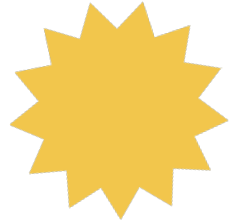


# Unit 7. Negotiating



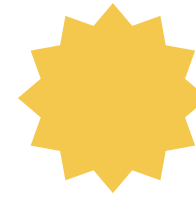


Negotiation is a process of **bargaining** (negociación, regateo) where agreement is reached between two or more **parties**. We all negotiate every day in a wide range of work and social situations. It is important to know how to negotiate effectively so we can reach better agreements for us.

2 styles of negotiation:

- **Adversarial bargaining:** the two sides take more rigid positions and give as few **concessions** as possible. They often open negotiations with unrealistic requests.
- **Cooperative bargaining:** is more likely to lead to both parties being satisfied not only with the deal they made but with the other party, which is important in a long-term business relationship.

# Types of negotiation



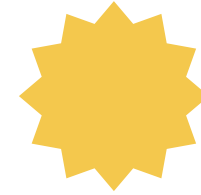
**1. A win-win situation**

**2. A zero-sum game**

⇒ a situation in which a benefit gained by one side means a loss to the other side

⇒ a situation in which both sides benefit.

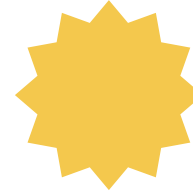
# Warm up speaking

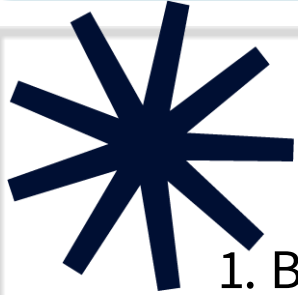


1. In what situations do you negotiate? Who do you negotiate with? Think about both your work and your private life.
2. What makes a good negotiator?
3. How important are trust and liking in negotiations?
4. Is there an important difference between the way you might approach one- off negotiations (e.g. selling your car) and negotiations as part of a long- term business relationship?
5. How can you avoid being manipulated in a negotiation with a more experienced negotiator?

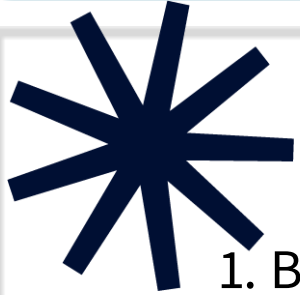
# Structure

1. Relationship-building
2. State your points
3. Make concessions
4. Tying-up loose ends



**compromise****concessions****counter****details****interests****procedure****proposals****rapport****stalemate****table**

1. Build \_\_\_\_\_ : develop an understanding of an ability to communicate with someone.
2. Probe \_\_\_\_\_ : find out the other side's expectation.
3. Begin the bargaining \_\_\_\_\_ : start to negotiate the terms of an agreement.
4. Make \_\_\_\_\_ : make suggestions.
5. Make \_\_\_\_\_ proposals : react to suggestions.
6. Reach a \_\_\_\_\_ : arrive at a situation which no progress can be made.
7. Make \_\_\_\_\_ : allow or give up things in order to reach an agreement.
8. Reach a \_\_\_\_\_ : arrive at an agreement where both parties reduce their demands in order to agree.
9. Work out the \_\_\_\_\_ : discuss all the aspects of the deal.
10. Return to the negotiating \_\_\_\_\_ : re-negotiate an agreement.

**compromise****concessions****counter****details****interests****procedure****proposals****rapport****stalemate****table**

1. Build **rapport** : develop an understanding of an ability to communicate with someone.
2. Probe **interests** : find out the other side's expectation.
3. Begin the bargaining **procedure** : start to negotiate the terms of an agreement.
4. Make **proposals** : make suggestions.
5. Make **counter** proposals : react to suggestions.
6. Reach a **stalemate** : arrive at a situation which no progress can be made.
7. Make **concessions** : allow or give up things in order to reach an agreement.
8. Reach a **compromise** : arrive at an agreement where both parties reduce their demands in order to agree.
9. Work out the **details** : discuss all the aspects of the deal.
10. Return to the negotiating **table** : re-negotiate an agreement.

## Negotiation tactics

- |                            |  |
|----------------------------|--|
| 1. The negotiation decoy   | a. add extra false interests to your agenda which you can bargain with, without affecting your real interests  |
| 2. The extreme offer       | b. appear as if you are ready to break off the negotiations unless your interests are met  |
| 3. Negotiation nibbling    | c. ask for more or offer less than expected in order to make 'concessions' later   |
| 4. Good cop bad cop        | d. make one last 'small' demand once the deal has been done hoping that your opponent will agree in order not to harm the agreement  |
| 5. Mention the competition | e. make references to what your opponent's competitors are offering in order to gain the concessions that you want.  |
| 6. Negotiation limits      | f. one member of your team is demanding and inflexible (the bad cop), the other appears to be pleasant and reasonable (the good cop). Your opponent will have to deal with the good cop. |
| 7. Take it or leave it     | g. state limitations (e.g. money, time), real or imagined, hoping that your opponent will make a concession to meet your limit.  |
| 8. Negotiation silence     | h. stop talking during the negotiation in the hope that your opponent will become uncomfortable and want to make a concession in order to break the silence.                             |



# Negotiation tactics

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agree deal flexibility for halfway make manage  
mind prepared reasonable room get throw work

### Opening the negotiation

So, shall we \_\_\_\_\_ down to business, then

### Stating/probing interests

We were looking to \_\_\_\_\_ an order for 100 cases.

What sort of price did you have in \_\_\_\_\_?

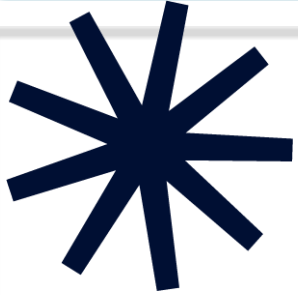
We were hoping \_\_\_\_\_ a unit price of around €4.50.

### Bargaining

Would you be willing to meet us \_\_\_\_\_?

If you cut your delivery time by, say, 10 days, we should be \_\_\_\_\_ to pay the price you have proposed.

We'd need to see a bit more \_\_\_\_\_ on terms of payment.



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### Opening the negotiation

So, shall we **get** down to business, then

### Stating/probing interests

We were looking to **make** an order for 100 cases.

What sort of price did you have in **mind**?

We were hoping **for** a unit price of around €4.50.

### Bargaining

Would you be willing to meet us **halfway**?

If you cut your delivery time by, say, 10 days, we should be **prepared** to pay the price you have proposed.

We'd need to see a bit more **flexibility** on terms of payment.



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### Rejecting a proposal

Come on, let's be \_\_\_\_\_ here.

Unfortunately, I don't have any more \_\_\_\_\_ to negotiate this fee.

### Accepting a proposal

I suppose we could \_\_\_\_\_ that.

I think we could \_\_\_\_\_ something out here.

I think we could \_\_\_\_\_ on 3 weeks.

Sure, we can \_\_\_\_\_ that in.

### Closing the deal

Ok, it's a \_\_\_\_\_.



agree deal flexibility for halfway make manage  
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### Rejecting a proposal

Come on, let's be **reasonable** here.

Unfortunately, I don't have any more **room** to negotiate this fee.

### Accepting a proposal

I suppose we could **get** that.

I think we could **work** something out here.

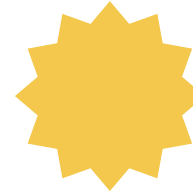
I think we could **agree** on 3 weeks.

Sure, we can **throw** that in.

### Closing the deal

Ok, it's a **deal**.

# Typical grammar in negotiations



1. Continuous forms of tenses: Ex "We were hoping..."
2. Modifiers: Ex "a bit", "a little"
3. Would/might/could: Ex "I think we could..." , "Would you be interested in..."
4. Approximation: Ex: "sort", "around", "kind of"
5. Introductory softeners: "unfortunately..." , "I'm afraid..."

# Useful expressions

## **Reporting what the other person said earlier**

So you said you could be flexible...  
You said you were worried about...  
You said you'd accept...

## **Agreeing tentatively**

I think we could accept that  
I think that's fair enough

## **Asking for agreement**

How does that sound?

## **Checking the details**

So that's agreed?

## **Giving formal confirmation**

Yes, that's fine  
Yes, that all sounds fine

## **Asking for suggestion**

So what are you proposing?  
Do you have a better suggestion?

## **Showing flexibility**

Possible slightly more

... say, 2 years

We might be able to show some flexibility

## **Rejecting a proposal**

I'm afraid ... is totally out of the question

## **Making one concession depending on another**

But that would depend on what you could offer us in return

But we'd need something in return for...

## **Organizing a time-out**

Could we take a time out? I need to think about this before I make a decision

Shall we meet back here in half an hour?

## **Showing a positive attitude**

I also want to make this work, and it would be a shame to walk away after we've come so close to an agreement

## **Clinching the deal**

Well, it's been a pleasure doing business with you. I think this will be a great deal for both of use.

Here's to a successful long-term relationship!



# Important points to remember

## 1. Never let emotion get in the way of making the right decision

Don't let that the behaviour of the other party trigger irrational decision making on your part.

1

2

## 2. Taking your position

It is important not to take positions that are so strong that you lose sight of the truth.

## 3. Listen actively and ask questions

Ask questions to gain an understanding of the other side's interest, and explain your own.

3

4

## 4. Brainstorming

Common first step. It helps you understand your opinions, the other side's desires, the value of concessions...