Unit 1 Chapter 1 Part 1

Hello everyone, welcome to join us in the SINOPEC MOOC English for Business Negotiation.

Altogether we will have 5 Units of lessons. Today we are going to start with the first Unit – preparations for negotiation. In this unit, we will cover four parts of contents: 1, basic concepts of negotiation; 2, classification of negotiation approaches or styles; 3, basic principles of forming a negotiation team; and 4, collecting information related to business negotiation.

Now, let’s begin our first topic: Basic Concepts of Business Negotiation

Let me ask you the first question. What is negotiation?

* Negotiation is something that we have to engage in every single day of our lives.

However, negotiation has changed. The world is an increasingly complicated place full of billions of people with their individual personalities, and millions of different negotiating scenarios, all at different stages at any one time. There is not “one way” to negotiate these many different deals. You have a choice as a negotiator – a choice as to the attitude you bring to the table, the attitude or state of mind you create in others, the way you handle the process and which behaviors to use. There is no “right” and “wrong” about how to do it, but there may be a most effective choice you can make in the circumstances –a better choice. Evaluate each situation and make better choices more often. That is the secret of effective negotiation. And that is why you are here.

The word “negotiation” derives from the Latin word “negotiari”, which means

* “to do business”.

In a broad sense,

* negotiation is a process of information exchange between two sides, which are counterparts of matched qualification and rather independent in material force, personality and social status, etc. due to mutual contact, conflicts and differences in viewpoints, needs, basic interests and action modes, both parties try to persuade the other party to understand or accept their viewpoints and to satisfy their own needs.

Counterparts指的是相对应的人，of matched qualification是指双方这些人具备了旗鼓相当的资质。这句话的意思是说：

* 谈判是一个发生在两个资质相当，在物质力量、人格和社会地位等方面都独立于对方的主体之间的信息交换过程。由于观点、需求、基本利益和行动模式等方面的差异,，双方在相互接触和冲突的过程中试图说服对方去理解或接受他们的观点，来满足自己的需求。

Then, what is business negotiation. Of course, we can see from its name that it is a special kind of negotiation.

* Business negotiation is a process of conferring in which the participants of business activities communicate, discuss, and adjust their views, settle differences and finally reach a mutually acceptable agreement in order to close a deal or achieve a proposed financial goal.

Confer with sb的意思是与某人进行协商，conferring作为动名词就有了协商的意思，与negotiation是同义词，属于比较正式的用语。当然这个词是一个多义词，还有给予、授予的意思。这句话的意思是：商务谈判是商务活动的参与者进行沟通、讨论、调整意见、解决分歧，最终达成双方都能接受的协议，以达成交易或实现既定的财务目标的一种协商过程。

Now we know the definitions of negotiation and business negotiation. Here comes the second question. What are the characteristics of negotiation?

According to Clive Rich, the writer of the best-seller negotiation book *The Yes Book—the art of better negotiation*, for a negotiation to take place the following elements must be present:

1. There must be two or more parties.
2. They must at least be prepared to reach agreement.
3. They must have some interests in common and some conflicting interests to resolve.
4. Those involved must have the freedom to meet each other’s needs.
5. Those involved must be willing to be explicit to some degree about their wants and needs.
6. Those involved must be prepared to compromise to some degree.

A lot of people spend time involved in what they think is a negotiation when in fact they are not, because one or more of these elements is missing. For example, if one party is not prepared to reach agreement then there can be no negotiation. Israeli/Palestinian “negotiations” have drifted on（漂流） for decades and, unfortunately, may drift on for decades more, because there hasn’t been a moment when key decision makers on both sides want to reach agreement at the same time.

Business negotiation is a form of negotiation itself. It not only presents the characteristics of common negotiation, but also the characteristics of business activities.

* Business negotiation demonstrates the following characteristics:

1 The objective of business negotiation is to obtain financial interests. In business negotiation, what the negotiators care are the cost and efficiency involved. The success of a business negotiation is judged by the satisfying financial interests gained from the negotiation. In another word, a business negotiation without any financial interests and efficiency is of no value.

2 The core of business negotiation is price. Now that the purpose of negotiation is to gain financial interests, the measure used to show how much interest each negotiator can get is the price. And other terms, including the product quality, quantity, delivery and payment, are closely related.

3 There are randomness and variability in business negotiation. With economic operation in the intense competition and rapidly changing market, as an important component of economic activity, the commercial negotiation, its progress and change are closely related with the main way of thinking and behavior of the negotiator. Thus, it changes faster and becomes more difficult to predict. And as a result of the negotiating structure, environment and strategy, the negotiation will show a variety of changes in the form. It brings a greater challenge for the negotiating parties, and puts forward higher requirements for the negotiators.

前两个特征都很好理解，商务谈判的目标是获取经济利益，价格往往是商务谈判的核心。第三条需要解释一下，为什么说商务谈判具有不可预测性和易变性呢？这里说：在激烈的竞争和瞬息万变的市场中进行着各项经济活动，而商业谈判作为经济活动的重要组成部分，其进展和变化与谈判者的主要思维方式和行为方式都密切相关。因此，它变化得更快，更加难以预测。而由于谈判结构、谈判环境和谈判策略的变化，谈判的形式也会发生各种变化。这给谈判各方带来了更大的挑战，对谈判者也提出了更高的要求。

4 Cooperation and exclusion of the business negotiation parties coexist. 谈判双方既有合作又有竞争。在商务谈判中，合作与利益排他性共存。In the purchase and sale negotiations, the seller wants to try to set prices higher, and the buyer would like to try hard to hold down the prices; the supplier side hopes that the delivery is as long as possible while the buyer requires to take delivery of the goods as soon as possible. These reflect exclusionary acts on both sides in negotiations. Without this exclusion, there is no need for negotiations, and there is no consultation and cooperation, and negotiations will not continue. In negotiations, both parties are thinking about each other’s requirements and strategy as the starting point, so the negotiation is cooperative. The purpose of the negotiation is to reach an agreement, not to defeat the other side. In negotiations, the two sides should not only continue to adjust their own actions and attitudes to make the necessary concessions, but also understand each other’s requirements, so that negotiations can be successful, and finally both sides reach a quite satisfactory agreement.

5 There is no absolute fairness or equality in business negotiations. The international business negotiations are affected by the supply-demand relations, and also by price fluctuations. The outcome of the negotiations is always unequal. There are two main factors: first, the strength of their respective owners; second, their negotiation skills that the negotiating parties obtained.