

Business Negotiations



Warm up

- What kind of negotiations happen at your company?
- What do you think are the key qualities a successful negotiator should possess?
- Have you ever had to negotiate in your personal life or work life? What was the outcome?
- What are some common challenges people face when negotiating?
- How do you feel about negotiating? Do you find it difficult or easy?
- Do you think it's possible to reach a win-win solution in a negotiation? Why or why not?
- Do you think preparation is the key to successful negotiations? Why or why not?



1. Match the words in English to their definitions.

- | | | |
|---------------------|----------|--|
| 1) to negotiate | <i>f</i> | a) a final agreement |
| 2) agreement | <i>c</i> | b) a new offer/proposal in response to another one |
| 3) compromise | <i>j</i> | c) a plan between two parties |
| 4) deal | <i>a</i> | d) disagreement with a proposal |
| 5) offer | <i>h</i> | e) to talk and make a deal |
| 6) objection | <i>e</i> | f) something which is given up in order to reach an agreement |
| 7) concession | <i>d</i> | g) a proposal/suggestion to do or provide something |
| 8) counter-proposal | <i>b</i> | h) a situation where both parties agree to accept less than what they initially wanted in order to reach an agreement. |



2. Fill in the gaps with the correct vocabulary.

1. What is the difference between *negotiating* and *compromising* in a business context?
2. Can you explain the importance of having a written *agreement* in business negotiations?
3. How does making *concessions* impact the outcome of a negotiation?
4. How does presenting a *counter-proposal* differ from making an *offer* in a negotiation?

5. Can *objections* be turned into opportunities in a *negotiation*? If so, how?
6. Can you give an example of a successful *negotiation* where both parties had to make *compromises* to reach an *agreement*?
7. What are some strategies for handling *objections* during a *negotiation*?

Using Conditionals in Negotiation

If we agree on the price, we will sign the contract.

The first and second conditional are used to talk about possible future events and their consequences.

First Conditional: It is used to describe a possible future situation and its consequences

"if + present simple, future simple".

Example: If it rains, I will stay at home.

Meaning: If the future event (it rains) happens, the speaker will take a certain action (stay at home).

Second Conditional: It is used to describe an unlikely or hypothetical future situation and its consequences, using "if + past simple, would + base form".

Example: If I won the lottery, I would travel around the world.

Meaning: If the unlikely event (winning the lottery) happens, the speaker will take a certain action (travel around the world).



3. For each negotiation scenario, match the correct conditional sentence.

1. If the client agrees to a longer contract, then we will offer a discount. *First conditional*
2. If the client needs more time to make a decision, we will extend the deadline. *First conditional*
3. If the client requires a higher budget, we won't be able to approve the project. *First conditional*
4. If the client asked for additional services, then we would have to charge extra fees. *Second conditional*





4. Choose one of the scenarios below. Using the first or second conditional, think of a creative response to the scenario.

For example:

The client is interested in negotiating a longer contract with *Allianz*.

If the client agrees to a longer contract, we will offer a big discount. Also, if they signed the contract by next week, we would throw in some bonus services.

Scenario 1: The client needs to review the proposal with their team before making a final decision.

Scenario 2: The client requests additional services from *Allianz*.

Scenario 3: The client wants to negotiate a lower budget for the project.



5. Case Study

Negotiating with a New Client for *Vivo Insurance*

Vivo Insurance, a large international insurance company, has been approached by a potential new client, *DIW Inc.*, to offer insurance coverage for their business. *DIW Inc.* is a large multinational corporation with operations in several countries, including Germany, France, and India. *Vivo Insurance* is eager to secure this new business, but negotiations are proving to be difficult.

The negotiation team for *Vivo Insurance* consists of German, French, and Indian negotiators. The German negotiator, who is the lead negotiator, is tasked with ensuring that the company secures the most favourable deal possible. However, the French and Indian negotiators have different ideas and opinions on the best approach to take in the negotiations.



At the start of the negotiations, *DIW Inc.* proposed a deal that would see *Vivo Insurance* provide coverage for all of its operations. However, the German negotiator was not happy with the proposal and felt that it was too risky for the company. He made a counter-proposal that would see *Vivo Insurance* only provide coverage for *DIW Inc.*'s operations in Germany.

The French negotiator then made an objection to the counter-proposal, saying that it would limit *Vivo Insurance*'s exposure to the Indian and French markets, which are crucial for the company's growth. The Indian negotiator agreed with the French negotiator and suggested that a compromise be reached where *Vivo Insurance* would provide coverage for *DIW Inc.*'s operations in Germany and India, but not in France.

The German negotiator was not happy with the compromise and felt that Vivo Insurance was making too many concessions. However, after some discussion, the team was able to reach an agreement where *Vivo Insurance* would provide coverage for *DIW Inc.*'s operations in Germany, France, and India, but at a lower coverage limit in France.



6. Comprehension Questions:

1. What was the initial proposal from *DIW Inc.*? *The initial proposal from DIW Inc. was for Allianz Insurance to provide coverage for all of its operations.*
2. What was the German negotiator's counter-proposal? *The German negotiator's counter-proposal was for Allianz Insurance to only provide coverage for ABC Inc.'s operations in Germany.*
3. What was the objection made by the French negotiator? *The French negotiator's objection was that the counter-proposal would limit Allianz Insurance's exposure to the Indian and French markets.*
4. What was the compromise reached by the negotiation team? *The compromise reached by the negotiation team was that Allianz Insurance would provide coverage for ABC Inc.'s operations in Germany, France, and India, but at a lower coverage limit in France.*



7. Creating outcomes:

1. What would have happened if the German negotiator's counter-proposal was accepted? *If the German negotiator's counter-proposal was accepted, Allianz Insurance would only provide coverage for ABC Inc.'s operations in Germany, limiting its exposure to the Indian and French markets.*
2. What would have happened if the compromise was not reached? *If the compromise was not reached, it is likely that the negotiations would have failed and Allianz Insurance would not have secured the new business.*



8. Discuss

- How can cultural differences impact negotiations with clients from other countries?
- How do you ensure effective communication and understanding with clients from different cultures?
- What are some common cultural differences that can affect negotiations in international business?
- How can cultural awareness and sensitivity be leveraged to improve negotiations?



Quiz

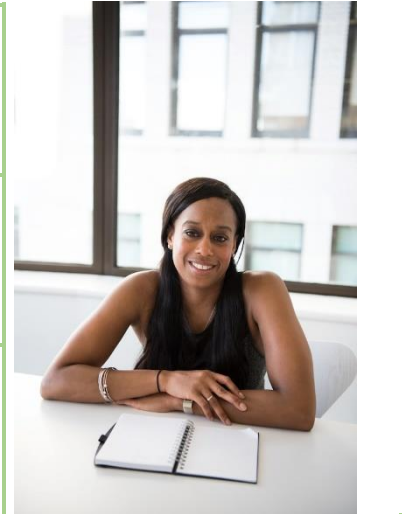
1. In what way does the French communication style differ from the German communication style in business meetings?
 - a) *French prefer a more formal approach while Germans value informality.*
 - b) *French use more indirect language while Germans are more direct.*
 - c) *French are more consensus-based while Germans value individuality.*

2. How do Indian and French negotiation styles compare in decision-making?
 - a) *India values individualism while France values consensus.*
 - b) *India uses direct language while France uses indirect language.*
 - c) *India is more focused on personal connections while France values professionalism.*

3. How is the approach to building relationships different between German, Indian, and French clients in negotiations?
 - a) *Germans value professionalism, Indians value personal connections, and French value trust.*
 - b) *Germans value personal connections, Indians value trust, and French value professionalism.*
 - c) *Germans value trust, Indians value professionalism, and French value personal connections.*



9. You're going to practice negotiating. Study these useful phrases to use in the next exercise.

<ol style="list-style-type: none"> 1. Introduction and Greeting <ul style="list-style-type: none"> • "Nice to meet you." • "Thank you for taking the time to meet with us today." • "Let's get started." 	
<ol style="list-style-type: none"> 2. Expressing Interest <ul style="list-style-type: none"> • "I'm very interested in this opportunity." • "I'd like to learn more about what you have to offer." • "Can you tell me more about your proposal?" 	
<ol style="list-style-type: none"> 3. Presenting Information <ul style="list-style-type: none"> • "Here's what we have in mind." • "This is what we're proposing." • "Here are the key terms of our offer." 	
<ol style="list-style-type: none"> 4. Clarifying Questions <ul style="list-style-type: none"> • "Can you clarify what you mean by that?" • "I'm sorry, can you explain further?" • "Can you give me an example?" 	
<ol style="list-style-type: none"> 5. Making a Counter-Offer <ul style="list-style-type: none"> • "While we appreciate your offer, we were hoping for a different outcome." • "We'd like to propose a different solution." • "Can we make a counter-offer?" 	
<ol style="list-style-type: none"> 6. Compromising <ul style="list-style-type: none"> • "We understand each other's position and I think we can find a middle ground." • "What if we compromise on this?" 	

- "Let's try to find a solution that works for both of us."

7. Reaching an Agreement

- "I think we've come to an agreement."
- "Great, let's make it official."
- "We have a deal."

8. Closing the Negotiation

- "Thank you for your time and consideration."
- "We'll get started on this right away."
- "Let's touch base soon to follow up."



10. Role play

1. **Price Negotiation:** Two sales representatives are negotiating the price of a bulk order of a 1 million screws for €100,000. The buyers want to pay €70,000.

2. **Job Offer Negotiation:** A candidate is negotiating the terms of a job offer with a potential employer. The candidate wants a higher salary, more vacation time, and more flexible hours.



3. **Dating App Merger negotiation:** Manager A (*Funlove*) and Manager B (*Heartyou*) are negotiating the terms of a new business partnership. They both believe that a partnership will bring mutual benefits and growth opportunities. Manager A is open to sharing profits equally but wants a say in the decision-making process. Manager B agrees to the profit-sharing but wants the final decision-making authority to rest with them. They need to come to a compromise to finalize the partnership agreement. *Funlove* has 1m users and is worth €250 m. *Heartyou* has 700,000 users and is worth €100 m.

4. **Deadline Extension Negotiation:** A project manager is negotiating with a client for an extension on a project deadline. The client has an urgent need for the project to be completed, while the project manager is requesting more time to complete the project to a high standard.