

BUSINESS VITAMINS

Negotiations Stages

6 stages of negotiation:

Completing a successful negotiation is about more than interacting with the other parties in the negotiation. Preparation and implementation are also critical phases, and it can be beneficial to analyze the process of negotiation as a series of these six stages:

1. Preparation

Effective preparation helps you gather the necessary information prior to negotiation and can improve the quality of your negotiations. Besides discussing plans for the actual negotiation with other parties during this phase, it's beneficial to conduct internal preparation prior to the negotiations. Performing research, meeting with stakeholders or decision-makers within an organization and developing contingency plans can provide you with more options when you meet with the other parties to hold a negotiation.

2. Open discussion

Sharing information between parties at the start of a negotiation can help you create a more positive outcome for all sides. This provides each party with an opportunity to discuss their stance at the start of the negotiation and make an initial case for their side. This helps all parties negotiate from a shared understanding of the key points related to the negotiation.

3. Clarification of goals

Similar to how sharing basic information can help parties reach a shared understanding, sharing key goals may produce more effective negotiation between parties. Sharing goals allows you to understand what your negotiating partners desire and helps them understand your goals. This may help you find areas of common interest and identify lower priority areas for both sides where you may make compromises to agree on terms.

4. Negotiation

The negotiation process often comprises several rounds of discussions, offers and counteroffers. During this phase, it can be beneficial to make an initial offer that matches your ideal result or one that's potentially more beneficial for the company. This allows you to make concessions to other parties while remaining close to your ideal outcome.

Optimizing e-Learning

5. Agreement

As you continue negotiations with the other parties, if your negotiations are successful, you typically come to an agreement. Often, agreements following negotiations represent a compromise with one or more parties making concessions to reach a deal that's fair to all involved. In most business negotiations, this culminates with the signing of a contract that formalizes any terms of the agreement to ensure all parties understand their expectations from the agreement.

6. Implementation of a plan

After reaching an agreement, each party involved in the negotiation takes on the responsibility of implementing their portion of the agreement. When agreeing to a contract negotiation, it's important to understand what your and the company's responsibilities are in relation to the contract. If the agreement you've negotiated includes contingencies, this may provide multiple implementation outcomes while remaining in good standing on the contract, with a potential change in what other parties provide as a result, or altering what you provide.

Tips for negotiating at work

Whether you're negotiating with the company you work for or with outside parties, it's beneficial to know how to negotiate properly so you can create or maintain positive working relationships. Follow these tips to improve your professional negotiations:

- **Practice active listening**

Remaining engaged and listening intently when others speak during a negotiation is a valuable tool. Showing that you're engaged in the negotiations may allow you to make a more positive impression on the other parties, as they may feel that you're treating the discussions seriously. Active listening can also help you identify potential opportunities based on what other parties say or offer.

- **Communicate clearly**

Just as it's important to listen closely so you understand other parties, it's beneficial to ensure they understand you as well. Speaking or writing clearly makes it easier for those involved in the negotiation to understand your position. This may allow you to have more effective negotiations, which benefits both you and the company.

- **Remain open to collaboration**

When seeking an agreement during a negotiation, it can be beneficial to maintain positive relationships with the other parties involved. This allows for negotiation in good faith, which may allow you to reach more desirable outcomes. Viewing others involved in negotiation as collaborators may allow for improved performance during the negotiations.

- **Stay calm throughout**

When negotiating subjects that are important to you, you may feel an increase in emotion during the process. When possible, it's important to minimize the effect of emotion on your discussions during the negotiations. This allows you to remain calm, which can help you create a professional appearance for the other parties and help you focus on getting the best possible deal out of the negotiations.

- **Let the facts guide you**

Throughout the negotiation process, base your decision-making on data and other pieces of confirmable information whenever possible. Rather than making your own assumptions about what the other parties want from the negotiation, listen to their requests and base your expectations on those. This may help you more accurately assess their stance and the potential alterations they're open to, allowing you to find a deal that works well for you and the business.

<https://www.indeed.com/career-advice/career-development/process-of-negotiation>