

URL: <https://stvp.stanford.edu/clips/transactional-versus-relationship-view>

Threshold (formerly DFJ) Operating Partner Heidi Roizen warns against viewing interactions with others as “transactions,” where the only objective is meeting your need. Instead, such encounters should be viewed in terms of relationships, especially because you’re likely to see the same people again, Roizen says.



Transcript

I don't believe anything is a transaction anymore in life.. I believe everything is about relationships.. So if you have a transactional view in life, the transactional view is I want something, I'm going to get it and I'm not going to worry about anything that happens in the future, I'm going to worry about right now getting as much as I can.. If you have a relationship view, you have a very different view.. And again, the business school term for this which, it's like the only sentence I remember from business school, that's how important it was to me, is the art of negotiation is finding the maximal intersection of mutual need.. So I'm going to say that again because I love it so much.. It's the art of finding the maximal intersection of mutual need.. So the first idea is that life isn't a zero-sum game.. And it's almost never a zero-sum game even about things like buying a house or selling a used car, there is actually usually some other set of circumstances that make it not just a zero-sum game.. And if I can walk into a transaction with you and my goal is to not only make myself better off, but to make you better off as well, to find the maximal intersection where both you and I benefit as much as possible, we are going to have better outcomes..

And you are going to want to business with me again, and that is really, really important.. So in my life, I'll just tell you, I have been in Silicon Valley all my life.. Silicon Valley is a big place, guess what.. You run into the same people over and over and over again.. And now-a-days with your Facebook profile and your likes and your Etsy rating and your eBay rating and your - you can tell I shop a lot online, there is no such thing as a transaction anymore.. You are the sum total of your transactions because those form relationships and I will just encourage you every time you meet with someone, if you think relationship instead of transaction, first of all not everything is the opportunity for a transaction, and second of all if you build a relationship with someone, when you actually need to have a transaction with that person, you will know so much more about them and they will know so much more about you and you will be able to collaboratively help each other.. So I am at huge believer in this and trust me you will all run into each other again.. I can almost guarantee it.. That's just the way the world works..