant-based, heart-felt agreement
- Templates of *effective agreements* for organizational, professional, joint venture, and personal situations
- The *value of constructing agreements for results*
- The perspective of seeing the construction of agreements through authentic dialogue as *trust-generating success tools*

Understanding context is a critical part of working effectively.

Business, government, NGOs, and society in general have changed a great deal in the last fifty years. Many of the accepted norms have changed. In many places there are no norms. That's why it's critical to define norms for your unique "transaction."

Exercise: What's different about the world you live in today from the way it was ten, twenty, and thirty years ago? How are you personally impacted by the changes?

PART I



THE FOUNDATION: LAW, PRINCIPLES, ELEMENTS, AND TEMPLATES



My personal mission is to help create cultures of agreement and resolution—places where people create *agreements for results* as part of the environment in which they live and work. A key driver for having people adopt any new set of practices is a solid foundation of principles that engage the participants and guide behavior. Chapter 1 explains and illustrates the Law of Agreement and the principles that flow from it. These are simple, undeniable truths about the way things are. Chapter 2 sets out the Ten Essential Elements that make up an effective agreement for results. Chapter 3 explains the three facets of agreement. Chapter 4 analyzes agreements for results and compares them to agreements for protection. That leads to the questions addressed in Chapter 5: What is the legal effect of agreements for results? Are they contracts? Do they work? Do they replace standard legal agreements? Chapter 6 provides an overview of the Revolutionary Model, for when the inevitable conflicts do arise.

THE LAW OF AGREEMENT



Tis the business of little minds to shrink; but he whose heart is firm, and whose conscience approves his conduct, will pursue his principles unto death.

—Thomas Paine

Although it was almost fifteen years ago, it seems that it was yesterday when I articulated the Law and Principles of Agreement for the first time. I was so excited, you would think I had discovered a new planet or hit a lottery jackpot. I was ecstatic because I realized how fundamental agreements were to all aspects of life and how much suffering good agreements could alleviate. I also knew I would spend a good portion of the rest of my life teaching, facilitating, and writing about agreement and resolution.

I think of laws and principles as universal truths that are very difficult to refute or disprove. The *Law of Agreement* and the *Principles of Agreement* are the foundational truths on which this book is based. Like gravity, they are simple and obvious truisms that, although usually unspoken, are always present. The challenge is to stay mindful of them and to live by them. It is very important to remember that although the Law and Principles are simple to understand, they are not always easy to live by.

LAW OF AGREEMENT



Collaboration is established in language by making implicit (talking to yourself about what you think the agreement is) and explicit (discussing the agreement with others) agreements.

PRINCIPLES OF AGREEMENT

1. The source of productivity and fulfillment in personal and professional relationships is effective collaboration. The more seamless the collaboration, the stronger the results.
2. We work and live in a “sea” (context) of agreements.
3. We never learned the essential elements of an effective agreement.
4. Clear agreements are empowering. They express a shared vision and a road map to desired results.
5. Clear agreements improve the chances for satisfaction. They set up the conditions that produce delighted clients, customers, teammates, colleagues, vendors, and family members.
6. Practice enables you to craft masterful agreements.
7. Collaboration and agreement for results is simple, but it is not easy. It requires thoughtfulness and clear thinking on the front end, before you move into action, and a commitment to get through conflicts.
8. No matter how clear and complete the agreement, everything will not be addressed—conflicts and differences will arise that you must be prepared to resolve.

9. Breakdowns are not a cause for alarm; they are to-be-expected opportunities for creativity.
10. Resolving conflicts leads to new agreements.

Understanding the Law and Principles

THE BASIC LAW



Collaboration is established in language by making implicit (talking to yourself about what you think the agreement is) and explicit (discussing the agreement with others) agreements.

When we work with someone, take a job with a large organization, get married, buy someone's product, or go out for the evening with a friend, it involves coordination. Sometimes we craft long and detailed agreements with other people, such as professional sports contracts, business partnerships, or executive compensation agreements. People hire high-powered lawyers to conjure up all the things that might go wrong and all the contingencies the future might bring. They do their best to protect us from the "what ifs"—what if this goes wrong or what if that goes wrong. They try to make explicit all that they know. Unfortunately, in the name of protection, they are fostering an adversarial relationship. That is the opposite of what a new venture needs!

It takes some experience to realize that much more important than the clarity of the agreement is the quality of the relationship that develops out of reaching and working within the context of the agreement. As long as the relationship remains functional,

people work things out, and the legal agreement stays in the bottom of your file drawer. The real key to the success of the collaboration is the development of relationship and trust. It's essential to make sure that everyone has the same picture, the same vision of the desired result, so that everyone is working toward making that vision the reality.

When we don't discuss the specific understanding we have with the other person or group, the agreement is *implicit*. The potential for difficulty here is that different people will have a different implicit understanding of what the agreement is. This is usually the cause of conflict.

It is an interesting phenomenon that as lawyers get older, their agreements get longer. The reason is that as lawyers becomes more experienced, the catalogue of things they have seen go wrong expands. Let's look at the principles, one by one.

1. The source of productivity and fulfillment in personal and professional relationships is effective collaboration. The more seamless the collaboration, the stronger the results.

When you look at your life and the culture you live in, evidence abounds of this truth. You can't have an organization without the collaborative efforts of many. The arts of management and leadership are about marshaling and coordinating others' efforts. It is like conducting a great symphony. This is also true for marriages, friendships, and families. Think of the importance of effective coordination between yourself and your spouse in a highly functional marriage. Imagine that same level of collaboration in a business partnership, work team, department, or branch of an organization. When you have effective coordination, you can feel the quadratic expansion of productivity. This is called *synergy*. In any collaboration, effective end results flow from tight coordination that produces high levels of synergy. Synergy is dependent on the clarity of the shared vision and agreements we have with others.

The other critical aspect of agreements is their impact on both personal and professional relationships. Most of the satisfaction we derive in life depends on the quality of our interpersonal relationships, at home and at work. The clearer the agreement, the more satisfying the relationship. Everyone knows where they are going—no one is holding back. All of their energy is in the “game” of producing results, not fighting insignificant battles. Clearly, the opposite is also true. When the agreement is unclear, coordination is missing, productivity is greatly limited, and suffering and conflict pervade. The challenge is to be clear on the vision and desired results without needing to be specific about every facet of the project.

Aside from personal difficulties between people, much of my consulting work involves making sure everyone is operating under the same vision. Recently I helped take care of the conflict between a private agency and a department of state government. The only thing missing was a shared vision of what they were supposed to accomplish together! Conflict developed because this was not put in place at the beginning of the project. Instead, I had to do it after the fact. You can also think of an agreement as the vehicle that creates the container in which activity happens.

2. We work and live in a “sea” (context) of agreements.

You can view your life as a series of agreements. As you go through your day, try viewing your life through the “lens of agreement.” From the moment you wake up to the moment you go to sleep your life is governed by the set of expectations you have as a result of the explicit and implicit agreements between you and others. You have agreements with all of the following:

- The husband or wife you share your life with
- The soldiers that protect your national borders
- The utility that supplies electricity, water, gas
- The market that sells you breakfast food

- The manufacturer of your clothing
- The municipality that provides police protection and picks up your trash
- The day care center where you leave your youngest child
- The station that services your car and sells you gasoline
- The school board that educates your children
- The company that pays your salary
- The boss you work for
- The company that services your computer
- The restaurant where you eat your lunch
- The garage where you park your car all day
- The babysitter who takes care of your kids
- The pizza shop that delivers your dinner

3. We never learned the essential elements of an effective agreement.

Although it is hard to believe, because collaboration is such a fundamental life skill, our early schooling did not include a course in effective collaboration. We never learned how to construct an effective agreement. The only way most of us get better at expressing agreements is because we suffered in the past because one of our agreements was insufficient. This makes us cautious, and sometimes mistrustful, about future collaborations, so we try to get clarity around the things that caused us trouble in the past. Unfortunately, unless we shift our way of thinking as a result of our learning or experience, we just get more paranoid and protective as time goes by.

4. Clear agreements are empowering. They express a shared vision and a road map to desired results.

When an agreement incorporates the needs, desires, and vision that each of the people involved is concerned about, you have the opportunity to express a powerful shared vision for the project. What is this collaboration about? What is the detailed picture of the result that will make everyone pleased with the outcome? It's not about you *or* me; it's about you *and* me! A clear agreement provides a road map to that vision. It details what everyone promises to do to achieve the desired result. The agreement functions to manage the project as a map that empowers and enrolls everyone in producing the joint vision. Think of the joint vision as a composite of everyone's individual vision—the vision is a “them *and* me,” not a “them *or* me.”

5. Clear agreements improve the chances for satisfaction. They set up the conditions that produce delighted clients, customers, teammates, colleagues, vendors, and family members.

A huge amount of the suffering in this world takes place because of unclear, unarticulated, implicit agreements. In unclear situations, people don't know what to do because they don't know the results expected of them and what they can expect of others. This causes fear and anxiety. If we took the time at the beginning to express exactly where we were headed and the route of travel, everyone could rest confident, knowing the value they were expected to deliver and that the value others would deliver would take care of their needs. Everyone would know exactly what to do to fulfill their responsibilities for producing the desired end result.

Can you recall the Quaker State motor oil commercial: “You can pay me now and have your oil changed, or you can pay me much more later for costly engine repairs!” It's the same way with agreements—you can take the time at the beginning and prevent the potential of a costly hassle later on. It is that simple! Nevertheless, it is hard work to change lifelong thinking and behavioral habits.

6. Practice enables you to craft masterful agreements.

Working with any new model is challenging. Most of us want instant success. We want to take up skiing and head right for the expert slopes. We want to master that new software program quickly. We need some patience. Within a short time the agreement template becomes internalized, and you have a framework for life. After a while you will be making sure that you have effective agreements in place for all of the important aspects of your life. You will be getting good at it, and it will become easy! Be patient; allow yourself to step into “beginner’s mind.” Let time and experience be your teacher. You will become artful with the use of the template. Obviously, not every situation requires an explicit agreement, and not every situation requires the “religion” of a tenement agreement. But you must start by making the basics an internalized habit.

7. Collaboration and agreement for results is simple, but it is not easy. It requires thoughtfulness and clear thinking on the front end, before you move into action, and a commitment to get through conflicts.

Periodically a state legislator will propose a law requiring more than a pulse and a blood test as requirements for a marriage license. Principle 7 makes a similar suggestion. It is a reminder that doing something effectively with another person is not easy and can become especially difficult if you don’t pay attention to the details on the front end. Just as important, don’t be surprised when conflicts come up that you either did not anticipate or thought were resolved.

8. No matter how clear and complete the agreement, everything will not be addressed—conflicts and differences will arise that you must be prepared to resolve.

No matter how much time you spend, no matter how perfect the attempt, you will revisit things you did not think about and circumstances you did not foresee. We can reduce conflict; we cannot eliminate it! It is important to remember that being “in the process of moving toward clear agreement” is where we spend most of our time (not at that place of perfect agreement). The goal is to normalize conflict.

The following metaphor illustrates the importance of being reconciled to the constantly evolving process of moving toward resolution and agreement. I was recently told that when you fly from New York to San Francisco, the plane is “dead on course” about 5 percent of the time. The remainder of the time, the pilot is making constant course corrections. That’s the way it is. Learn to enjoy being in process. That’s where we spend most of life. This is why an essential element of every agreement is a process for resolving inevitable conflicts.

The critical thing that gets you through the rough spot in any relationship is getting to the place where you have not only a meeting of the minds but also the trust that embodies a meeting of the hearts. The quality of the dialogue about the Ten Essential Elements of any agreement is designed to forge that meeting of the hearts.

9. Breakdowns are not a cause for alarm; they are to-be-expected opportunities for creativity.

Conflict and resolution are part of the same cycle. Like administrations of Republicans then Democrats, or the Dow going up then down, *breakdowns* (a stop in the action moving toward desired outcomes) are a blessing. They provide the opportunity to look at the situation with fresh eyes. From the current perspective, you have the luxury of more up-to-date information from which to act. It is critical to hold the context as one of ongoing learning as you work with an individual or a group. When things go wrong, it’s not time to blame, find fault, prove yourself right, or prove them wrong. It’s

time to learn about what happened so you can fix the difficulty and improve the entire process for the next time you begin.

10. Resolving conflicts leads to new agreements.

Although we don't think about it from this perspective, the end result of any conflict resolution process is a new agreement determining what the relationship will be in the future. This has two important implications:

1. By taking time at the beginning of new personal and professional relationships (marriages, teams, joint ventures, employment contracts), we can prevent a great deal of suffering and conflict.
2. When conflict arises the best place to devote energy is to look to the future, and the desired results, and ask what must happen to get there. That will guide you to a new agreement. It is only useful to look at past behavior to improve the future, not to affix blame.

The goal I set for organizations with which I work is that when people get into difficulty, they can say to each other, "This is not working, is it?" They realize that the quickest way to fix the situation is to figure out what is not working about their agreement, what is incomplete about the process, or who is not doing what they are supposed to, and why? The next step is to make a new agreement and quickly let go of what was not working. The goal is to get beyond devoting any energy to drama, fault, blame or punishment. Just make a new agreement!

Summary: The basic Law of Agreement says:

Collaboration is established in language by making implicit (talking to yourself about what you think the

agreement is) and explicit (discussing the agreement with others) agreements.

Understanding and embracing this fundamental truth can provide an extremely useful perspective in our collaborations with others.

Exercise: Think about the most important working relationships you have. Do you have a clearly articulated agreement with the other? Do you have specifically agreed-upon outcomes and how you will achieve them? Is your agreement written down? Have you ever had an argument about results, method, or direction? What was the source of the argument?

this material has been excerpted from

***The Book of Agreement:
10 Essential Elements for Getting the Results You Want***

by Stewart Levine

Published by Berrett-Koehler Publishers

Copyright © 2009, All Rights Reserved.

For more information, or to purchase the book,
please visit our website

www.bkconnection.com