Concession Planning

Concession planning means deciding in advance what we can give in a negotiation, in what order and in return for what. Gavin Kennedy, a Scottish professor and author of Everything Is Negotiable, taught that a concession should never be given for free. In his view, negotiation is an exchange of conditional offers: if you give us some of what we want, then we will give you some of what you want. Without a plan, people often give too much, too early and for nothing. Four steps help: list the concessions, trade instead of giving, mind the pattern and close with a clear record.

1. List the Concessions

The first step is to list the concessions we could offer before the talks start. For each item, we ask two questions: what does it cost us, and how much does the other side value it? The best items to trade are cheap for us and valuable for them, such as faster payment or a longer contract. We also guess what the other side might ask for, so that nothing surprises us.

Example: A person selling a used car lists possible concessions. Asking what costs little but is valuable to the buyer, the seller picks the spare tyres and a free first service.

At work: Lina prepares to negotiate with a supplier. She lists concessions such as faster payment, a longer contract and a larger order. Using the same question about cost and value, she marks faster payment as low-cost for her company and valuable for the supplier.

2. Trade, Do Not Give

The second step is to trade instead of give. Every concession is attached to a condition, using the pattern if you do this, then we will do that. This keeps the exchange balanced and shows the other side that our concessions have a price. A concession offered for nothing teaches the other side to ask for more.

Example: A customer at a market asks for a lower price. The seller uses the if-then rule: if the customer buys three, then I will lower the price. The customer buys three.

At work: The supplier asks Lina to pay faster. Using the if-then rule, she replies: if you give a discount of two percent, then we will pay in fifteen days. The supplier accepts.

3. Mind the Pattern

The third step is to mind the pattern of concessions. A common piece of advice is to make concessions smaller as the talks go on, because shrinking steps signal that we are close to our limit. Equal steps invite the other side to keep asking for the same again. A big concession at

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the start can also raise expectations on the other side. We therefore plan the order of our concessions in advance.

Example: A seller plans three price reductions: one hundred, then fifty, then twenty. Asking whether the steps are getting smaller, the seller sees that the pattern signals a limit, and the buyer accepts.

At work: Lina plans three concessions on delivery time: five days, then three, then one. Checking that the steps are getting smaller, she confirms the order before the meeting. At the table, the supplier stops pushing after the last small step.

4. Close with a Clear Record

The fourth step is to close with a clear record. We give one concession at a time, link each one to what we received and keep notes during the meeting. Before ending, we summarise the whole package, so that nothing is forgotten or misunderstood. Finally, we confirm the agreement in writing.

Example: Two neighbours agree how to share the cost of a fence. Asking what each side has given and what each has received, they write the deal on one page and both sign it.

At work: At the end of the meeting, Lina asks what has been given and what has been received. She summarises the package aloud: faster payment in return for a discount and a longer contract. She sends the summary by email the same day.

Conclusion

In summary, concession planning prepares what we will give, in what order and for what. Gavin Kennedy taught that concessions should be traded with the if-then rule, not given for free. A good plan lists the concessions, trades them, shapes the pattern and closes with a clear record. With this preparation, we are less likely to give too much too early. Negotiators who plan their concessions tend to reach agreements that are better balanced.

Sources

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