

Министерство образования и науки РФ
АМУРСКИЙ ГОСУДАРСТВЕННЫЙ УНИВЕРСИТЕТ
Факультет международных отношений

Т.А. Гудкина, Е.П. Нестерова

TAKE IT OR LEAVE IT!



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Практикум

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Take it or leave it! Практикум по развитию навыков проведения переговоров на английском языке. – Благовещенск: Амурский гос. ун-т, 2013.

Целью настоящего пособия является развитие навыков устного общения в ситуации проведения деловых переговоров. В пособии используется современный языковой, лингвострановедческий и культурологический материал. Акцент делается на использовании американского варианта английского языка.

Пособие предназначено для студентов IV курса языковых вузов и факультетов, изучающих английский язык как профессиональную дисциплину.

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ВВЕДЕНИЕ

Настоящий практикум представляет собой учебно-методическое руководство по формированию и закреплению навыков ведения деловых переговоров на английском языке и предназначен для студентов языковых вузов, изучающих английский язык как профессиональную дисциплину, а также для студентов других специальностей, изучающих английский язык.

Практикум состоит из восьми тематических блоков. Каждый раздел состоит из оригинальных базовых диалогов с отмеченными в нем лексическими единицами. Диалоги сопровождаются видео, а также лексико-грамматическими упражнениями, направленными на систематизацию и автоматизацию изучаемого вокабуляра. Коммуникативные упражнения направлены на формирование навыка составления диалогического устного высказывания в заданном формате.

В разделе “Cultural differences” студенты знакомятся с базовыми текстами, описывающими подходы к проведению переговоров, основанные на различиях в культурных установках партнеров.

Разделы “Small talk”, “Setting the agenda” и “Establishing and clarifying positions” посвящены формированию навыков использования коммуникативных структур в ходе начала переговорного процесса, обсуждения генеральной линии поведения и формирования позиций сторон.

В разделах “Managing conflict”, “Making proposals” и “Bargaining” при выполнении комплекса коммуникативных упражнений проверяется умение студентов применить отработанный ранее материал, а также обсуждаются ситуации возникновения спорных вопросов, выработки соглашения по данным вопросам путем взаимных уступок и формулировки принципов последующего соглашения.

В разделе “Conclusion and agreement” содержатся упражнения на отработку правил употребления устойчивых словосочетаний и выражений при работе над процедурой достижения основного соглашения и разработке механизмов принуждения и обязательств.

Практикум сопровождается материалом в виде ролевых игр для тренировки формата ведения деловых переговоров. Для продуктивной работы преподавателя и студентов, в практикуме дается список необходимых речевых оборотов, клише и фразеологических единиц, применяемых в ходе подготовки и проведения переговоров.

UNIT 1. CULTURAL DIFFERENCES

1. Types of Negotiator. *(Negotiation. Topic Gateway Series No. 25)*

There are several negotiating types, all with their own strengths and weaknesses.

The factual negotiator

A factual negotiator will know all the facts related to the negotiation. He or she asks factual questions and will cover all angles to make sure that no facts are omitted. A factual negotiator will provide all the necessary information, but tends to leave out emotional issues.

The relational negotiator

A relational negotiator establishes relationships with the other party. He or she is keen to build trust and is sensitive to emotional issues related to the case. A relational negotiator perceives the position of the other party, but can lose sight of the reason for the negotiation.

The intuitive negotiator

An intuitive negotiator sorts the key issues from the irrelevant detail. He or she often comes up with unexpected solutions and sees the 'big picture'. This type of negotiator visualises the implications of a proposal and predicts the negotiation's progress. However, intuitive negotiators are often regarded with suspicion because of their unconventional approach and lack of discipline.

The logical negotiator

A logical negotiator sets the rules of the negotiation and develops an agenda. He or she will argue in a logical, unemotional way, and will adapt their position to meet changing circumstances. A logical negotiator can sometimes see the negotiation process as being more important than the content or result.

Negotiation styles

Goals, bottom lines and BATNAs represent the 'what' and 'why' of negotiation. Negotiation style is the 'how'.

An individual's character determines his or her 'natural' negotiation style. A confrontational person will adopt an aggressive style, while conciliatory individuals tend to be co-operative. 'Aggressive' tactics include anger, ultimatums and threats, and the use and abuse of information. The latter includes withholding information, exaggerating facts to support a particular position and giving partial or misleading information. 'Co-operative' tactics include information sharing, listening, flexibility and looking for a fair deal for all, not the best deal for one side only.

Studies have shown that neither style has a monopoly on effectiveness, although results showed that 59% of co-operative negotiators were considered 'effective', against 25%

of aggressive negotiators. Regardless of style, all effective negotiators are well prepared and maximise their skills.

Success depends on how well a negotiator works within his or her style, and understands their weaknesses. A naturally confrontational person will benefit from improving his or her effectiveness, instead of trying to adopt an unworkable approach. It is best to stick with your chosen style, but to adapt it subtly in different situations. For example, an aggressive negotiator could listen more while a co-operative negotiator might place less emphasis on feelings.

2. More Types of Negotiator. *(Head for Business, Upper-Intermediate, Unit 7)*

2.1. Negotiators are sometimes described as Red or Blue stylists.

Red stylists:

- see each negotiation as a separate contest.
- believe you win by dominating your opponent.
- enjoy manipulative tricks and bluffs.
- want something for nothing.

Blue stylists:

- regard negotiations in the longer-term.
- succeed through co-operation.
- address each party's interests.
- will only trade something for something.

2.2. The following comments were made during negotiations. Which colour stylist is more likely to have made them? Label sentences 1-5 R (Red stylist) or B (Blue stylist).

1. 'This is a once-only offer; take it or leave it.' _____
2. 'We're happy to discuss a discount if we can work something out.' _____
3. 'I want you to agree to this now, as a sign of your good faith.' _____
4. 'I can fully understand that you don't want to leave yourself vulnerable to price rises.' _____
5. 'How do you think we can best work together in the future?' _____

2.3. Complete the gaps in each sentence to make a word which will fit the context.

1. He will do anything to avoid a conf_____.
2. I found his reasons extremely pers_____.
3. The union has made an important conc_____ on overtime pay.
4. Management says that the issue is not nego_____.
5. I'm sure we can reach a comp_____ if both sides are prepared to give and take.
6. We are ready to listen to your revised prop_____.

2.4. Decide which of the words in italics best completes the sentences.

1. After hours of discussion we finally managed to *overcome* / *come over* our differences.
2. They *undertook* / *overtook* to supply us components for three years.
3. We were satisfied with the *income* / *outcome* of the talks.
4. Louise Warren has *taken over* / *overtaken* as head of the negotiating team.
5. She *came over* / *overcame* as being extremely nervous.
6. She talked me *into* / *out of* signing the contract though she knew I wanted to go ahead.
7. I managed to beat them *up* / *down* from \$60 a ton to \$55.
8. You can't expect to get *out of* / *through to* the contract as easily as that.

2.5. Match verbs to nouns to form collocations. Some words can be used more than once.

make
settle
gain

reach
do
build

lose
take
close

_____ a concession
_____ a deal
_____ business
_____ the initiative
_____ the transition
_____ a rapport

_____ your temper
_____ a compromise
_____ an insight
_____ a difference
_____ face
_____ an agreement

3. The Key Negotiation Skills. *(Negotiation. Topic Gateway Series No. 25)*

Which of the following skills are the most important? Can you add more?

Making the other party want to engage in talks - This means understanding the other party and working with and not against the grain of their characters and values.

Being a good interviewer - This involves negotiators asking appropriate questions at the right time. Skilled negotiators make a sound case and put forward proposals in such a way that people find it easy to choose them.

Active listening - Good negotiators take on board what other people are saying and use the information constructively to move negotiations forward.

Discipline - Successful negotiations depend on careful preparation, keeping promises and staying committed to their bottom line.

Flexibility - Being prepared to create, consider and analyse a number of potential outcomes, rather than working towards a predetermined outcome.

Cultural differences

Negotiations between people of different cultural backgrounds can be difficult if those differences are not understood. Cultural differences can be economic, social, political or religious. They can include a shared sense of values and a personal outlook. Negotiators should ask themselves:

1. What business goals are considered 'natural' and 'normal'?
2. What outcomes are seen as 'fair'?
3. What is acceptable behaviour during negotiations?
4. How much information should be exchanged during negotiations?

Direct confrontation is acceptable in individualistic societies like the United Kingdom or the United States. It may offend in collectivist societies like China or Vietnam, where cooperation is part of social interaction. Social status is important in hierarchical societies like Japan or Malaysia, but everybody is considered to be more or less equal in the Netherlands and Italy. Obligations to a social group or class matter in collective societies like Hong Kong and Taiwan.

4. Cultural Awareness. *(Market Leader, New Edition, Unit 7)*

4.1. Listen to the first part of an interview with Jeff Toms, Marketing Director at the International Briefing Centre at Farnham Castle, Surrey. He talks about training courses which prepare people for doing business internationally. Complete the list of issues that he mentions.

Issues covered by the training course

- _____ awareness
- Practical issues of _____ and _____ overseas
- Dealing with _____
- Schooling: _____ care; international security
- How to negotiate _____
- Communication
 - telephone
 - e-mail
 - the _____
- Presentation skills
 - the words you use
 - the _____ you use
 - how to deal with _____ and answers
 - managing your _____

Script:

(I = Interviewer, JT = Jeff Toms)

I – How do you prepare people to do business internationally?

JT – How we prepare people to do business internationally really depends on the task that they're undertaking on behalf of their company or organisation. For example, if you're being sent by your company to live and work overseas for a period say of two or three years, as an assignee, then we would provide you either with a one- or two- day programme covering such issues as: cultural awareness, practical issues of living in, working in, as well as how to deal with culture shock, which everybody goes through when they go on assignment. We'll also deal with particular issues such as schooling, health care and, in particular parts of the world increasingly, with security. However, if, as is the case now, many more people are not actually going to live overseas but have international responsibility. You need a different set of learning tools and that is, first of all, a general cultural awareness and understanding of how you should really operate when dealing with people with other cultures; teaching you how to negotiate contracts; communication, just generally whether that's by telephone, by e-mail or even by the written word. The words that you choose have a very different effect on the recipient depending on which culture you're conversing with. Another important area these days is presentation skills. In the past it has been assumed that you use the same presentation from your home country when presenting to a more multi-cultural audience. That's very much not the case, and we teach people even down to the kind of words you use on the slides, the colours you use, and indeed how to deal with questions and answers and manage your audience because of course in different cultures there's a different response. Finally, it's very important we believe here at Farnham Castle, to underpin all this with some ability to communicate in the host language. Whilst English is still very much regarded as the international language of business, it is increasingly expected that people will make at least some effort and attempt to learn the language of the people that they are dealing with, particularly in a social environment. It really demonstrates an interest and an affinity with the people that really you are trying to build relationships with and, of course, business is all about building relationships.

4.2. Listen to the second part of the interview. Jeff talks about the personality traits that help in doing business internationally. Which three personality traits does he consider to be important?

1. _____
2. _____
3. _____

Script:

I – And are there certain skills and techniques for doing business internationally, which can be applied in any culture?

JT – I think rather than skills and techniques there are some very strong personality traits that those people who tend to be more successful in an international business environment tend to demonstrate. For example, flexibility and adaptability would be a particularly strong requirement, the ability to observe, participate in something and adapt your own set of skills and knowledge and your own way of doing things.

To actually listen more carefully would be another strong trait that you really ought to demonstrate. Adaptability, listening and I think really to take an approach with a very positive attitude. I think anybody who approaches cultural issues with a very negative attitude will get a very negative response from the people they are trying to do business with.

4.3. Listen to the third part of the interview. Which two cultural aspects does Jeff mention and what does he say about them?

- Entertaining
- Gift-giving
- Hierarchy
- Time
- Greetings
- Dress

Script:

I – And can you give us examples of typical cultural mistakes made by people doing business internationally?

JT – There are lots of quoted examples and I think they are really to do with attitudes, particular facets of cultures. For example, time would be a very important cultural aspect that you really do have to learn if you are from a western culture then how you do approach time and how you do business. For example, in a country like Saudi Arabia would be very important.

Other examples are really attitudes to hierarchy. For example: there are many US corporations who have very young, high-flying business, very successful business executives. For example, if you send one of those individuals to meet and do business with a senior Asian businessperson, again Japan comes to mind, then they will be met with a very distinctively negative response, and what indeed will happen is that the senior Asian businessperson will see it very much as an insult, probably either leave the meeting or refuse to attend the meeting and will actually send somebody who they think is of equal status and age to negotiate with that individual and because that lower individual, more junior individual doesn't have the authority then you're very unlikely to achieve anything out of that meeting.

5. Cultural Advice. *(Market Leader, New Edition, Unit 7)*

Work in pairs. Student A: read the articles A and B. Student B: read the articles C and D. Then answer as many of the following questions as you can.

In which country or countries:

1. do people talk in a lively way? _____
2. do people ask questions about your personal life? _____
3. does the host invite you to comment on a previous conversation? _____
4. do the hosts like to hear praise about their country? _____
5. do people like gifts with your company logo? _____
6. is it important to give a more expensive gift to the most senior person? _____
7. does your host open your gift immediately? _____
8. is it a mistake to offer an expensive gift? _____
9. is it bad manners to refuse an invitation to a meal? _____
10. is it rude to refuse to sing when asked? _____
11. is it important to be punctual for lunch or dinner? _____
12. is it important not to offer food with your left hand? _____

Article A: ITALY

Conversation

Lively conversation is common in Italy. Welcome topics of conversation include Italian architecture, art and films, sports (especially football), opera and praising the hospitality of the country! It is best to avoid criticising Italian culture, even if your Italian counterparts are doing so.

Gift-giving

Don't give a business gift until you receive one. Your gift should be a well-known brand name. Gifts of alcohol or crafts from your own country are often good choices. Other possible gifts are fine pens, a framed print or picture, silver key rings or calculators. Avoid giving gifts showing your company's logo.

Entertaining

Hospitality plays a key role in Italian business culture. Regardless of how you feel, refusing an invitation of any kind may give offence. The business breakfast is almost unheard of. Rare exceptions may be found in the major cities. Business dinners involve only a small, exclusive group. If you are the host, check with your Italian contact before making any invitations. Lunch is still the main meal of the day in most areas of the country. It is usually served after 12:30 p.m. and often has many courses.

Article B: UNITED ARAB EMIRATES

Conversation

The hosts usually set the subject of conversation. They will normally begin with polite enquiries (How are you? How are you enjoying your visit? etc.). If others arrived before you, your hosts will often tell you the subject of the previous conversation and invite you to contribute.

Gift-giving

Giving gifts in the DAE is more complex than in other countries. This is partly because of the mixture of nationalities: each nationality has different tastes and customs. Also, nearly everything can be purchased in the UAE less expensively than elsewhere in the world. As a gesture of respect, your host is likely to open and carefully examine your gift in your presence. It is important that your gift is the best you can afford to avoid embarrassment.

Entertaining

Sharing a meal is considered the best way for people to get to know one another. Locals often entertain at home but they will accept a foreigner's invitation to a hotel or restaurant. Hospitality in the UAE is very important but should not be interpreted as future commercial success. There are local customs to be aware of, for example, it is considered bad manners to either eat or offer something with the left hand.

Article C: SOUTH KOREA

Conversation

You may be asked personal questions about your age, salary, education, religion, and family life. If you don't want to answer, remain polite but try to politely avoid answering. In most cases, people ask in order to establish a rapport by finding common ground.

Gift-giving

Giving gifts is a common practice in the workplace, and the receiver is expected to give a gift in return. Good gifts for a first trip include office items with your company logo or something produced in your country. Your gift should be of good quality but modestly priced. When you plan to give a gift to several people within an organisation, be sure to give a gift of greater value to the senior person.

Entertainment

Drinking is an important part of doing business. It is common to be invited out in the evening to a restaurant/bar where there will be a lot of alcohol. Towards the end of an evening the most honoured person will be asked to sing solo. Make sure that you know one very simple song and do your best. Refusing to sing is considered bad manners.

Article D: BRAZIL

Conversation

Conversations tend to be fast and lively. You may sometimes be asked personal questions about your income, religion, and marital status. If you don't want to reveal this information, remain polite but give a vague reply.

Gift-giving

Giving a gift is not necessary during a first meeting. Instead, offer to buy lunch or dinner and use this opportunity to learn more about your guest's tastes. This way, later on when gifts are exchanged, you'll be able to give an appropriate gift. Do not give anything that is obviously expensive. Your generosity may cause embarrassment or be misinterpreted. Small electronic items are often appreciated. Good choices include scientific calculators, electronic address books and pocket CD players, etc.

Entertainment

Business entertaining is conducted over lunch or dinner. You are expected to arrive on time. It is business etiquette in Brazil to shake hands with everyone in your company, both upon arrival and upon departure. It's unusual to touch food with your fingers. Cut all foods, including fruit and sandwiches, with your knife.

Adapted from www.executive.com

6. Boardroom Culture Clash. *(Английский для социологов, стр. 7, 10)*

An Unpredictable Affair

Try to put pressure on a Japanese in a negotiation and you will be met with stony silence. Hold an informal fact-finding meeting with a German and you can expect battery of searching questions. Disagree with the French on even a minor point and they will take great pleasure in engaging in spirited verbal combat. Doing business across culture can be an unpredictable affair.

Cultural Awareness

Most of us prefer to do business with people we like. And it should come as no surprise that the people we like tend to be like us. So whilst we may dispute the accuracy of cultural stereotypes it is generally agreed that good business relationships are built on cultural awareness. Across national frontiers 'nice guys' do more business than nasty ones. But what constitutes nice-guy behaviour in a boardroom in Miami is not necessarily what they expect in Madrid.

The US Perspective

For instance, most Americans will insist on the hard sell. It's not enough that you want to buy their products, you must let them sell them to you. They have to report back to supe-

rriors who will be as interested in how the deal was struck as the result. Systems and procedures matter to Americans.

The Spaniards Trust You

The Spanish, on the other hand, are unimpressed by the most meticulously prepared meeting and pay much more attention to people. In this they are more like the Arabs or the Japanese. In the Middle and Far East business is built on trust over a long period of time. Spaniards may come to a decision about whether they trust you a little sooner.

Animated Italians

Italians too tend to feel that the main purpose of meetings is to assess the mood of those present and reinforce team-spirit. There may well be a lot of animated discussion at a meeting in Italy, but the majority of decisions will be, made elsewhere and in secret.

Scandinavians want results

Strangely enough, Scandinavians are rather like Americans. They value efficiency, novelty, systems and technology. They are firmly profit-oriented. They want results yesterday.

Succeed with the Germans

Don't be surprised if the Germans start a meeting with all the difficult questions. They want to be convinced you are as efficient and quality-conscious as they are. They will be cautious about giving you too much business until you have proved yourself. They will demand prompt delivery and expect you to keep your competitive edge in the most price-sensitive market in Europe. Succeed and you will enjoy a long-term business relationship.

Adversarial Meetings

The French will give you their business much more readily. But they will withdraw it just as fast if you fail to come up with the goods. Meetings in France tend to be adversarial. Heated discussion is all part of the game. Germans will be shocked to hear you question their carefully prepared arguments. The Spanish will offer no opinion unless sure of themselves, for fear of losing face. But French executives prefer to meet disagreement head on, and the British tendency to diffuse tension with humour doesn't go down too well.

Prisoners of our culture

Ask yourself whether meetings are opportunities to network or get results. Is it more important to stick to the agenda or generate new ideas? Is the main aim of a meeting to transmit or pool information? It all depends on where in the world you hold your meeting and whether you belong to an individualistic business culture like the French, Germans and Americans or to a collective one like the British, Japanese and Greeks. Indeed, who knows to what extent our views are our own and to what extent culturally conditioned? For in business, as in life, "all human beings are captives of their culture".

6.1. Which of the following points support the opinions expressed in the article?

1. In meetings the French tend to be more aggressive than the Germans.
2. The Arabs have nothing in common with the Japanese.
3. The French generally don't appreciate the British sense of humour.
4. The Spanish are rarely hesitant in cross-cultural meetings.
5. The Americans and Scandinavians value a methodical approach.
6. The Germans want quality at any price.
7. The British tend to be more individualistic in business than the Germans.
8. In business the Italians are more or less like the Spanish.

6.2. Match the words and phrases on the left with their definitions on the right.

- | | |
|--|--|
| 1) quality-conscious _____ | a) to produce smth. esp. when pressured or challenged |
| 2) adversarial meeting _____ | b) thinking that quality of goods is important |
| 3) to come up with the goods _____ | c) in a direct and determined way |
| 4) to lose face _____ | d) to be accepted or not accepted by smb. |
| 5) head-on _____ | e) interact with others in order to exchange information and develop useful contacts |
| 6) to go down well / badly with smb. _____ | f) to put it all together in order to share it |
| 7) to network _____ | g) to stop having one's credibility |
| 8) to pool information _____ | h) involving or characterized by conflict or opposition |

7. US Business Protocol. *(Market Leader, New Edition, Unit 7)*

Discuss and compare with Russian business protocol.

Timing

- You must arrive at business meetings on time. Only a 15-minute delay because of traffic problems is allowed.

Greetings and polite conversation

- You must shake hands during introductions.
- You don't have to make a lot of small talk. Americans like to get down to business quickly.
- You mustn't ask about a businesswoman's marital status. It is considered rude.

Business cards

- You don't have to exchange business cards unless there is a reason to get in contact later.

Smoking

- You mustn't smoke in many public spaces. Most businesses, cabs and many restaurants nowadays have a no-smoking policy.

Gift-giving

- Business gifts shouldn't be given until after the business negotiations are over.
- You mustn't give an expensive business gift. It may cause embarrassment.

Entertaining at home

- You should write a short thank you note to your host and hostess if you are entertained at their home. You don't have to give a gift but flowers or wine are appreciated.

8. American vs Foreign Communication Differences. (*Strategic Management, pp. 125-129*)

As Americans increasingly interact with managers in other countries, it is important to be sensitive to foreign business cultures. Americans too often come across as intrusive, manipulative, and garrulous, and this impression reduces their effectiveness in communication.

Forbes provided the following cultural hints from Intercultural Training:

1. Italians, Germans, and French generally do not soften up executives with praise before they criticize. Americans do soften up folks, and this practice seems manipulative to Europeans.
2. When negotiating orally with Malaysian or Japanese executives, periodically allow for a time of silence. However, do not pause when negotiating in Israel. Israelis are accustomed to fast-paced meetings and have little patience for American informality and small talk.
3. British executives often complain that American executives chatter too much. Informality, egalitarianism, and spontaneity from Americans in business settings jolt many foreigners.
4. Refrain from asking foreign managers questions such as "How was your weekend?" That is intrusive to foreigners, who tend to regard their business and private lives as totally separate.
5. Europeans feel they are being treated like children when asked to wear name tags by Americans.
6. Executives in India are used to interrupting one another. Thus, when American executives listen without asking for clarification or posing questions, they are viewed by Indians as not paying attention.

7. In China, last names are written first. A man named Carlos Lopez-Garcia should be addressed as Mr. Lopez in Latin America, but as Mr. Garcia in Brazil.
8. Be aware of your posture. Don't cross your legs in Arab or many Asian countries – it's rude to show the sole of your shoe. Folding your arms across your chest is a sign of annoyance in Finland.
9. Breakfast meetings are considered uncivilized in most foreign countries.
10. Latin Americans average being twenty minutes late to business appointments.
11. While appropriate in the USA, direct eye contact is impolite in Japan.

9. Cultural Differences. (*Strategic Management, pp. 125-129*)

To successfully compete in world markets, U.S. managers must obtain a better knowledge of historical, cultural, and religious forces that motivate and drive people in other countries. In Japan, for example, business relations operate within the context of *Wa*, which stresses group harmony and social cohesion. In China, business behavior revolves around *guanxi*, or personal relations. In Korea, activities involve concern for *inhwa*, or harmony based on respect of hierarchical relationships, including obedience to authority.

A weakness that U.S. firms have in competing with Pacific Rim firms is a lack of understanding of Far Eastern cultures, including how Asians think and behave. Spoken Chinese, for example, has more in common with spoken English than with spoken Japanese or Korean. Managers around the world face the responsibility of having to exert authority while at the same time trying to be liked by subordinates. U.S. managers consistently put more weight on being friendly and liked, whereas Asian and European managers exercise authority often without this concern. Americans tend to use first names instantly in business dealings with foreigners, but foreigners find this presumptuous. In Japan, for example, first names are used only among family members and intimate friends; even long-time business associates and coworkers shy away from the use of first names.

U.S. managers have a low tolerance for silence, whereas Asian managers view extended periods of silence as important for organizing and evaluating one's thoughts. U.S. managers are much more action-oriented than their counterparts around the world; they rush to appointments, conferences, and meetings – and then feel the day has been productive. But for foreign managers, resting, listening, meditating, and thinking is considered productive. Sitting through a conference without talking is unproductive in the United States, but it is viewed as positive in Japan if one's silence helps preserve unity.

U.S. managers also put greater emphasis on short-term results than foreign managers do. In marketing, for example, Japanese managers strive to achieve "everlasting customers," whereas many Americans strive to make a one-time sale. Marketing managers in Japan see

making a sale as the beginning, not the end, of the selling process. This is an important distinction. Japanese managers often criticize U.S. managers for worrying more about shareholders, whom they do not know, than employees, whom they do know. Americans refer to "hourly employees," whereas many Japanese companies still refer to "lifetime employees."

Rose Knotts summarized some important cultural differences between U.S. and foreign managers:

1. Americans place an exceptionally high priority on time, viewing time as an asset. Many foreigners place more worth on relationships. This difference results in foreign managers often viewing U.S. managers as "more interested in business than people."
2. Personal touching and distance norms differ around the world. Americans generally stand about three feet from each other when carrying on business conversations, but Arabs and Africans stand about one foot apart. Touching another person with the left hand in business dealings is taboo in some countries. American managers need to learn the personal space rules of foreign managers with whom they interact in business.
3. People in some cultures do not place the same significance on material wealth as American managers often do. Lists of the "largest corporations" and "highest-paid" executives abound in the United States. "More is better" and "bigger is better" in the United States, but not everywhere. This can be a consideration in trying to motivate individuals in other countries.
4. Family roles and relationships vary in different countries. For example, males are valued more than females in some cultures, and peer pressure, work situations, and business interactions reinforce this phenomenon.
5. Language differs dramatically across countries, even in countries where people speak the same language. Words and expressions commonly used in one country may be disrespectful in another.
6. Business and daily life in some societies is governed by religious factors. Prayer times, holidays, daily events, and dietary restrictions, for example, need to be respected by American managers not familiar with these practices in some countries.
7. Many cultures around the world value modesty, team spirit, collectivity, and patience much more than the competitiveness and individualism that are so important in America.
8. Punctuality is a valued personal trait when conducting business in America, but it is not revered in many of the world's societies. Eating habits also differ dramatically across cultures. For example, belching is acceptable in many countries as evidence of satisfaction with the food that has been prepared. Chinese culture considers it good manners to sample a portion of each food served.

9. Americans often do business with individuals they do not know, but this practice is not accepted in many other cultures. In Mexico and Japan, for example, an amicable relationship is often mandatory before conducting business.

10. The Chinese-American Negotiations. *(The Chinese Negotiation)*

You're preparing for a business trip to China – armed with a list of etiquette howtos, stacks of business cards, and that conservative suit. These may get you through the door at your Chinese counterpart's company – but they won't help you forge the long-term associations Chinese and Western businesses can now achieve.

To do that, you need to understand the broad context of Chinese culture and values and their impact on the Chinese negotiating style. Deep cultural differences have created seemingly incompatible contrasts between Chinese and Westerners' approaches to negotiation. Often, Chinese businesspeople see Americans as aggressive, impersonal, and excitable. Westerners may see Chinese negotiators as inefficient, indirect, and even dishonest. The consequence? Business communications repeatedly break down.

Four cultural threads underpin the Chinese negotiating style. By understanding these – along with eight resulting elements of negotiation – you can boost your chances of developing thriving, mutually profitable business relationships.

CULTURAL THREADS

Agrarianism

Two-thirds of Chinese live in rural areas. This agrarian culture emphasizes cooperation, harmony, and obedience to familial hierarchy. Chinese traditionally revere the “root” (agriculture) and slight the “branch” (commerce).

Morality

Adherence to hierarchical relationships yields social harmony. Taoism – seeking “the way” between yin (passive) and yang (active) forces – encourages compromise in business and allows both sides to maintain valid positions. The best compromises result from the ritual back-and-forth of haggling.

A pictographic language

Because Chinese words are pictures rather than sequences of letters, Chinese thinking tends toward more holistic processing of information and emphasizes the big picture over details.

Wariness of foreigners

Millennia of external and internal strife have yielded a mistrust of strangers and cynicism about rules.

NEGOTIATION ELEMENTS

Guanxi (personal connections)

Chinese businesspeople prize relationships among friends, relatives, and close associates. Favors are always remembered and returned, though not necessarily right away. Ignoring reciprocity is considered immoral.

Zhongjian ren (the intermediary)

An intermediary is essential during meetings with strangers. This trusted business associate connects you with his trusted associate, creating a personal link to your target organization or executive. Intermediaries interpret negotiators' moods, body language, and facial expressions. They – not the negotiators – first raise business issues for discussion, and often settle differences.

Shehui dengji (social status)

Casualness about social status doesn't play among people who value obedience and deference to superiors. Sending a low-level representative to a high-level negotiation can kill a deal.

Renji hexie (interpersonal harmony)

Relationships of equals are cemented through friendships and positive feelings, generated during months of home visits and long dinners. Any attempt to do business without first establishing harmony is rude.

Zhengti guannian (holistic thinking)

Chinese discuss all issues simultaneously in apparently haphazard order – emphasizing the whole package over details. Nothing is settled until everything is. This holistic thinking contrasts with Westerners' linear approach – and spawns the greatest tension between negotiating teams.

Jiejian (thrift)

Chinese bargain intensely over price, padding offers with room to maneuver and using silence and patience as tactics. They expect both sides to make concessions – often after weeks of haggling.

Mianzi (“face” or social capital)

A broken promise or display of anger or aggression causes mutual loss of face – disastrous to any deal.

Chiku nailao (endurance, relentlessness)

Chinese prize relentless hard work. They prepare diligently for negotiations and expect long bargaining sessions. Demonstrate your endurance by asking many questions, doing your research, and showing patience.

THE VIEW FROM BOTH SIDES

AMERICAN

CHINESE

Their basic cultural values and ways of thinking

individualist	collectivist
egalitarian	hierarchical
information oriented	relationship oriented
reductionist	holistic
sequential	circular
seeks the truth	seeks the way
the argument culture	the haggling culture

How they approach the negotiation process

Nontask sounding

quick meetings	long courting process
informal	formal
make cold calls	draw on intermediaries

Information exchange

full authority	limited authority
direct	indirect
proposals first	explanations first

Means of persuasion

aggressive	questioning
impatient	enduring

Terms of agreement

forging a "good deal"	forging a long-term relationship
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11. More About the Chinese. *(Market Leader, New Edition, Unit 7)*

Listen to the talk given by Catherine Eng. Make notes on her key points.

Script:

I'll talk first about building relationships with the Chinese, then move on to suitable conversation topics. After that, I'll comment on gift-giving and, finally, mention a couple of points to think about when dealing with Chinese visitors.

It's important to remember that business relationships with the Chinese are built on personal trust and respect. Everything you do during visits must show that you consider your visitors to be important people. Developing a personal relationship and having a good social programme will often be more important than a business meeting.

Remember that status is important. The most senior person may not speak English as well as other, more junior, members of the group. However, you should pay careful attention to everything that person says.

Make an effort to learn and use a few words in Chinese. Your visitors will appreciate this. If there's someone in your company who speaks Chinese, it may be better to use that person instead of a professional interpreter. It will be cheaper and the Chinese may trust a company member of staff more quickly.

Be careful about topics for discussion at social events. Don't embarrass visitors by introducing 'difficult' topics. They will be eager to learn about life in your country and about its culture. Now a word about gifts. Chinese people will often refuse a gift a number of times before finally accepting. Don't offer anything that's too expensive. Give similar gifts to people who are at the same level of importance. Wrap your gifts in red paper which is considered a lucky colour. Chinese people will appreciate any famous brands of the country they're visiting.

Punctuality is very important. They expect people to arrive on time for a meeting. To arrive late shows a lack of respect. 'Sincerity' is highly valued by the Chinese.

UNIT 2. SMALL TALK

1. Situations and Negotiators. *(Business Vocabulary in Use, Intermediate, Unit 62)*

A. Types of negotiation

If people **negotiate** (with each other), they talk in order to reach an agreement which is to their **mutual advantage** (good for them both). For example:

- customer-supplier negotiations
- merger or takeover negotiations
- wage negotiations
- trade negotiations

Negotiations also take place to **settle disputes** (decide arguments) such as:

- contract disputes
- labour disputes
- trade disputes

B. Word combinations with 'negotiations'

Intense Intensive	negotiations	are very difficult and tiring, with a lot being discussed.
Delicate Tense		are very difficult and could easily fail.
Eleventh-hour Last-minute		take place at the last possible moment of the time available.
Protracted		take a very long time.

Someone who takes part in negotiations is a **negotiator**, and someone who is good at getting what they want is a **tough negotiator**.

C. Bargaining

Another word for 'negotiate' is **bargain**. This is also used to talk specifically about discussing and agreeing the price of something. Another name for 'negotiator' is **bargainer**.

Another word for 'negotiation' is **bargaining**, used especially in phrases like:

- collective bargaining
- pay bargaining
- wage bargaining (discussions between groups of employees and their employers about pay and conditions)

'Bargaining' is often used in these combinations:

bargaining	ploy tactic	a particular technique used by a negotiator
	chip tool	an issue that a negotiator uses in order to gain an advantage
	point	a particular issue that a negotiator discusses
	power	the degree to which one side is strong enough to obtain what it wants
	process	the way that negotiations develop

1.1. Relate these headlines to the situations in A above.

1. CAR WORKERS IN TWO-YEAR PAY DEAL TALKS WITH FORD _____
2. FRANCE BANS US FILMS FOLLOWING TALKS BREAKDOWN _____
3. WORLD TRADE ORGANIZATION MEMBERS IN WIDE-RANGING DISCUSSIONS _____
4. EMPLOYERS REFUSE TO NEGOTIATE WITH STRIKING MINERS _____
5. EUROTUNNEL ATTACKS CONSTRUCTION COMPANIES FOR LATE COMPLETION _____
6. PHARMACEUTICAL GIANTS SAY THAT COMBING WOULD BE TO THEIR MUTUAL ADVANTAGE _____
7. EDUCATION MINISTRY AND COMPAQ IN 'COMPUTER ON EVERY DESK' TALK _____

1.2. Match the sentence beginnings (1-8) with the correct endings (a-h). The sentences all contain expressions from B and C above.

- | | |
|---|--|
| 1. After 48 hours of intensive negotiations in which he slept for _____ | a. the plane was allowed to land at Larnaca airport. |
| 2. One of the problems of protracted negotiation is that achieving agreement can come _____ | b. hour negotiations between the US, the European Union and Japan. |
| 3. After tense negotiations between the hijackers and air traffic control in Cyprus, _____ | c. only one hour, Mr Prescott said, 'It has been both tough and incredibly complicated.' |
| 4. The agreement on limiting television violence represents the climax of several months of intense _____ | d. of delicate negotiations to put the process back on track. |
| 5. The painting has been withdrawn | e. negotiations between television ex- |

- from sale and acquired by the National Gallery ____
6. Then violence broke out and it took six months ____
7. The deal was struck only after eleventh- ____
8. He's a tough negotiator ____
- ecutives and the National Parent Teacher Association.
- f. to be more important than anything else, including the final decision.
- g. and likes bargaining about everything.
- h. after last-minute negotiations with the auctioneers, Sotheby's.

2. Preparing for Negotiations. *(Business Vocabulary in Use, Intermediate, Unit 63)*

A. Preparing to negotiate

John Rix is an expert on negotiation:

'Before negotiations begin, preparing and planning are very important.

- a. Get as much information as possible about the situation. If dealing with people from another culture, find out about its **etiquette** and **negotiating styles**: the way people negotiate, what they consider to be acceptable and unacceptable behaviour, and so on.
- b. Work out your initial **bargaining position**: what are your needs and objectives (the things that you want to achieve)? Decide your **priorities** (the most important objectives).
- c. Try to estimate the needs and objectives of the other side.
- d. Prepare a **fallback position**: conditions that you will accept if your original objectives are not met.
- e. Perhaps you are in a position to influence the choice of **venue**: the place where you are going to meet. If so, would you prefer to:
 - **be on your own ground / on home ground** (in your own offices)
 - go to see the other side **on their ground** (in their offices)
 - meet on **neutral ground**, for example in a hotel?
- f. If you are negotiating as part of a **negotiating team**, consult your colleagues about points a to e, and allocate roles and responsibilities.

B. Negotiating scenario

At the beginning of a negotiation, follow these steps:

1. Meet and greet **representatives** of the other company and introduce your colleagues.
2. Offer coffee and **small talk**. Try to create a **relaxed atmosphere**.
3. Go to the meeting room and suggest that you **get down to business**.
4. Have a clear **agenda** and a **timetable**.

5. First, give the **background** to the negotiations. Talking about the situation is a good way of reminding people of key facts and issues.
6. Then **kick off** the negotiations themselves, perhaps by finding out more about the priorities of the other side (the things they think are most important) or talking about your own requirements.

C. Negotiating styles

When you're negotiating with people from other cultures, it's important to think about what they consider as 'normal' behavior. You'll need to think about the following:

- | | | |
|--------------------|-------------------------|---------------------|
| ▪ body language | ▪ conversational rules | ▪ hierarchy |
| ▪ physical contact | ▪ relationship building | ▪ attitudes to time |

2.1. Jose Oliveira is head of *Xania*, a Brazilian aircraft manufacturer. He is preparing for negotiations with *Zebra*, an engine supplier. Match each point (1-6) in Jose's notes with one of the tips (a—f) in A above.

1. organize preparatory meeting with head of manufacturing and head of purchasing to discuss strategy
2. persuade *Zebra* representatives to come to our office in San Paolo
3. principal objective: delivery of first 20 engines in six months; other objectives: flexible payment, strong quality guarantees: price less important, but aim for US\$500,000 per engine, find out more about *Zebra's* priorities
4. rumor says that *Zebra* are in financial difficulty: they badly need orders
5. will accept price up to US\$550,000 if specifications are good
6. *Zebra* well-known in the industry for its “strong” negotiating techniques

2.2. Look at the steps in B opposite. Arrange these phrases Jose uses at the beginning of the negotiation in the correct order.

1. As you all probably know, Mr. Watanabe and I met at the Aerospace Trade Fair in Frankfurt last year and we had a very interesting discussion about the possibility of our two companies working together.
2. I believe you're flying back on Friday evening, so that gives us three days. I think two days should be enough to cover all the points. On the third day, Friday, if we have an agreement, I'll ask our lawyers to finalize conditions for the contract with you.

3. Mr. Watanabe, good to see you again. How are you? Let me introduce my colleagues: Sandra Lisboa, our chief purchasing officer, and this is Fernando dos Santos, head of production at *Xania*.
4. Shall we go to the conference room and make a start?
5. Well we've looked at the potential market for our new plane, and it looks as if we will need 100 engines over the next three years.
6. Would you like some coffee or tea, or would you prefer juice? How was the flight?

2.3. Mr. A is in another country in order to try and get a multi-million dollar order from Mr. B and his assistant, Mr. C. Put each problem that occurs in their meeting under one or more of the headings in C above.

1. Mr. A wanted to start the negotiations immediately, but Mr. B suggested a sightseeing tour of the city and a game of golf the next day.
2. Mr. B started asking Mr. A about his wife, home and family.
3. When Mr. C made an important point, Mr. A was silent for two minutes before replying. This made Mr. C very nervous.
4. When talking, Mr. B looked directly at Mr. A and his two assistants in turn, giving them equal attention. Mr. A started to look annoyed.
5. During a break for coffee, Mr. B put his arm around Mr. A's shoulders in order to be friendly.
6. When Mr. A was talking, Mr. C frequently interrupted him.

Over to you: Go to <http://news.google.com/> and find the recent news on negotiations. Prepare to discuss the news with the target vocabulary.

3. He Drives a Hard Bargain. (*Effective Negotiating, Unit 1*)

3.1. The following expressions are often used to discuss tactics before the negotiations. Match each expression with its meaning from the right-hand column.

- | | |
|---|-----------------------------------|
| a. He <i>drives a hard bargain</i> . | i. stuck in detail |
| b. You need to <i>be on your guard</i> . | ii. see what happens |
| c. We're getting <i>bogged down</i> . | iii. is a tough negotiator |
| d. They'll try to <i>knock us down</i> . | iv. a bargaining zone |
| e. What's our <i>fall-back position</i> ? | v. contingency plan |
| f. Shall we <i>play it by ear</i> ? | vi. ready to defend your position |
| g. We've got <i>room to manoeuvre</i> . | vii. reduce our prices |

3.2. Use the appropriate form of one of the expressions in italics to complete the sentences below:

- a. It's difficult to predict what's going to happen. I think we should just _____
- b. We've really got _____ in detail and lost sight of our overall objectives.
- c. We could end up losing money on the contract if we are not careful. The chief negotiator on the other team is very experienced and always _____.
- d. Our margins are very tight. There's very little _____.
- e. I know they think we are charging too much, but if they try to _____ on price we are going to have to insist on better payment terms.
- f. They are very persuasive negotiators and will throw a lot of impressive-sounding figures, so you should _____.
- g. Ideally the new buildings will be nearer the airport, but if that proves too expensive, or there's nothing available, our _____ is to site the factory here.

4. Welcoming Visitors. (*English 365 – 2, Unit 5, p. 70 / <http://www.cycnet.com.cn/>*)

4.1. Listen to Chris meeting a visitor to his company.

Chris: Hi, Manuela. Great to see you again.

Manuela: Nice to see you too. How are you?

Chris: Fine, thanks. And you? Did you have a good trip?

Manuela: Not bad. A slight delay before take-off. Nothing serious.

Chris: Did you find the office easily?

Manuela: Yes, the taxi driver knew exactly where to come.

Chris: Good. Can I get you a coffee?

Manuela: White with one sugar, thanks.

Chris: Here you are. So where are you staying? The Residence?

Manuela: Yes, it's a nice hotel. It's very convenient.

Chris: Good. And what time's your flight back?

Manuela: Five o'clock tomorrow afternoon.

Chris: Right. And I know you've got a lot to do while you're here, so shall we get started?

4.2. Complete the sentences which you can use when answering questions during a company visit.

1. I had a slight problem at Heathrow, a short _____ of 45 minutes.
2. I'm _____ in the Bristol Hotel, just round the corner.
3. It's my second _____ to Bonn. I was here last year for a conference.
4. Coffee would be great. Black with no _____, thanks.
5. My _____ back is at 18.55. I need to check in by 17.30.

4.3. Now make questions you can use to ask a visitor.

1. Greet a visitor you already know and ask how he / she is.
2. Ask about the visitor's trip.
3. Ask if the visitor had any problems finding the office.
4. Offer the visitor coffee.
5. Ask the visitor about his / her hotel.
6. Check the return flight time.
7. Suggest you start the meeting.

4.4. Suggest appropriate reply in each situation.

1. Excuse me, but would you perhaps be Mr. Thorn?

2. Nice to meet you.

3. Good to see you again. How are you?

4. I really appreciate your coming to meet me.

5. Thank you for picking me up.

6. Did you have a good trip?

7. Did you enjoy your flight?

8. How long did the flight take from New York?

9. Is this your first visit here?

10. Let me take your coat.

11. Did you have any problems finding us?

12. Would you like some coffee?

13. Where are you staying?

14. When's your flight back?

15. Did you make reservations for a hotel?

16. Shall I take you to the hotel now?

17. Shall we get started?

5. Making Small Talk. (*Market Leader, New Edition, Unit 7*)

5.1. Listen to the conversation between two people who have recently met. What is wrong? How can it be improved?

Script:

A: So where did you go for your summer holiday?

B: Italy.

A: Did you have a good time?

B: Yes. It was OK.

A: And which part of Italy did you go to?

B: Tuscany.

A: I went to Pisa – really enjoyed it. What did you think of it?

B: Nothing special.

A: Oh right. So, ... how's it going at work?

B: We're really busy.

A: That's really good, isn't it?

B: I don't know about that.

5.2. In what business situations would you use the words and expressions below? Discuss your ideas with a partner.

- Congratulations!
- Cheers!
- Make yourself at home.
- Help yourself.
- I don't mind.
- Excuse me.
- Sorry.
- It's on me.
- I'm afraid...
- Please...
- Could you...?
- That sounds good.

5.3. What would you say in the following situations?

1. You don't hear someone's name when you are introduced to them.
2. You have to refuse an invitation to dinner with a supplier.
3. You are offered food you hate.
4. You want to end a conversation in a diplomatic way.
5. You have to greet a visitor to your company.
6. You have to introduce two people to each other.
7. You offer to pay for a meal.
8. You have to propose a toast.
9. Your colleague has been made redundant.
10. You arrive half an hour late for a meeting.

Now listen and check your answers.

1. I'm sorry. I didn't catch your name.
2. I'm sorry. I'm afraid I'm going to the opera on Tuesday.
3. Not for me thanks; I'm not very keen on fish.
4. I'm sorry. I really must get going. It was really nice talking to you.
5. Welcome to our headquarters.
6. Michael, can I introduce you to John Perry? John's over from the States. John, this is Michael Andrews, my boss.
7. Let me get this.
8. Here's to our future success.
9. I'm very sorry to hear about what happened.
10. I'm sorry I'm late. The traffic was terrible.

5.4. What can you say in the first five minutes of meeting someone? Choose the best answer a) to j) for each of the questions 1 to 10.

- | | |
|--|--|
| 1. Is this your first visit to the Far East? _____ | a. At the Peninsula Hotel. |
| 2. Oh really. What do you do? _____ | b. Nearly ten years. |
| 3. How long have you been there? _____ | c. No, I come here quite often. |
| 4. Have you been to Hong Kong before? _____ | d. No. This is my first trip. |
| 5. Business or pleasure? _____ | e. I'm the Marketing Director for a small import-export company. |
| 6. How long have you been here? _____ | f. Business, I'm afraid. |
| 7. How long are you staying? _____ | g. Till tomorrow night. |
| 8. Where are you staying? _____ | h. A week. |
| 9. What's the food like? _____ | i. I really like it. There's so much to do. |
| 10. So, what do you think of Hong Kong?
_____ | j. It's very good, but eating in the hotel can be quite expensive. |

5.5. Practice similar conversation with your partner.

6. Business Associates. (*Business Benchmark, Pre-Intermediate, Unit 13*)

6.1. Complete the following conversation by writing the verbs in brackets in each gap, using either Present Perfect or Past Simple.

- A:** Hi Nadia. I _____ (not see) you for some time.
- B:** No, well, we _____ (just finish) moving to a new office. We're now based in Seamore Street.
- A:** Oh really? How long _____ you _____ (be) there?
- B:** About three weeks. We _____ (move) on April 17. It was mad. We _____ (have to) pack everything into crates and we still _____ (not be) ready when the removal people _____ (arrive).
- A:** But you're settled in now?
- B:** No, that's the thing. We still _____ (not unpack) everything yet.

6.2. Guess the missing words in gaps. Use Present Perfect and Past Simple. Then listen and check your answers.

- A:** So how long _____ you _____ with Marque Development?
- B:** For about two years. I _____ with them in the autumn of 2004.
- A:** Mm... and _____ you _____ to Milan before?

- B:** No I haven't. I _____ to Venice before, though.
- A:** Ah. When was that?
- B:** About three years ago. It was just for a holiday. We _____ three days in Venice and then we went down to Tuscany.
- A:** Lovely. So _____ you _____ much of the city yet?
- B:** Not yet. I _____ a bit around the center last night.
- A:** Er, did you see the shopping gallery?
- B:** Oh yes. It's wonderful.

7. I'm Glad to Welcome You. *(Effective Negotiating, Unit 1)*

7.1. Listen to the extracts. Match them to the situations below.

Situations:

- An informal negotiation between a customer and salesman who know each other well.
- An internal negotiation between a boss and a subordinate about promotion and salary.
- A formal joint-venture negotiation between two international companies.
- An informal negotiation between colleagues.

7.2. Listen again to Extract one. Note down the expressions used to do the following:

- Welcome visitors / guests – Chairman: _____
- Introduce yourself / your position – Peter: _____
- Introduce yourself / your position – Ulrike: _____
- Introduce a colleague 1 –Yves: _____
- Introduce a colleague 2 –Yves: _____

7.3. Listen again to Extracts two, three, and four. In each case note down the expression used to switch from small talk subjects to business.

- Extract two _____
- Extract three _____
- Extract four _____

Scripts:

Extract 1.

- A:** On behalf of Unica, I am very glad to welcome you to our head office. Shall we just go round the table, making sure we all know each other? Peter, why don't you start?
- B:** Right. Hello, everyone. My name's Peter Snelson. I'm the Corporate Affairs Director

here in the UK, and I'll be in charge of producing the press statements when we have finalized the terms of our agreement.

A: Thanks, Peter. Ulrike?

C: Yes, hello. I'm Ulrike Kristofferson, in charge of Strategic Marketing, and I'd just like to say how pleased I am that we have all finally got together. And that we are making a start on what I'm sure will be a vital alliance in our industry.

A: Thank you. Yves, would you like to introduce your team?

D: Of course. Well, I'm Yves Canaux, Group Marketing Director, Europe. This is Luca Gardini. He looks after our offices in Southern Europe.

E: Good morning. Nice to meet you all, at last.

D: And I think everyone knows Gabriella? *(some sounds of agreement)*

F: Yes, I think I spoke to everyone when I was setting up this meeting.

D: And finally, there's Dieter Weiss from our office in Ulm...

Extract 2.

A: Giorgio, come in. Take a seat.

B: Thanks.

A: So, how are you? How are the family?

B: They're all fine, thanks. My youngest daughter has just gone off to university, actually. The other two left home last year, so now it's just my wife and me at home.

A: So do you miss them a lot, or are you just enjoying the peace and quiet?

B: A little bit of both. I've certainly had more time for work over the last year or so.

A: Yes, well, we had noticed. And that was actually one of the things I wanted to discuss with you this morning. So, shall we start by looking at your last appraisal?

B: Well, I wondered if I could start by saying how I see things at the moment?

A: Of course. Go ahead.

Extract 3.

A: Hi, Elena, good to see you again. How are you?

B: Fine thanks. And you?

A: I'm fine, apart from being in the middle of moving house, which is a nightmare. But I'll appreciate not having to spend so much time travelling to work every day!

B: Yes, it took me nearly two hours to get here this morning. The traffic was appalling.

A: I guess you could do with a coffee, then?

B: Thanks, that would be nice.

A: Milk, sugar?

- B:** Black, two sugars, please.
- A:** So, how's business in your sector?
- B:** Not too bad. We've got a lot of work to do for the new budgets at this time of year.
- A:** Would you say that it's been better than last year?
- B:** I think so, certainly in my unit, we've seen an upturn in sales.

Extract 4.

- A:** How was your weekend?
- B:** OK. We went for a great walk along the river on Sunday. The weather was fantastic. How about you?
- A:** I didn't get back from the States until Saturday night, and I spent Sunday recovering. I still feel pretty jet-lagged.
- B:** You must be exhausted! Perhaps you should have another coffee. It'll help you to stay awake!
- C:** OK, everyone, sorry to interrupt, but I think we'd better get started now. We've got a very full agenda. Has everybody met Sunita, our new PR Manager? *(Yes.)* Well, Sunita, we're throwing you in at the deep end, I'm afraid. Now, the first thing we really need to do today is come up with some firm proposals...

8. Establishing Business Relations. *(Business Benchmark, Upper-Intermediate, Unit 8)*

8.1. Listen to the conversation at a trade fair and write the order in which a visitor and a salesperson talk about these topics.

- _____ Asking about the other person's journey
- _____ Saying they like the stand
- _____ Asking the other person where they are staying
- _____ Saying how busy the fair is
- _____ Offering refreshment
- _____ Saying how nice the city is
- _____ Offering to show their products
- _____ Thanking the other person for the invitation

8.2. Complete the conversation you've just heard by writing one word in each gap.

- Jack:** Hello. Good morning. Tessa Marcovitz? My name's Jack Lemming, and _____ is my colleague, Susie Chen.
- Tessa:** Hello. Nice to _____ you. So you got my letter? That's great.

Jack: Hello.

Susie: Hello. Nice to meet you _____. So this is your stand? Very smart, and _____ for _____ us, by the way.

Tessa: Well, we've been wanting to _____ to you people for some time, and we like to let people know when we've got a stand at a fair. Did you have a good _____?

Jack: Yes, _____. Very good.

Susie: Yes, the airport is so _____ for this fair. _____ city, isn't it?

Tessa: Yes, lovely. Where are you _____?

Susie: We're staying at the Ritz, in the city centre.

Tessa: Good. They say it's it's the best hotel in town. When did you _____ in?

Jack: Just last night, but not too late.

Tessa: Good. Now, can we show you a few of our products? Take seat if you like.

Jack: Thanks. _____, isn't it?

Tessa: Incredibly, and it's been like this all week. This fair is getting more popular every year. Would _____ of you like a cup of coffee or a cup of tea before we get _____?

Susie: Yes, please. I could really do _____ a cup of coffee myself. What about you, Jack?

Jack: Tea for me, please.

Tessa: Fine. I'll just send one of our people out for it. Sam! Can you bring two cups of tea and one cup of coffee, please?

Sam: Sure.

ROLE PLAY. (*Effective Negotiating, Unit 1*)

Work in groups of four. Two of you are hosts, and two of you are visitors. The visitors have arrived at the hosts' company for a meeting. The hosts need to greet and welcome them.

Host 1 - You already know Visitor 2.

Host 2 - This is the first time that you have met either of the visitors.

Visitor 1 - This is the first time that you have met either of the hosts.

Visitor 2 - You already know Host 1.

UNIT 3. SETTING THE AGENDA

1. The Role of the Chairperson. *(Business Vocabulary in Use, Intermediate, Unit 55)*

Hilary Rhodes is a management consultant who specializes in meeting skills: ‘A good **chairperson** has to be a **good organizer**. What they do before the meeting is as important as the meeting itself. They should make sure the **agenda** (the list of things to be discussed) is complete by asking those involved what should be on it and then **circulating** (distributing/giving something to everyone there) it to everyone concerned. They should check the **venue** (place where the meeting is held), making sure the room will be free, without **interruptions** (people coming in and out and stopping the meeting), until the end of the meeting.’

The chairperson should be a **good timekeeper** (watch how long the meeting is supposed to be). They should start the meeting on time, without waiting for **latecomers** (people that are late).

They should appoint a **minute-taker** (someone who take notes on the important things that happen at the meeting) to take the minutes, making sure that opinions and **action points** (where participants agree get something done) are **noted**. They should make sure each point on the **agenda** (the list of reasons for the meeting) is **allocated the time it deserves** (exact of amounts of time for each point) and should keep to the **timetable**. When the time **allocated** (given to for a purpose) to one point is up, the chair should make sure that discussion **moves on to the next point**, (goes to the next topic) even if the issue has not been completely covered or **resolved** (finished deciding about).

The chair should make sure that each **participant** (people involved) has the chance to make their point, and should deal **tactfully** (being care to be nice and not hurt anyone’s feelings) with disagreements, making sure that each side feels their point of view has been noted. They should also try to avoid **digressions** (not sticking to the topic being talked about), where people get off the point. Finally, they should ensure the meeting **finishes on time** (the agreed ending time), or early.

After some meetings, it’s necessary for **the minutes** (written important points of the meeting) to be circulated to everyone, especially if there are **action points** (things that have to be done) that particular people are responsible for.

At the next meeting, the chair should ask for the minutes to be read out and see if all agree that it is an **accurate record** (it was done correctly) of what happened, and see if there are any **matters arising** (any points from the last meeting that need to be discussed). And they should check what **progress** (improvement or advancement) has been made on the **action points** from the previous meeting.

2. Preparing for a Negotiation. *(Communicating in Business, Unit 13)*

2.1. Match the word to the correct definition.

- | | |
|----------------------|---|
| 1. agenda _____ | a) a legal document that gives details of an agreement |
| 2. compromise _____ | b) meeting between at least 2 parties that aims to reach an agreement |
| 3. proposal _____ | c) plan for the meeting or negotiation |
| 4. priorities _____ | d) information used to help make your point in a negotiation or |
| 5. contract _____ | e) agreement that is between the starting positions of both sides |
| 6. evidence _____ | in a negotiation or a meeting |
| 7. negotiation _____ | f) most important needs or demands |
| 8. agreement _____ | g) position (maybe a final one) that both sides accept |
| | h) offer |

2.2. Complete the gaps in each sentence to make a word which will fit the context.

1. Not all negotiations (or meetings) have a formal a_____.
2. You should know your s_____ and w_____.
3. Establish your o_____.
4. Have all the i_____ you need.
5. Prepare any v_____ supports.
6. Prepare an o_____ s_____.

2.3. Mark the following statements as True (T) or False (F).

1. _____ Everyone present should make an opening statement.
2. _____ The opening statement explains the purpose of the meeting.
3. _____ It is a good idea to make positive comments about the other side in the negotiation.
4. _____ In most situations it is best to try to work with and not against the other side.
5. _____ Both sides usually make an opening statement.
6. _____ It helps to try to understand the other side's point of view.
7. _____ The opening statement explains your minimum requirement from the negotiation.

3. Stating the Objectives. *(Effective Negotiating, Unit 2)*

You are going to watch the negotiations video. Read the background information.

The company: Levien SA is based in Brussels, Belgium. It's an international company which manufactures specialist paints and dyes. In its head office it has a small IT function which the company has decided to outsource.

The people:

- Françoise Quantin is the current IT Manger at Levien. She is about to be promoted to Head of Logistics. She is keen that her IT team are protected.
- Sean Morrissey is from Levien's main subsidiary in Chicago. He has been sent to the Brussels Office to develop Levien's procurement policy.

The company: Okus IT, based in Swindon, in the South of England. They specialize in managing IT projects and taking over the IT departments of their client companies.

The people:

- Andrew Carter is Export Sales Manager for Okus IT. He has made the initial contact with Levien. He has met one of the Levien team, Sean, before.
- Karen Black is a Project Manager at Okus IT. She has prepared the specifications for this contract. This is the first time she has been involved in negotiating an overseas outsourcing contract. She is anxious about the meeting.

The negotiation: Okus have sent a detailed written proposal to Levien. The meeting has been arranged to negotiate the terms of any agreement. In particular the following two issues are likely to be sticking points:

1. Staffing

Levien would like to protect the jobs of their current IT team. They want Okus to employ the four members of the team, and are under pressure from the unions to make sure outsourcing contracts like this do not lead to redundancies. Okus, on the other hand, will not want to take on Levien's whole team. They already have project engineers based in Swindon.

2. Pricing

Okus have proposed two levels of IT support:

- **Level A:** A fixed monthly price which will cover all support work (daily maintenance and customer support) and specified project work (hardware and software upgrades, training. Etc.)
- **Level B:** A lower monthly invoice based on just support work. Any additional project work will be logged and then added to the invoice the following month.

3.1. Pre-viewing

Do you think all the negotiations need an agenda? Who should be responsible for chairing and controlling a negotiation?

Setting the scene:

- Karen is expecting Françoise to set out the agenda for the meeting.
- Andrew is ready to make his opening presentation.
- Sean wants to establish clear and strong position for Leven.

3.2. Viewing

1. Watch Version 1. Why does the negotiation get off to such a bad start?
2. Watch Version 1 again. Do you think it's a good idea to raise the critical issue so early in the negotiation? How would you handle the aggressive position immediately adopted by Sean?
3. Watch Version 2. How does Françoise control this opening phase? Identify and make a list of the steps which Françoise goes through to open the meeting and set the agenda.
4. Watch Version 2 again. Fill in the blanks.

Script:

Françoise: I'd like _____ a few words about the meeting today and what we expect to _____. One thing I'd like _____ from the start is that we see Okus as a strong candidate, but, of course, not the only one. What we hope to do today is to find enough _____. Is that clear?

Karen: Fine.

Françoise: I've _____ an agenda. First we'd like you to present your proposal. We have read it, but we'd like you to _____ the critical areas. Andrew, I understand you've come prepared to do this?

Andrew: It should take about ten, fifteen minutes. Please _____ to ask any questions while I'm talking.

Françoise: Good. That will help us to _____ which need more discussion. After that I suggest we try and resolve any _____ differences and then, finally, assuming that we can agree, I thought we could draw up an action plan for the next few months.

Sean: I just want to add that you can use the room next door anytime. There's coffee and stuff there if you need it.

Karen: Thanks.

Françoise: What about the end of the day? Are you _____ this evening?
Karen: Yes, well, we could get rooms at one of the airport hotels.
Sean: I'm sure we can get you somewhere better than that.
Françoise: _____, you won't need a hotel.

4. Run Through the Agenda. *(Effective Negotiating, Unit 2)*

4.1. Listen to these negotiation openings. Which of the following steps do they include? (Tick (γ) the appropriate columns.)

Extract	Introduction	Objectives	Agenda	Timing	Procedures
one					
two					
three					
four					
five					
six					

4.2. Listen again and answer the questions:

- Extract one: what's on the agenda before and after lunch?
- Extract two: what's the first issue to be discussed?
- Extract three: why should they cooperate?
- Extract four: in what way will the agreement change?
- Extract five: what's on the agenda after lunch?
- Extract six: how long will today's meeting last?

4.3. Listen again to extracts 3-6 and fill in the blanks.

Extract 3.

A: So, _____, everyone. It really is a pleasure to see you all here. Firstly, may I suggest we start by _____ I sent you? Are there any comments on this?

B: Yes. I wondered whether we could take _____ first. We really need _____ before anything else.

A: _____, but it's also a potentially difficult area. That's the reason _____. I thought it might be a good idea for us to start by _____ we have in common. We'll _____ after that.

B: OK, well, _____.

A: Sure? Well, then, before we _____, I'd just like to say how strongly I feel that it's in both our interests _____ today. The market's becoming ever more competitive and our combined strength will give us some _____. Not least in terms of the dealer network. Now, I think Cristina would like to say a few words about that...

Extract 4.

A: So, as we all know, we're here today to try and _____ about a long-term delivery contract. Up to now, you've supplied us with some of our major components, but only _____ basis. What _____ is an annual contract for the supply of three key components. Now, as you know, we've read your offer and _____ for today, which covers the main areas for negotiation – that is price, payment terms, and quality guarantees. _____?

B: Yes, that _____.

A: _____?

B: No problem. As long as it takes.

A: Fine. By the way, I hope you don't mind if Irina _____? She's just joined the Purchasing Department and I'd like her to see how we manage a contract like this. Is that OK?

B: Of course. No problem.

A: So, let's _____ your pricing proposals.

Extract 5.

A: OK now, we've got some _____ here so I suggest _____ a procedure. Firstly, we'll ask you to _____ the advantages of your offer, and then we'll have _____ to resolve any outstanding issues. Anything we don't manage _____ at this stage can then be _____ discussion later. But we'll keep _____ the contract, making sure at each stage that we all understand exactly what's on the table. Is that acceptable?

B: Yes, _____.

A: Christian has volunteered to keep note of the _____, and I hope by lunchtime we will have got through all the main clauses. We can always come back to any _____ after lunch.

Extract 6.

- A:** So, let's _____ right away. Marian, I believe you've got some proposals for this year's contract which you'd like us to hear?
- B:** _____. We thought we could briefly _____, and answer any questions you may have.
- A:** Ok, fine. I've got another meeting at three this afternoon, so _____ most of today, and we can meet up again tomorrow if we need to. So, _____, Marian.
- B:** Thanks . Well, there are three main sections to the offer we would like you to ...

4.4. Complete the following sentences with the correct form of one of the verbs from the list below.

run take put come give go

- Can we just _____ through the agenda?
- It won't _____ more than a couple of minutes.
- It would be easier if we _____ the question of staff first.
- Don't worry. John will _____ the minutes.
- Francoise is going to _____ a brief presentation.
- Then we can _____ round the table.
- We'll _____ to that in a moment.
- I think we should _____ that last.
- So, that _____ us just half an hour.

4.5. Here are a series of negotiating idioms using the word *ground*. Match the idioms in italics (a-i) with equivalent expressions (i-ix).

- | | |
|--|---|
| 1. You're <i>on dangerous ground</i> . _____ | a. dealt with a lot of points |
| 2. We need to <i>find some common ground</i> . _____ | b. repeating ourselves |
| 3. We've <i>covered a lot of ground</i> . _____ | c. undermined our position |
| 4. You must <i>keep both feet on the ground</i> . _____ | d. there's a high risk of failure |
| 5. You're <i>on shaky ground</i> there. _____ | e. don't make any concessions |
| 6. We're just <i>going over the same ground</i> . _____ | f. your arguments are not very convincing |
| 7. Their offer <i>cut the ground from under us</i> . _____ | g. points we can agree on |
| 8. Don't give in. <i>Hold your ground</i> . _____ | h. we're in a weaker position |
| 9. We have <i>lost ground</i> to our competitors. _____ | i. be cautious and sensible |

4.6. Which of the idiomatic expressions from a-i above would you use in the following situations?

- a. Our sales have gone down sharply this year, whilst our competitors have increased their market share.
- b. You have had a day of wide-ranging discussion, and have talked through many of the issues on your agenda.
- c. A rival company has made a competitive bid which makes your offer look really expensive.
- d. You must stand firm. You cannot afford to make any more concessions.
- e. You are looking for areas of agreement.
- f. The negotiation has got stuck and is not moving forward. At the moment, all you are doing is repeating yourselves.
- g. There is a risk that you could be seduced into making a silly offer. You must proceed very carefully.
- h. You need to be very cautious in this particular area of the negotiation.

ROLE PLAY. (*Effective Negotiating, Unit 2*)

Work in small groups. Choose one of the three negotiating scenarios below and prepare the opening.

a. Objective to reach agreement about terms for a new annual printing contract

Agenda

- 1. existing contract – advantages and disadvantages
- 2. problem of delivery times
- 3. new contract – main elements

Timing 10.00 – 16.00 (break for lunch, booked)

Roles

Peter: minutes
Margarita: present new contract

Procedure opening presentation by printing company

b. Objective to settle a dispute over bonuses with the union

Agenda

- 1. financial update
- 2. salary grades
- 3. new bonus system

Timing morning (the following day if necessary)

Roles

Frank Raguzzi: chief negotiator
Imed Mullah: assistant, minute-taker

Procedure you will start by presenting a financial update

5. Making an Opening Statement. *(Communicating in Business, Unit 13)*

5.1. Most formal negotiations begin with an opening statement from each side. What do you think an opening statement should include?

5.2. Listen to a recording of part of a meeting between a small Singaporean software company called *LP Associates* and a possible partner, *Kee Ltd.*, in a joint venture. You will hear part of an opening statement from Stella Wang, the Production Manager at *LP Associates*. Check (✓) four of the eight statements below which best represent what she says.

1. LP Associates wants to reach a final agreement in this negotiation.
2. These are preliminary talks.
3. The two parties want to resolve a conflict.
4. They want to agree on a name for the joint venture.
5. LP Associates would like to consider joint product development.
6. They would also consider license agreements.
7. LP Associates wants to agree to a complete sale of their ideas.
8. They want to consider working on a consultancy basis.

5.3. Listen again. Complete the following phrases from Stella's opening statement.

- a) Well, thank you _____.
- b) May I begin by _____.
- c) First of all, we see it very much as a first meeting, a _____ to _____ in which we can perhaps
- d) There are two, possibly three, ways in which we _____.
- e) I'd like to _____ these under three headings.

Script:

Well, thank you for coming here today. As you know, we have a busy agenda. May I begin by outlining some basic thoughts that we have on this meeting. First of all, we see it very much as a first meeting, a preliminary negotiation to identify areas in which we can perhaps work together on certain products – prototype products – that we have developed. There are two, possibly three, ways in which we might go forward. I'd like to summarize these under three headings. First, development projects; second, license agreements. The third is the possibility of some kind of consultancy relationship. Is everyone happy if I say a few words about these to begin with? *(murmurs of agreement)* Fine, well, first of all, joint development projects. This is *(fade)*

5.4. Suggest phrases for each of the following at the beginning of a negotiation and bring all the phrases together in a single opening statement.

- a) Welcome the other side.
- b) Develop small talk (trip, weather).
- c) Mention plans for lunch – make your visitors feel welcome (city center / restaurant).
- d) Suggest you start talking about the main subject of your meeting.
- e) Introduce a colleague (Luke Fox, Marketing Department).
- f) Explain general aim or purpose of the meeting (preliminary / exploratory).
- g) Say what your side wants from the meeting. (Establish beginnings of a partnership / learn about supply systems / price variations and supply costs.)

5.5. Choose one of the following two situations to prepare an opening statement. Remember to include welcoming remarks and some general comments on your expectations for a successful meeting and an agreement which leads to a lasting partnership.

Situation 1

Your company, Ultra Compo, is meeting representatives of OHTA Inc. from Tokyo. OHTA Inc. wants to set up an office in your country to distribute its electronic components.

Objective – exploratory talks to:

- know more about the products
- find out about OHTA's existing international distribution network
- discuss in general the terms under which the two companies could cooperate.

Independent objective: to internationalize your own company's activities and extend your product range.

Situation 2

You are interested in buying some land in a suburb of Lima, Peru, where you want to establish a distribution warehouse to serve the Andean Region of South America. You have a meeting with the lawyers acting for the landowner, Puertos Callao S.A., a port authority in Lima.

Objective – exploratory talks to find out:

- more about the land, its exact location relative to the port, airport, city center, etc.
- the cost of the land
- the present condition of the land – existing buildings, etc.

Independent objective: to secure the land on the lowest possible terms, either by buying it now for cash, or getting a deal spreading costs over a longer term at low interest, or to lease the land.

ROLE PLAY. (*Communicating in Business, Unit 13*)

This role play has three parts: to prepare for a negotiation; to make some small talk; to make an opening statement. Work on teams, everyone should contribute to the first two parts and agree on one-two people to actually present the opening statement.

TEAM A

Coen Brothers. You are representatives of Coen Brothers, manufacturers of prefabricated industrial buildings. You are planning to launch a major sales drive in Italy, a new market for your company.

The market. The Italian market for prefabricated industrial buildings is very competitive, and since you are based in the USA and Mexico you have transportation costs to add to your manufacturing costs. However, you know that on average your prices are 10% lower than Italian competitors, though at the top of your product range, your prices are a little higher than the average, but the quality is also better.

The product. Your buildings are highly functional, and can be adapted to a range of industrial needs. They are built according to strict design quality and use the best available materials.

You supply all materials. You also take care of the actual construction, including connections for electricity, water systems, insulation and heating.

You can also supply the buildings at finished quality, in other words, fully decorated according to the customer's wishes.

Different qualities are available: basic, standard and ultra, which includes a full range of services at residential quality.

TEAM B

Fratelli Taviani. You are representatives of Fratelli Taviani, an Italian animal feeds manufacturer. You have a meeting with Coen Brothers, a North American company.

Your requirements. You need to build a new office and storage buildings at your Asti plant in Piedmont, Northern Italy. There are many suppliers of prefabricated industrial buildings.

You need two standard-quality storage buildings with electricity, water and air-conditioning systems. You also need an office building of the highest quality. You expect to have the buildings decorated at extra cost by a local decorator.

You want the buildings to be supplied and constructed within 30 days, but you could allow 60 days.

The market. You would like to use a local supplier, Daniele Edili, who supplied some of your existing buildings. Unfortunately they are on average 10% more expensive than Coen Brothers. Coen products are also better quality. On the other hand, Coen is a new company and you need assurances on their quality and ability to meet deadlines.

UNIT 4. ESTABLISHING AND CLARIFYING POSITIONS

1. Establishing Positions. *(Effective Negotiating, Unit 3)*

1.1. Pre-viewing

1. When you present your position, what do you hold back?
2. What is the best way to make sure you get feedback on your position?

Setting the scene:

- Andrew has prepared a presentation of the key aspects of their offer.
- Karen is expecting Andrew to present their offer.
- Françoise expecting Andrew to identify key aspects of their offer.
- Sean would like to hear what they are offering in terms of staffing levels.

1.2. Viewing

1. Watch Version 1. What do you think of Andrew's presentation style? Think of ways in which Andrew could respond more to the needs of Levien?
2. Watch Version 2. How has Andrew's style changed? Make a list of the different ways in which Andrew involves the Levien team in his presentation.
3. Watch Version 2 again and fill in the blanks.

Andrew: So, moving on, I'd like to focus quickly on the three critical areas, and then _____ . Now, this slide _____ management control. As this is really _____ factor in an outsourcing contract, we've really got to match, and then improve on, your own management systems. So, _____ is put one permanent manager on site and one support engineer as well. _____ ?

Sean: And who'd _____ special projects or problems?

Andrew: _____ to use our own UK-based engineers on an _____ basis.

Françoise: _____ how your project management system operates for urgent work.

Andrew: We've used _____ on other contracts: the IT manager here would have day-to-day control, but when he or she needs help, that can be called in from Okus in the UK. _____ ?

- Sean:** But won't this be a first for you – servicing a contract _____?
- Karen:** Yes, _____, but we do have similar clients in Edinburgh, for example, and time and distance wise, _____ between Belgium and Scotland. So we don't _____ on that score.
- Andrew:** _____ in Edinburgh?
- Françoise:** No. We have already _____ your references. Please _____.
- Andrew:** Fine. _____?

1.3. Culture and tactics

Andrew frustrates Sean because he seems slow in coming to the point. A fundamental difference between British and American styles of communication is directness. In British negotiations, especially at the early stages, people would not say: 'What I really want to know is: are you going to hire our staff or not?' Something like: 'I'm interested to know what your position on our staff is,' would be preferred.

People from cultures which favor direct communication would probably find this lack of directness unhelpful: they believe in saying what they think. On the other hand, more indirect cultures might find the direct style abrasive and unsubtle. Indirect cultures are worried that the direct statement or question may put your partner 'on the spot' (under pressure), and could lead to loss of face if he or she is unable to respond.

For someone from a direct culture, the main problem is understanding the real question or point behind a rather vague expression - in other words, 'reading between the lines'.

1.4. What is the more direct question or statement behind these sentences?

- a. I'd be interested to know more about your prices.
- b. That figure looks a little on the high side.
- c. Delivery is an area which we'd like to explore a little further with you.
- d. I'd like to know more about your management structure.
- e. It's true that marketing is one of the things we are worried about.

1.5. Indirectness is achieved by making questions and statements vague and not too specific. Try making the following questions and statements vaguer.

- a. I don't like your forecasts.
- b. How do you plan to do that?
- c. I want to know about payment terms.
- d. Your costs are too high.
- e. How much will you charge?

2. Wouldn't you agree that... *(Effective Negotiating, Unit 3)*

2.1. Listen to these extracts from negotiators presenting their position. Decide whether you think they are talking at their audience, or talking with them. Tick (✓) the appropriate column in the FIRST table. Also, identify the features which made two of the extracts more interactive. Tick (✓) the appropriate space in the SECOND table.

Extract	Talking at	Talking with
one		
two		
three		
four		

Extract	One	Two	Three	Four
inviting to interrupt				
negotiating agenda				
considering what they already know				
checking for agreement				
use of <i>we / let's</i>				

2.2. Listen again and fill in the blanks.

Extract 1.

A: Now, _____ is tell you about our range of superb services. It's going to take about five minutes and I've got some slides to show you. I'm sure you are aware of our _____ in this field, so I'm not going to be giving _____ as I go through. That way we _____ time. So, if you're ready, I'd like to _____ by talking about our driving range support. _____ on price or delivery in this area...

Extract 2.

A: Right, since we're _____ I'd like to make this a question and answer session, but if you've got any comments – please _____ to interrupt. We'll try to answer any points as fully as we can. So, _____, what you're looking for is a range of support services for the chain of golfing equipment outlets. _____?

B: Yes, that's right.

A: Well, I think the most appropriate thing is for me to _____ what we've done for similar operations. You've seen our brochures, so I'll concentrate on a couple of specific examples, and then _____ more detail. _____?

B: Fine. _____.

A: OK. So, as you can see here on the first slide, I've put the details of our most recent client...

Extract 3.

A: When our team tried to _____ the main issues for our meeting today, we came up with three important areas: price, delivery, and quality guarantees. _____ that those are our main concerns?

B: Yes, those are certainly the _____.

A: Fine, _____ we go through them separately, in order. We'll tell you our position with _____ to each, and you can give us your response as we talk. _____?

B: Fine.

A: Now, on the price question, I expect you've had time to see our proposals. I just wanted to add that these are standard prices and we are _____ to negotiate discounts for sizeable orders...

Extract 4.

A: There are three main points _____, starting with pricing. Now, as you can see on this slide, there's a very close relationship between price and quantity. Let me just _____ these figures.

B: Um... _____...?

A: I'd prefer to take questions at the end, if you don't mind, OK? Now, _____, there is a close relationship between prices and quantity. Starting in the first row, column one, you'll see quantities of up to a hundred at a fixed price of twenty-two pence a unit. Now, if we jump down to row five, we see quantities of...

B: Sorry, _____.

A: _____. We see quantities of over two hundred units...

2.3. Change or add to these sentences so that they do not just state what you want, but invite your negotiating partner's opinion. Encourage him/her to give you feedback.

For example:

I would like to make an early start.

Would it be OK if we started early? or, Could we start early?

a. I want to finish at five.

b. Miss Higa will sit in during the negotiation.

- c. I think we should take a break now.
- d. These are the three areas I want to cover this morning.
- e. I'd like to go through the written offer clause by clause.
- f. I'll answer your questions at the end.

2.4. Make these statements into proposals and suggestions. Be inclusive - use *we* rather than *I*. Try to word your sentences so that they encourage feedback.

For example:

I think that a date should be set for the next meeting.

Wouldn't you agree that we need to set a date for the next meeting?

or, *Perhaps we should set a date for the next meeting?*

- a. I think we should start by looking at the rising production costs.
- b. I think that timing is essential. Don't you?
- c. It's important to identify who our main competitors are first.
- d. I would prefer to discuss transport issues at the end.
- e. It's your computer system which is causing the problem.

2.5. Speaking practice

Work in pairs. Take it in turns to make brief introductions to the following negotiating situations. Make sure you invite feedback as often as possible. Your partner should listen, respond when appropriate, and criticize. Then change roles.

A. You need to establish your position as a strong contender for an exclusive license. You are at the start of the negotiation with the manufacturer.

- a. Suggest agenda: two areas – finance and marketing.
- b. Invite interruptions.
- c. Mention the written proposal you have already sent.
- d. Suggest that you point out key financial advantages of your offer
- e. Check agreement.

B. You want to establish your position as a supplier of office equipment. You are at the start of a negotiation with a large wholesaler.

- a. Suggest agenda: three key items – quality, delivery, and payment
- b. Invite interruptions.
- c. Mention the client references you have already sent.
- d. Suggest you start by going through catalogue.
- e. Check agreement.

3. Clarifying Positions. *(Effective Negotiating, Unit 4)*

3.1. Pre-viewing

1. In a negotiation, what are the advantages to be gained from listening well? What can stop you from listening?
2. How can you ensure that: a. you listen effectively to others? b. others listen effectively to you?

Setting the scene:

- Karen is hoping to clarify some of the details of Okus offer.
- Andrew is ready to support Karen, if she needs it.
- Françoise is worried about the fees for project management.
- Sean is concerned about the level of support they will get from Okus.

3.2. Viewing

1. Watch Version 1. Why does Karen get so frustrated? How could Karen ensure that Levien really understand what is on the table?
2. Watch Version 2. What do you notice about Françoise's participation? How does Karen manage the session?
3. What version 2 again and fill in the blanks.

Karen: _____ page twenty-two: what we do is keep a log of all call-outs and, if the figure for a month is more than the fixed invoice fee, we make an adjustment the following month.

Françoise: _____, we can't be certain about how much the monthly invoice will be.

Karen: It depends which level of support you _____.

Françoise: _____?

Karen: _____. _____, there are two levels. Level A is all inclusive. You pay a set fee, you specify what IT projects you want doing, and you don't pay anything extra.

Françoise: So our contract would specify all IT projects for the next five years.

Karen: No, it's shorter term. We'd draw up an annual schedule.

Sean: Okay. _____ project and regular support work?

Karen: _____, Sean? I'd just like to get the two options _____. With Level A, you only pay a monthly bill. With Level B, there are no project management fees in the charge, so there would be additions to the monthly bill.

Françoise: _____ how we want to pay: an even cost each month, or project by project.

Karen: Which is Level B. Exactly.

Sean: _____, Karen. When is it a project and when is it just regular support work?

Andrew: _____, we'd specify the projects in Level A. With Level B, the IT manager will need to get approval for each project as it comes up.

Sean: Okay. _____ the approval process?

Andrew: Yes. If you look at section three of the proposal, you'll see...

3.3. How would you describe the dominant attitudes towards leaders and team at your workplace? There are seven contrasted statements below. Is your work culture more individualist or collectivist?

Individualist

- Leaders need to have strong personalities.
- Individuals come up with the best ideas.
- Some people are not worth listening to.
- Decision-making takes twice as long in teams.
- Individuals should be rewarded for their success.
- When something goes wrong, someone must take the blame.
- The best companies have the best leaders.

Collectivist

- Leaders need to be sympathetic to the group.
- Teams come up with the best ideas.
- Everybody is worth listening to.
- Decision-making in teams is the only way to get commitment.
- Teams should share their rewards equally.
- When something goes wrong, the blame should be shared.
- The best companies have the best work-force.

3.4. Which of the following statements would you agree with and why?

- a. One way to break down the opposition is to find differences of opinion or position within the same negotiating team. In other words, 'divide and rule!'
- b. Scoring points off your negotiating partners is finally non-productive, will only lead to mutual mistrust in the long term.
- c. The best negotiators are fluent communicators, flexible enough to adapt to changing circumstances, but tough enough to withstand pressure when they do not want to make any changes or concessions.
- d. The best negotiators are good listeners. Only by understanding the position and desires of your partners across the table can you come to agreement which is mutually beneficial.

4. I'd Be Interested to Know More About... (Effective Negotiating, Unit 4)

4.1. Listen to the following extracts. Decide whether people are listening carefully or not. Identify which of these features are present. Tick (✓) the appropriate space.

Extract	one	two	three	four
opportunity to ask questions				
questions on the subject				
questions off the subject				
opportunity to answer question				
no opportunity to answer question				
check answer is satisfactory				
encourage / show interest				

4.2. Listen again to the extracts 2 and 4, and fill in the blanks.

Extract 2.

A: So _____ a total package. I'd like to _____ the different elements, if _____?

B: Fine, _____.

A: _____ the core of the contract is the maintenance provision. _____ a round-the-clock, fully operational team of maintenance engineers. (*pause*)

C: _____?

A: Of course.

C: What _____ by 'fully operational'?

A: Well, these engineers will be trained and equipped to deal with both standard and emergency maintenance work. We would expect them to be able to handle anything from a faulty valve to, for example, a total shut-down. This means that if the machines ever break down, whatever the scale of the problem, there is always someone on hand to deal with it immediately. _____?

C: Yes, thanks.

A: So, _____?

B: Please do.

A: This team will work to a supervisor who will be recruited from the existing maintenance staff. Now...

B: Just a minute, Alex. _____? As you know, we're looking for a new approach, which is much tighter, more dynamic. _____ problems with...

Extract 4.

- A:** _____ explain how we have planned the staffing ratios, _____?
- B:** _____. Go ahead.
- A:** We've looked at your current ratios. _____ they're higher than they need to be.
- C:** Yes, I think you _____.
- A:** So we then looked at the industry average for maintenance staff levels, and we came up with a ratio of one engineer to every hundred units of production.
- C:** _____. It means that in our sector we currently have about double the industry average.
- A:** That's right. _____ your current figure initially by twenty-five per cent. So most of the maintenance shifts would go down from four to three engineers.
- C:** _____ come into line with the industry average and cut it to two?
- A:** _____ in the second year. We feel it's too big a reduction to make immediately.

4.3. Listen to the five statements. For each one, ask a general question on the subject.

For example:

statement: The main issue in this contract is timing.

general question: *I'd be interested to know more about the timing.*

- a. _____
- b. _____
- c. _____
- d. _____
- e. _____

4.4. Listen to the five statements. For each one, ask a probing question about detail.

For example:

statement: The sales should peak during the second year.

probing question: *When exactly will they peak?*

- a. _____
- b. _____
- c. _____
- d. _____
- e. _____

4.5. Read between the lines of these brief explanations. For each one, ask a supportive or reflective question.

For example:

explanation: We're going to offer two packages. One at the top end of the market, priced around twenty dollars. The other, a middle-range product, around fifteen dollars and pitched for the mass market.

supportive question: *So you expect much higher sales on the second product?*

a. There are two people who can do this job. Ivan is the obvious candidate. He's got plenty of experience. Then there's Philippa. She's very well liked in the company. But then, she's a woman.

question: _____ (a man?)

b. The weather's got worse and we've had to invest more in protecting the plants. We don't like passing on costs to our customers but I'm afraid there's no alternative.

question: _____ (price rise?)

c. We're moving to a cheaper part of town so we anticipate that our rent will come down. On the other hand, labor costs have gone up, so it's difficult to be flexible.

question: _____ (offer no discount?)

d. Since we outsourced part of the IT function we no longer hold records on all our customers. It's difficult to say very much about this customer's credit rating.

question: _____ (risk doing business?)

e. The bid we received from our usual supplier was disappointing. The price they quoted was considerably higher than we had budgeted for.

question: _____ (other supplier?)

4.6. Listen to the 5 offers. In each case, make an encouraging response.

For example:

Shall I tell you something about the financing? – *Please do.*

- a. _____
- b. _____
- c. _____
- d. _____
- e. _____

4.7. In each sentence replace the underlined word with the correct form of one of the words or expressions from the box.

rate	fee	invoice	ballpark figure
discount	charge	commission	

- a. The consultant's prices are astronomical!
- b. Could you give me a rough figure for the conversion?
- c. When will you be billing us?
- d. Your hourly price seems to be above the industry average.
- e. How much do you ask for per day?
- f. If you book well in advance, you get a reduction.
- g. The problem is too many people are taking a percentage of the final price.

4.8. You are negotiating with a supplier for the supply of computer hardware and support. Make the following enquiries and suggestions, using words and expressions from the box above.

- a. Ask the supplier for a rough idea of how much he plans to charge for the hardware.
- b. Find out if he receives any bonus on the sale
- c. Ask for the bill to be sent with all the others to your offices at the end of the month.
- d. Find out how much an hour you will have to pay for support.
- e. Ask whether some reduction can be made considering the size of the order
- f. Suggest you don't use lawyers because you have to pay them too much.

5. A Bit of Tweaking. (*The Business, Upper-Intermediate, Unit 7*)

5.1. The American group, Mahler, has recently acquired the French packaging company Polystok. Listen to the meeting between Alice, Mahler's CFO, and two Polystok employees, Serge and David. Answer the questions.

1. How successful do you think the meeting is?
2. How much do you think David and Serge understand?
3. How could the meeting have been more effective?

5.2. Now, listen to a second version of the same conversation. Why is the meeting more productive?

5.3. Listen again and complete the expressions below.

Asking for clarification

Could you be (1) _____?

Checking other people understand

Do you (4) _____ what I _____?

Clarifying

What I (2) _____ is...

Summarizing

Can we (5) _____ what we've decided?

Checking you understand

So, what you're (3) _____ is...

5.4. Add each phrase below to the categories in 5.3.

- | | |
|-------------------------------------|--|
| a. In other words, ... | i. Does that make sense? |
| b. What exactly do you mean by ...? | j. Before we close, let me just summarize the main points. |
| c. I'm not sure I follow you. | k. Am I being clear? |
| d. To recap, ... | l. If I understand correctly ... |
| e. Let me start again. | m. Shall I go over the main points we agreed? |
| f. So you mean ... | n. To sum up, ... |
| g. Could you be more precise? | o. Do you see what I mean? |
| h. What I mean is that I ... | p. So, what you are saying is ... |

Script:

1.

Alice: OK, guys. Your financial reporting system looks to be in good shape, but we're gonna have to make a few changes in terms of when you do things and how often, you know, to bring things into line with US procedures; do a bit of tweaking on the reporting period side. And ...

Serge: Euh, sorry, Alice, could you repeat?

Alice: Sure, Serge. I was saying we need to do a bit of tweaking on the reporting period side. And we need to iron out some issues on the IT side, too, David. But, I reckon we're gonna have to set up a separate meeting to take stock of things cause we don't really have time today, OK?

David: What, Alice? I, erm ...

Alice: Yeh, Dave, a meeting to take stock, maybe with some of your key team members. What about tomorrow morning at eight-thirty?

David: Umh, what? Oh, yes, OK, eight-thirty.

Alice: So that's all clear then. Great, so what do you say if we break for lunch. I just got off the plane this morning and I didn't have time to grab breakfast. I'm starving! Shall we meet back at two?

Serge: Euh, two?

David: Yes, OK, two.

Alice: Great, well, 'bon appetit' as you guys say.

Serge: David, what the hell is 'tweaking'?

David: I don't know, Serge. All I know is that I've just agreed to a meeting tomorrow morning at half past eight to talk about 'stacks' or 'stocks'!

2.

Alice: OK, guys. Your financial reporting system looks to be in good shape, but we're gonna have to make a few changes in terms of when you do things and how often, you know, bring things into line with US procedures; do some tweaking on the reporting period side. And ...

Serge: Euh, sorry, Alice, I'm not sure I follow you. Could you be more specific?

Alice: Sure, Serge. Humh, what I mean is that we need to standardize the procedures,... make the procedures the same as our US ones.

Serge: Erm, so, what you're saying is that we're going to have to produce financial statements more often, is that right?

Alice: You got it, Serge. To be precise, every month.

Serge: That's going to mean a lot of extra work, Alice!

Alice: Well, you're right up to a point but the benefits are worth it. Anyway, we'll look at ways we can allocate more resources to set up the new system later on, OK?

Serge: OK, Alice. (*Sounding more convinced*)

Alice: Now, we need to iron out some issues on the IT side, too, David. But, I reckon we're gonna have to set up a separate meeting to take stock of things, cause we don't really have time today, OK?

David: Sorry, Alice. You've lost me. We need to do what?

Alice: Well, in other words, we need to deal with some IT problems. And to do that, first we need to take stock, erm, see where we are at the moment. Do you see what I mean?

David: Yeah, that's clear now. I could set up a meeting tomorrow morning at half past eight if that suits you?

Alice: OK. That's great. So, can we go over what we've decided? We're going to standardize the financial reporting, and David and I will meet tomorrow to discuss the IT problems. Does everyone agree with that?

Serge: Yes, that's fine.

Alice: OK. Now, I don't know about you guys, but I didn't have time to grab breakfast this morning and I'm starving, erm, very hungry, so what do say if we go eat?

Serge: Good idea, Alice. Just thinking about monthly reporting has made me hungry.

David: Let's go!

5.5. A financial advisor is giving some advice about investment opportunities to a new client. Rearrange the jumbled words to form full questions and statements. (Head for Business, Upper-Intermediate, WB, Unit 12)

1. am - completely - I - but - you - sorry - lost - have - me

2. exactly - by - exposure - is - what - the - meant - term

3. me - let - for - clarify - I - that - you

4. what - so - you're - risk - should - saying - that - is - spread - my - I

5. so - I've - if - understood - risk - you - no - correctly - is - investment - entirely - free

6. I - shall - run - it - you - through - again - for

7. exactly - portfolio - you - mean - balanced - do - by - what - a

8. I - afraid - you - am - but - I - quite - follow - don't

9. through - would - you - go - once - me - like - to - it - more

10. bonds - you - do - you - are - think - explain - could - what

ROLE-PLAY. (*The Business, Upper-Intermediate, Unit 7*)

Work in groups of three. Take the roles of Alice, Serge and David and read the appropriate role card. Hold a meeting to discuss the points on the agenda and remember to clarify your position if necessary.

Agenda

New accounting procedures.

1. Introduction
2. Definition of new procedures
3. Schedule for implementation
4. Extra staffing requirements
5. Training on the new accounting procedures
6. Installation of new accounting software
7. Temporary project team requirements
8. Training on the new software
9. AOB

Alice

- Introduce the subject of the meeting: the change from yearly to monthly reporting, which will enable management to run the business better.
- You would like to see the new system in place in three months if possible but you are willing to compromise if Serge and David produce valid arguments.
- Mahler can provide training in US accounting procedures and on the new software that will have to be installed.
- Other extra costs will have to be paid for by Polystok.

Serge

- You are not too happy about the proposed changes as they will mean a lot of extra work. However, you realize that you cannot oppose group policy, so you have decided to cooperate as long as things are done properly, and not in a rush.
- You think that a realistic time frame to install the new accounting software, to train accounting staff and to start monthly reporting, is from six to nine months.
- You would also like Mahler to provide training and to pay the extra staff you will have to employ. But you are willing to compromise.

David

- You are happy with the idea of changing software because the existing system has never performed very well. However, you want to avoid any extra costs on your department budget.
- You estimate that you will need to employ two external computer engineers on the project for at least six months. You would like Mahler to pay for this
- You would also like Mahler to pay for training for your staff on the new software. However, you may have to compromise.

UNIT 5. MANAGING CONFLICT

“Any business arrangement that is not profitable to the other fellow will in the end prove unprofitable for you.”

BC Forbes, publisher

1. Give and Take. *(In the Know, Unit 11)*

Mark: Now, we've **come to the table** to try to **hammer out** an agreement about the rock concert in the park this summer. I know we all have very strong views about this, but I think that, with some **give and take** on both sides, we'll reach an agreement. Maria, as the concert organizer, will you start, please?

Maria: OK. I'll **put our cards on the table**. We want to hold a five-day concert in the park, and we want to allow campers to stay overnight in the parking lot!

Alice: The mayor's office will permit a two-day concert, **against our better judgment**, but we draw the line at camping in the parking lot!

Maria: Well, we're willing to **meet you halfway**. We can move the camping out of town if we can hold a four-day concert.

Mark: All right, let's **split the difference** – what about a long weekend?

Maria: That sounds good to us. Now what about dates?

Mark: Well, let's take a look at the calendar ...

Negotiating

- **come to the table** – to meet to discuss how to solve a problem or reach an agreement
- **give and take** – the exchange of something you want for something someone else wants
- **meet someone halfway, also split the difference** – not the best decision you believe you could make
- **hammer something out, also hammer out something** – to create an agreeable solution
- **put your cards on the table, also tip your hand or show your hand** – to explain what you think and what you want
- **up the ante, also raise the ante** – to increase demands, risk, or cost so that you can get more from a situation

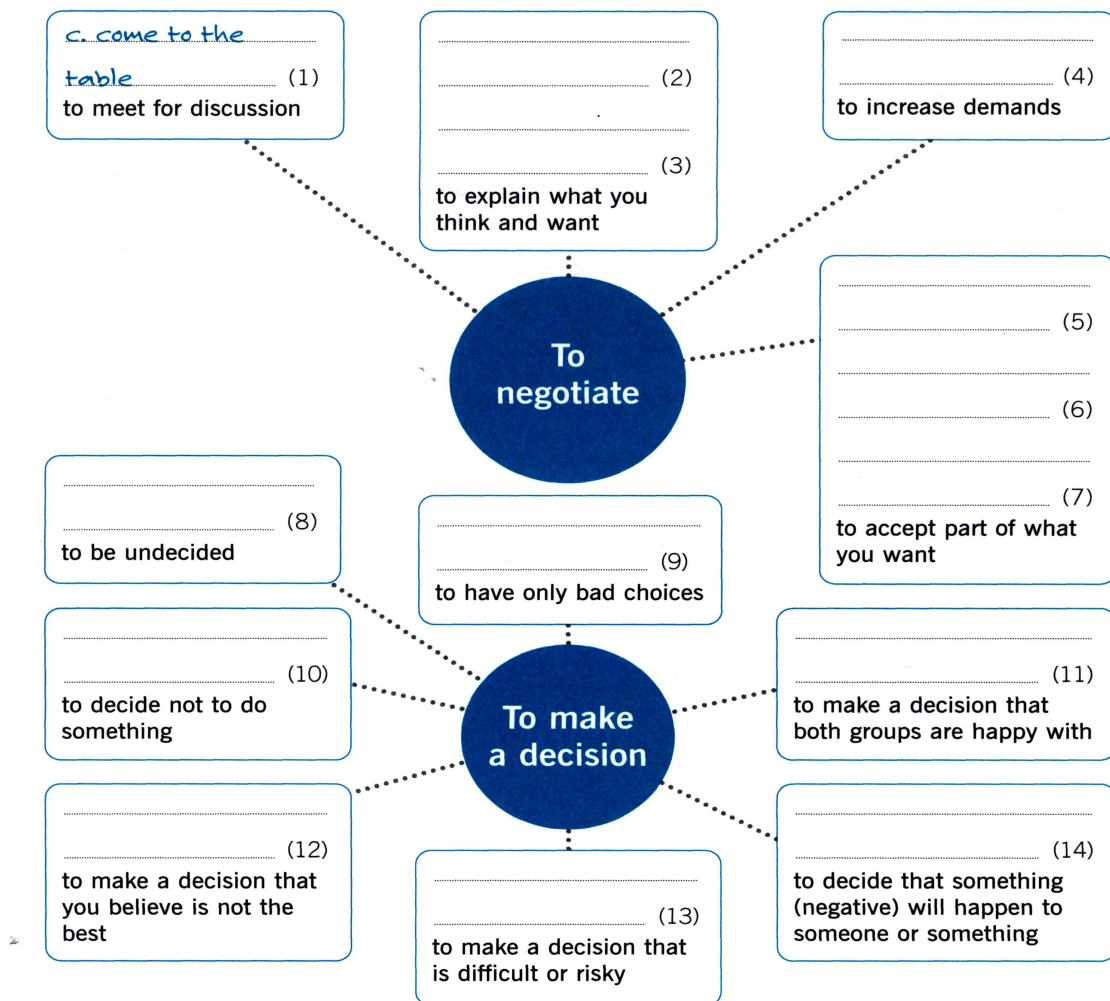
Making decisions

- **between a rock and a hard place** – to be in a difficult position and have only unpleasant choices
- **on the fence** – undecided
- **draw the line at doing something** – to decide you will not do something

- **against your better judgment** [slightly formal] – not the best decision you believe you could make
- **take the plunge** – to decide to do something that is difficult or risky
- **seal someone's / something's fate** [slightly formal] – to decide that something, usually negative, will happen to someone or something

1.1. Complete this concept map, using the idioms in the box.

- | | |
|-------------------------------------|---|
| a. against your better judgment | h. on the fence |
| b. between a rock and a hard place | i. put your cards on the table |
| c. come to the table | j. seal someone's / something's fate |
| d. draw the line at doing something | k. split the difference |
| e. give and take | l. take the plunge |
| f. hammer something out | m. show or tip your hand |
| g. meet someone halfway | n. up the ante <i>or</i> raise the ante |



1.2. Correct the text by putting the lines in the correct order. The first and last lines are done for you.

1 The two groups finally decided to **come to the**
 _____ **take**, they decided that they would **take**
 _____ **each other halfway**, but eventually, after a lot of **give and**
 _____ **table** to discuss the issue and to **hammer out**
 _____ **their cards on the table**. At first, they weren't willing to **meet**
 _____ **a solution** they'd both be happy with. They **put**
 7 **the plunge** and try something new.

1.3. Are these sentences correct? Put a check (✓) in the box if the sentence is correct. Put an (X) in the box and correct the idiom if it is wrong.

1. This is terrible. We're between a hard _____
 rock and a place.
2. Students are welcome to use the in- _____
 ternet for research, but we draw the
 line at chat rooms.
3. Let's meet the difference and set the _____
 price at \$150.
4. His decision to drop out of college _____
 sealed his fate.
5. OK, you can go, but it's against the _____
 better judgment.
6. The employees raised the ante and _____
 said they would strike.
7. Stop beating along the bush. _____

1.4. Over to you

1. Some of the idioms in this exercise – *show your hand*, *put your cards on the table*, *up the ante* – come from card games. Can you think of any negotiating idioms in your language that come from games?
2. Write about a difficult decision that you had to make. Use idioms from the exercise.

2. That Does Need to Be Clarified. *(Effective Negotiating, Unit 5)*

2.1. Pre-viewing

1. What's your view on conflict in a negotiation? What are the risks and the potential benefits?
2. Do you think that conflict should be avoided at all costs? Or does it have a positive role to play?

Setting the scene:

- Andrew starts to feel his position is under threat.
- Karen is beginning to get a bit frustrated with Sean and even sometimes with Andrew.
- Françoise wants to make sure a positive atmosphere is maintained.
- Sean thinks the negotiation is getting stuck and plans to shake it up.

2.2. Viewing

1. Watch Version 1 from the beginning to the point where Karen and Andrew leave the meeting room. Why does Karen call for time-out?
2. Watch Version 1 from the point where Karen and Andrew leave the meeting room to the end. What do Françoise and Sean disagree about?
3. Watch Version 2. What's the difference in Sean's approach this time?
4. Watch Version 2 from the point where Karen and Andrew leave the meeting room to the end. What are Sean and Françoise talking about? What's the difference in their approach?
5. Watch Version 2 again and fill in the blanks.

Andrew: So _____ a schedule of projects, which we both feel need to be carried out over the following year. These could be introducing new software, training, hardware upgrades...

Sean: _____, Andrew, but I still need to know when your guys are doing support work and when they're doing project work.

Andrew: _____.

Karen: _____ we put something in the contract?

Sean: That'd be a start. It's more the logging I worry about. You know if one of your guys has spent a couple of hours sorting out a problem with one of the PCs and then an hour back on our customer databases, won't he just think: 'Well, that's three hours of project work'?

Andrew: I hope not, Sean. Our team will be working to your budget.

Sean: _____, Andrew, but who's going to supervise all this?

Andrew: We have talked about taking on one of your team as our IT manager.

Sean: Yeah. But you're still gonna bill us from the UK. It'll all be down to your log.

- Andrew:** _____ of the log _____?
- Sean:** Yeah, that and the lack of experience here. Please, _____.
It's the people on the ground I'm worried about. We all know there can be a lot of _____ with these contracts.
- Karen:** I think I _____, Sean. Can I suggest a break? Andrew and I need to talk this through a bit more.
- Françoise:** Good idea. Please use the room next door. How do you think it's going?
- Sean:** OK. This logging business could be a nightmare though. We've got to find some way to make them drop it.
- Françoise:** Their Level A option does that.
- Sean:** Yeah, but the cost of it. _____ could push them towards a global price for support and minimum project work.
- Françoise:** Could we suggest it?
- Sean:** No. Let's see what they _____.

2.3. Culture and tactics

Sean's approach is very confrontational. He comes from a business culture where aggressive tactics are justified if they achieve their ends. Françoise, on the other hand, comes from a working culture which is much more collaborative, placing importance on harmony.

Which of these negotiators do you most identify with?

- a. **Sharon Stacey** works in Klein and Belaby's International Mergers and Acquisitions Group. She has a reputation for being one of their toughest negotiators. She has fought her way up in a male-dominated world and has an assertive style of negotiating. She is very task-oriented and pushes for results as quickly as possible.
- b. **Thor Gunnarson** has a reputation for being a "Mr. Fix-it". He speaks six languages and has lived in both the United States and Thailand. He is well liked by all his staff. He has negotiated contracts for a multinational metals company all over the world. He is known for his patience. His negotiating style is slow, deliberate, and aimed at maintaining harmony.
- c. **Patrick O'Brien** runs his own multinational consultancy company. He has a reputation as a skillful and resourceful negotiator. He always researches in depth before a negotiation and prides himself in being as well prepared as possible. His background is in the law and he is known to have a meticulous eye for legal detail.
- d. **Loo Hok** is a successful entrepreneur based in Singapore. He always spends time getting to know his business partners and places great value on the strength of family and personal relations. When it comes to negotiating, he is clear about what he wants to achieve, and will pursue his objectives single-mindedly.

3. I Don't See It That Way. *(Effective Negotiating, Unit 5)*

3.1. Listen to the following extracts from negotiations. In each case, decide whether the approach is confrontational or collaborative. (Tick (✓) the appropriate column).

Extract	Confrontational	Collaborative
one		
two		
three		
four		

3.2. Listen again to the extracts 1, 2 and 4, and fill in the blanks.

Extract 1.

- A:** _____ we're all going to have to accept cuts in our budgets. _____.
- B:** Well, you can cut my budget if you want. Just don't expect the sort of sales I've predicted, _____.
- A:** Charles, we're trying to make this decision in as constructive a way as possible.
- B:** I'm not being destructive. _____ if you touch my budget, sales will go down. If that's what you want, fair enough. I agree to a cut in my budget.

Extract 2.

- A:** What about you, Marta?
- C:** Well, _____ we need to share the cuts across the company, but we also have to decide what is essential and what is more peripheral.
- B:** Well, _____ the company than improving sales.
- A:** Just a moment, Charles. Let's hear what Marta has to say.
- B:** What she said is that we have to decide what's essential and what isn't. And _____ that a cut in her training budget is less damaging than a cut in my sales budget.
- C:** I'm sorry, but _____. I've got a relatively small budget, but it's a key element in the development plan.
- B:** Sure, sure, but some of the training you organize is hardly central. I mean, assertiveness training - what's that all about?

Extract 4.

- A:** Dan, I'm afraid it's your turn. I'd like to look at the IT budget. Now, I know we've had a lot of investment over the last few years in this area.
- D:** _____, but it's very much part of a long-term plan. The upgrading of the system was started three years ago, and we're about sixty per cent of the way through. In my opinion, it would be disastrous _____ at this stage.
- A:** Nobody is suggesting we should call a halt. _____ rescheduling.

3.3. Modify the following remarks using one or more of the techniques above. There may be more than one possible answer.

For example:

Your labor costs are too high.

I'm afraid your labor costs are too high. Or, Your labor costs are a bit too high.

- a. We must cut the advertising budget.
- b. PR expenditure is much too high.
- c. You need to analyze your costs in more detail.
- d. There is no room for any cuts in my budget.
- e. Don't you agree we should cut this budget?
- f. You should read the proposal properly.
- g. Look at page thirty-two of the document.
- h. How can you make such a poor offer?

3.4. Modify this dialogue so that it sounds less confrontational.

A: Your figures for last year look bad.

B: No, they're not.

A: I don't think we can do business on this basis.

B: Why not?

A: Because your track record is not strong enough.

B: I can't see how you can say that. We have some excellent customer references.

A: None of them have been with you long.

B: That's not true. What about Phoenix International? We've been working with them for five years.

A: That's not what I call long.

B: But we've only been in business for six years!

3.5. Work with a partner to write a dialogue using the prompts below. There is a conflict between the Production Planning Department and the Purchasing Department due to a large surplus of expensive electrical components lying in the warehouse. Use as many modifying structures as you can to defuse the conflict.

Student A

You are responsible for Production Planning. You cannot understand why your department is paying storage costs for a large quantity of electrical components you do not need. Due to a cancellation of a customer order you recently had to reduce production and you have used fewer components than originally predicted.

Student B

You work in the Purchasing Department. You are responsible for ordering these electrical components, but you calculated the size of the order according to the output schedule given to you by Production. You always order extra and a long time in advance because these particular components are difficult to get and the orders take a long time to arrive.

Student A

1. Too many components. B over-ordered. Purchasing Dept. is badly organized.

3. Losing money now for storage – expensive because components are fragile and must be kept in special conditions. Warehouse is crowded. No room for other orders.

5. Purchasing is badly informed. Large customer order was cancelled. Production had to reduce output.

7. Purchasing is unresponsive. Production did not know if the message was received or not.

Student B

2. Production Dept. is badly informed. Ordered extra because there are problems in supply. Long delays waiting for orders. The company loses money.

4. Surplus because Production has not used as many components as it predicted. A's predictions for this year inaccurate

6. Purchasing received this information too late. Production is too slow at giving information

8. Production and Purchasing must think of ways to improve communication

4. In Hot Water. (Market Leader, New Edition, Unit 7)

4.1. Choose the most appropriate word in the box to complete the sentences below.

eye eye foot water water fire ice end

1. I was *thrown in at the deep* _____ *end* _____ when my company sent me to run the German office. I was only given two days' notice to prepare.
2. We *don't see eye to* _____ about relocating our factory. The Finance Director wants to move production to the Far East, but I want it to remain in Spain.
3. I *got into hot* _____ with my boss for wearing casual clothes to the meeting with our Milanese customers.
4. Small talk is one way to *break the* _____ when meeting someone for the first time.
5. I really *put my* _____ *in it* when I met our Japanese partner. Because I was nervous, I said 'Who are you?' rather than 'How are you?'

6. I *get on like a house on* _____ with our Polish agent; we like the same things and have the same sense of humour.
7. When I visited China for the first time I was *like a fish out of* _____. Everything was so different, and I couldn't read any of the signs!
8. My first meeting with our overseas clients was *a real* _____ *-opener*. I had not seen that style of negotiation before.

4.2. Consider the context of each idiom in Exercise 4.1. and write down those which have:

- a. a positive meaning

- b. a negative meaning

4.3. Match the idioms in Exercise 4.1. to the correct meanings a) to h).

- b. given a difficult job to do without preparation _____
- c. quickly have a friendly relationship with someone _____
- d. feel uncomfortable in an unfamiliar situation _____
- e. say or do something without thinking carefully, so that you embarrass or upset someone _____
- f. to disagree with someone _____
- g. an experience where you learn something surprising or something you did not know before _____
- h. make someone you have just met less nervous and more willing to talk _____
- i. to get into trouble _____

4.4. Work in pairs or small groups. Discuss the following.

1. What tips do you have for *breaking the ice* at meetings with new clients?
2. Talk about a place you have visited which was *a real eye-opener*.
3. Describe a situation when you

a) <i>put your foot in it.</i>	c) <i>got into hot water.</i>
b) <i>felt like a fish out of water.</i>	d) <i>were thrown in at the deep end.</i>

5. I Think We're Not Really Making Much Progress. *(Communicating in Business, Unit 15)*

5.1. Match the word on the left to the correct meaning on the right.

- | | | |
|-------------------------------------|-------|---------------------------------------|
| 1. compromise | _____ | a. pay special attention to something |
| 2. consider | _____ | b. think carefully about something |
| 3. focus on | _____ | c. agree on less than you really want |
| 4. resolve / solve (a problem) | _____ | d. explain |
| 5. have a break in a meeting | _____ | e. find a solution to a difficulty |
| 6. delay a meeting to a future date | _____ | f. adjourn |
| 7. say what you mean | _____ | g. postpone |

5.2. Listen to a recording of five different statements. All of these are ways of dealing with conflict. Match each statement with one of the following strategies.

- | | |
|---|--------------------------|
| a. Adjourn to think and reflect. | <input type="checkbox"/> |
| b. Summarize progress and areas of agreement. | <input type="checkbox"/> |
| c. Leave the problem, discuss something else, come back later to the problem. | <input type="checkbox"/> |
| d. Emphasize the loss to both sides of not reaching agreement. | <input type="checkbox"/> |
| e. Offer a conditional concession. | <input type="checkbox"/> |

Script:

Extract 1

I think we're not really making much progress. Perhaps it would be better to leave this point for a while and come back to it later. Could we talk about a different aspect of the deal, perhaps the question of delivery?

Extract 2

I think it is important to think about what could happen if we do *not* reach agreement. The most obvious consequence will be that we will both lose market share. The only winners will be our competitors. It could be serious for both of us.

Extract 3

There seem to be a number of problems, but I'd like to summarize the positive elements - issues where we have made some progress. First, we agree that we have to settle the dispute between us, we understand how important this is. Second, we agree that the terms of our original agreement need to be changed. Third, we also agree that the change will depend on the different market conditions which affect our products ... These are important points of progress.

Extract 4

Can I suggest we take a short break here? I think it will help if we look at some of the issues that are dividing us. Perhaps we will see areas where we can make a fresh offer.

Extract 5

The point at issue, Mr. Cinis, is quite simple. We can offer you an extra 5% discount, but only if the order is increased by 20% over the next three years.

5.3. In pairs, use the given cues to suggest a response to the statements.

Situation 1

«The problem is that we have never offered the kind of warranty you are looking for.»

Suggest leaving the point and returning to it later after discussing other issues, i.e. training for technical staff.

Situation 2

«There's a number of issues on the table. We seem to be a long way from an agreement.»

Suggest changing the package being offered (variables include price, shipment costs, payment terms).

Situation 3

«The price you are asking is rather high, quite a lot higher than we were expecting.»

Send a signal that you could offer better payment terms.

Situation 4

«There are several problems. We think there is quite a lot of negotiation ahead before we can agree on a common strategy.»

Suggest advantages of reaching agreement: more global influence, better prospects for the future.

Now listen to a recording of model answers.

Situation 1

A: The problem is that we've never offered the kind of warranty you are looking for.

B: Since we have a difficulty here, may I suggest we leave the problem of the warranty and come back to it later? Perhaps we could talk about training for our technical staff?

Situation 2

A: There's a number of issues on the table. We seem to be a long way from an agreement.

B: Can I suggest a lower price, but link this with us paying the shipment costs or agreeing to different payment terms?

Situation 3

A: The price you are asking is rather high, quite a lot higher than we were expecting.

B: Well, if it would help, we could agree to longer payment terms.

Situation 4

A: There are several problems. We think there is quite a lot of negotiation ahead before we can agree on a common strategy.

B: The benefits of reaching agreement are considerable. We will have more global influence and better prospects for the future.

5.4. Construct part of the dialogue using the flow chart below.

A year ago an advertising consultancy, SAR Services, agreed to design and run a twelve-week magazine advertising campaign for KPack Inc. using specialist journals.

KPack is not happy with the campaign. The first advertisements were a month late, missing two important trade fairs. The advertisements did not appear in two key industry journals. Now KPack is refusing to pay the whole fee for the campaign.

SAR Services

1. Offer to run the campaign for four extra weeks.
3. Say delay not entirely your fault – Kpack changed specifications
5. Repeat above offer.
8. Suggest 20% reduction plus four weeks' extension to the campaign.
10. Partly accept that, but responsibility is on both sides.
12. Explain your position – full free campaign impossible.
14. Respond.

KPack Inc.

2. Summarize the problem – check your summary with SAR.
4. SAR was late with proposals. KPack only asked for small changes.
6. You think the campaign missed two key trade fairs.
7. You want a free campaign for next year or you pay only half the fee.
9. Repeat your concerns, explain that missing the trade fairs cost you business.
11. Respond – suggest new solution: 40% cut in fee or free repeat campaign.
13. Suggest an adjournment.

Now listen to a recording of model dialogue.

SAR: Well, can we make you an offer? We would like to run the campaign for four extra weeks.

- KPACK:** Well, can we summarize the problem from our point of view? First of all, the campaign was late, it missed two important trade fairs. The ads also did not appear in two key magazines. As a result, it failed. Do you accept that summary of what happened?
- SAR:** Well, the delay was not entirely our fault. You did in fact make late changes to the specifications of the advertisements.
- KPACK:** Hmmm ... in fact, with respect, SAR was late with the initial proposals, so we had very little time, and in fact we only asked for small changes.
- SAR:** Well, whatever, can we repeat our offer to run the campaign for four extra weeks?
- KPACK:** That's really not the point. The campaign missed two key trade fairs - because of this we are asking you either to repeat the campaign next year, or we only pay 50% of the fee for this year.
- SAR:** Could we suggest a 20% reduction to the fee, together with a four weeks' extension to the campaign?
- KPACK:** We were not happy - the delays, the missed magazines, the trade fairs - we lost business.
- SAR:** I think we made mistakes, we both made mistakes. I think both sides are responsible.
- KPACK:** Okay, how about a new solution: 40% cut in fee or a free repeat campaign?
- SAR:** Perhaps, yes. We can talk about it (*fade*)
- SAR:** But a full free campaign is impossible.
- KPACK:** I think we should have a break ... we are not getting very far ... perhaps we should think about this ...
- SAR:** Perhaps, yes. We can talk about it (*fade*)

6. Rejecting Proposals. *(Communicating in Business, Unit 15)*

6.1. Which of the following words indicate rejection is coming? Mark them with an R (rejection). Mark the others with an A (agreement).

- | | | | |
|---------------------------|-------|----------------------------|-------|
| 1. Unfortunately ... | _____ | 7. It's a pity, but ... | _____ |
| 2. Sadly... | _____ | 8. We don't think ... | _____ |
| 3. We regret that ... | _____ | 9. We cannot possibly ... | _____ |
| 4. I'm pleased to say ... | _____ | 10. I'm sorry, but ... | _____ |
| 5. Fortunately ... | _____ | 11. It's possible that ... | _____ |
| 6. I'm afraid ... | _____ | 12. Happily ... | _____ |

6.2. Group Image, a commercial photographic company, is planning to buy new processing equipment. For two days they have been negotiating with Photolab Inc., a supplier of photographic processing equipment. Photolab has made an offer. Listen to a recording of a final summing up from Peter Cawood of Photolab Inc. and three alternative responses from Group Image.

- Comment on each response.
- Decide which is the most appropriate.
- Give reasons for your decision.

6.3. Complete the following phrases with suitable words. If in doubt, listen again to the last two responses in Exercise 6.2 above.

- Thank you for your proposals, but _____ very _____.
- We do not _____ at this stage to _____ your offer.
- Obviously, we have _____ it very carefully.
- We are not entirely _____ that the technical advantages _____ the high cost.
- We hope you'll _____ us again with future offers.
- I think we are _____ to give you a formal _____ today, but we will _____ to you and tell you of our _____ in a day or two. Then we'll _____ what the next step should be. So, thank you very much.

6.4. Match a phrase on the left with a phrase on the right which could be used in a similar situation.

- | | |
|--|--------------------------------------|
| a. Not just now. | I'm afraid not. |
| b. Not really. | Not at the moment. |
| c. I don't think so. | I'm afraid we just couldn't do that. |
| d. I'm sorry but that's not realistic. | I doubt it. |

Script:

In conclusion, we are prepared to provide you with a complete state-of-the-art photo-processing laboratory. This equipment will give you an immediate technical advantage. The terms we offer you are very generous.

Response 1

Well, we've listened to the proposals you have made today and the plans you have outlined. Basically, we have wasted time coming here.

Response 2

Well, we thank you for the proposals, but we are very sorry. We do not feel able at this stage to accept your offer. Obviously, we have thought about it very carefully. The problem for us remains costs. We are not entirely convinced that the technical advantages justify the high cost. So, I think we are unable to reach agreement today. But, thank you for coming ... We hope you'll contact us again with future offers.

Response 3

Well, if that is your final offer, thank you all for coming to see us. I think we are unable to give you a formal response today, but we will write to you and tell you of our decision in a day or two. Then we'll decide what the next step should be. So, thank you very much.

6.5. Below are four offers or requests. Reject each one, using the information in the cues.

Situation 1

«Let me make a suggestion. If you agree to buy 100 units every month for the next twelve months, we'll agree to a 10% discount.»

You don't know how many units you will need in six and twelve months. It might be more or less.

Situation 2

«The price we are offering excludes installation costs but does include a twelve month warranty.»

Other suppliers offer free installation and a two year parts and labor warranty.

Situation 3

«I think the absolute minimum investment in advertising must be \$40,000, otherwise we cannot reach enough of our market. It's not much to ask for.»

You cannot spend more than your budget.

Situation 4

«Now, some excellent news: we'd like to increase our order. Right now you are sending us 350 boxes a month. We need at least 500, demand is very high ... »

Your order books are full, the plant is working at capacity.

Now listen to a recording of model answers.

Situation 1

- A:** Let me make a suggestion. If you agree to buy 100 units every month for the next twelve months, we'll agree to a 10% discount.
- B:** Unfortunately, I can't say how many we'll need in six months and certainly not in twelve. I can't take the risk on such a large order at this stage.

Situation 2

- A:** The price we are offering excludes installation costs but does include a twelve month warranty.
- B:** I'm afraid that's not really acceptable. Did you know that other suppliers offer free installation and a two year parts and labor warranty?

Situation 3

- A:** I think the absolute minimum investment in advertising must be \$40,000, otherwise we cannot reach enough of our market. It's not much to ask for.
- B:** It's a pity but it's still more than our budget. I can't go that high

Situation 4

- A:** Now, some excellent news: we'd like to increase our order. Right now you are sending us 350 boxes a month. We need at least 500, demand is very high ... **B:** Well, I'm glad you're having a lot of success with our products, but the bad news is that our order books are full, and the plant is working at full capacity. We're a bit stuck I'm afraid (*fade*)

6.6. Abacus Inc. is an automobile parts distributor. They want to buy exhaust pipes from a manufacturer, Kroll.

Abacus Inc.

1. Ask for 200 exhaust pipes – part number DR5789032.
3. Immediately. Ask for 10% discount.
5. Ask for unit price.
7. Offer \$95.
9. Refuse. Ask for 3.5% with 60 days to pay.
11. Comment. Say you will call again tomorrow. You expect a better offer.

Kroll

2. No problem! Ask when they are needed.
4. Refuse. Prices are already discounted.
6. \$100.
8. Refuse. Suggest 2.5% discount if payment is made at time of order.
10. Refuse. Say margins are very tight.
12. Your prices are very competitive. Say goodbye.

Now listen to a recording of a model dialogue.

KROLL: Kroll Auto. How may I help you?
ABACUS: Hello, this is Paul Bowen from Abacus. I'd like to order some exhaust pipes - 200 please, part number DR5789032.
KROLL: No problem! When do you need them?
ABACUS: Immediately. Also, could we have a 10% discount?
KROLL: *(laughs)* Ah, you know our prices are already discounted.
ABACUS: Er ... can you tell me ... what's the unit price?
KROLL: One moment I'll tell you ... it's er ... 100 dollars.
ABACUS: What about \$95?
KROLL: I'd like to, but I'm sorry, our prices are as low as we can make them. Just one thing, we could do you a 2.5% discount if payment is made at the time of the order - that is right away.
ABACUS: No, sorry. I can't do that. Could we agree on a 3.5% discount with 60 days to pay?
KROLL: No, sorry, can't agree to that. Margins are very tight.
ABACUS: Yes, I know. It's always the same ... here too. Anyway, a shame, but I'll call you again tomorrow, maybe you can make me a better offer.
KROLL: *(laughs)* Good luck! Our prices are very competitive. But anyway, look forward to your call. Bye!
ABACUS: Bye.

7. Diplomacy. *(The Business, Intermediate, Unit 8)*

7.1. Read the information in the box, then with a partner discuss whether the countries and regions below are *L* (low-context) or *H* (high-context) cultures.

	<i>Low-context cultures</i>	<i>High-context cultures</i>
Focus of negotiations	problem-solving, deadlines are important	relationship-building, time is flexible
Communication style	direct, verbal, few non-verbal signals	indirect, dislike conflict, avoid saying no
Business organization	individuals more important than the group	group harmony more important than individuals

- China USA Australia N Europe
 Middle East Latin America UK Japan

7.2. Listen to three negotiation extracts. What went wrong in each case? Think about high- and low-context cultures, as well as the actual phrases used.

7.3. Listen to alternative versions of the three negotiations. How do the negotiators avoid misunderstandings?

7.4. Listen to the alternative versions again and complete the phrases below. Phrases are numbered in the order you hear them on the recording.

	Extract 1	Extract 2	Extract 3
Checking understanding	1. Correct me if _____, but you seem to be _____ that...	4. Have I _____ right? 5. Would I be right _____ that...?	8. If I've understood _____ ...
Correcting misunderstandings	2. I'm afraid there _____ a slight _____.	6. I'm sorry, that _____ isn't _____.	9. Perhaps I haven't _____.
Reformulating	3. Let me _____ another _____.	7. What I was _____ _____ was...	10. Allow me _____. 11. What I _____...

Scripts:

7.2.

1.

A: I'm afraid I think we might need more time to explore all the implications, and perhaps to include some of our senior management in the discussions.

B: Look, Mr. Yamada, I've already been here a week, and I have a plane to catch this evening. If you don't want to do this deal, just say so! I mean, when I get back, I have to tell my boss we have a contract, or explain why I failed to get one!

2.

A: We feel there are still quite a large number of difficulties to face in this project, and these will take a very considerable amount of time and money to resolve.

B: OK, Amal, let's sit down and work out a schedule.

A: I am not sure that at this stage a schedule is appropriate, in view of the considerable, er, cultural differences between our companies.

B: Well, we need to start work soon if we want to meet the deadlines.

A: Frau Meier, perhaps we should talk again in a few days, by telephone?

B: Are you saying you're quitting the project?!

A: If you insist on putting it in those terms, then, yes, I think probably that is best.

3.

A: And you pay the shipping costs.

B: No, as I told you, our prices are ex works. You pay for shipping.

A: So you don't want to sell us your machine tools?

B: No, why do you say that? I never said that!

A: Your terms with Auckland Industries last year included shipping, I believe.

B: Yes, but that was a much larger contract.

A: So our order is not very important for you?

7.3.

1.

A: I'm afraid I think we might need more time to explore all the implications, and perhaps to include some of our senior management in the discussions.

B: Uh-huh. Yamada-san, correct me if I'm wrong, but you seem to be saying that you're not completely convinced by this deal.

A: I'm afraid there seems to be a slight misunderstanding, Mr. Bryson. Let me put it another way. We are as enthusiastic about this deal as ever, but here in Japan, it is very important to take the time to consult everybody, and to be sure there is a consensus.

B: Ah, yes, I understand. It's important for me to keep my board informed too.

2.

A: I'm afraid we feel there are still quite a large number of difficulties to face in this project, and these will take a very considerable amount of time and money to resolve.

B: OK, Amal, have I got this right? You're saying that you're not sure we have the time or the money to make this project a success?

A: That's right. Especially in view of the considerable, er, cultural differences between our companies.

B: So, would I be right in saying that you are considering withdrawing from the project?

A: No, I'm sorry. Sabine, that isn't quite what I meant. What I was trying to say was, we need to take our different approaches to the problems into account, but I'm sure we can find solutions.

B: Yes, I'm sure we can. Perhaps we should talk again in a few days, by telephone?

A: Yes, that would be fine.

3.

A: And if I've understood correctly, you will pay the shipping costs.

B: I'm sorry, perhaps I haven't made myself clear. The price we quoted was ex works. But we can quote including shipping if you like.

A: But didn't you say you would give us the same terms as for Auckland Industries last year?

B: Ah, I see, yes. Well, allow me to rephrase that. What I meant was, we would be very happy to give you the same terms as Auckland, if you were in a position to order the same volume.

7.5. Match the direct remarks 1-4 to the diplomatic forms that were used in the listening.

Direct	Diplomatic
1. I'm not ready to make a decision.	a) Perhaps we should talk again in a few days?
2. This project is totally unrealistic.	b) I think we might need more time to explore all the implications.
3. Let's finish the meeting now.	c) We would be very happy to give you the same terms as Auckland, if you were in a position to order the same volume.
4. We won't pay for shipping unless you give us a bigger order.	d) I'm afraid we feel there are still quite a large number of difficulties to face in this project.

7.6. Complete the summary. Diplomatic language often uses:

- modal verbs like *could*, _____, _____, _____
- softening adverbs like *maybe* or _____
- qualifiers like *a bit*, *rather*, *a little* or _____
- introductory warnings like *I'm sorry*, *actually*, _____
- (negative) questions rather than statements.

7.7. 'Translate' the direct remarks into diplomatic language, and vice versa.

Direct	Diplomatic
1.	I'm sorry, but wouldn't it be easier for everybody if we held the meeting here rather than in Colombia?
2. If you don't want to do business, just say so!	
3.	Actually, I was wondering whether you might possibly reconsider your position?
4. So you don't want to sell us your products?	
5.	I'm sorry, but couldn't we start a little earlier than 11 am tomorrow? We might find we would make a bit more progress.

6. That's not true. I never said that!	
7.	To be perfectly honest, I'm inclined to think that business trips aren't quite as useful as everybody says they are.
8. So you don't trust us to pay?	
9.	Let me put it another way.
10. You are not convinced.	
11.	I'm afraid there seems to be a slight misunderstanding.
12. You don't understand!	
13.	Would I be right in saying that you want to withdraw from the project?
14. We need more time.	
15.	I'm afraid there are still quite a large number of difficulties.
16. We must renegotiate parts of the contract.	
17.	Won't that be rather expensive?

7.8. With a partner, take turns to choose a subject and hold short negotiations following the chart below. Be diplomatic!

1. buying worldwide rights to your partner's movie script
2. buying advertising space on your partner's car
3. buying worldwide rights to using your partner's name
4. buying equity in your partner's business

Student A

1. Make an offer
3. Correct misunderstanding, if necessary, reformulate offer.
5. Accept offer, or go to 2.

Student B

2. Check understanding.
4. Make a counter offer, or go to 5.

UNIT 6. MAKING PROPOSALS

1. Proposals. *(Effective Negotiating, Unit 6)*

1.1. Pre-viewing

Once positions have been established in a negotiation, a process of making and responding to proposals usually follows. Which side (the customer or supplier) should start the process? What are the advantages of doing first and second?

Setting the scene:

- Andrew plans to support Karen in making the new proposal.
- Karen and Andrew plan to break the deadlock over the issue of project work by making a new proposal.
- Françoise is looking for a solution to the problem of logging project work.
- Sean is not happy with the idea of logging project work. He wants Okus to come up with a better solution.

1.2. Viewing

1. Watch Version 1. What do you think of Sean's tactics? Is he right to be so demanding?
2. Watch Version 1 again. How does Sean make his demands? What type of response does he get?
3. Watch Version 2. Who makes the proposal this time? What kind of response does she get?
4. Watch Version 2 again, from the point where Sean has accepted that the new proposal is good in theory, but has asked for clarification. Franchise and Karen negotiate together. What approach do they use?
5. Watch Version 2 again and fill in the blanks.

Karen: We've discussed this problem of logging support and project work, and _____.

Sean: _____.

Karen: Firstly, we _____ about the pricing systems. Level A is too expensive and Level B holds too many potential surprises. _____ a level of support between A and B. We include all maintenance and support work at a fixed price, plus a minimum project load. How does that sound?

Sean: _____. But I can't see any difference between that and Level A. We want to agree a monthly rate for essential support and project work.

Karen: _____ urgent, additional work?

Françoise: You could _____ that when it's necessary.

Andrew: _____ difficult to manage in reality? We could get delays while we waited for your approval.

Karen: _____, Françoise?

Françoise: Maybe we could agree a _____ sum at the start of the year to cover urgent projects.

Karen: Would the IT Manager have control of that?

Françoise: No, but I'm sure I could approve most of the work myself.

Karen: _____, that could work.

Andrew: Let's go back to the original proposal and _____.

Sean: Great. Let's get started.

1.3. Read the text. Then think about your own negotiating style. Is it neutral or emotional?

In the bad versions of this unit and some of the other units, Sean succeeds in getting an *emotional* response from the Okus team – this may be a show of frustration, anger, or even sarcasm. He will regard this type of response as a sign of weakness. His negotiating style is direct and sometimes confrontational, but he himself never gets emotionally involved.

In many business cultures, detached and *neutral* behavior is expected. Sean comes from this sort of culture. The other three operate most of the time in a neutral way but, on occasions, cannot stop themselves from showing their feelings. The two women, maybe because of inexperience, or just because of their personalities, want to communicate when they are pleased or, on the other hand, frustrated or angry. Sean puts Andrew on the defensive and this explains why he tries to fight back, arguing about Rolls Royces and Fords!

2. A Joint Venture Project. (*Effective Negotiating, Unit 6*)

2.1. Listen to the extract from a meeting about a joint venture project. The participants are considering proposals about who should be project leader. There are three possible candidates. Indicate below who favors whom.

speakers \ candidates	Peter Mc Vitie	Andreas Bauer	Francesca Rossi
Maura			
Nigel			
Ute			

2.2. Listen again and write down the expressions used to make proposals and respond to them.

- a. Maura's proposal _____
- b. Nigel's response _____
- c. Nigel's proposal _____
- d. Ute's proposal _____
- e. Maura's response _____
- f. Ute's reinforced proposal _____

2.3. Listen to the proposals. Respond as indicated below.

- a. (negative) _____
- b. (neutral) _____
- c. (positive) _____
- d. (neutral) _____
- e. (positive) _____
- g. (negative) _____

2.4. Make proposals about the following.

- a. A five per cent cut in the training budget.

- b. A two per cent rise in the productivity

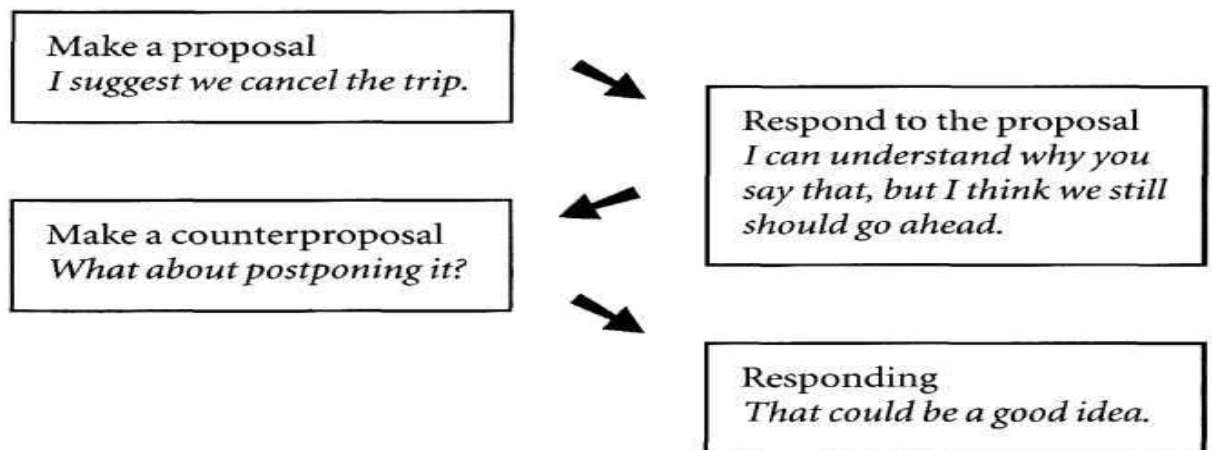
- c. A meal with your colleagues after work.

- d. A company excursion to a theme park.

- e. To reduce advertising costs

- f. To extend the working hours by two and a half hours per week.

2.5. Work in pairs. Practice making and responding to proposals in these situations. Follow the pattern given below.



- a. Your competitors are about to launch a rival to one of your best-selling product lines.
- b. You are several days behind with a big order to an important customer.
- c. A large sum of money (about a million dollars) has been made available to spend on improving your office buildings. You have to present an action plan for how it is to be spent quickly, or you risk losing the money.
- d. The company is going to invest in sponsoring a major, world-class sports team. It is your responsibility to select which sport and which team.
- e. One of you has to relocate to New York to help set up a project. It would be for a minimum of twelve months. You don't know much about the relocation package yet, but you have to make a decision now. Which one of you will go?
- f. It has become necessary to make budget cuts. You could let go two trainees, who have completed only six months of their training, or you could economize in other ways. Decide what you are going to do.
- g. You are responsible for organizing an important dinner and evening's entertainment for a very influential client whom you know does not speak a great deal of English. You also know that this client has strong religious beliefs which mean that he/she cannot eat and drink certain things. Decide what you are going to do.

UNIT 7. BARGAINING

1. Furthering Negotiations. *(Business Vocabulary in Use, Intermediate, Unit 64)*

A. Win-win

In a successful negotiation, everyone should leave the negotiating table happy with the outcome: there shouldn't be winners and losers. The negotiators should try to reach a win-win solution: an agreement of equal benefit to both sides. This can be achieved in a number of ways.

B. Probing

One way of furthering negotiations is probing (asking the right questions and listening carefully to the answers). Here are some probing questions:

- a. What is the situation on production at your plant at the moment?
- b. What sort of quantities are you looking for?
- c. What are we looking at in the way of discount?
- d. What did you have in mind regarding specifications?
- e. What were you thinking of in terms of delivery dates?
- f. How important to you is the currency for payment?

C. Proposal and counter-proposal

Through a series of proposals or offers from one side and counter-proposals or counter-offers from the other side, the two sides work towards an agreement which will benefit them both. Here are some ways of making offers:

If you offer more flexible payment conditions,	Then we	will can could may might	be able to (+ infinitive) agree to (+ infinitive) consider (+ -ing) offer (+ noun) offer to (+ infinitive]
As long as engine performance improves by 10%,			
On condition that you deliver 20 engines by May,			
Supposing that you provide good technical support,			
Provided that you supply documentation in French,			
Providing that this contract works out OK,			

D. Trade-offs

When you offer to change your position to one that is less favourable to yourself, you **make a concession**. Perhaps this is in exchange for a concession from the other side, although there is no guarantee of this. Your concession may be a **goodwill gesture**: a concession that you make hoping that the other side will see this as friendly and make a concession in return.

Even in a friendly negotiation, there may be **horse-trading**, with each side making a series of concessions in return for concessions from the other side. (This expression is often used to show disapproval.) If you argue about something for a long time, especially about the price of something, you **haggle**.

A series of concessions in exchange for concessions from the other side is a series of **trade-offs**. If you make a concession you may not get anything back. If you make a **trade-off**, you give something away and get something in return.

1.1. Match the replies (1-6) to the probing questions (a-f) in B above.

1. Perhaps 100 units per year over five years. _____
2. We can offer ten per cent if the quantities are right. _____
3. We'd like to see a ten per cent improvement in performance.
4. We'd prefer US dollars.
5. We'll need the first 30 units in six months.
6. We're operating at full capacity.

1.2. The Xania-Zebra negotiations continue. Use expressions from C above to complete José's phrases below, using the correct form of the words in brackets. The first one has been done for you.

1. If you offer more flexible payment conditions, might / consider pay / higher price.
If you offer more flexible payment conditions, then we might consider paying a higher price.
2. As long as engine performance improves by ten per cent, may / offer / price / \$550,000 per unit.
3. On condition that you deliver 20 engines by May, will / be able to / consider / more flexible / price.
4. Supposing that you provide good technical support, might / be able to / increase / order.
5. Provided that you supply documentation in Portuguese, could / consider / send personnel / you / training.
6. Providing that this contract works out OK, might / agree / work / you / future.

1.3. Use expressions from D above to complete these extracts.

1. The Government's approach of 'If you do this, then we'll do that' seems to owe more to political _____ than good policy-making.
2. When London was chosen as the site of the European Bank for Reconstruction and Development, France insisted that a Frenchman get the top job. When Frankfurt was chosen for the European Central Bank, the French again wanted a similar _____.
3. The unions suspended the strike until next week as a goodwill _____ aimed at reopening negotiations with employers' organizations on ending the strike.
4. She is a hard, unforgiving businesswoman making _____ to no one.
5. When too many customers turn up, some airlines have introduced compensation packages to persuade them to take a later flight. Experienced travellers then _____ to get an even better package.

2. Difficulties. (*Business Vocabulary in Use, Intermediate, Unit 65*)

A. Confrontation

Sometimes one side is in a stronger position than the other: they have more **bargaining power**. For example, during a recent strike at Lamda Inc., the company was in financial difficulty and the public was on the workers' side, so Lamda was **negotiating from weakness**. The strikers' union knew this: they were **negotiating from strength**.

The union made **demands**: objectives that were so important that they were unwilling to change them. They wanted a 15 per cent pay increase. Later they **moderated** these demands, and said they would accept ten per cent. However, their demand for a week's extra holiday was **non-negotiable**: they would not accept less.

Lamda said they were being forced to accept something that they did not want. They accused the union of making them negotiate **under duress**.

Eventually Lamda **conceded** to most of the union's demands and gave them what they wanted. The media said that Lamda had **backed down, climbed down** and **given in**.

The feelings had been very strong on each side: the **dispute** was **bitter**, and the negotiations were **confrontational** and **adversarial**.

B. Confrontational negotiating tactics

Although using **tricks** isn't recommended, there are negotiators who:

- issue **threats, final offers** or **ultimatums**: they say that the other side must accept something, with very bad consequences for them if they refuse.
- lie and **bluff**: they threaten to do something that they do not intend to do, or are not able to do.

Of course, you can always **call** someone's **bluff**: pretend to believe them, when you know they are bluffing.

C. Dealing with problems

When negotiations get stuck, and don't progress, there are a number of things you can do.

- a. Underline **common ground**: the areas where agreement has been reached.
- b. **Reassure** the other side on key points that have been decided: confirm that you have not changed your mind
- c. Be willing to **compromise** on your original objectives: be ready to accept less than you wanted in exchange for compromises from the other side,
- d. Identify the exact obstacles or **sticking points**: the problems that are causing negotiations to become difficult.
- e. Postpone discussions until later so that each side can **reconsider** its position.

2.1. Look at A above. Which expression best describes each of these statements about a miner's strike? Sometimes there is more than one possible answer.

1. Of course, the company had enormous stocks of coal that had already been produced but not sold and it suited them if there was no more production for six months.
2. The union wasn't in a good position. Apart from the enormous coal stocks, there are thousands of people already out of work.
3. In the beginning, the union said they wanted a pay increase of 100 per cent, and nothing less was acceptable, but later they realized this was unrealistic, and said they would accept less.
4. Eventually the miners went back to work. The strike had produced nothing for them.
5. Of course, the mining company had been very aggressive towards the miners.

2.2. Match the sentence beginnings (1-5) with the correct endings (a-e). The sentences all contain expressions from B above.

- | | |
|---|--|
| 1. Being offered the idea of a 600-plus seat jet to airlines last autumn. _____ | a. for ex., allowing only whole chickens to be imported, not chicken parts. |
| 2. The country's trade negotiators are trying all sorts of tricks to protect their farmers, _____ | b. But European plane industry executives are convinced that Boeing is bluffing. |
| 3. The TV presenter gave his bosses an ultimatum that he would leave the show _____ | c. the last one being £28,000 to each docker involved in the dispute. |
| 4. The company said they would fire all of us if we didn't accept the deal _____ | d. if Miss Taylor was allowed to stay as co-presenter. |
| 5. Over the past two years, Mersey Docks has made a number of 'final' offers, _____ | e. but we called their bluff-we refused and six months later we still have our jobs! |

2.3. José Oliveira is trying to deal with some problems in the Xania-Zebra negotiations. Match the expressions (1-5) to the points (a-e) in C above.

1. With currency values changing so quickly, you want to think further about the currency you want to be paid in.
2. If you can increase the performance of the type of engine we're interested in, we may be willing to pay a little more.
3. Well, the currency for payment would seem to be the problem here.
4. We've reached agreement on the number of engines you are willing to buy, and that's very positive.
5. We've definitely reached a consensus on price - that much at least is agreed.

Over to you

Do you think people should tell the complete truth when negotiating?

3. Matching an Offer. (*Effective Negotiating, Unit 7*)

3.1. Pre-viewing

What can cause negotiations to fail? How important is it to maintain a positive tone throughout the meeting?

Setting the scene:

- Andrew is beginning to feel that his team is conceding too much.
- Karen had originally proposed to hire just two members of the Levien IT team.
- Françoise is very preoccupied with saving the jobs of as many of her IT team as possible.
- Sean does not want to have any difficulties with the Works Council (a body which represents the interests of employees).

3.2. Viewing

1. Watch Version 1. How could Karen and Andrew stop the negotiation from becoming so polarized?
2. Watch Version 1 again. How do Andrew and Karen try to resist the pressure from Levien?
3. Watch Version 2. How does Karen maintain positive communication this time?
4. Watch Version 2 again. When does Karen introduce the concession of taking on a third member of the team? What impact does it have?
5. Watch Version 2 again and fill in the blanks.

Françoise: _____ the staffing question for a moment? As we said at the start, we have certain obligations to our four IT people.

Karen: _____. Our main priority is to give a good quality, value for money service. _____ one of your team should become our project leader.

Sean: OK.

Karen: And another should become the support engineer.

Françoise: _____, but we _____ safeguard all four jobs.

Sean: We _____ on the support contract, Karen, but staffing is just as important. Labour laws here are real tough, and we probably won't be able to sign this contract if _____.

Andrew: _____?

Françoise: I'd like to go back to the Works Council and tell them we can find work for all four members of my team.

Sean: _____ the other two on short-term contracts?

Karen: We _____ that. We _____ to take on one other person as a project engineer, but he...

Andrew: Or she...

Karen: Thank you, Andrew. They _____ about where they worked.

Françoise: But what about staff to _____?

Karen: _____ more than the two jobs. We have our own project engineers to support the team here in Brussels.

Sean: So, _____ for this third person? A one year contract based in Brussels?

Andrew: Yes, but _____ would have to be prepared to work elsewhere as well.

Françoise: Three out of four. That would be something.

Karen: Françoise, _____? Andrew and I need to talk this through.

Françoise: Of course. _____.

Karen: I think we're almost there.

Andrew: Absolutely. We can _____.

Karen: I _____ that we select the staff we need.

Andrew: _____.

4. Concessions and Conditions. *(Effective Negotiating, Unit 7)*

4.1. Listen to the extracts. In each case a concession is offered but there is a condition attached. Complete the table.

Extract	Concession	Condition
one		
two		
three		
four		

4.2. Listen again and fill in the blanks.

Extract 1.

A: Look, we're going round and round in _____ here. What we need _____.

B: Well, we could offer you _____ in the monthly fee – _____, obviously.

A: OK, _____?

B: Well, possibly _____, but we would need a guarantee _____.

A: What _____?

B: Well, _____ us an annual contract rather than just month-by-month orders, we _____ give you the one per cent.

Extract 2.

A: _____ to offer some kind of incentive, I think we might as well _____.

B: What sort of _____?

A: Well, _____ this contract, you're going to need a lot of capital up front. We've got our own _____ capital business. We'd like you to come to us for the financing.

B: So, _____, _____, we've got the contract if we come to you for the money? *(Yes.)* One condition: we'd need a very _____ on terms.

A: _____?

B: Well, perhaps two per cent below base rate over five years.

Extract 3.

A: What _____ if we offered to be more _____ over payment?
_____ sixty days instead of thirty.

B: _____. Would there be any _____?

A: Well, we _____ to agree to sixty days _____ that was the maximum. If you were late paying, we would want _____.

B: What sort of penalty _____?

A: Well, I think it would have to _____ how many days you were late. Probably an additional one per cent for each day's delay.

Extract 4.

A: What _____ if we made you our preferred supplier?

B: I'm not sure _____.

A: Well, we would give you the first opportunity _____ any new business.

B: _____, but how would that actually work?

A: Well, we would ask you for a quote. _____ the price you were asking, you'd get the contract. _____, we'd ask another supplier for a quote. If they came up with _____, we'd give you a chance to match it.

B: Right. Well, _____ we might be able to offer you a turnover-related discount. We _____ a scale which reduced the monthly invoice depending on the overall turnover.

4.3. Use the conditional constructions above (*if...* or *unless...*) to exert pressure in the following situations.

For example: (supplier to company) Sign the contract immediately/get a discount. *Unless you sign the contract immediately, you won't get a discount.*

- a. (company to IT providers) Cancel the contract/reduce your fees.
- b. (factory to supplier) Choose another supplier/better offer.
- c. (negotiator to negotiator) End the negotiation/a concession.
- d. (boss to employee) Lose your job/improve performance.
- e. (employee to boss) Leave the company/better salary.
- f. (headhunted job candidate to boss) Accept a new job/bigger office.

4.4. Using the ideas below, make offers and attach conditions.

For example:

offer: extend the contract

condition: a one per cent discount

*We could extend your contract **as long as** you offered us a one per cent discount.*

Offers

two per cent discount

a firm order

a new car

a position on the board

a new office

a salary rise

Conditions

guaranteed orders

early delivery

reach sales targets

agree to work overseas

work this weekend

move to Liverpool

4.5. Complete the dialogue using appropriate words and expressions.

A: We seem to have reached a stalemate. We're not going to progress _____ you can make us a better offer.

B: We might be able to offer something better but _____.

A: What's that?

B: You would have to guarantee us a fixed order every month for a year.

A: We might be able to do that, _____ we feel you are the right supplier for us.

B: OK. If you _____ give us this guarantee, we _____ be prepared to reduce our prices by fifteen per cent.

4.6. Work in pairs. Script a similar dialogue to the one above for the following situation.

A supplier and a customer are negotiating about transport costs. The supplier is willing to include them in the price of the contract, if the customer agrees to his payment terms. The customer will agree to better payment terms so long as delivery times are guaranteed.

The supplier should start off the negotiation like this: *We might consider including them in the contract, but...*

4.7. Read the following text about a recent big business deal. Then replace each word in italics with the word or expression below which is nearest in meaning.

a. equals

b. bargaining

c. defeat

d. surrender

e. offer

f. exceed

g. estimated

h. amount

David and Goliath battle it out

Analysts were shocked by news that Unica PLC, a relative newcomer in consumer electronics, has made an offer to take over Amamoto Electronics. Insiders are saying that Unica's ¹ *bid* at least ² *matches* their main competitor, Fisor, in this takeover battle. Amamoto's value has been ³ *quoted* around the 2.5 billion mark. If Unica is

to ⁴ *beat* Fisor, it will have to ⁵ *outbid* this by quite a hefty ⁶ *margin*. They can expect some board-room ⁷ *haggling* over the next week but clearly believe Amamoto will have to ⁸ *give in* to shareholder pressure to accept their generous offer. Share prices of all three companies have been pushed upwards by constant speculation.

4.8. Use the right form of the terms from exercise 4.7 to complete the sentences below.

- a. We asked the supplier to put in a new _____. They did, and it not only _____ other offers we had received, it actually _____ them.
- b. I don't enjoy _____. I always get knocked down on price and end up _____ to the seller.
- a. Unfortunately we lost the contract. One of the competitors _____ us by a considerable _____.
- c. We _____ them what we believed was a fair price, but they are not happy. They are going to want to _____.

ROLE PLAY. (Market Leader – 2, Pre-Intermediate, TB, Unit 10, p. 155)

A. Correct the negotiating expressions. There is one wrong word in each expression.

Calming down

1. I understand that you're saying.
2. I can see your point of views.
3. Why don't we become back to that later?
4. You don't have to sorry about...

Creating solutions

5. A compromise shall be to...
6. How around if...
7. Let's look at this other way.
8. Another possible is...

Closing a negotiation

9. Let's see what we've get.
10. Can I go on what we've agreed?
11. I think that overs everything.
12. We's got a deal.

B. Work in pairs. Student A is the customer; student B is the supplier. You are negotiating the sale of some bricks. These are the negotiator's objectives in the beginning.

	Price per thousand bricks	Discount for bulk orders	Delivery	Payment currency
A:	€820	25%	6 weeks	Euros
B:	€950	15%	3 months	US dollars

Start the negotiation using the sentences given. Then use the correct forms of the expressions above and other expressions to continue the negotiation, following the instruction.

A: 'So you are offering a price of €950 per thousand bricks and, as I told you, I'm only willing to pay €820.'

B: 'Yes. There seems to be quite a gap here.'

Calm A down and suggest a compromise: a price of €855.

A: Accept the solution.

Move on to discount.

B: You can only offer a higher discount if A accepts a longer delivery time.

Suggest a specific discount and a delivery time.

A: You can't accept B's proposal.

Create another solution.

B: Accept A's proposal.

Move on to currency.

A: Insist on paying in euros.

B: Calm A down.

Suggest half the payment in euros and half in dollars.

A: Accept.

Go over the agreement.

B: Accept or disagree with A's summary.

Clear up any disagreements.

A: Close the negotiation.

B: Reply.

5. Is This Really Your Best Price? *(Head for Business, Intermediate, Unit 10)*

5.1. Listen and match the negotiations a-d with 1-4 below.

1. an antique dealer and a customer...
2. two people discussing the price of a secondhand car...
3. a buyer calling a printer...
4. a salesman selling a notebook computer to a customer...

5.2. Listen again and complete the expressions below.

1. I must say Malcolm, I _____.
2. I _____ you are saying.
3. _____, ring me with a better offer.
4. _____ I include a case and a battery. How does that _____?
5. This is really my _____ offer.
6. I'm _____ to pay £13,000.

5.3. Which expression in 5.2. above:

1. asks the other person to try harder? _____
2. shows you have registered the other person's position? _____
3. asks for someone's reaction to an offer? _____
4. states a position strongly? _____
5. states a final position? _____
6. expresses disappointment? _____

Script:

A

Buyer: Hi, Malcolm. I'm calling about your quotation.

Printer: The one for the brochures?

Buyer: Yes. I must say, Malcolm, I was very disappointed. If you can't do better than that I'll have to go elsewhere.

Printer: Yeah, but we've done business together for years, and you won't get the same quality of work or delivery.

Buyer: Well, I'm not sure about that, Malcolm, but is this really your best price?
Printer: Well, it's the cost of paper, you know.
Buyer: Mm, I hear what you're saying. But I've got a quote on my desk, which is a good deal lower.
Printer: Who from?
Buyer: Come on. You don't expect me to tell you that. I'll tell you what, ring me with a better offer before lunch otherwise I'll have to go to them.

B

Customer: I'm looking for a nice desk for my son's eighteenth birthday. Something Victorian, maybe.
Shopkeeper: I see, and how much would you like to spend?
Customer: Well, I can afford up to about £1,000.
Shopkeeper: £1,000? That's not a lot for an antique, madam. I've got a desk downstairs, it's not exactly antique but it's still very nice.

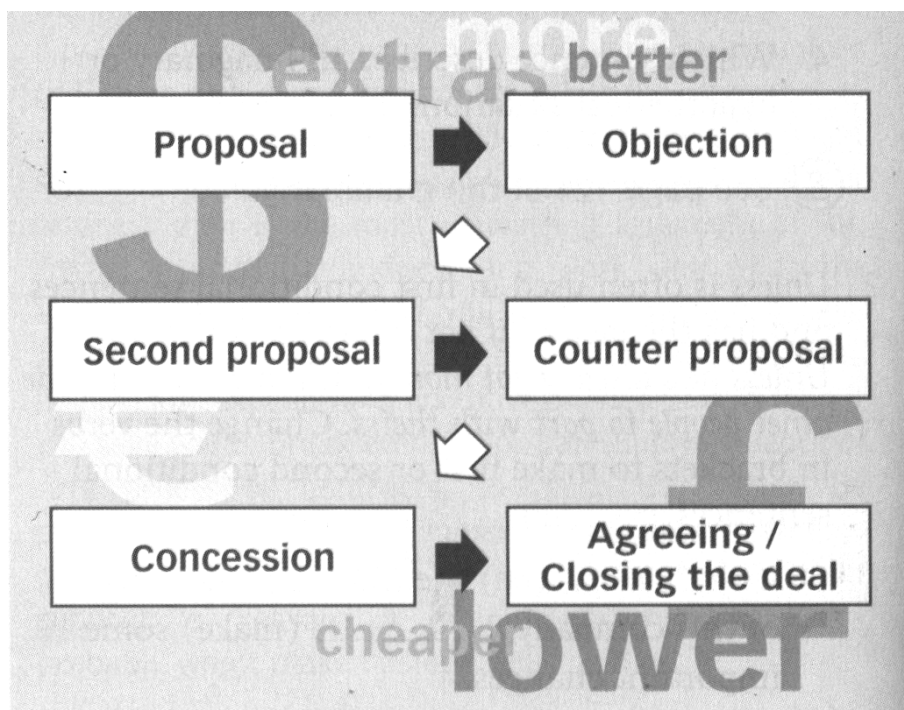
C

Salesman: I can let you have it for £900, provided you pay cash.
Customer: That's still rather expensive. I'm sure if I shopped around I'd find it cheaper.
Salesman: Maybe. But I can't go any lower than nine. Supposing I include a case and a battery. How does that sound? This is really my best and final offer.
Customer: And this includes a year's free service?
Salesman: Oh yes, that's standard. So have we got a deal?
Customer: Yes, I think so. I'm happy enough with that.

D

Customer: I'm not prepared to pay £13,000; the list price is eleven.
Salesman: Yes, but don't forget that every vehicle has a year's guarantee.
Customer: Even so, it's still over-priced.
Salesman: If I said £12,000, would you take it?
Customer: OK. I suppose so, but I really can't go any higher.
Salesman: Let me check with my sales manager. I'll be back in a minute. ... Now, I've spoken to him and I'm afraid he won't take £12,000. But the good news is he'll accept £12,500

5.4. Using the cues below, try to remember as much as you can about the conversation between the computer salesman and the customer.



6. What About a Good Discount For Us? *(English 365 – 3, Personal study book, p. 74)*

6.1. Kate Spellman is making arrangements for a company conference. Andrew Holt represents the conference venue where Kate's company is going to hold the conference. Listen to Kate and Andrew bargaining and reaching a compromise, and answer these questions.

- What does Kate want from the negotiation?
- What does Andrew want?
- What compromise do they reach?

6.2. Listen again. What phrases do Kate and Andrew use to:

ask for a discount

– What _____?

politely refuse

– Unfortunately, _____ any more.

– No, I _____ that.

suggest a compromise

– But I can _____ if you pay ...

– Well, we'd _____ stages.

agree to a compromise

- OK, that's fine. We'll _____ - you're old clients...
- That's _____. So, ...
- Agreed.

6.3. Put the sentences in the correct order to complete the conversation. The first one is done for you. Then listen and check your answers.

- _____ Good. So it's €85 per unit, with you paying for transport and insurance.
- _____ What do you say to €80 as we'll be paying for the transport and insurance anyway?
- _____ Agreed.
- _____ I don't think we can accept that. It's too low. How about €85?
- _____ I'm not sure about that. You see, we normally take care of the transport and insurance – we do that ourselves anyway.
- _____ That sounds reasonable. I'm sure we can agree to that.
- 1 _____ If we agree a price of €100 per unit, can you agree to pay all the transportation and insurance costs?
- _____ OK, well, I think in that case we can reduce the price to €90.

Script:

- Kate:** So, we need to discuss the price. What about a good discount for us?
- Andrew:** Unfortunately, we don't think we can lower the price any more. The price is very competitive, and only a little more expensive than last year.
- Kate:** Yes, but this year we have more people coming so it will cost us a lot more. Anyway, I'm sure you could manage a small discount – let's say 10%?
- Andrew:** No, I don't think I can do that. And I'd like to have the payment earlier. But I can offer a 4% reduction if you pay the total amount 60 days before the conference date.
- Kate:** Well, first of all, everyone knows that the mid-point between 0 and 10 is 5.
- Andrew:** OK, 5% it is, but with the payment 60 days beforehand.
- Kate:** Well, we'd prefer to pay in two stages. How about 50% 60 days before, and 50% a week before the conference?
- Andrew:** OK, that's fine. We'll say yes to that – you're old clients of ours, so we'll agree.
- Kate:** That's good, thank you. So, a 5% reduction, with payment in two stages.
- Andrew:** Agreed.

7. Take It or Leave It. *(Head for Business, Intermediate, WB, Unit 10)*

Mary Jones, who owns an antique shop is talking to Tony Grey. Tony's boss has a new office and has asked Tony to buy a handsome antique desk for him. Complete the conversation using the words and expressions from the box.

bargain	Take it or leave it	hear what you're saying
To be honest	I'd find something	you've got a deal
prepared	change my mind	workmanship
if I said	need to do better	supposing
does that sound	my best and final offer	provided
I tell you what then		

Mary: Well, the price on this one is £2,500, but for trade I can sell it for £2,000.

Tony: My boss's not _____ to pay £2,000. _____, Mary, I don't think it's worth it.

Mary: But just look at this _____ – it really is exceptional.

Tony: Mm, I _____ Mary, but if I looked around _____ just as nice.

Mary: Yes, but think of all the time you would waste.

Tony: That's true. OK, _____ £1,500, would you take it?

Mary: £1,500! I've already had a much better offer than that.

Tony: _____ – how about £1,600?

Mary: That's still too low. Look; I can let you have it for £1,800 _____ you organize delivery.

Tony: Is this really your best price? You _____ than that!

Mary: Well, _____ I include this lovely desk lamp, how _____?

Tony: Mm. I'm not sure; it goes well with the desk but it's still rather expensive.

Mary: Well, that's _____, I'm afraid. _____.

Tony: So, £1,800 with the lamp, I organize delivery. OK, _____.

Mary: And you've got a _____. You'd better pay me before I _____!

ROLE PLAY. *(Market Leader, Pre-Intermediate, TB, Unit 2, p. 147)*

Student A is a buyer for a large bookstore chain. Student B is a sales rep for a publisher. They negotiate a discount on a new thriller.

- A wants between 5,000 and 20,000 copies. The more copies A orders, the bigger the discount they want but, of course, B wants to limit the discount given.
- Negotiate the number of copies to be bought by A and the discount to be given.
- During the role play, you should try to use all the expressions on your role card.

Student A

Discount objectives

1,000 – 4,999 copies: 25% discount
 5,000 – 9,999 copies: 30% discount
 10,000 – 19,999 copies: 35% discount
 20,000 copies and above: 40% discount

Student B

Discount you can offer

1,000 – 4,999 copies: 20% discount
 5,000 – 9,999 copies: 25% discount
 10,000 – 19,999 copies: 30% discount
 20,000 copies and above: 35% discount

8. Specific Points. (*Business English: Listening and Speaking 2, Units 2, 4, 5, 6*)

Listen to people discussing specific clauses of the contract.

PRICE.

- A:** Your offer for walnut-meat at USD 400 per metric ton FOB Sydney is on the high side. Actually your price has gone up by 20% over the last year. Such an increase is uncommon in the international market. It'll create a lot of difficulties for us in selling the product.
- B:** I agree that we have increased our price by a large margin. But you must be aware that the price of walnut-meat has been increasing since last year. It is fixed according to the upward trend in international market price.
- A:** But your price is much higher than the market price. Thailand gives a much lower price.
- B:** The quality of this kind of walnut is much better. I can quote you on walnut of lower quality and the price will definitely be lower. Our price varies according to the quality.
- A:** What I mean is that your price is higher than that of the same quality. It will be hard for us to persuade our clients to accept such a price. If you insist on your price, I'll have no choice but to switch to purchasing from other suppliers. You'll stand no chance if you don't bring your price in line with the world market.
- B:** Well, what are you looking for then?
- A:** I'm afraid you'll have to make a reduction of 10%.
- B:** Your counter-offer is way out of my reach. Frankly speaking, even though you are a regular customer, we could hardly accept an offer at such a price.

- A:** We make this counter-offer based on the offers by other suppliers. Well, we are moving round and round in circles here. What we need is some sort of concession. What would you say if I placed a substantial order, say 20 000 metric tons?
- B:** Such an order would be large enough for us to offer the 3% discount. If you could place an order of 50 000 metric tons, we would be happy to give you a 5% discount. This is the best I can do. I really can't reduce my price much since it will leave us with too small a margin.
- A:** You certainly have a way of talking me into it. Originally, we were thinking of importing 20 000 metric tons only, but considering the good quality of your walnuts and your price reduction, we'll import another 30 000 metric tons. Let's call it a deal, shall we?
- B:** All right then! Glad to hear it.

TERMS OF PAYMENT

- A:** Now we've settled the problems of price, quality and quantity, what about the terms of payment?
- B:** We generally accept payment by irrevocable letter of credit payable against shipping documents.
- A:** Well, you know our order is so large that it will be too costly to open an L/C. We'll have to pay the bank a large amount of money as a deposit and in service charges. That'll tie up our money and increase the cost of our imports.
- B:** I quite understand your position. But an L/C allows exporters the additional protection of the banker's guarantee. So payment by L/C is the only mode we can accept, especially for a new customer with a substantial order. We have to make sure we'll get paid for the goods delivered.
- A:** Just as you mentioned, this is our first transaction, could you give us more favorable terms of payment as a gesture encouraging more future business?
- B:** I really can't help you. You know, the financial market is fluctuating, and the economic situation is going down. So it is necessary for us to do business on an L/C basis so as to get the banker's guarantee.
- A:** Our company has always been creditworthy. You may contact the Bank of America in your country for any information concerning our credit standing. You know, it would help me greatly if you would accept D/A or D/P. You can draw on me just as if there were a letter of credit. To you it makes no great difference, but to me it does.
- B:** I'm afraid I'm not in a position to do so. We always require L/C for our exports and we pay by L/C for our imports. D/P may be considered once trust has been established through regular business.

- A:** As you just said, the market is dull, and our exchange quota is insufficient. To open an L/C will slow down our turnover.
- B:** Don't worry about your turnover at all. Our product has been selling fast in the world market due to its fine quality and reasonable price. Even when the world market is sluggish, it can still sell well. The quick turnover will not only counteract your cost on the L/C but also benefit you a lot.
- A:** Well, I'll have no choice but to agree to L/C payment. But could you accept a time L/C and allow us to delay payment, say, 60 days after sight?
- B:** Well, to encourage further business, we'll accept your proposal.
- A:** Then when do I have to open the L/C if I want the goods to be delivered in June?
- B:** A month before the time you want the goods to be delivered.
- A:** Could you possibly effect shipment more promptly?
- B:** Well, getting the goods ready, making out the documents and booking shipping space – all this takes time.
- A:** I'll arrange for the L/C to be opened in your favor as soon as I get back.
- B:** Good. Shipment can be effected within two weeks on receipt of your L/C.
- A:** That'll be fine.

SHIPPING

- A:** Is it possible to effect the shipment in May?
- B:** I don't think so. The earliest shipment will be in June.
- A:** That'll be too late. Is there any possibility for you to ensure prompt shipment? Since this is a seasonal product, we've got to market it before the end of May. If we miss the season, it won't make a profit. Can you advance the shipment to the beginning of May?
- B:** Well, that'll be hard to do. As far as we know, our manufacturers are heavily committed for several months to come, and many of our clients are placing orders for delivery. If you had placed the order one month earlier, things would have been easier.
- A:** You know, the time of delivery is a matter of great importance to us. Even after shipment it will still take us another two or three weeks to go through Customs and get the goods on the market. Now if you could just advance the delivery three weeks, everything will be fine and we'll be able to make it. I hope you'll try to get your manufacturers to rush production.
- B:** Well, considering our good relations, how about delivering 60 cases in May and the remainder in June? I'm afraid this is the best we can do.
- A:** All right. I agree. Thank you.
- B:** I'll get in touch with my manufacturer. We will keep you informed.
- A:** Thanks! I'm looking forward to receiving notice of shipment as early as possible.

ROLE PLAY (*NIBE, Files ## 29, 59*)

Student A: You are the buyer for your company. You are negotiating an order.

1. State that you need 10,000 cartons of yogurt by three weeks today, at SFr (Swiss Francs) 1,500 per 100 cartons.
2. Make it clear that you want this for a customer, three weeks from today's date.
3. Ask how many cartons they can deliver for three weeks from now.
4. Suggest that you could go to another supplier, although you have been satisfied with this company in the past. But you could offer to take the order somewhere else.
5. Try to find out if the other side wants to keep your order. (Because you know the alternative distributors are a little dearer.)
6. If no suggestion comes from the other side suggest that you are willing to compromise on the delivery time if the price is reduced.
7. Accept if the conditions are favorable, within 10% of your desired price SFr 1,350.

Student B: You are in the sales department of your company. You are negotiating a deal with the buyer.

1. Reply that the largest quantity you can provide is 5,000 cartons, at SFr (Swiss Francs) 1,545 per 100 cartons.
2. State that you cannot deliver by three weeks from now.
3. State that for such large quantities the lead time is going to have to be much longer.
4. Suggest that you want to keep the order but know that you can only deliver 2,000 of the 5,000 cartons in three weeks.
5. Try to find out what the other side is prepared to do. Perhaps you can play for time, because you guess that the buyer will be eager to strike a deal...
6. You guess that the buyer will be a good customer in years to come. So propose that you are prepared to come down in the price...
7. Agree to the deal as long as the price does not fall below your accepted internal bottom limit, which is SFr 1,468 per 100.

9. I Don't Feel Ready to Take the Plunge. (*The Business, Upper-Intermediate, Unit 5*)

9.1. Listen to three conversations between sales representatives and their customers.

Decide which salesperson makes each of the following mistakes.

- a. criticizing the competition
- b. giving in to pressure
- c. overreacting and threatening the customers.

9.2. Read the descriptions of three common sales techniques. Listen to three improved versions of the exchanges in 9.1. Decide which of the techniques below each salesperson is using.

1. Use the 'feel, felt, found' formula.

Tell the customer you know how they feel, but give an example of other customers who felt the same way but found they were wrong.

2. Redirect the objection to obtain more information.

Use the objections as an opportunity to find out what the customer's position really is.

3. Welcome objections and try to establish agreement.

Listen to the customer's objections and use persuasive questions to show understanding.

9.3. Listen again and complete the phrases the salespeople use.

Use the 'feel, felt, found' formula

I understand _____ . Like you, several customers _____ that this was more than they wanted to spend. However, they _____ were saving money.

Redirect the objection to obtain more information

So tell me, is the membership fee _____ you're not ready to sign up now?

So, if I could postpone your first payment to next year, _____ to sign up today?

Welcome objections and try to establish agreement

I know exactly _____ . It's a big decision to make, _____ ?

I _____. We all want to get a product we can actually use, _____ ?

9.4. Each salesperson ends with a question to confirm the customer's position. Listen and make a note of the question each salesperson uses.

Salesperson 1 _____

Salesperson 2 _____

Salesperson 3 _____

9.5. Match the objections and the answers used to redirect them.

1. Your price is too high. _____
2. We haven't budgeted for it. _____

3. I like your main competitor's products. _____
 4. I don't have time to go to the gym. _____
 5. I'll think about it. _____
 6. I wouldn't use your product if it were free. _____
 7. I only work with one supplier. _____
 8. Your lead time is too long. _____
- a. You're probably wondering what's different about our service, aren't you?
 - b. Do you mean, why are our prices higher than the competition?
 - c. Can you find 30 minutes three times a week to look good on the beach?
 - d. You are asking yourself if it's worth finding the money, is that right?
 - e. Well, maybe we can test that theory! But of course you don't really mean that, do you?
 - f. Is the delivery date the only reason you're not ready to order?
 - g. If you like the deal I'm going to suggest, could you make a decision today?
 - h. Can I ask if there's a particular reason for only using them?

9.6. With a partner, write responses to each objection, starting each sentence with the words given. Then change partners and practice dealing with them.

1. We have a freeze on new investments. Call me back in six months' time.
Is the freeze the only _____?
2. Your competitor offered us the same service for twenty per cent less.
I'm glad you mentioned _____.
But have you asked yourself _____?
3. I have doubts about your product's reliability and durability.
I understand how _____.
A lot of our customers _____.
But after they _____.
4. I can't afford the insurance on a new car.
If I could show you how you _____?
5. I'm not sure that Head Office will be very pleased if we change our procedures.
You're probably asking yourself _____.
Are you comfortable _____?
6. We need the parts now. We can't wait two weeks for delivery.
Do you mean that _____?

Script (Version 1):

1.

Customer: Listen, your proposal looks great, but I just don't feel ready to take the plunge!

Salesperson: Well, if you don't sign the contract this week, I'll have to bill you for the study and the plans for the pool.

Customer: Bill me for the study? You never mentioned that!

Salesperson: It's in all our literature. Look, here, in the small print.

2.

Customer: \$32,000?! How do you justify that?

Salesperson: Simple. To develop software as good as this, you need the best engineers.

Customer: But I've had another quotation for less than twenty thousand!

Salesperson: Well you know what they say; if you pay peanuts, you get monkeys!

3.

Customer: Can you give me a discount?

Salesperson: I'm afraid it's not our policy...

Customer: Oh, come on! I used to work in a health club, so I know you can if you want to.

Salesperson: Well, perhaps a five per cent reduction...

Customer: Ten per cent. Take it or leave it. Now, where do I sign?

Script (Version 2):

1.

Customer: Listen, your proposal looks great, but I just don't feel ready to take the plunge!

Salesperson: I know exactly what you mean. It's a big decision to make, isn't it?

Customer: Yeah. I'm just worried that I won't have enough time to do everything.

Salesperson: Oh I see. Finding enough time is always a problem, isn't it?

Customer: Yeah. Things are busy at work, and I don't have time for the garden, let alone a pool.

Salesperson: OK. Well, I understand. We all want to get a product we can actually use, don't we?

Customer: Sure.

Salesperson: So, if we include the automatic chlorinator and robot pool cleaner options, I can guarantee that you will spend less than ten minutes a week on maintenance. Are you comfortable with that?

2.

Customer: \$32,000?! How do you justify that?

Salesperson: I understand how you feel. Like you, a lot of our customers felt that this was more than they wanted to spend. However, they soon found they were saving money. After you start using the software, you'll reduce your operating costs by 25-30 per cent.

Customer: As much as that?!

Salesperson: Yes, more in some cases – but that's the average saving. Have I answered your question?

3.

Customer: Can you give me a discount?

Salesperson: Well I'm glad you asked me that. Our philosophy is that if we gave discounts, we'd have to compromise on quality and service – and I'm sure you'd agree that would be a mistake, wouldn't you?

Customer: Yes. I suppose it would.

Salesperson: So tell me, is the membership fee the only reason you're not ready to sign up now?

Customer: Yes. I've just bought a new car, you see.

Salesperson: Right. So, if I could postpone your first payment to next year, would you be ready to sign up today? Would that make sense?

10. Department Store. *(Market Leader, New Edition, Unit 9)*

Listen to a negotiation between two buyers for a department store and a supplier of T-shirts, Eastern Fabrics, which is based in Hong Kong. Match each extract from the dialogue to one of the stages in the list.

- | | | |
|-----------|-------|-------------------------------|
| Extract 1 | _____ | a. Probe with proposals |
| Extract 2 | _____ | b. Close signal |
| Extract 3 | _____ | c. Signal for movement |
| Extract 4 | _____ | d. Ready yourself |
| Extract 5 | _____ | e. Tie up loose ends |
| Extract 6 | _____ | f. Exchange concessions |
| Extract 7 | _____ | g. Explore each other's needs |

Script:

Extract 1.

A: OK, what do we want to get out of this meeting with Eastern Fabrics?

B: I think our main aim should be to get a better deal on prices. I've been checking up on Eastern Fabrics, they've just built a new factory in China, they need to keep it working to full capacity. They'll be keen to get our business, so they'll lower their prices, if we play our cards right.

A: Right, let's try to get 10% off their list price.

B: Agreed.

Extract 2.

S: Can you tell us a little about your customers' needs and their buying habits? You know, what colors they like, what sizes are most popular, and what your main sales outlets are – that sort of thing?

Extract 3.

B: If you give us a discount on our first order, say 10%, we can accept the end of May as a delivery date. We'd like to have the goods earlier, but we understand this would be difficult for you.

S: A 10% discount – that's more than we usually offer new customers, but it might be possible, especially if we can deliver some of the shirts early in June.

B: Well, July and August are our peak selling months, so that would probably be OK.

Extract 4.

S: How about if we send the first consignment by air to make sure the goods arrive on time? And we'll send the rest by sea as soon as possible.

B: Mmm, sounds like a good idea to me. As long as we get the first consignment by the end of May, we'll be happy.

S: I can guarantee delivery by that date. OK?

Extract 5.

S: Normally we supply three colors only, black, blue, and red, but with a variety of designs of course. If you wanted the T-shirt in other colors...

B: What? You mean if we ordered other colors, the shirts would be more expensive?

S: Exactly, we'd have to charge a little more.

Extract 6.

S: Good, we agree on price, quantity, discounts, and let's see... method of transport. I'll send you an e-mail confirming everything. Let me know if there are any problems.

Extract 7.

S: OK, I think we've covered everything. If there any other points, I'll e-mail you.

B: Great. That was a very good meeting. We covered a lot of ground. What time shall I meet you for dinner tonight?

ROLE PLAY.

Department store buyer

You want 10,000 dresses: no more, no less.

Unit price: 45 to 50 euros per dress.

You are an experienced buyer and know how many you are likely to sell. You have never dealt with this manufacturer before and you say that there may be more big orders in the future if this dress sells well.

You know there are rumors about the financial state of the store, but they are just rumors. As far as you know, the store is in a good financial condition.

Payment: 60 days. This is a standard condition that can only be varied with great difficulty by consulting head office.

Dress manufacturer salesperson

You want to try to sell more than 10,000 dresses.

Unit price: 50 to 55 euros for 10,000, but you could offer a price below 50 euros if the order is for more than 10,000.

You have never dealt with this store before. You are not sure about promises of future orders, as there are rumors that the department store has financial difficulties.

Payment: this is very important. You want payment as soon as possible, preferably on receipt of invoice. You're very nervous about waiting 60 days, considering the store's financial difficulties.

11. Buying Tea. *(Market Leader, New Edition, Unit 9)*

11.1. Bella Ford, a buyer for Allgoods supermarket chain, is negotiating with Ranjit de Silva, Sales Director for a fair trade organization in Sri Lanka. Listen and complete their conversation.

Bella: If I _____ 5,000 boxes of tea, what discount will you offer us?

Ranjit: On 5,000 nothing. But if you buy 10,000 boxes, then _____ offer you 10%.

Bella: OK, I'll think about that. And tell me, if we _____ a very large order, say 15,000 boxes, _____ _____ _____ _____ to dispatch immediately?

Ranjit: We can normally guarantee to dispatch a large order within two weeks. But if you _____ at a peak time, like just before Christmas, it will be impossible to deliver that quickly.

Bella: I take it your price includes insurance?

Ranjit: Actually, no. Usually, you'd be responsible for that. But if the order _____ really large, that _____ _____ negotiable, I'm sure.

Bella: What about payment?

Ranjit: To be honest we'd prefer cash on delivery, as this is our first contact with you. If you _____ a regular customer, _____ _____ _____ you a 30 days' credit, maybe even a little more.

Bella: That's alright. I quite understand.

Ranjit: Look, how about having some lunch now, and continuing later this afternoon. Then we could meet for an evening meal.

Bella: Yes, let's continue after lunch. If I had more time, _____ _____ _____ to have dinner with you, but unfortunately my flight leaves at seven tonight.

11.2. Bella Ford is negotiating the terms for Santa Rita wine with Pierre Hemard, Sales Director for Marques Vineyards, Napa Valley, California. Use the notes below to practice the conversation.

Pierre: Now let's talk about your order for the Santa Rita.

Bella: Ok, I hope you'll offer me good terms...

Pierre: Order 2,000 cases / 10% discount / deliver before Christmas rush / cover insurance

Bella: Less demand for Santa Rita / 10% discount OK / want only 1,500 cases

Pierre: Cannot agree

Bella: Order 2,000 / want another 3% discount

Pierre: 1% only and 30 cases of champagne / fair offer

Bella: A deal!

12. Non-Exclusive Contract. *(Market Leader, New Edition, Unit 14)*

12.1. Listen to a cycle manufacturer discussing an agreement with a new agent. Then answer these questions.

1. Which of these points the two sides agree on during the negotiation?
 - a) the type of relationship they wish to have
 - b) who sets prices
 - c) payment of commission
 - d) who pays for advertising and promotion
2. Why does the agent want the contract to be longer than two years?

Script:

M: Perhaps we could start, as we agreed, by discussing the kind of relationship we want.

A: OK.

M: Usually with a major distributor or agent, we don't offer an exclusive agency agreement, because they don't want it. They like to use and distribute the products of most of the top companies. They make more money that way.

A: Yes, a non-exclusive contract would be perfect for us, too. As you know, we represent many famous brands and will be happy to add your product lines to our list.

M: Right. Now, prices: we like to recommend prices for each overseas market – we advise on minimum and maximum prices for each of our models.

A: No, that's no good for us. We prefer to set the prices for all the products we offer. We know the conditions of the market far better than you, we would set the correct prices to maximize profits, of course.

M: OK, it's not really a problem if you prefer it that way – I won't argue with you. Now the commission: I suggest a rate of 15% on all the revenue you obtain, either directly or indirectly. Is that OK?

A: 15 % is too low. We want at least 20%. The market is very competitive. We'll have to spend a lot on advertising and promoting your products.

M: Yes, but we could help with this.

A: How much will you pay us?

M: Well, we might go 50/50 up to an agreed limit. We can talk about the exact figures later.

A: I'll have to think about it. We will talk about the commission later.

M: Let's discuss the length of the contract. Normally we offer 2 years and to be honest, with a new distributor we prefer a shorter period. Either side can terminate with 60 days' notice.

A: Well, it must be at least three years for it to be profitable for us.

M: Well, we can talk about it later. I suggest we break for lunch now.

12.2. Match the phrases on the left with the more diplomatic phrases on the right.

- | | |
|--|--|
| 1. We must talk about price first. | a. Your price seems rather high. |
| 2. There is no way we can give you any credit. | b. Unfortunately, I can't lower my price. |
| 3. I want a discount. | c. Could you possibly give me a discount? |
| 4. I won't lower my price. | d. I'm afraid we can't give you any credit. |
| 5. Can you alter the specifications? | e. I think we should talk about price first. |
| 6. Your price is far too high. | f. I wonder if you could alter the specifications. |

12.3. Listen to these extracts from the negotiation. Complete the sentences below. Decide whether the speakers are being diplomatic (D) or not diplomatic (ND).

1. A non-exclusive contract _____ for us, too.
2. No, that's _____ for us.
3. We know the market conditions _____ than you.
4. I _____ a rate of 15% on all the revenue you obtain.
5. 15% is too low. We _____ 20%.
6. We _____ with this.
7. How much _____?
8. We _____ about the commission later.
9. _____, with a new distributor we prefer a shorter period.
10. It _____ at least three years.

ROLE PLAY.

Product:

Ben & Jerry ice-cream

Mobile phones

Women's jackets

Payment: \$ 10.000

Buyer: 5000 cash, 5000 irrevocable L/C

Seller: 3000 cash, 7000 draft

On receipt of order

Delivery terms and dates:

Buyer: CFR, 3 weeks

Seller: FOB, 4 weeks

Price and discounts:

Buyer: \$20 per item, 5%

Seller: \$25 per item, 3 %

Range and quantity:

Buyer: 3 types of, 200 of each type

Seller: 4 types of ..., 250 of each type

Warranty:

Buyer: 1 year

Seller: 0,5 year

13. I'm Sure That We Can Do Business. (NIBE, Unit 14)

13.1. You'll hear a face-to-face negotiation between Fritz, a German wholesale buyer of plant-based raw materials for a chain of companies manufacturing organic products, and Marianne, a French supplier. First decide which order the following points are mentioned in. Next, decide which points Marianne (M) raises and which Fritz (F) raises. The first is done for you as an example in each case.

Order the points are mentioned	Who first raises the point
_____ discount	_____
_____ good price	_____
<u> 1 </u> competitive prices	<u> F </u>
_____ guarantees	_____
_____ importance of quality	_____
_____ the need for firm figures	_____
_____ perfect condition	_____
_____ the point about the organization	_____
being flexible	

13.2. Listen to the recording again and decide in which phases of the negotiation these phrases were used in the conversation:

- a) *If there's a guarantee, then we are prepared to ...*
- b) *I can let you have orders for at least two hundred tonnes.*
- c) *If we order immediately two hundred in total, with the second hundred, deliverable in three months, then...*
- d) *What are you saying, how much?*

Phases of Negotiation:

1. Prepare: what you want _____
2. Debate: what do they want? _____
3. Propose: what could you theoretically trade, offer, concede? _____
4. Bargain: what will you, in actual fact, trade, offer, concede? _____

Script:

Fritz: Well, I can say, Marianne, I can let you have orders for at least...um...a hundred fifty tonnes depending on the price and quality, like I said last time. I

told you, as we mentioned at the last meeting, if your quality is no good and your prices are not competitive, that's the end of our deal.

Marianne: But, of course, Fritz, I understand, naturally. Now, if we know how much you are putting in an order for, I mean what are you saying, what sort of quality are we talking about?

Fritz: I can safely say my clients...er...that is one large client, needs by next month, at first, eighty to a hundred tonnes of lavender.

Marianne: That's all right. We are flexible and we can do that.

Fritz: In that case, Marianne...

Marianne: And if the quantity is interesting, I am sure that we can do business. But, Fritz, I must stress, we do require firm figures or quantities, I mean, especially if you want a discount, Fritz.

Fritz: I am not talking less than one hundred tonnes.

Marianne: That's good. We'll give you a good price on that.

Fritz: If we order immediately two hundred in total, then can I expect a discount?

Marianne: If the order is made, yes, that is not going to be a problem.

Fritz: One more thing, the condition of the produce must be perfect, A1 quality. Otherwise we can't do business.

Marianne: Of course, naturally, but you know, we only deliver perfect A1 condition. We do have a good reputation, you know.

Fritz: But, if we find that the prices you are quoting us we are much too high and the quality is not good, Marianne, than we...

Marianne: Then, then you must tell us, Fritz.

Fritz: But we are trusting you, Marianne, we have done business with your organization before.

Marianne: I think you will see our lavender is guaranteed A1.

Fritz: If there is a guarantee, then we are prepared to take two hundred tonnes.

Marianne: OK. That's good, Fritz, we can give you a 5% discount, then, on the total.

Fritz: But last time we received 7%. Why so little now, Marianne?

Marianne: Ah, well, I am sorry. But that was on a larger quantity, you see, and this is just two hundred tonnes.

Fritz: Look, I'll sign for two hundred and fifty tonnes and you give me 6% discount, what do you say Marianne?

Marianne: OK. Agreed. We'll do that, Fritz.

14. Sell Like Hot Cakes. *(Benchmark, Upper-Intermediate, Unit 8)*

14.1. Listen to Tessa, Susie and Jack negotiating a deal and note down the terms of their final agreement.

Product: _____

Quantity: _____

Unit cost: _____

Discount: _____

Payment: _____

14.2. Look at this sentence from the conversation you've just listened to. Come up with more conditional sentences based on the conversation.

If we buy the scales at €100 each, our mark-up won't allow us to make a decent profit.

14.3. Complete these sentences in any way you like.

1. If the products sell like hot cakes, _____.
2. I will place a repeat order on condition that _____.
3. You can have the product on sale or return as long as _____.
4. Unless we can have a 100% mark-up, _____.
5. We won't be able to cover our overheads providing that _____.

ROLE PLAY. *(NIBE, Unit 14)*

Student A.

You are trying to sell an electrical component. Start the proposal phase of the negotiation.

These are the limits within which you can move:

1. Price you will accept: from \$25-\$36
2. Quantities: can supply up to 500
3. Delivery date proposed: between six weeks and 18 months from now
4. Specifications deliverable: they range from 250 to 270 rpm (revolutions per minute)
5. Guarantee period offered: from six months to a year
6. Conditions of payment expected: ex-works, but will accept FOB
7. Limited target: would like to sell a sample plus firm order

Student B.

You are interested in buying an electrical component. Respond to the seller's first point. These are the limits within which you can move:

1. What price you will pay: from \$23-\$34
2. Quantities: can eventually use 500, but only if satisfied with sample
3. Delivery date required: between six weeks and 13 months from now
4. Specifications really needed: they range from 280 to 300 rpm (revolutions per minute).
5. Guarantee period requested: from a year to 18 months
6. Conditions of payment expected: CIF, but would settle for FOB
7. Limited target: would like to buy only one, plus firm order for 500 later, if satisfied

15. We Can Agree to That So Long As... (*Communicating in Business, Unit 14, pp. 134-135*)

15.1. Listen to a recording of part of a negotiation between Arco, a manufacturing company, and a research company called Central Auto Systems, CAS. Mark the following sentences as True (T) or False (F).

Twelve months ago Arco and CAS agreed to a joint development program to manufacture an engine designed by CAS. However, Arco has recently gone through a major restructuring of its activities. The company has decided not to proceed with the joint venture for the new engine. The negotiation is about ending the joint venture and agreeing to compensation for CAS. In the extract, you hear Joe Blassini and Chris Pass of Arco talking to Elaine Chan of CAS.

- a. The reversal of rights is linked to the compensation agreement.
- b. Joe Blassini thinks Arco's work on the fuel system must be considered.
- c. It will be difficult for CAS to find a new partner.

15.2. Listen again. Identify examples of language used to link agreement on one issue to agreement on a different issue. Complete the blanks in the sentences below:

- a. We want compensation to _____ our work _____.
- b. Yes, we _____ to that, _____ we can accept your compensation demands.
- c. So, we need to _____ the question of rights to compensation.
- d. The problem is that _____ revert all rights, we _____ keep the compensation within _____.

Script:

Elaine: One consideration is the question of compensation to CAS, another is the reversal of all rights presently held by Arco. Now, clearly the question of rights is very important to us.

Joe: Yes, yes, we understand that. But, we have to think about the joint development aspects. The fuel injection system has been developed using Arco technical expertise. In fact, we are happy that you have all the rights, we accept that the engine is basically your design. On the other hand, since we have contributed to the engine, we hope that the compensation we agree to pay ... we want compensation to take our work into account.

Elaine: So you're prepared to give up all rights, basically the whole product reverts to CAS?

Joe: Yes, we can agree to that ... so long as we can accept your compensation demands. So, we need to link the question of rights to compensation.

Elaine: Well, as you know, we've been thinking about compensation based on two years' earnings from the product.

Joe: Right, I think Chris has some comments on the two years proposal. Chris?

Chris: Yes, we feel that two years is a little too long, especially if we revert all rights to CAS. The problem is that if we revert all rights, we have to keep the compensation within acceptable limits. Two years is a lot. We believe this, particularly because you *will* find a *new* partner. And this is important: the time spent this year has included useful advances, good progress, in the design. So we need you to reduce your compensation demands a bit (*fade*)

15.3. Make sentences which include concessions based on the cues below. The first is done for you as an example.

a. a better warranty / quicker payment terms

We could offer a better warranty if you would agree to quicker payment terms.

b. free delivery / larger order

c. free on-site training / small increase in price

d. 5% discount / payment on delivery

e. extra \$50,000 compensation / agreement not to file a lawsuit

f. promise to improve safety for staff / agreement on new contracts

g. better working conditions / shorter breaks

15.4. Before listening to another part of the negotiation between Arco and CAS, recap what was being discussed in the first extract. In this next extract, Joe Blassini and Chris Pass of Arco and Elaine Chan of CAS are discussing compensation to CAS, and a royalty payment to Arco on future production of the engine. Identify:

- a. why compensation is important to CAS
- b. the final agreement reached

15.5. Listen again. As you listen, write in the missing words.

- a. CAS accepting the principle of a royalty:
We _____ a royalty, because once we're paying a royalty we've got an income to support it.
- b. Arco insisting on a 10% royalty and agreeing to payment of two years' compensation:
Well, _____ a 10% royalty _____ that – the two years' compensation.
- c. CAS accepting this:
Okay, in principle _____ 10% – _____ compensation based on two years' projected sales.
- d. Arco confirming what the parties have agreed:
Yes, okay. So, confirmation, to _____ we are agreeing ... we agree to a two year sales forecast compensation.

Script:

Elaine: So, we need to link the royalty to the compensation. Can we suggest a 5% royalty and a compensation based on two years?

Chris: I think the royalty is too low.

Elaine: Okay, I think we could give a little there ... how about a 7.5% royalty, but keeping the two year compensation?

Joe: Can I ask why this two year figure is so important?

Elaine: Well, we're obviously dependent on selling our projects. We're a small company, we need to see our products developed. In this case, we've seen a year's work come to a sudden end with no production in sight. Of course, we hope to find another partner - I think we will - but it'll take time, so in the meantime we need income. That's why good compensation is important to us. We can agree to a royalty, because once we're paying a royalty, we've got an income to support it.

- Joe:** Yes, I see that. Well, if you can settle on a 10% royalty, we'll accept that – the two years' compensation.
- Elaine:** Okay, in principle we can agree to 10% -linked to compensation based on two years' projected sales. These details might be affected by the actual destiny of the product - I mean supposing we sold it outright then we'd have to reach a different settlement, but we can discuss that later. I think we have to keep that option open ...
- Chris:** Yes, okay. So, confirmation, to confirm that, in principle we are agreeing ... we agree to a two year sales forecast compensation - less costs of course - so it's profit on sales?
- Elaine:** Yes, of course, we understand that.
- Chris:** And Arco would have a 10% royalty on profits from eventual production, subject to some other kind of deal you may have with a third party. We'd have to look at any agreement you eventually come up with (*fade*)

16. That's Agreed. (*Business Class, Unit 7*)

16.1. Listen to the conversation and decide which of the following statements are true.

1. Helen and Hans established some common ground at the beginning of the negotiation.
2. Helen indicated an area of conflict early in the negotiation.
3. Helen and Hans used polite language, showing tact and sensitivity.
4. Hans made his sticking point clear regarding price.
5. Hans did not make any concessions.
6. Helen and Hans were constructive and co-operative.
7. Helen and Hans summed up the main points they had agreed on.
8. The outcome of the negotiation was satisfactory for both sides.

16.2. Listen again and fill in the blanks.

Hans: OK. Helen, come in to my office.

Helen: Thank you very much Hans. I must say that was most interesting. That's quite good equipment, isn't it?

Hans: Yes, they're certainly good machines.

Helen: Mmm.

Hans: And they are worth a lot of money.

Helen: Well _____ yet but, erm, we are _____ second-hand equipment, so let's talk.

Hans: Right, well, for all the equipment as you've seen it, we would like to _____ you a hundred thousand pounds.

Helen: Oh my goodness! I'm not sure that, er, we're going to be able to _____, Hans.

Hans: Well, you know they are _____ machines and they're in excellent condition.

Helen: Yeah, that may be so, but we're going to have to, er, look at this _____. I _____ seventy thousand pounds.

Hans: _____ Helen, sorry.

Helen: Well _____ we're not going to be able to _____ then.

Hans: No no, just a moment. Er well, what about ... let me see ... well I _____ eighty thousand.

Helen: Eighty, you say?

Hans: Yes, but you would have to _____, of thirty thousand up front and the balance within six months.

Helen: Thirty thousand, and the rest over six months.

Hans: That's right. _____?

Helen: Well, I think _____.

Hans: Fine then. _____.

Helen: Good, but I think we ought perhaps to _____ before we get too far.

Hans: By all means, what are they?

Helen: Well, first of all, _____ servicing and spares?

Hans: Sure. As you know the spares are OK - they're off the shelf. And the servicing, if _____.

Helen: Uh huh. And _____? You know we'd really like a _____.

Hans: Oh well, _____, Helen. You know _____. And I'm sorry _____ on that. We have to _____ three months.

Helen: Really?

Hans: Yes. _____.

Helen: Oh, all right, well _____ then. Erm, what else haven't we talked about, what about delivery?

Hans: Well, we could get everything to you probably _____.

Helen: No, no, no. _____. I'm afraid, no good at all. We shall probably want this equipment by the end of the month. _____?

Hans: Oh, _____, but let me think. Well we could manage it, _____ if we laid on some special road transport ...

Helen: Yeah, well, that's probably the only solution. Look, I wonder, when _____?

Hans: Well, I'll confirm the details next week, but your request is _____. You'll have the equipment by the end of the month - and I think _____! _____, shall we?

Helen: OK, well, first of all, there's the price - £30,000 deposit, a further £50,000 over six months. And then what we've said about servicing and spares — _____ both.

Hans: Right.

Helen: And er ...

Hans: The delivery, special road transport by the end of the month – _____.

Helen: Yeah. And don't forget the three months warranty.

Hans: OK.

Helen: Fine. OK, _____.

Hans: Good, Helen.

Helen: _____, Hans.

Hans: OK, let's go for a drink.

ROLE PLAY. (*Benchmark, Upper-Intermediate, Unit 8*)

THE CORKPOPS BOTTLE OPENER

BUYER

These terms are what you would ideally like, but you are really keen to have this product in your stores because you are sure it will sell well. Your sticking points are:

- the price: it shouldn't go above €10 to give you sufficient mark-up to cover overheads and make a reasonable profit
- payment terms: 30 days is your bottom line, otherwise you'll have cashflow problems

Quantity: 2,000

Payment terms: 60 days

Price: €8

Delivery date: immediately

Discount: 5%

SELLER

You would be happy with these terms, but you can still make a profit if:

- the price doesn't go below €9.50, but with no discount
- they pay within 30 days at the latest

Quantity: 4,000

Payment terms: at sight

Price: €12

Delivery date: 1 month

Discount: 2.5%

SPEEDY PEEL PEELER

BUYER

You are really keen to have this product, because you know that at €9.95 recommended retail price, this will sell like hot cakes. The sooner you get it, the better, because it's now October, and Christmas is round the corner. However, you would like to pay nearer Christmas when you have more cash available.

Quantity:	5,000	Payment terms:	60 days
Price:	€5	Delivery date:	immediately
Discount:	7.5%		

SELLER

You are having real difficulties keeping up with demand for this product and can really only supply 2,000 in the next three weeks. You are unwilling to make any concessions at all.

Quantity:	2,000	Payment terms:	at sight
Price:	€6	Delivery date:	3 weeks
Discount:	0%		

17. I Won't Try to Pin You Down on That. *(Business Class, Unit 7)*

17.1. You are going to hear parts of a negotiation between Carson Martin, Vice-President of Toronto-based CM Kitchens Inc., and Pieter van Eck from Dutch kitchen equipment specialists, IPEA Holland. Listen and answer the following questions.

1. What are Carson and Pieter negotiating?
2. What agreement do they reach?

17.2. Study these phrases from 17.1. and choose the most appropriate heading for each group from the list below. Then use each phrase once only to complete the negotiation transcript. Then listen again and check you answers.

- asking for clarification
- rejecting
- interrupting
- bargaining / trading
- making a suggestion
- stating your position
- agreeing
- asking for a reaction

1. _____

We just can't agree to ...

... is out of the question.

No, I don't really think so.

I'd rather not ...

2. _____

How's that then?

It depends on what you mean when you say ...

What do you have in mind?

Could you run through that again?

3. _____

We'll ... if you ...

We might be able to make an exception, if you ...

We're prepared to ..., providing ...

If you ..., I could ...

I was going to ... but what if I were to say ...?

4. _____

Why not?

Yes, of course.

I agree to ...

That's a deal!

5. _____

I've got to stop you ...

6. _____

What we're looking for ...

We think ...

We'd like to ...

There's no way

We wouldn't want to ...

I guarantee ...

I was hoping for ...

7. _____

How does that sound ...?

How do you feel about ...?

What do you say ...?

8. _____

Let's agree ..., shall we?

How about ...?

We could ...

Do you want me to ...?

..., say, ...

I'd like to suggest ...

Script:

Carson: _____ first on how to organize today's meeting, _____?

Pieter: Uh-huh.

Carson: OK, well, _____ starting with the contract itself? Then _____ move on to the product range, sales targets and discounts. _____ for the morning session?

Pieter: That sounds fine. There's plenty to talk about there, for sure. _____ start things off?

Carson: _____? Go ahead.

Pieter: OK, well, as you know, we've signed up quite a few overseas agents recently. _____ really is exclusivity – _____ an exclusive agent can offer us more – more commitment, more motivation and better service. _____ build up the relationship gradually, based on trust, and common interest...

Carson: _____ right there, Pieter. Sorry, but _____ that. An exclusive agreement _____. Absolutely impossible.

Pieter: Oh, _____?

Carson: It's just that we're agents for a lot of big manufacturers, European, North American, a couple from the Far East, and we're locked into agreements with them. _____ we can break them. In any case, _____ – we've always handled competitors' products, it's the way we run our business.

Pieter: I see.

Carson: Look, exclusivity isn't everything, you know. _____ look after your firm well _____ give us the chance – there'll be no lack of commitment on our part. _____ it.

Pieter: Hm, I suppose _____, erm ...

Carson: Yes?

Pieter: ... if you offered us a realistic sales target for the first year.

Carson: I see. Well, I suppose _____ 'realistic'. _____ exactly?
(*Fade*)

Carson: I want to be clear about this – _____ for me?

Pieter: _____. What I'm saying is that _____ offer you a non-exclusive contract, _____ you stock our whole range of products and an agreed quantity of spare parts for each item.

Carson: Right.

Pieter: What I'd like to know now is are you prepared to commit yourself to a figure for sales growth, _____, over the next three years?

Carson: _____.

Pieter: What, not even a rough figure?

Carson: _____. It's going to depend on a lot of variables – any figure I give you won't be very accurate.

Pieter: OK, I won't try to pin you down on that. Let's move on to discounts. _____ 2% on orders up to \$200,000, 5% on orders from \$200,000-\$500,000, and 10% for anything over that. It gives you a strong incentive to exceed your target. _____ that?

Carson: Well, I'm a bit disappointed, really. _____ at least 5% up to \$200,000. It's the going rate over here – or weren't you aware of that?

Pieter: I'm sorry, I can't improve my offer on discounts. We've worked them out very carefully.

Carson: I see. Well, I don't know ...

Pieter: How about this? _____ accept the discount rates, _____ help you with your mark-ups. _____ set some limits, _____ you can set your own mark-ups and we won't interfere . . .

Carson: Hm, yes, that'd be useful. It'd give us plenty of flexibility with our pricing

Pieter: Exactly. _____?

Carson: Right, OK, _____ that.

Pieter: Great, _____ then. Let's summarize, shall we?

ROLE PLAY. (*Business Class, Unit 7*)

Work in pairs, one of you playing the Sales Director from *Island Silks*, the other playing the Chief Buyer from *Trendsetters Inc.* Study your role-card, and prepare for the negotiation carefully.

Role-card for Sales Director, *Island Silks*.

Island Silks, a medium-sized clothing company based in Hong Kong, operates in a highly competitive environment and is in danger of losing market share to Thai silk manufacturers. As Sales Director, you are delighted, therefore, to have the chance of a contract with *Trendsetters Inc.*, a major American clothing retail chain, based in New York. *Trendsetters* is interested in buying 50,000 silk scarves from your new 'Miriam Designer Collection' at a unit price of \$US50, including the cost of insurance and shipping to the US.

You have some temporary cash flow problems at the moment. It is November 1, and you really need a deal which will bring in some money quickly. You know that *Trendsetters* will require the scarves as soon as possible as the company is approaching its peak selling period (the six weeks before Christmas). Despite your cash flow problems, however, you would prefer not to deliver before early December, as you are behind schedule with your orders and must give priority to existing customers. Also, you know *Trendsetters* will expect a wide range of colors and patterns, and, although your factory can cope with this, it will cost more and mean employing extra staff.

Your objective is to negotiate a satisfactory deal for your company. Use the following points system as a guide to your priorities. You should try to score as many points as possible, and will need to decide your objectives, negotiating limits and strategy accordingly.

Decisions	Points	Decisions	Points
<i>Delivery Date</i>		<i>Terms of Payment</i>	
Nov. 15	3	By irrevocable letter of credit:	
Nov. 30	2	90 days presentation	5
Dec. 7	1	60 days presentation	3
		30 days presentation	2
		at sight	1

<i>Different Patterns</i>		<i>Discount</i>	
20	3	4%	5
15	2	3%	3
10	1	2%	2
		1%	1
<i>Colors</i>		0	0
12	4		
10	3		
6	1		

Role-card for Chief Buyer, Trendsetters Inc.

Trendsetters Inc. is a major American clothing retail chain, based in New York. As Chief Buyer, you have not previously done business with *Island Silks*, a medium-sized clothing manufacturer based in Hong Kong, but you were very impressed with the silk scarves in their new 'Miriam Designer Collection' on show at last month's Hong Kong Clothing Fair. You have been quoted a unit price of \$US50, including the cost of insurance and shipping, and are keen to place an order for 50,000 scarves from the collection.

It is now November 1 and you need the goods quickly as you are approaching your peak selling period – the six weeks before Christmas. The scarves should sell well if they hit the shelves at the right time and mid-November would be ideal. Your customers like bright colors and intricate patterns, and expect to be able to choose from a wide range of designs.

Your objective is to negotiate a satisfactory deal, making as few concessions as possible – the retail clothing market in the US is highly competitive. Use the following points system as a guide to your priorities. You should try to score as many points as possible, and you will need to decide your objectives, negotiating limits and strategy accordingly.

Decisions	Points	Decisions	Points
<i>Delivery Date</i>		<i>Terms of Payment</i>	
Nov. 15	3	By irrevocable letter of credit:	
Nov. 30	2	90 days presentation	5
Dec. 7	1	60 days presentation	3
		30 days presentation	2
<i>Different Patterns</i>		at sight	1
20	3		
15	2	<i>Discount</i>	
10	1	4%	5
		3%	3
<i>Colors</i>		2%	2
12	4	1%	1
10	3	0	0
6	1		

UNIT 8. CONCLUSION AND AGREEMENT

1. Reaching Agreement. *(Business Vocabulary in Use, Intermediate, Unit 66)*

A. Deadlock and mediators

Baseball strike in baseland

Every year in Baseland there are negotiations between the baseball players union and the baseball team owners about pay and conditions for the coming season. Last year, after months of negotiations, there was **deadlock**: the negotiations **broke down**. Some commentators said there was **stalemate**; an **impasse**: a situation where no progress could be made. There were **irreconcilable differences** between the two sides and it was impossible to reach an agreement. The baseball players went on strike.

The two sides agreed to bring in a **mediator**, someone from outside to help restart the negotiations and bring the two sides closer together in a process of **mediation**. The person they choose was a respected retired politician. He recommended a **cooling-off period** where each side would take no action. The players ended their strike for the time being.

Another month passed and still there was no progress. The two sides agreed to accept an agreement imposed by an **arbitrator**. A judge was chosen. She looked at the claims of each side and imposed a **settlement** or **resolution** to the dispute, fixing the salaries and the working conditions of the players. In this case, **arbitration** has settled the dispute.

B. Agreements and contracts

An agreement of any kind is a **deal**. When you reach an agreement, you can talk about **clinching a deal** or **closing a deal**.

A **bargain** is also an agreement reached through negotiation. People who get what they want in a negotiation are said to **drive a hard bargain**.

An agreement may be in the form of a **contract**.

'Contract' is used in these combinations:

A/An	employment labour (BrE) labor (AmE)	contract	is about what someone has to do in their job, or about what a particular group of employees have to do.
	oral/verbal		is not written down.
	binding legal		forces both sides to carry out the actions that they had promised to carry out, by law.
	commercial		is about buying or selling a product

C. Checking the deal

It's important to check the points of an agreement to avoid misunderstandings. You could say:

- **Let me just go/run over** (repeat and summarize) the main points.
- **On A**, we agreed that...
- **As far as B is concerned** (in relation to B), we agreed ...
- **We still have the question of C to settle** (decide and agree on).
- And there's still the **outstanding** (remaining undecided) **issue** of D.
- We'll send you a **written proposal**.
- We'll **draw up** (write) a **contract** based on those points.
- **I think that covers everything**.

1.1. Look at the words from A above and say if these statements are true or false.

1. Someone who helps two sides to reach an agreement is an arbitrator.
2. If two sides in a dispute use arbitration, no outsiders are involved.
3. It's not usual for mediators to impose agreements.
4. If you're in an impasse, you think that progress is possible.
5. If negotiations break down, they stop.
6. Irreconcilable differences are not important
7. If the two sides agree on a cooling-off period of one week, negotiations continue the next day.

1.2. Complete these extracts using word combinations from B above.

1. Buyer and seller enter into a legally _____ contract once an offer has been accepted.
2. DAF is bidding for a _____ contract to supply trucks to the British army.
3. If two people have agreed on something and signed a sheet of paper, is that a _____ contract?
4. Peters claimed that Schaffer was only an employee in his company, but Schaffer asserted that an unwritten, _____ contract made them partners.
5. She had an _____ contract due to expire later in the year and wanted to take time off work to have children.

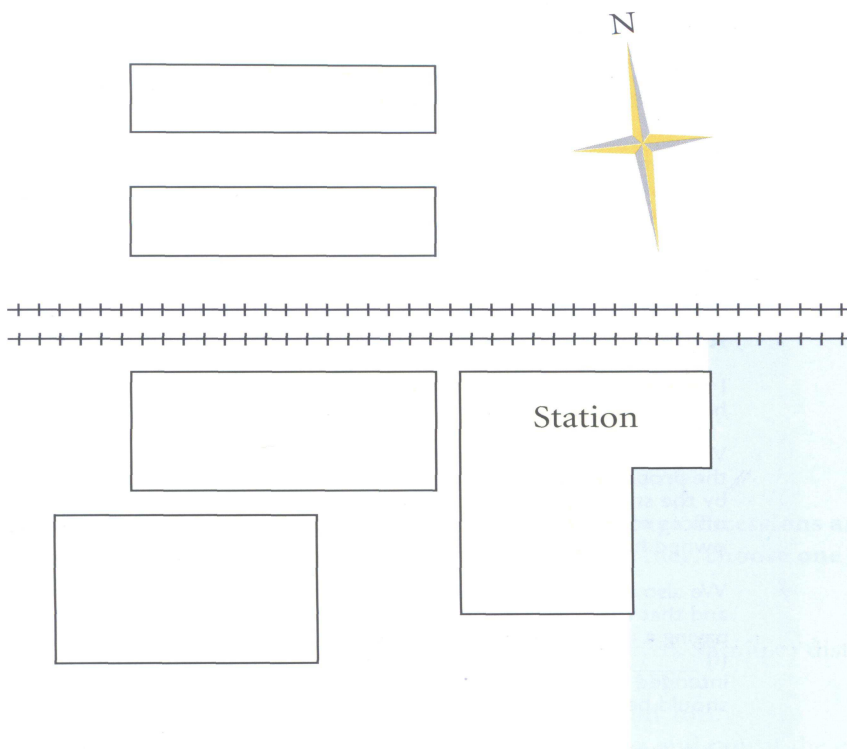
1.3. The Xania-Zebra negotiations are ending. Look at C above. Arrange the phrases Jose uses to close negotiations in the correct order.

1. Let me just run over die main points. On engine quantities,
2. I think that covers everything.
3. If you agree to the proposal, we'll draw up a contract based on those points.
4. payment to settle, and there is also still the outstanding issue of documentation.
5. we agreed that you would improve the power of the engine by ten per cent.
6. we agreed that you would supply us with 120 units over four years. As far as performance is concerned,
7. We still have the question of the currency for
8. We'll send you a written proposal on these last two issues.

2. Is That an Accurate Summary? *(Communicating in Business, Unit 14)*

2.1. Listen to a recording of discussions towards the end of a negotiation between Jill Kearne from Gibson Trust Ltd., a real estate developer, and Neil Finch, a government official responsible for the sale of a former railroad station.

- a. Complete the labeling of the plan of the area involved in the negotiation.
- b. What is not included in the sale?
- c. What will happen on May 15 and in September?



2.2. Listen again.

a) How does Jill Kearne introduce what she wants to say? Complete the following:

Well, _____ – go over the _____
_____ on. Is that okay?

... Well, _____ is ...

b) How would you describe the atmosphere in this negotiation?

Script:

Jill: Well, I'd like to summarize – go over the points we've agreed on. Is that okay?

Neil: Yes, of course, go ahead.

Jill: Well, the first point is that the property includes all the land presently occupied by the station buildings and also the former parking lots east of the station, the offices here to the west and the warehouses alongside the tracks. It does not include the present government-owned housing on the north side of the old railroad lines. We also agree that the station will be renovated by the Transportation Department and turned into a museum. The government will be responsible for running the eventual museum and paying a rent of \$100,000 per year to Gibson Trust. The remaining land will be developed by Gibson Trust and later sold off separately. Is that an accurate summary?

Neil: Yes, that's right, it's fine.

Jill: Okay. So, I think that's fine then. Shall we stop there? I think we've gone as far as we can today. We just need to decide on our next meeting. Can we do that now? I mean figure out the next steps ...

Neil: Yes, okay ...

Jill: Well, as I understand it, in our next meeting we should examine development plans. Finally we'll draw up contracts. Then we'd need a little time to consider the contracts. So, probably everything should be in place for signing contracts by the end of September. Does that sound reasonable?

Neil: Yes, September, that should be okay. So when can we meet to look at the development plans?

Jill: Er, could it be May 15? Or any time that week?

Neil: May 15 would be okay, same time? 10 a.m.?

Jill: Yes, that's okay. Well, thanks for coming then, and I'm glad we've been able to make progress, to reach agreement, you know, it's been very constructive, and of course we'll send you a report (*fade*)

2.3. The following letter is from Gibson Trust to the Department of Urban Development summarizing the points agreed to in the negotiation between them and outlining the next steps. Fill in the blanks in the letter with appropriate words from the box.

enclosed	specified	excluded	drawn up	included
developed	examined	signed	confirm	agreed

GIBSON TRUST LIMITED

340 Sonoma Blvd Los Angeles, CA 90054

Tel: 213 288 5200 Fax: 213 288 3434 www.gibsontrust.com

Neil Finch
Dept of Urban Development
240-244 East Side Avenue
Chicago, IL 60799

May 2, 20__

Dear Neil,

Re: Meeting in Campden, April 30 – "Railroad Land Sale"

I am writing to (a) _____ points (b) _____ to in the above meeting, held to discuss the sale of government-owned railroad land to Gibson Trust.

We would like to confirm through this letter and the (c) _____ drawings that the property (d) _____ in the above sale consists of the land presently occupied by the station buildings and also the former parking lots east of the station, the offices to the west and the warehouses alongside the tracks. The government-owned housing on the north side of the railway lines is (e) _____.

We also agree that the station will be renovated by the Transportation Department and that the government will be responsible for running an eventual museum and paying a rent of \$200,000 per year to Gibson Trust. The remaining land will be (f) _____ by Gibson Trust and later sold off separately. The development is intended to be for commercial and residential use. The eventual use of the land should be (g) _____ in the contract.

Our next meeting will be on May 15 at 10 a.m., at which development plans will be (h) _____. Soon after this, contracts will be (i) _____. Then we will need time to consider the contracts but hopefully they will be (j) _____ by the end of September.

Do contact us if you have any comments or alterations you would like to make to this summary. Thank you once again for a very constructive meeting and we look forward to seeing you again on May 15.

Yours sincerely,
Jill G Kearne
Chief Negotiator

2.4. Imagine you are a participant in a subsequent meeting between Gibson Trust and government officials responsible for the sale of the former railroad station. You have made the following notes during your meeting. Use them to summarize and conclude your meeting, looking ahead to future steps.

1. Station Renovation and Use

- * approve plan to renovate station as a museum-link to local City Museum
- * Museum-operated by government / all-year round
- * Gift shop
- * Study Center – supported by University and City Library

2. Other Land

to be developed by Gibson Trust / agreed commercial 50% and residential 50% – specified in the contract

Next steps: finish contracts

Next meeting: exchange contracts – June 25

Now listen to a recording of a model summary.

Script:

So, as we've covered the agenda, this is perhaps a good time to summarize what we've agreed to. We began by discussing the plans for the station renovation and use. We are pleased to say that we have/ approved the plans to renovate the station as a museum. It will have links with the local City Museum and it will be operated by the government - all year round. There'll be a gift shop and a Study Center. This will be supported by the University and the City Library. Then we moved on to Item 2. We looked at plans for the other land, to be developed by Gibson Trust as – we agreed – 50% commercial property and 50% residential. This will be specified in the contract.

Finally, I'd like to confirm that what we have to do now is to finish drawing up contracts and then we'll meet again in late June. Probably June 25th, this has to be confirmed. At that meeting we will exchange contracts. Okay? Does everyone accept that as a reasonable summary? (*murmurs of agreement and fade*)

ROLE PLAY. (*Communicating in Business, File cards 16A & 16B*)

Conduct a negotiation, involving bargaining and making concessions and accepting and confirming.

Student A: You represent an international company with business links in Tokyo. You urgently need to buy a brand new luxury apartment in Tokyo's Shinjuku district. You could spend up to ¥250m, but you would prefer to spend only about ¥150m because you would also like to buy a second, smaller apartment in Hachioji – but this is not essential.

Notes:

- Shinjuku is one of the most famous and prestigious districts in downtown Tokyo.
- You would like the apartment to be near Shinjuku Gyoen Park, or close to Shinjuku station.
- Hachioji is a suburb – you are not sure exactly where.
- You need the apartment to be ready in less than three weeks.
- You want the inside decorated to your specific requirements – you will pay extra for this.
- You would like an apartment with a swimming pool and tennis courts.
- You want a large apartment – about 200 sq.m.
- If you cannot have any of the above, you would like to pay less.

Student B: You represent an international property company. You are selling luxury apartments in Tokyo.

Costs:	Shinjuku district	¥100m to ¥200m
	Ueno	¥70m to ¥80m
	Hachioji	¥60m
	Chofu	¥80m

Notes:

- Apartments in Tokyo are small: land is very expensive.
- 70 sq.m is normal, 100 sq.m is large by Tokyo standards.
- It is virtually impossible to provide a swimming pool or tennis courts.
- You have two new apartments in Shinjuku:
 - 100 sq.m at ¥120m
 - 150 sq.m, near the Shinjuku Gyoen Park, ¥200m.
- Shinjuku is one of the most famous and prestigious districts in downtown Tokyo.
- Prices are negotiable – but no more than 20% less.
- Hachioji is a suburb, about 40 minutes by train from the centre.
- You have an excellent apartment in Chofu (nearer the centre) for sale at ¥120m.
- The apartments could be ready in 5 to 6 weeks.
- Special interior designs can be arranged – cost about ¥20m.

3. Ending the Negotiation. *(Communicating in Business, Unit 15)*

3.1. The words below offer a clear indication of the result of a negotiation. Work with a partner and decide which of these words would indicate a positive outcome and which a negative outcome.

unfortunately very good fruitful partnership no agreement sorry
 not ready another time satisfactory problems useful

3.2. Choose words from the box to complete the following sentences.

proposal unfortunately agree success regret
 reach possibly postpone but compromise

1. _____ on this occasion we cannot _____ agreement.
2. I'm sorry we cannot _____ accept this _____.
3. We _____ that an agreement is not possible today.
4. Perhaps if we _____ a decision we can agree in the near future.
5. It's been an interesting meeting _____ we have not been able to _____.
6. We have tried to find a _____ but it seems without _____.

3.3. Listen again to the five extracts from the end of negotiations. Complete the table.

Extract	Agreement reached?	Next step?
1		
2		
3		
4		
5		

Script:

Extract 1

I think it's clear we have *no agreement*. We're wasting time here, so thank you for talking to us, we've had a busy morning. I think we'll leave and perhaps *another time* we'll find some way to work together.

Extract 2

Well, I think this has been *useful*. I'll send you a letter summarizing what we've agreed to and look forward to a long and *fruitful partnership*.

Extract 3

If that's everything, I'd just like to say many thanks for coming today - it's been *very good*. I think we have a very *satisfactory* agreement and so, for the next step, we will send you the detailed specifications in two weeks.

Extract 4

So, I think we can both see that we are *not quite ready* to sign anything just now. Perhaps in the future we may be able to reach agreement but, *unfortunately*, for the moment, we are still quite far apart. Anyway, thanks for coming, it's been interesting.

Extract 5

I'm *sorry* we've been unable to agree. It's unfortunate, but it looks like we need more time to settle our *problems*. In the meantime, I think we should think about the issues which are dividing us. Perhaps in the next few days our positions may change, in which case, we know how to contact each other.

PRACTICE

Suggest what you could say in the following situations.

Situation 1

After a long negotiation, you have reached agreement and now plan a meal in a local restaurant with the other party in the negotiation.

Situation 2

Your efforts to reach agreement have been unsuccessful. It is late. End the negotiation but offer some hope that in the future you might manage some cooperation with the other side.

Situation 3

A colleague has asked you to cooperate on a project, but after long discussion you feel you cannot participate because of fundamental disagreement. It is important that you continue to work together in other areas.

Situation 4

You want to repeat an order with a supplier but they are trying to increase prices by 20%. You cannot agree to this. End your discussions.

Situation 5

A customer is asking you to supply goods in a month. This is physically impossible. End the discussion.

Now listen to a recording of model answers.

Situation 1

It's been a long meeting, but finally I'm very glad we're able to reach agreement. I think it would be good if we could go to a restaurant now. We'd be pleased if you can join us.

Situation 2

I'm sorry our efforts to reach agreement have not been successful. I suggest we stop here, but I hope in the future we might work together on something.

Situation 3

Unfortunately I feel it would be better if I don't join you on this project, but no doubt there'll be plenty of other things we'll work on.

Situation 4

I'd like to repeat our order, but not on those terms. I'm sorry, we can't agree to this. I think we'll go elsewhere, but thanks anyway.

Situation 5

I'm very sorry, but it really is physically impossible. We cannot supply goods in such a short time. It's just impossible. Sorry we can't help you.

FINAL ROLE PLAY # 1. (*Business Builder, Teacher Resource Series, 9.8*)

Student A: Customer

You represent a large chain of computer stores which sells directly to the public. You will meet with a representative of a company that makes computers. You are interested in a new model, the AT-400. Prepare your role carefully before you start.

Quantity	You want to buy 4000 computers as a first order.
Price per unit	You want to pay about £600. You could sell this model to customers for about £1000.
Quantity discount	You expect a discount.
Transport	Are shipping costs included in the price?
Manual	Is it available in your language?
Exclusivity	You want an exclusive agreement in your market. If this is not possible you want to know if other computer stores can sell the AT-400 cheaper than you.
Guarantee	You want a guarantee of 12 months.
Delivery	As soon as possible.
Terms of payment	You are prepared to pay 30% pre-payment, 30% on delivery and 40% 3 months after delivery.

Student B: Supplier

You represent a company that manufactures and exports computers. Your new model is the AT-400. You will meet with a potential customer who represents a large chain of computer stores. Prepare your role carefully before you start.

Quantity	Your standard minimum order is 5000 computers.
Price per unit	£600 (above £400 is profit for you).
Quantity discount	Negotiable.
Transport	Customer pays. In this case shipping costs will add about 5%.
Manual	Available in translation in all main EU and Asian languages
Exclusivity	Possible only if customer agrees to order 100,000 units each year for the next three years.
Guarantee	12 months.
Delivery	Goods are shipped about 30 days after a firm order.
Terms of payment	For first-time customers your terms are: <ul style="list-style-type: none">• 50% pre-payment• 25% on delivery• 25% 30 days after delivery• you need a bank guarantee. For future orders you can be more flexible.

FINAL ROLE PLAY # 2. *(Market Leader, New Edition, Unit 14)*

Background

Beverley Watches, located in Los Angeles, California, owns a chain of stores selling jewellery and fashion watches. Its best-selling products are high-quality ladies' watches which are innovative and offer a variety of 'face' colors. The company is increasingly sourcing its products from Asian countries and its profit margin on such products is usually 80 percent to 100 percent.

The date is October 1. The buying department wishes to purchase 5,000 ladies' watches, all of which must arrive in Los Angeles by November 15, in time for the Christmas buying season. The company believes it can definitely sell 3,000 watches but the remaining 2,000 will depend on demand – which is uncertain. Because Beverley Watches has cash-flow problems, it wishes to pay for the goods as late as possible.

The target consumer is price-conscious, but will pay more if the watches have original designs. Members of the buying department are now in Asia looking for a reliable supplier with whom they can build a long-lasting relationship. They have contacted three companies who could supply the watches.

SUPPLIER 1:

You represent the Chung Ka (Hong Kong). These are the terms you usually offer.

- Product features: very slim and light, mechanism made in the company's factory in China
- Face colors: you offer 3 colors; if more colors are required you increase the unit cost by 5%.
- Unit cost: US\$48
- Discount: 2% on the first 2,000. 5% on larger orders.
- Payment: 50% deposit when order placed; remainder payable when the goods are shipped
- Delivery: by sea; 1,000 available within 30 days of order; 4,000 by end of November. No delivery by air.
- Returned goods: unsold goods may be returned and the amount credited to the customer's account.
- Guarantee: 6 months. You cannot offer a longer guarantee as the watches are not very reliable.

SUPPLIER 2:

You represent the Soong Jewellery (Malaysia). These are the terms you usually offer.

- Product features: 2 classic designs, mechanism made in Japan
- Face colors: you offer 4 colors; if more are required, you increase the unit cost by 8%.
- Unit cost: US\$55
- Discount: 3% on up to 5,000 units, 5% on larger orders.
- Payment: Pay when the goods are sent; no deposit
- Delivery: by sea; 3,000 available within 30 days of order; 2,000 by end of November. Goods can be sent by sea, you add 5% to the unit cost.
- Returned goods: no returns unless the goods are faulty.
- Guarantee: 1 year.

SUPPLIER 3:

You represent the Timeline Watches (South Korea). These are the terms you usually offer.

- Product features: multiple functions; mechanism made in Switzerland
- Face colors: 8 colors
- Unit cost: US\$60
- Discount: no discount on orders up to 5,000; 2% on orders over 5,000.
- Payment: 20% deposit when order placed
- Delivery: normally 30 days by ship after receiving an order but there have been problems with deliveries recently. However, you now have a new shipping agent who should be more reliable.
- Returned goods: no returns except for faulty goods
- Guarantee: 5 years

BUYER 1:

You meet the supplier representing Chung Ka. Study the supplier's offer. You want the following:

- Face colors – at least five
- Delivery by 15 November at the latest
- Discount of at least 5% on all goods ordered
- To be able to return all unsold goods, with the amount credited to your account
- A guarantee for 1 year

BUYER 2:

You meet the supplier representing Soong Jewellery. Study the supplier's offer. You want the following:

- Face colors – at least five
- Delivery by 15 November at the latest
- Discount of at least 5% on all goods ordered
- To be able to return all unsold goods, with the amount credited to your account
- A guarantee for 1 year

BUYER 3:

You meet the supplier representing Timeline Watches. Study the supplier's offer. You want the following:

- Face colors – at least five
- Delivery by 15 November at the latest
- Discount of at least 5% on all goods ordered
- To be able to return all unsold goods, with the amount credited to your account
- A guarantee for 1 year

FINAL ROLE PLAY # 3. (*Market Leader, New Edition, Unit 9*)

Background

The Kim Guitar Company (KGC) in Seoul, South Korea, makes electric guitars for Japanese manufacturers and distributors in Europe and the US.

A major US distributor, Ashbury Guitars, has contacted KGC about marketing a range of guitars under its own brand name for the Californian market. Ashbury Guitars is a well-established company with an up-market image. It has had no previous dealings with KGC.

Ashbury's owner, Richard Grant, plans to put three models on the market: the Ashbury SG1000 (the most expensive model), the SG500 and the SG200. The body of the guitars will have an experimental shape as well as advanced technical features.

It's now early January. KGC has agreed to manufacture the guitars for Ashbury, even though it is a very busy time of the year for them. The two companies have had some initial correspondence by e-mail and now a face-to-face meeting is required.

Several points of the contract need to be negotiated. KGC's owner, David Kim, has flown to San Francisco to meet Richard Grant. At the meeting, the Marketing Director of each company will be present. The purpose of the meeting is to make the deal acceptable to both sides, and with could be the basis for a long-term relationship.

INFORMATION FILE: KGC			
Models	You can supply three models in the first year: Ashbury SG1000, SG500 and SG200. The SG1000 will be costly to produce because it has advanced technological features.		
Quality	To reduce the costs of production, you want 40% of the order to be manufactured by other Korean firms.		
Quantity	You want Ashbury Guitars to place a first order of at least 2,000 guitars. You need a large order to cover the costs of setting up the production lines. Try to persuade Ashbury to buy a large number of the SG1000 model because your profit margin on this guitar is high.		
List price	<i>Model</i>	<i>Estimated cost of production</i>	<i>Prices quoted to Ashbury</i>
	SG1000	US\$ 510	US\$ 920
	SG500	US\$ 340	US\$ 550
	SG200	US\$ 290	US\$ 440
Payment	By bank transfer, as soon as the goods have been dispatched.		
Delivery	30 June. If an early delivery is required, production costs will increase by 10% because of overtime payments to workers. Before 30 June, the factory will be fulfilling orders for other customers.		
Discounts	Your company policy is to offer new customers 3% off the list price for a first order, and 5% for second and further orders.		
Guarantee	One year.		
Exclusivity	You want an exclusive contract because Ashbury is a big distributor. It could be very profitable to do business with them in the future.		
Transport	Prices are FOB, Pusan, Korea. If CIF San Francisco is required, your prices must be increased by 5%.		

INFORMATION FILE: ASHBURY GUITARS

Models	You want KGC to supply three models: Ashbury SG1000, SG500 and SG200. The SG1000 has some special additional features.								
Quality	You want KGC to produce <i>all</i> the guitars in their own factory. If they use other manufacturers for part of the order, the quality of the guitars may not be very good. If all the guitars sell well, you will place a larger order in three months' time.								
Quantity	<p>You want to place the following first order:</p> <table><thead><tr><th><i>Model</i></th><th><i>Quantity</i></th></tr></thead><tbody><tr><td>SG1000</td><td>400</td></tr><tr><td>SG500</td><td>1,200</td></tr><tr><td>SG200</td><td>200</td></tr></tbody></table> <p>You are sure the demand will be good for SG1000. The cheaper guitars <i>may</i> sell well. However, there is strong competition in the lower price ranges.</p>	<i>Model</i>	<i>Quantity</i>	SG1000	400	SG500	1,200	SG200	200
<i>Model</i>	<i>Quantity</i>								
SG1000	400								
SG500	1,200								
SG200	200								
Price	<p>KGC have quoted these prices:</p> <table><tbody><tr><td>SG1000</td><td>US\$ 920</td></tr><tr><td>SG500</td><td>US\$ 550</td></tr><tr><td>SG200</td><td>US\$ 440</td></tr></tbody></table> <p>All prices are FOB Pusan, Korea. Your normal profit margin is 33%, but for the SG1000, it will be 40%.</p>	SG1000	US\$ 920	SG500	US\$ 550	SG200	US\$ 440		
SG1000	US\$ 920								
SG500	US\$ 550								
SG200	US\$ 440								
Payment	Letter of credit 60 days. This will give you time to sell some of the guitars before paying for them.								
Delivery	By 1 June. A later date will result in reduced sales. (Music festivals in California in May create demand.)								
Discounts	Although this is a first order, you hope to negotiate a discount of at least 6% off the quoted price. If you place other orders in the future, you hope to have a discount of 8%.								
Guarantee	At least three years.								
Exclusivity	You would like to have a non-exclusive contract so that you can order from other Korean guitar manufacturer.								
Transport	By sea in containers. Prices should be CIF San Francisco. If prices are FOB, Pusan, Korea, it will add 5% to your purchase price.								

LANGUAGE CHECKLIST

1. Small talk

- Great to see you. I haven't seen you for a long time. – Nice to see you too.
- Nice to meet you. – Glad to meet you too.
- By the way, this is / let me introduce Peter Jackson. He is in charge of ...
- How are you? – Pretty good. Thanks. And how are things with you?
- It's a pleasure to meet you finally. – Yes, I was looking forward to meeting you too.
- Let me take your coat. – Thanks. Here you are.
- I really appreciate your coming to meet me. – Sure, no problem.
- Thanks for inviting us. – Sure, I was looking forward to meeting you.
- Did you find the office easily? / Did you have any problems finding us? – Yes, the taxi driver knew exactly where to come. / Yes, your directions were pretty clear.
- Did you have a good trip? / Did you enjoy the flight? / I hope you had a good trip. – Yes, it was very smooth. / It was not bad, just a slight delay before take-off. / The flight was smooth, but the food was awful.
- Can I get you a coffee? / Would you like something to drink? – Coffee would be great / I could really do with the cup of coffee. Black / white. Two sugars / no sugar. // Just tea for me, please. // Could I have a glass of juice? Thanks.
- Did you make reservations for a hotel? – Sure, at
- Where are you staying? – At ... Very nice hotel. Just round the corner. Polite staff.
- Have you been here before? – Yes, it's my second trip here.
- Is it your first visit here? – Yes, and I really like it here. / No, I come here quite often.
- How do you like it here? / Have you seen much of the city yet? / Lovely city, isn't it? – It's a great place. There is so much to see and do.
- Have you seen much of the city yet? – Not yet. I walked a bit around the center last night.
- When is your flight back? – Tomorrow at 4 p.m.
- We've got a lot to do while you are here, so let's get started? / Shall we start the meeting? – Yes, let's get down to business.

2. Making an opening statement

Good morning. Thank you for coming today.

On behalf of... I'm glad to welcome you here.

It really is a pleasure to see you all here.

We see this as a *preparatory / preliminary / exploratory* meeting to discuss...

We would like to reach *a deal / an agreement about the terms of ...*
 These are preliminary talks to identify areas in which we can work together.
 I'm sure we will have a useful and productive meeting.
 Together we want to develop a good relationship.
 We'd like to establish the beginnings of a partnership.
 It's in both our interests to reach an agreement today.

3. Stating objectives

I'd like to begin with a few words about our general expectations.
 May I outline *our principle aims and objectives today / some basic thoughts?*
 We want to clarify our positions.
 We're here today to reach an agreement on / about smth.
 reach a compromise on smth.
 find some common ground between smb. / on smth.
 We're looking to achieve a compromise.
 The main *objective / purpose* of today's meeting is *to sign a contract*.
 It's important for both of us that we agree on *the main objectives of today's meeting*.
 What we are looking for is *an annual contract*.

4. Setting the schedule

We are short of time / pressed for time, *so let's* get started / get down to business.

Agenda

We've got a very *full / busy* agenda.
 We've drawn up an agenda for today.
 Let's just run through the agenda.
 Let's just identify the key *issues / areas* in which we could collaborate.
 Today we would like to cover *the price, delivery and terms of payment*.
 There are two items on the agenda in which we might go forward. First ... Second ...
 There are three specific areas we would like to discuss. These are ... Would you agree?
 We aim to *deal with / cover ...*

Let's agree on how to organize today's meeting, shall we?
 How about starting with...? / Shall we look at ... first?
 We'll deal with ... first. / Perhaps we should consider ... first?
 I'll start by saying how I / we see things at the moment.
 It might be a good idea to start *with the quantity / by discussing quantity*.
 Perhaps we could start *by discussing the price*.

Then we could move on to *the guarantee* / proceed with *the guarantee*.

We'll go round the table.

We'll have a question and answer session at the end.

We can table that for discussion later.

Let's deal with any questions immediately.

Let's stick to the procedure.

I'd like to take the quantity question first.

We've put...last

Let's leave...until later

Is there anything you would like to add?

Timing

That gives us *two hours*.

It will take *two hours*.

It won't take long.

I need to be away by...o'clock.

How are you fixed for time? – No problem. As long as it takes.

5. Stating a position

I'd like to suggest ...

How about ...?

We could ...

Let's look at ...

What we are offering is

We'd like you

to deliver ... on ...terms

to pay by ...

to give us a discount

to make downpayment

6. Bargaining

Would there be any conditions?

What we need is some sort of concession.

We would like you to offer us some kind of incentive.

What sort of concession are we talking about?

What about a good discount for us?

We could offer you ... / We might be able to ... / We might consider ...

We are suggesting that you *do something*.

Would you be interested in *longer guarantee period / signing a 2-year contract?*

FIRST CONDITIONAL

On condition that you agree on 2 years guarantee, we will accept your price.

We will give you that increase, **as long as** it is a part of a two-year agreement.

We are prepared to think about your offer, **providing that** you deliver earlier.

Unless you are prepared to offer 2 years guarantee, we can't accept your proposal.

That's not acceptable **unless** you offer us a discount / without giving us a discount.

SECOND CONDITIONAL

If you offered us better payment terms, we might be able to make an exception.

If you could offer us better payment terms, we could consider making an exception.

If necessary, we could pay at sight. In that case would you give us a discount?

Only if you could offer us an annual contract, we would be happy to give you a discount.

Suppose we paid the price you are asking. Would you be prepared to give us a discount?

Providing that you delivered the goods on time, we would pay at sight.

Otherwise we'll have to look / go elsewhere.

I'm afraid we'll have to call it a day.

7.a. Rejecting

We would prefer *payment in two stages*.

We might not be able to do that.

I'm not sure that we can *manage that*.

I don't think it would be sensible for us to *lower the price*.

Unfortunately, I don't think we can *lower the price*.

I think if you consider our position, you'll see that...

I'm afraid we can't *accept ... / agree to ...*

This would be out of the question.

I'm sorry that's impossible.

That sounds a bit too risky.

That would be difficult for us.

It could be a problem.

Sorry, but that's no good for us.

We were *hoping for... / expecting...*

I think those figures are a little optimistic.
I'm afraid your prices are not as low as we expected.
We find guarantee period rather short.
 delivery period rather long.
 prices rather high.

7.b. Accepting

That seems *fine / acceptable / reasonable*.
That's a deal.
I think we can agree to that.
We'll say yes to that.
Sounds fair enough.
Sounds a good idea to me.
Agreed.
It's a not really a problem if you prefer it that way.

8. Dealing with conflict

I can see your point of view.
I understand what you are saying.
Could you tell us why you feel like that?

We should focus on the positive aspects.
We should look at the benefits for both sides ...
It is in our joint interests to resolve this issue.

We hope you can see our point of view.
Let us explain our position.

Perhaps we should look at the whole package, not at individual areas of difficulty.
 Let's look at this another way.
 Another possibility is...
 A compromise could be to...
 I think we should look at the points we agree on...
 What do you think is a fair way to resolve this problem?

Perhaps we could adjourn for a little while.
 I think we need to consider some fresh ideas.

9.a. Breaking off

I think we've gone so far as we can.

We need more time to settle our problems.

I'm sorry, but I don't think we're going to agree to a deal.

It's a pity we couldn't reach an agreement this time.

Unfortunately we are unable to settle our differences.

It would be better if we looked for some independent arbitrator.

9.b. Closing signal

That brings us to the end of our negotiations.

I think we have covered everything.

I think we can call it a day.

I think that covers it.

Let's see what've got.

Great! We've got a deal.

10. Progress made

We've made *excellent* / *good* / *some* progress.

We've taken a step in the right direction.

We didn't get as far as we hoped but ...

11. Summarizing

We've reached a very satisfactory agreement.

We can both see that we are ready to sign a contract.

To confirm, can we run through / go over what we've agreed on?

I'd like to check / confirm what we've said.

I think this is a good time / point to repeat what we've agreed to so far.

I'd like to run through the main points that we've talked about.

So, I'll summarize the important points of our offer.

Can we summarize the proposals in a few words?

So, can we summarize the progress we've made?

Can we go through the main points we've agreed on?

Let's go over the main points again.

Perhaps, if I can check the main points.

So, let's see. What have we agreed?

Is that an *accurate* / *reasonable* summary?

12. Looking ahead

So the next step is ...

We need to meet again soon.

In our next meeting we need to...

So, can we ask you to...

Before the next meeting we'll...

We need to draw up a formal contract.

What we need to do now is...

Follow-up documentation

Would you like that in writing?

We'll put together a written proposal.

We'll let you have a detailed summary.

Can you draft that before the next meeting?

I'll send you a letter summarizing the main points.

13. Ending negotiations

It's been a very *useful* / *productive* / *constructive* / *fruitful* meeting.

I'm sure we would all agree that we have had a successful meeting.

We look forward to a successful partnership.

It remains for me to thank you for coming.

If there are any other points, I'll e-mail you.

CONVERSATIONAL TOOLS

Asking for reaction

How does that sound to you...?

How do you feel about it?

What do you say to that?

Is everyone happy about that?

Is that *acceptable* / *reasonable*?

Are there any comments on this?

Inviting interruptions

Please, don't hesitate to interrupt.

Please, feel free to ask questions.

Let's deal with any questions immediately.

I would like to know what you think.

Considering what they already know

You've all seen our *brochures / proposal / offer*.

I think you've all had a chance to read our...

I don't want to go over the same ground.

Checking for agreement / approval

Formal

Would / wouldn't you agree that...?

Do you mind if...

I hope you don't mind if...

Less formal

If that's all right with you?

Is that OK?

Suggestions

What about ...?

I think we should go for ...

I advise you to do smth. / doing smth.

I propose / suggest / recommend smth. / doing smth. / we do smth.

I would like to suggest we seriously consider ...

Requests

I wonder if we can have *something done*?

Is it possible to *make delivery by the middle of May*?

Could you *do something to advance your shipment*?

Asking for clarification

It depends on what you mean when you say *discount*?

What do you have in mind?

Could you run through that again?

I'm not sure I understand what you mean.

Asking questions and showing interest

Could you clarify something for me?

Could you be more specific?

I'd be interested to know more about *your terms of guarantee*.

Could you tell us something about *your payment terms*?

What exactly do you mean by *discount*?

Supportive

So, you are saying *you can't offer us a discount*? Am I right?

So, you think *our terms are not acceptable*? Have I got this right?

Let's see if I've got this straight. You need...

If I understand you correctly, you are offering...

Am I right in thinking you plan to...?

Managing questions

Can I deal with that later?

I was just coming to that.

Could I just finish what I was saying?

Checking answer is satisfactory

Does that answer your question?

Is that clear?

Encouraging / showing interest

Go ahead.

That's interesting.

Fine.

Sure.

Please do.

Of course.

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CONTENT

INTRODUCTION	3
UNIT 1. CULTURAL DIFFERENCES	4
UNIT 2. SMALL TALK	22
UNIT 3. SETTING THE AGENDA	33
UNIT 4. ESTABLISHING AND CLARIFYING POSITIONS	47
UNIT 5. MANAGING CONFLICT	62
UNIT 6. MAKING PROPOSALS	83
UNIT 7. BARGAINING	87
UNIT 8. CONCLUSION AND AGREEMENT	130
LANGUAGE CHECKLIST	145
REFERENCES	154

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