

Unit 318 (B&A 57): Principles of business communications and information

Handout 11: Conducting negotiations

Stages in negotiation

- Preparing
- Conducting
- Completing

Preparation

Set out your objectives.

Decide on:

- the minimum you are prepared to accept
- the maximum you are prepared to concede.

Be absolutely clear about the limits of your authority in what you are able to agree.

Gather as much relevant information as possible about the issues in question.

Make sure information is **reliable**.

Conducting negotiations

- Individually
- Part of a team

Methods:

- over the telephone
- in writing
- face to face.

Negotiating as part of a team

It is important that everyone knows the:

- role they are to take
- objectives to be achieved
- the best and least favourable agreement to be reached
- the limits of authority.

Preparing tactics

- Note all you want to achieve.
- Consider what the person you are negotiating with is likely to say in response.
- Note how you in turn should respond to their argument.
- Decide on your best alternative.

Components of negotiations

Opening statement or bid

Discussion

Counter-bids

Compromise

Agreement

Compromise

- In many cases not everything you want to achieve can be achieved.
- That the other party has good reason for their stance is important.
- Always consider the argument they are putting forward and not automatically refuse their suggestion.
- Think before you respond to any suggestion made by them.
- They could be suggesting an alternative that is acceptable.

During negotiation

- Don't criticise or argue
- Think before you speak
- Stick to the facts
- Listen to what is being said
- Stay calm
- Don't be afraid to suggest the alternative solution
- Offer a concession if appropriate
- Don't be afraid to 'walk away' if necessary

Outcomes to negotiation

- Win–win
- Win–lose
- Lose–lose

Achieve the best possible outcome whilst retaining or improving the relationship with the other party.