

In this unit:

- reaching an agreement
- three principles of negotiating



7.3 The expert view

4 Watch Andrew talk about how to reach an agreement in a negotiation and the three principles of negotiating. Make notes about how you can put the three principles into practice by answering the questions below.

<p>1: Don't make it personal</p>	<p>1 How do you stop things from becoming personal? 2 What types of phrases can you use?</p>
<p>2: Focus on the real issue</p>	<p>3 What do you need to find out from the other person? How do you do this? 4 Why does honesty help in negotiations?</p>
<p>3: Look for a win-win solution</p>	<p>5 What do you need to check and agree upon during the negotiation? 6 After you come to an agreement, what do you need to do?</p>

For a summary of how to negotiate successfully, read the article on page 56.

7.4 Analysis

5 Analyse the negotiation between Matt and Sabine using the seven items below. Tick (✓) if you think one of them or both of them demonstrated the skill.

	Matt	Sabine
1 stayed calm and avoided negative emotion		
2 showed understanding of the other person		
3 tried to find out the real issue and the other person's concerns		
4 were honest about their own interests		
5 checked both person's understanding at each stage		
6 made suggestions about what each person should do		
7 summarized what was agreed		

7.5 The expert feedback

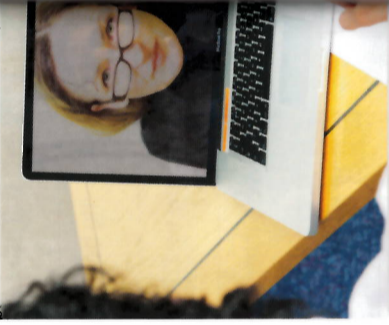
6 Watch Andrew's analysis of the appraisal. How do his comments compare to your analysis?

7.2 Talking points

- Consider these questions.
What kinds of negotiation do you have at work?
What makes an effective negotiation? Is it always important to 'win'?
- While you watch other people talking about the questions above, compare their experience with yours.

7.2 The negotiation

3 The company SaveIT is currently creating a website and intranet for the energy company QPG. Matt Lauder, the Finance Manager of QPG, and Sabine Kohibeck of Save IT are talking by videoconference. Matt has a query about an extra fee in Sabine's recent invoice. As you watch the video, choose the correct answer to complete the sentences.



- The additional work was requested by ...
a Matt's department. b the Marketing Department.
- Matt is unhappy because ...
a they never discussed the extra fees. b they agreed a lower fee.
- Sabine says that the intranet ...
a is ready to use. b has technical problems.
- Matt is concerned about ...
a the delays and additional costs. b technical problems with the intranet.
- Sabine is mainly concerned about ...
a the late fees. b not getting paid for additional work.
- Sabine offers to drop the additional fee and in return Matt will ...
a drop the late fees. b change the schedule.
- In future, Matt agrees to ...
a not ask for additional work. b confirm agreements in writing.

Language focus

7.6 Negotiating contracts and fees

- 1 In the video, Sabine and Matt often refer to written agreements between their companies.

SABINE 'And that you'll draft confirmations following any discussions.'
MATT 'I'll confirm this conversation in writing too.'

Match these words from the video to the definitions below.

parties a clause an invoice a fee to cost sth to draw sth up

- a sentence or section of a contract (= a written legal agreement) *a clause*
 - the different people or groups involved in a legal agreement _____
 - a list of goods sold, work done, etc., showing what you must pay _____
 - an amount of money that you pay for a service _____
 - to estimate how much money is needed for something _____
 - to prepare and write a contract or document _____
- 2 Complete these sentences from the video, using an appropriate form of the words in 1.
- Your _____ of last month. There's a supplementary charge for the website.
 - When we _____ the contract, 70% of the fee was for the intranet costs.
 - But there's a _____ in the contract which covers additional work.
 - Well, it says any additional work will be charged over and above the agreed _____.
 - Yes, I know the clause you mean. But it also says that any fee for this kind of work must be agreed by both _____.
 - I wasn't aware that this part of the job was going to be _____ separately.

- 3 Now watch an extract from the negotiation video and check your answers in 2.

Understanding the other person's concerns

- 4 Early in the negotiation, Sabine tries to understand Matt's concerns:

'OK, Matt. Let's see if we can work this out. I want to check I understand you correctly first. So, your main concern is the existence of additional costs when there are delays and ... Is that right?'

Replace the underlined expressions in the dialogue below with one of the phrases a–h opposite that have the same meaning.

- A Let's see if we can work this out. We need to try to solve this problem. What are your main concerns here? ² _____ The additional fees on the invoice or the timing?
- B Well both I suppose.
- A But the most important issue for you is ³ _____ the timing.
- B Yes. My position is this. ⁵ _____ I'm prepared to pay a bit more if we think we can get the same job done more quickly.
- A I'm certain we can resolve this. ⁶ _____ There's no reason why we can't complete the project ahead of time. However, a lot of the delays so far have come from both sides I'd say. Does that sound fair? ⁷ _____
- B Yes, I'd say so. ⁸ _____

- We need to try to solve this problem
- Let me explain my position.
- Your priority is ...
- I think so.
- What's your biggest worry?
- Is that reasonable?
- I'm sure there's a solution to this.
- That's correct, isn't it?

Bargaining

- 5 An important part of any negotiation is the bargaining. Notice in this example from the video how Sabine bargains by making an offer and asking for something in return. Matt accepts the offer but with a condition.

SABINE 'What I propose is this: first, let's forget the additional fee for this month. In return, would you agree to dropping any late fees this time?'
MATT 'I think that would be OK. I'm still concerned about the delays though.'

Look at the expressions and match them to the correct category in the table below.

- | | |
|---|---|
| a What I propose is this: First, ... | g What I can offer you is ... |
| b I'm sorry but we can't agree to that. | h What if I offered you / to ...? |
| c In return, would you agree to ...? | i Sorry, that isn't possible. |
| d I think that would be OK. | j I can't agree to that but I could ... |
| e That would be fine. | k OK, that's a deal. |
| f That would be difficult for me but I might agree to ... | l I'm afraid I can't accept that. |

Make an offer: a

Ask for something in return or suggest an alternative:

Accept an offer:

Reject an offer:

- 6 Read the dialogue below which contains expressions from 5. Write in the missing words.

- A What I ¹ _____ is this. We'll place an order for \$10,000 worth of your product each year for the next three years. In return, ² _____ you agree to giving us a 10% discount on all our orders?
- B Sorry, that ³ _____. You already receive the goods at a reduced price.
- A I see. ⁴ _____ I offered to increase our order to \$12,500 per year?
- B That would still be difficult for me but I ⁵ _____ a 5% discount on guaranteed orders of \$12,000 and above. Does that sound OK?
- A I'd need to check with my bosses but I think that ⁶ _____.
- B Good! Sounds like we have a deal.

TIP: WOULD

The modal verb *would* is very common in negotiations because it refers to possibility and hypothetical situations.

Would you be prepared to ...?

How would you feel about ...?

Would you agree to ...?

I think that would be OK.



Meetings task: a negotiation

Work in pairs. You are going to negotiate an agreement between a company and web designer for a new website. You will need to agree the following areas:

- Date for completion: how long the work will take and when the website will be ready to go live.
- Price: the price for the work and how it will be paid (i.e. in stages or in one payment).
- A maintenance and service fee: after the website is launched it might need updating or fixing if there are any problems.

Student A: You work for the web design company. Turn to File A on page 58 and read your information.

Student B: You work for the company that needs a new website. Read the information below.

Alternative task

Work in pairs. You both work in the same office. Your boss wants one of you to work late this evening. He doesn't mind who and asks you to decide. The same situation has happened twice before and both times Student B has worked late and Student A has left early. Student A has an appointment tonight. Student B is free tonight but feels that Student A is not sharing the work fairly and wants something in return for working late again. Negotiate an agreement.

Student B

Your company: a seller of office equipment

Your requirement: a new website for online sales

The negotiation: you are currently negotiating with different website design firms. You have already asked one company for a quote. Read the details in this table.

	What you would like	First company's offer	Second company's offer
Time for project	Within six months	Six months	
Cost	Around \$20,000	\$23,000	
Terms of payment	Once at the end or in two stages in the middle and at the end	In three stages: a payment on signing contract, another payment in the middle of the project and a final payment at the end	
Service contract after completion	A maintenance service should be included in the fee for the first year, and then \$400 for following years	\$2,000 for the first year and \$500 for following years	

You now have a negotiation with a second company represented by Student A. Try to improve on the offer that you received from the first company. Make notes about Student A's offer in the table and try to reach a win-win agreement.

Useful phrases

Introducing an issue

There's one issue we need to discuss.

We'd like to discuss something.

We have a problem with ... (the price / terms / your offer / your invoice, etc.)

There's an issue about ... that I'd like to raise with you.

Understanding the other person's position and explaining your own

What are your main concerns?

What's your position / view on ...?

Would you be willing to ...?

My main concern is ...

My position is this ...

I think we may be able to resolve this.

Let's see if we can work this out.

Does that sound fair? / Is that reasonable?

Is that right? / Is that correct?

Bargaining and making offers

What I propose is this. First ...

I can offer you ...

... and maybe you could offer me ...

In return, would you agree to ...?

What if I offered you ... / to ...?

Accepting (with and without conditions)

I think that would be OK.

I think we could agree to that.

That would be fine.

OK, that's a deal!

That's OK but I'd also need ...

Rejecting (with and without conditions)

I'm sorry but we can't agree to that.

Sorry, that isn't possible.

I'm afraid I can't accept that.

I can't agree to that but I could ...

That would be difficult but I might agree to ...

Task assessment

Use this form to analyse the negotiators' performance. You can use it in different ways:

- Assess you and your partner's performance afterwards.
- Ask another person to assess and give feedback on your negotiation.

	Negotiator A	Negotiator B
1 Stayed calm and avoided negative emotion		
2 Showed understanding of the other person		
3 Tried to find out the real issue and the other person's concerns		
4 Were honest about their own interests		
5 Checked both persons' understanding at each stage		
6 Made suggestions about what each person should do		
7 Summarized what was agreed		