

NEGOTIATION

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NEGOTIATION

Negotiation is an everyday part of our life. We regularly use negotiating skills for both big and small transactions. One example would be who takes the children to school, or who does the dishes. Buying a car usually involves negotiation with quite a lot of money at stake, as of course does probably the biggest undertaking we ever make, that of buying our own house.

The more important the contract you are negotiating, the better preparation you must make.

Every day in business you will probably be put in a position where you will need to negotiate.

The key to a good negotiated outcome is that both parties came away from the table feeling satisfied with the outcome. There are seven key steps to a successful negotiation.

THE SEVEN STEPS TO AGREEMENT

R-E-S-P-E-C-T

Ready yourself

Explore each others needs

Signal for movement

Probe with proposals

Exchange concessions

Close deal

Tie up loose ends

STEP ONE

Ready Yourself

- Decide on your "Best Alternative To Negotiated Agreement" - your "BATNA"
- Decide what your needs are
- Identify the other party's needs
- Prioritise your needs
- Research the issues
- Practice the negotiation
- Decide your first offer
- Choose the venue

STEP TWO

Exploring each others needs.

- Give your opening position
- Find out the others' needs.
- Ask lots of open questions (who, when, how, etc)
- Summarise regularly
- Keep open and friendly

STEP THREE

Signalling for movement.

- Listen carefully for signals showing movement your way.
- Clarify all signals with follow up questions.
- Give your own signals.
- Repeat or rephrase missed signals.

STEP FOUR

Probing with proposals

- Use if/then technique
- Propose, then go quiet.
- Never interrupt a proposal
- Don't instantly reject a proposal
- Indicate areas of agreement.
- Repackage proposals to improve them.
- Increase the options.

STEP FIVE

Exchange concessions

- Link issues, don't trade piece meal.
- Give yourself plenty of room to negotiate.
- Trade reluctantly
- Make small concessions
- Track all concessions
- Shift issues at impasse.

STEP SIX

Closing the deal

- Decide when you want to stop.
- Watch and listen for closing cues.
- Try a trial close.
- Start a summary close.
- Try to anticipate last minute deadlocks.

STEP SEVEN

Tying up the loose ends

- Check you all agree with all the points
- Put agreement in writing.
- Do the writing in plain English.
- Write it up before you break up the meeting.