**Gathering information**

Hello everyone, welcome back to our English for negotiation! We have discussed the definitions of negotiation and business negotiation, and we know something about distributive negotiation approaches and integrative negotiation approaches as well as some famous strategies and tactics. We also get familiar with the roles of negotiation team members. Today we will cover the last chapter of the negotiation preparation.

You need to ask many questions in preparing a negotiation as we have talked a lot in our previous lessons. These questions might include:

Do you need any materials prepared in advance, possibly to send to the other side?

Who is on the other team and what roles are they likely to play?

How would you describe the personalities of the people on the other team?

Is there any history between the negotiating parties?

What negotiating attitude do you want to bring to the negotiation?

What climate or atmosphere do you want for the negotiation and will they want the same?

Where will the negotiation take place and over what period of time?

How will you create the agenda?

What are their objectives likely to be and what is motivating them? Will different members of their team have different motivations?

What are your objectives and what is motivating you?

What concessions are available for you to give to them or for them to give to you?

Are there any concessions available that wouldn’t cost much but would be particularly valuable to them?

What’s the balance of the bargaining power?

What’s your ideal position on the deal (price, quantity, deliver date, etc.) and what’s their likely ideal position? What’s their likely bottom line?

What’s your bottom line, below which you would walk away? The space between ideal position and bottom line gives you your room in which to negotiate?

What will you do if you can’t get a deal done –what’s your Plan B?

What is worst thing that could happen to you if the deal doesn’t get done?

What is worst thing that could happen to you if you do get the deal done?

Those last four items are really just alternative ways of looking at the same question –at what point would you walk away? It’s much better to think about this moment when you are planning rather than when you are in the heat of the haggle（在争论最激烈的时候）You will find it much harder to be objective then. As we have learned before, some people will put together a “bottom line” position based on likely points arising in the deal, beyond which they tell themselves they will stop negotiating. Others prefer to establish their BATNA “best alternative to a negotiated agreement” （达成谈判协议的最佳替代方案）as a benchmark（n.标准） against which to measure whether or not they should keep talking. Besides these two standards, there is another term called WATNA some other people prefer to consider. It means what’s the worst alternative to a negotiated agreement（达成谈判协议的最差替代方案） that could happen to you if you failed to get a deal done with this particular partner. If the offer you are considering is worse than your worst alternative if the deal falls apart（崩溃）, you should certainly be taking that worst alternative instead.

Consider these questions very carefully before you enter the negotiation meeting room. It’s a very useful way of looking at a deal. For instance, many people enter into agreements without thinking them through all the way to the end. They focus on what they would like the outcome of the agreement to be, but not on what could happen if the deal gets signed but then goes wrong. Statistically, this quite likely to happen, so it’s worth giving some thought to the possibility of how you would feel and what you would do if the worst realistic outcome you can imagine came to pass. This doesn’t mean being a pessimist. It just means making a realistic assessment of what could go wrong assuming that the deal is agreed. Now combine that possibility with the position on the table –say a “take it or leave it” ultimatum（最后通牒） from the other negotiator – and compare that combination to just “leaving it”. Which sounds least attractive? Entering into the agreement on the terms proposed with the possibility of that worst outcome occurring, or just “leaving” it? 这个地方需要详细解释一下：假设最终能够达成协议，我们要对可能出现的问题做出现实的评估。将这种出现问题的可能性与当前谈判桌上的形势结合起来，并将这种综合情况与“中止谈判”的决定进行比较。看看哪一个听起来最没有吸引力。是在可能出现最坏结果的情况下，就提议的条款达成协议，还是什么协议都没有直接“离开”? This is a very good way of knowing when to stop the negotiation if the current deal offer and its associated worst possible risk sounds worse than just stopping, then you know it’s time to say goodbye.

Out of this process of preparation comes your negotiating plan. This is your navigation tool through the negotiation. Note that this does not mean that you never change your plan. Clearly you can only anticipate（v. 预料，预期） so much in advance and you can only know what you know. Other factors may emerge（v. 出现，浮现） during the course of your negotiation which make you want to change your plan in some way. That’s normal. You may find, for example, that the ideal outcome you negotiated with yourself in advance of the negotiation needs to be altered because the other negotiator has raised issues you hadn’t anticipated, or because an additional piece of bargaining power has emerged which sways（v. 摇摆，摇动） you one way or the other. Plans can be adjusted. However, having a plan is still much better than not having one. Planning also encourages success because, by working out your desired outcome, you can just focus on getting what you need from the negotiation rather than being distracted（v. 分心，分散主义） by emotional outbursts（情感爆发） from the other party or the need to prove who is “right” in a negotiation.

Then in order to answer these questions and make a plan, the first and most important step in preparing for a specific negotiation is gathering information. It is common to learn as much as possible about a potential client or partner before negotiations begin. Various kinds of information are necessary, finance, market, technology, public policy, even the background of a particular executive. The next step is to analyze the various data so as to size up the probable goal and preferences of your counterpart, using his perspectives as well as your own.

1. Gathering information

Given the critical nature of business negotiations, knowledge of a particular executive’s background, hobbies, and family status can be a great advantage. In addition to formal sources of information, informal sources should be consulted. Other companies that have dealt with your counterpart might be valuable sources of information.

More important, the gathering of information includes that of market, science and technology, policy and regulations, etc. factors related to the foreign country, such as its economic and physical resources, infrastructure, climate and geography, will also affect the way in which the work can be performed and the program of implementation. And they will also affect the cost and the importance of specific contract terms. It may in some way determine the success or failure of the negotiation.

The big issues that are to be gathered:

The political system: the extent of state control over business enterprises and its organization; social stability; the extent of political interest in the project.

政治制度：国家对企业及其组织的控制程度；社会稳定程度；对该项目存在多大的政治利益。

The legal system: the legal and judicial systems; their influences on business, the relevant laws on establishment of a local company and on employment, etc.

法律制度：法律和司法制度；其对商业的影响，在当地建立公司以及雇佣员工相关的法律等。

The business system: business conduction; significance given to contracts; negotiating proceedings.

商业系统：业务办理；合同的权威性；谈判程序。

The financial system: the country’s foreign exchange reserves; the currency freely exchangeable within the territory and its restrictions; procedures for obtaining payments in foreign currencies; the country’s record on honoring payment obligations including delays; the type of Letter of Credit used in the country; the applicable tax laws; restrictions on remittance of the final payment; regulations on the payment of customs duties; other fees concerning the contract, etc.

金融体系：国家外汇储备；境内可自由兑换的货币及其限制；外币付款的程序；国家履行支付义务的记录，包括延期；在该国使用的信用证类型；适用的税法；对汇出结算款的限制；海关纳税条例；与合同有关的其他费用等。

Infrastructure and logistics system: the availability of labor and materials for construction in the territory; the availability of finding competent and financially sound sub-contractors; restrictions on import of labor, materials and plant; local logistics problems relating to transportation.

基础设施和物流系统：该国领土内可用的劳动力和建筑材料；是否有能力找到财力雄厚、质量上乘的分包商；该国对劳工、材料和设备进口的限制；与运输相关的本地物流问题。

The counterpart: information about your opponent party is equally or even more important. Learn as much as possible about the team members of the opponent party in the aspects of abilities, weaknesses, strong points, hobbies, personalities, etc. More information about your opponent company is necessary, such as its capital, business scope, annual sales volumes, and credit.

谈判对手：尽可能多地了解对方团队成员的能力、弱点、长处、爱好、性格等。并且尽可能多的了解对方公司的情况，如资金、业务范围、年销售额、信用等。

2. Analyzing the information

The next step is to analyze the various data so as to size up（测算） the probable goal and preferences of your counterpart, using his perspectives as well as yours. With so much information at hand, it is advisable to do a feasibility study（可行性研究） before the negotiation. This is necessary because a feasibility study provides technical, economic and commercial bases for decision-making. It should define and analyze the critical elements with alternative approaches. A satisfactory feasibility study must analyze all the basic components and implications. Any shortfall（n. 差额，不足） will limit the utility（n. 效用，功能） of the study. A feasibility study is not an end on itself, but a means to arrive at a decision whether to go for the business or not. It should arrive at conclusions on all the basic issues after consideration of various alternatives such as those listed below using a project negotiation as an example:

Political and social background: to ensure the success of the feasibility study, it must be clearly understood how the project idea fits into the framework of the economic conditions and the development of the country. It should include the description of the project idea, its historical development, studies and investigations already performed.

政治和社会背景：为了确保可行性研究的成功，必须清楚地了解该项目计划如何适应该国的经济条件和发展框架。可行性报告应包括项目计划的说明、其历史发展、已进行的研究和调查等。

Social and economic analysis: Such analysis gives an overall picture of impact the project will make on the society, or the development of a certain area.

社会经济分析：勾画了该项目对社会或某一地区发展的总体影响。

Detailed analysis: it is to show whether it is possible to work on the project, describing the technology and the equipment that will be used in the project and the benefit obtained after its operation. For example, analysis should be made regarding the relationship between the market demand and the plant capacity together with its production program and its marketing strategy, the basis for the selection of materials and inputs required for the manufacturing as well as its supply system.

详细分析：说明该项目是否可行，描述该项目将使用的技术和设备，以及项目运行后所获得的效益。例如，分析市场需求和生产能力之间的关系，生产计划和营销策略，生产以及供应系统所需的材料和投入的基础准备。

Location and site: a feasibility study has to define the location and site suitable for the project under consideration. The choice of location should be made from a fairly wide geographical area. Sometimes, several alternative sites may have to be considered. Once the site has been selected reasons for the selection and local conditions should be stated, and the impact on the environment should be studied.

选址：可行性研究须为规划中的项目计划界定合适的选址。地点的选择应在相当广泛的地理范围内进行。有时，可能需要考虑几个备选地点。一旦选定了地点，应说明选择的理由和当地情况，还应该研究项目计划对环境的影响。

Main costs: estimates should be made in the aspects of costs resulting from organization and management, the cost to operate the project, the overhead costs related to the operation, such as administrative overheads on industrial feasibility study.

主要成本：估算组织管理成本、项目运营成本、与运营相关的总管理费用，其中就包括可行性研究的行政管理费。

Manpower: a feasibility study should give the total manpower costs of the project stating at the department level. All labor and staff personnel should be included in the department, since it is a part of production costs. A comparison should be made of the required personnel with the structure of the labor force available in the project’s geographic region. And the comparison will facilitate the assessment of training requirements and the need for foreign/domestic experts.

人力资源：可行性研究应在部门级别提供项目的全部人力成本。要把所有的劳工和管理人员都核算进去，因为它是生产成本的一部分。应将所需的人员与项目所在地区域内现有的劳动力结构进行比较。比较将有助于评估培训需求和对外国/国内专家的需求。

Schedule implementation: it is an essential part of the feasibility study, as the implementation must be related to a timeframe. Such a schedule should define the various implementation stages, such as negotiation, contracting, and project formulation, etc. in terms of time required for each stage. It combines various stages into a consistent pattern of activities.

实施日程表：这是可行性研究的一个重要部分，因为实施必须限定在一个时间框架里。这样的时间表应该根据每个阶段所需的时间来定义不同的实施阶段，如谈判、签订合同、项目制定等。它将不同的阶段的活动组合成统一管理的活动模式。

Financial and economic evaluation: Total investment costs, which includes pre-production expenditures, fixed investments and net working capital estimates, are calculated. Profitability analysis should be made to show the profit obtained from the project and the contribution it would make to the national or regional economy.

财务和经济评价：计算总投资成本，包括生产前支出、固定投资和净营运资本。进行盈利能力分析，以表明从该项目获得的利润及其对国家或区域经济的贡献。

A little bit complicated? Well, relax! We will go over a case study in the next part, in order to understand things we have learnt today. Then see you soon!