Effective negotiation involves several important steps and principles.

1. Preparations for negotiations
2. Pre-negotiation and review
3. Principles of effective negotiation—form
4. Principles of effective negotiation—substance
5. Finalizing the agreement
6. Implementation, monitoring and renewal
1. Study your counterpart: psychology, interests, motives, relations with superiors, peers, subordinates.

2. Try to assess the existence and nature of the ZOA; assess counterpart’s reservation price.

3. Develop a strategy for reviewing and updating your information system about the counterpart as negotiations evolve.

4. Simulate negotiations.

5. Identify your own interests, motivations, weaknesses, and relations with your environment.
6. Develop a strategy for negotiation. Run this strategy in the simulation and review how it works; revise it if needed

7. Develop a backup strategy; identify when, how, and under what circumstances your primary strategy may fail, and then examine how your backup strategy may deal with this failure.
Use prenegotiation as a learning experiment; test your assumptions about the opponent during this stage. Specifically,

If the opponent is eager to enter into an agreement, he/she will make important concessions on technical issues. If it stands firm on technical issues, it may have a considerable standing power.

Examine the adherence of the opponent to fundamental principles of negotiation: reciprocating policy, delay tactics, and so forth.

**Remember:** prenegotiation is not the real thing; it allows you to learn about the negotiation process but do not substitute procedure and substance.
Do not allow the prenegotiation process drag for too long; use it to learn about the opponent and the negotiation process. Remember, the jury is still out on the question of whether some technical aspects of negotiation determine the outcome, and if so—how. Prenegotiation will provide you with information about the process, but it would not replace the need to make substantive concessions.
The form of negotiation has an effect on the substance of negotiation. Therefore, it is important to follow certain basic principles:

1. Always give your opponent due respect; don’t patronize him/her, don’t insult him/her, try to understand his/her motives behind each position and show respect for these positions. If you do all this, there is a good chance that your opponent would reciprocate your courtesy and respect.

2. Humor is a powerful asset in negotiation if applied with discretion and good measure.
3. Allow for informal small talk before and between negotiation sessions. Do not make these occasions superficial and degrading, but rather take an interest in your opponent’s personal life, family, culture, and art.

Chemistry may have never been a decisive factor in international negotiations. On the other hand, it was never known to harm negotiations, either.

4. Offer and accept breaks in negotiation. This will help you to regroup and reassess, and it will also help your opponent reflect on what has happened. On average, both can benefit. However, do not agree to long pauses.
• Develop a plan for sequential concessions: It is important that you can reciprocate your opponent’s concessions with your own. Reciprocity is a major asset in negotiations.

• Establish linkages among issues: if it is difficult for you to concede on one issue, tie it to concession on other issues. Encourage your opponent to do the same.

• Avoid bluffing for bluffing’s sake. If your opponent calls your bluff, he/she will lose confidence and will not believe you when you want to be believed.

• Don’t let your opponent feel it was exploited. When he/she acts out of frustration, the outcome is bad for both parties.
• Keep track of what is important and what is secondary in negotiations. Be tough on the issues that are most important to yourself and flexible on those that are less important to you and more important to the opponent.
Finalizing the Agreement

• A useful approach to difficult negotiations is to leave the toughest issues to the end. The more agreement is accumulated, the more difficult it is to break the entire process over a given issue.

• Constructive Ambiguity. Creativity in phrasing parts of the agreement is useful in overcoming obstacles, up to a point. Make sure that the opponent understands that constructive ambiguity in an agreement may be both a source of tacit cooperation and of subsequent trouble in implementation.
• Open ended agreements are useful when you believe that it is not possible to settle everything right now, but be sure to keep momentum of negotiations so as not to create an impression that you start to drag your feet once the issues you were interested in had been resolved.

• Remember that there is a wide gap between agreements in principle (memoranda of understanding, declarations of principles, general accords), and final agreements. The latter entail a lot of nitty gritty and require a lot of time to negotiate.
Implementation

- Remember that implementation of agreements is part of the bargaining. It will determine the outcome of the negotiation process as much as the agreement itself.

- The way you and your opponent implement the agreement suggests to each how serious you are in keeping it.

- Therefore allow in the agreement measures for inspection and verification of the manner in which the parties implement the agreement.

- Try to be as transparent as possible in carrying out your obligations and demand the opponent to do the same.
• Before renewal negotiations, study the history of the agreement: whether, when, where, and why there were problems in implementing it. Examine these problems and see if they can be resolved in the new agreement.

• Use renewal as an opportunity to extension if you think that the agreement was a good one, or for renegotiation if you think it was defective in some ways.

• Fix monitoring and verification problems in the previous agreement.