

6
STAGES



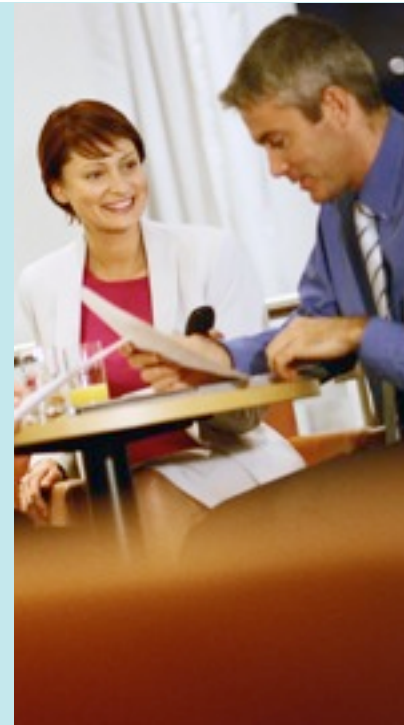
The negotiation process

The six steps of a negotiation meeting.

We all enter into negotiations on a daily basis, some more important than others. Whatever the value; jumping the que at the coffee machine or a multimillion deal, our success can be increased considerably by keeping in mind these 6 simple stages of negotiation.

- 1 Set the scene:** Initial impressions will significantly impact the outcome so plan opening words and styles of approach very carefully. Make sure that you aim high, outlining expectations whilst controlling the opening. Agree the agenda and any rules that you want to introduce for the meeting and take time to condition the expectations of your opponent.

Your notes:



2

Explore Possibilities: This stage is all about probing to understand your opponents limits, their willingness to move, discovering possible options and testing where future negotiation opportunities exist. A critical element of this stage is to get the full menu, that's **all** the different options that will feature as sub agreements in the overall negotiation. It is vital that you find out all of these options now as you don't want to concede and or agree on a point to later find that your opponent introduces a further unexpected area to agree. Often it sounds like this: "Thank you very much we can agree to that, but now lets discuss the payment terms". The danger is that you will have traded all of your planned concessions to achieve the earlier agreement and find you are now being squeezed beyond your preferred limits.

Preparation is going to be critical for this stage, so plan and use pre scripted questioning to make sure that you explore the scenario thoroughly.

This stage is not just about questioning, listening must also play a major part. Best practice is to understand before you are understood. This places you in a position of slight advantage as you are able to respond to each situation with prior knowledge of the other persons view.

Finally do not be too cautious at this stage, challenge your opponent and start to push so that you begin to understand their limits.

Your notes:

3

Influence: This is not yet the time to offer concessions, instead use logic and information to support your position. Exercise patience and try to focus on their interests. What would look attractive to them, what position might they accept? Use prepared facts and data to confirm the validity of your position, this makes a counter argument more difficult to justify. If appropriate use the impact of a competitive market to influence, bluff at this stage is risky it is always better to have real options at your disposal.

It is the stage during which you will set out clear proposals for each element of the scenario. You will have come to the meeting having prepared your own position, but be ready to adjust these depending on what you discovered in stage 2 Exploring Possibilities.

Be ready to push for acceptance of your proposals. This may be too early depending on the negotiation stance of your opponent, but on occasions can prove surprisingly beneficial. If you find there is acceptance and no counter proposal positioned, you can move directly to stage 5 Finalise Agreement.

Your notes:

4

Reposition: Concession trading is at the heart of good negotiation, however you should not concede unless it is critical to the success of the agreement. This will require you to hold out and not give in to the first evidence of resistance.

Once you believe that you have exhausted any potential for your opponent to move their position it is time to trade, but slowly and in small increments. Concessions must never be given, they are traded. So you will need to do your homework and know the value of each concession in advance of the meeting. Use "If...then...." to test concessions before giving them. "If I agree to a 4 hour response time, then will you agree to a 5 day reduction in our payment terms?". Once you have established what you will get in return for your concession, and you are happy with it, then agree and move to the next thing.

A golden rule in stage 4 is to bag any concessions offered by the other party, but then keep moving towards your goal. If they make you an offer that only partly meets your requirements, don't make the mistake of rejecting it "no sorry that's not good enough..." instead accept it, thank them, but continue to push forward. "Thank you very much for that it's a real help, but unfortunately it doesn't go far enough, what else could you do for me...". By using this technique you have secured a fall back position that could prove very useful later in the negotiation should things not progress as you expected.

Your notes:

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Finalise agreement: You are entering a critical stage of the negotiation, it all hangs on what you finally agree, so do not become pressured into decisions, take time and care to conclude effectively. Try to avoid being in a situation where you have a time deadline, your opponent will naturally have the advantage in such situations. It's best if you have all the time in the world to finalise your agreement, especially if your opponent hasn't.

It is perfectly legitimate to take breaks for time-out if needed. It will give you some thinking time, and perhaps allow you to check with others before formalising the negotiation agreements. Be certain of, and never agree beyond your worst case scenario. Finally keep pushing for more, don't throw the towel in early.

Your notes:

6

Summarise: There is only one option in stage 6, that **you** take complete control of the closing summary. You are the one that will confirm the agreements from your perspective – what you believe has been agreed. This ensures that your opponent has to counter any disagreement in this closing stage. Make verbal contracts – verbalise commitments on both sides but get into the detail documenting the agreements as soon as possible. It is common for post agreement documentation to differ when compared to individuals notes, expectations and memory of what the negotiation agreed. Again be the party that provides this documentation so you ensure it reflects your perspective of what was agreed.

Agree next steps, who is responsible for what, and when they will be completed.

Your notes:



In the heat of the battle many of us tend to forget any principle of win / win and go for a more dominant position. This can lead to alienation, breakdowns in trust and failure to reach the desired outcome. Negotiation is about influencing the position of the other party, but this still needs to be achieved in a way that keeps the relationship working in an acceptable and helpful manor.

There are five things you can do to help this:

1. Get their perspective; 2. Acknowledge their perspective; 3. Focus on their interests; 4. Take into account their readiness to change; 5. Exercise patience. Download the i Need to know how to influence pdf from our website for more insight into this approach.