B The five stages of a negotiation

Briefing

When you are negotiating internationally, it is crucial to have a shared understanding of what point you are at in the negotiations. It is no good if one side in the negotiations thinks they are outlining a position and the other side thinks they are reaching final agreement.

Use the five-stage approach to understand the other person's position and where they are in the negotiation.

Stage 1 Prepare

In Stage 1 each side explains their position. They explain their market needs and they say what they expect from the negotiation.

Stage 2 Explore

In Stage 2 each side discusses the other's situation. They ask questions to find out more about what the person expects.

Stage 3 Propose

In Stage 3 one or both sides makes specific initial proposals.

Stage 4 Bargain

In Stage 4 both sides bargain about what they can offer. They ask the other negotiator for concessions and they try to agree on terms.

Stage 5 Agree

This is the stage you want to arrive at. You hear a 'buying signal', a phrase that tells you the other side is ready to agree.

It sounds really simple, doesn't it? If it is simple, what's the problem? There are two:

1 You may not hear the signals.

2 The other side may change their position.

Of course, in reality, negotiations never follow the five-stage process exactly, as Stage 2 can follow Stage 1, and so on. Negotiators often raise a new point and go from the Bargain stage back to Prepare or Explore stage.

In a negotiation, your task is to recognize any stage changes and to respond to them.

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