

A Framework for Negotiation

Five simple stages provide a framework for a successful negotiation.

By Trevor Summerson



Many believe that the ability to negotiate is a skill that cannot be learned—you are good at it or you're not. However as is the case with presentation skills, by adopting a structured approach, you can improve your ability to negotiate effectively.

Because negotiation is often associated with contract management and complex bargaining, many perceive it as a specialized skill. However negotiation is much more than that; it occurs on a daily basis within our offices and is therefore a skill that all managers and leaders need to be able to draw on often and use effectively.

Think about occasions when you have avoided argument or dispute by seeking a compromise in the workplace—this is negotiation. Some people are naturally better at negotiating than others, however it is skill that

can be refined by preparation, which has at its heart a structured approach.

An approach that is ideal for the more complex negotiation but suits all types of negotiation is the EDICT approach:

- Entry
- Diagnosis
- Interview
- Contract
- Termination

These five simple stages provide a framework that can form the basis of a successful and effective discussion/negotiation. The length of each step depends on the type and complexity of the negotiation; underpinning the framework are the principles of fairness, mutual benefit, and relationships, which are keys to a successful outcome.

Entry Stage

With formal negotiations, preparation is key, including schedules, venues, and participants. For all negotiations—formal and otherwise—the entry stage is all about setting the scene. Prior to the meeting:

- **Do your research.** Clarify your own objectives and make sure you understand as much as possible what the other party wants to achieve from the negotiation. For example, by doing some basic research about a potential supplier, you can determine how valuable your patronage is to them.
- **Determine what is negotiable.** Before you begin to negotiate, list the factors that are most important to you. Decide what you are (and aren't) prepared to compromise on. Key factors might include price, payment terms, volume, or delivery dates. Establish your preferred outcome but remain realistic; if you're not prepared to compromise, the negotiation might not last long.
- **Plan your strategy** in writing and decide what approach you will adopt. Be clear about the type of deal you want, set clear goals, and work out where you will draw the line and walk away from the deal. Write down your negotiating strengths and how you intend to get the concessions you require. Consider

ways of defending the weaker parts of your argument and negating the supplier's main strengths.

- **Choose the right time and place** for negotiation. Ideally, select a time and place where you and the other party are not under pressure to close the deal.

Above all, make clear who is leading the negotiation. If it's you, take control. Controlling the location, timing, topics, and pace of negotiation (sometimes called "controlling the agenda") often provides an advantage.

Diagnosis Stage

This stage helps negotiators clarify goals. It's all about determining your position, the other party's position, the issues that separate you, and those areas on which you agree.

This step is often "glossed over," but you do so at your own peril. The more time you spend finding areas of potential conflict and areas of agreement, the less the chances you will have to backtrack later in the negotiation meeting.

At this stage and throughout the negotiation, observe the following values:

- **Be fair.** If people feel a process is fair, they're more likely to make real commitments and less likely to walk away or plan ways to wriggle out of the agreement. Sometimes, in particularly sensitive negotiations, an arbiter is used to ensure fairness.
- **Never mislead,** even though it may lead to a short-term advantage. In negotiations, you are trying not only to reach an agreement but also maintain or develop a working relationship. Nothing destroys a relationship more quickly than if one party feels they have been misled or told a half-truth.
- **Be prepared to commit.** You shouldn't be at the negotiating table unless you can make a commitment that you can fulfill.

Because this stage forms the parameters of the next stage, it is good practice to summarize what has been discussed and agreed upon and ensure all parties agree with the summary.

Interview Stage

This is the main body of the negotiation. Using the diagnosis summary, try to break up the issues, taking each issue in turn (especially with complex negotiations). Address the easier issues first—the easy wins—because this establishes rapport and gives the feeling that progress is being made.

The most fluid stage of the negotiation, it is strongly influenced by underlying attitudes about the process itself and the interpersonal skills of the parties involved. Good interpersonal skills are essential for effective negotiations. They include effective verbal communication, active listening, rapport building, decision making, and assertiveness.

In addition, consider the following strategies:

- **Use facts, not feelings.** Successful negotiators separate business from personal, facts from feelings. They avoid letting an unpleasant personality or style impede the negotiations. They also avoid using "I" statements such as "I believe," or "I think," because they make the process appear personal. Instead, focus on statements of fact ("If we pay this price, both parties to the venture will be at risk.")
- **Question rather than demand.** If the other party is taking a hard line on certain issues, ask why. Questions open up the discussion; arguments often close communication down. Questioning technique is very important. Always ask open-ended questions, which elicit discussion. For example, ask "how" and "why" rather than "when" or "did you," which encourage short answer responses and tend to turn the negotiation into an interrogation.
- **Try to find points of agreement and end on a positive note.** This upbeat approach requires that you find opportunities to say, "You're right about that" or "I agree." However small these points of agreement may be, they help set a collaborative tone. If negotiations are spread over a series of meetings, always attempt to end each one positively. This too goes a long way to establishing a collaborative tone that is more likely to be conducive to progress and result in an agreement.

This stage also should be concluded by a summary of what has been discussed and agreed upon.

Contract and Termination Stages

In these stages, when the elements of the negotiation process come together, you must be clear about what has been agreed to. There can be no room for misunderstanding. Discuss what issues still need to be resolved, if necessary, and what steps have been agreed upon to resolve these outstanding issues.

From the agreement/contract phase and during the final termination phase, the parties should discuss and agree upon a course of action to carry forward. If appropriate, this should include dates, venues, and topics for future meetings.

Using this framework will not guarantee that every negotiation will be successful. However, more often than not, adopting this approach will lead to success; where it doesn't, it will certainly enable you to more readily understand the other parties' position and what issues separate you. With further meetings, this will lead to a resolution.

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