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Авторы-составители: Е. А. Левченко, канд. экон. наук, доцент;
Т. В. Левченко

Authors-compilers: E. Levchenko, PhD of Economics, Associate Professor;
T. Levchenko

Рецензенты: В. В. Кириенко, д-р социол. наук, профессор, проректор по учебной и воспитательной работе Гомельского государственного технического университета им. П. О. Сухого;
О. В. Ежель, канд. экон. наук, доцент, начальник отдела координации научных проектов и программ Белорусского торгово-экономического университета потребительской кооперации

Reviewers: V. Kirienko, Doctor of Social Sciences, Professor, Vice-rector for academic and educational affairs, Gomel State Technical University named after P. O. Sukhoi;
O. Ezhel, PhD of Economics, Associate Professor, Head of Department of Scientific Projects and Programs Coordination, Belarusian Trade and Economics University of Consumer Cooperatives

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EXPLANATORY NOTE

The students should achieve the proficiency level in a foreign language allowing them to conduct professional activity in the foreign environment. This is due to the internationalization of business communication and international cooperation. In connection with the development of foreign economic relations and Institute of Entrepreneurship, the role of business negotiations increases as an important stage of practical and effective means of achieving the common goal of reasonable mutual benefit by business partners. The relevance of the study this academic discipline is due to the need to put into practice the recommendations to conduct effectively business meetings and negotiations in a spirit of mutual respect while maintaining their general business format and promotion of benefit.

The purpose of this practicum is to study the theory and practice of conducting negotiations, learning the rules and principles of negotiations process, development of practical methods helping to find the best alternative to negotiated agreement, to establish the contact with opponents, to choose the optimal model of communicating with (hearing) the interlocutor, as well as the development of more objective and rational forms and methods of mutual constructive offers, with their help more or less favorable result is achieved for the partners in a competitive and highly dynamic business environment.

The tasks of this practicum are:

- to explore approaches to the modeling of the negotiation process, methods of analysis of different technologies of conducting negotiations, laws and regulations of “hidden management”;
- to train students to practical methods of conducting business negotiations;
- to master the art of active communication and collaboration.

As a result, the student should know: methods of effective business communications; techniques to counter the manipulation during the negotiation process; techniques for working with objections; characteristics of conducting negotiations by representatives of different countries; basic techniques of conducting business negotiations, negotiating functions and the sequence of negotiations; characteristics and process of negotiations.

The student should be able to choose the necessary negotiating strategy and tactics of emotional and rational pressure in the negotiations; preliminary simulate various situations of negotiations; identify the goals and interests of the negotiating parties; counteract the manipulation during the negotiation process; strategies of the negotiation process. The student should acquire skills of verbal communication during the negotiations; ask

questions and use the questions effectively in the course of the negotiation process; apply the basic principles of negotiations in practice; interpret nonverbal behavior; use the psychological mechanisms of influence on the negotiators; practice protection against manipulation; apply the objection in different situations during the negotiation process; implement active listening. The academic, social, personal and professional competencies will be formed as a result of studying of this practicum.

In total, the study of the academic discipline takes 56 hours, of which 26 hours are classroom ones, including 14 hours of lectures and 12 hours of seminars. The recommended form of control is the final credit in the 1st semester.

In Unit 2 of this practicum “Psychological aspects of conducting business negotiations” is a number of exercises the students are offered to identify ways to increasing their influence, to determine their behavioral type in the negotiations on the basis of testing, including on-line testing, to analyze the case “Psychological aspects of business negotiations” and a number of other tasks. In Unit 3 “Models and methods of conducting business negotiations” we suggested to carry out the analysis of matrix “Negotiation strategies depending on the interaction between the government, time and trust” and hold SWOT-analysis of negotiations, and assessed own style of negotiation on the basis of the test. In Unit 4 “Basic negotiation techniques” we proposed to analyze case studies “Technology of intimidation», “Save ‘face’.” In Unit 5 “The situation behavior in the negotiations” we offered the analysis of cases “Negotiations of manager and jobseeker in employment,” “The negotiations in the organization, to carry out the analysis of negotiating tools” and write an essay. In Unit 6 “Problematic negotiation situations and multicultural particularities of conducting negotiations” we suggested to write the script of negotiations based on the proposed situation and offered expressions, as well as answer questions checklist for effective negotiations. Particular attention should be paid to the fact that in this practicum in Unit 7 “Technologies of successful negotiations” there is an example of a foreign trade contract between the Open Joint Stock Company “Gomselmash,” the Republic of Belarus and the Industrial Corporation “Zhen Zong,” People’s Republic of China for the purchase of grain harvesting combines. The tasks are suggested on the basis of this foreign trade contract. The positive aspect of the practicum is a glossary consisting mainly of the definitions of a variety of techniques of conducting business negotiations and the basic concepts of business negotiations. The students can exercise individual work on the basis of tasks of this practicum, the list of literature and educational material are offered in the practicum. Successful mastering of the discipline “Technology of con-

ducting business negotiations” will allow students to conduct successfully further negotiations.

At the tutorial it is supposed to consolidate the techniques and technologies of conducting negotiations in daily management practice.

***APPROXIMATE CURRICULUM
FOR FULL-TIME STUDENTS***

Name of theme	Number of hours		
	total	including	
		lectures	practical classes
1. Business negotiations – science and art in the course of professional activity	2	2	–
2. Psychological aspects of conducting business negotiations	4	2	2
3. Models and methods of conducting business negotiations	4	2	2
4. Basic negotiation techniques	4	2	2
5. The situation behavior in the negotiations	4	2	2
6. Problematic negotiation situations and multi-cultural particularities of conducting negotiations	4	2	2
7. Technologies of successful negotiations	4	2	2
Total	26	14	12

PRACTICUM FOR INDIVIDUAL AND TUTORIAL WORK

Unit 1. BUSINESS NEGOTIATIONS – SCIENCE AND ART IN THE COURSE OF PROFESSIONAL ACTIVITIES

Issues for discussion

1. The object, subject and tasks of the academic discipline.
2. The approaches to the notion “business negotiations.”
3. The stages and the algorithm of business negotiations.
4. The structure, characteristics, categories and elements of business negotiations.

Unit 2. PSYCHOLOGICAL ASPECTS OF BUSINESS NEGOTIATIONS

Issues for discussion

1. The manifestation of individually-typological features of the person in the course of negotiations.
2. The gestures, posture, facial expressions are characteristics of the intentions of partners in business communication.
3. Psychological methods of influence on a partner in business negotiations.
4. The particularities of conducting business negotiations in different countries.
5. The influence of national characteristics on conducting business negotiations.

Exercise 2.1. Identifying ways to enhance your influence

Begin with answering the following questions relative to your specific situation. These questions become key to help to identify successful influence strategies.

1. Am I clear on what I really want?
2. Do I know what the other person needs; and, if not, how do I find out?
3. What resources do I have, and would any of them equate to the interests of the other person?

4. Is our relationship positive enough to make transactions possible and relatively easy?
5. If not, how do I create sufficient trust to allow exchanges to take place?
6. Does my interaction style fit with the preferred style of the other person? How much can I change my style and still be true to myself?

Exercise 2.2. Analyse the test “Behavioral aspects of conducting business negotiations” (Myers Briggs type indicator)

Below you see some statements on certain matters. Please choose the one of each choices (*a* or *b*), you feel the most preference towards. Be as honest as possible in order to calculate the most precise personality type.

1. At a party do you:
 - a) interact with many, including strangers;
 - b) interact with a few, known to you.
2. Are you more:
 - a) realistic than speculative;
 - b) speculative than realistic.
3. Is it worse to:
 - a) have your “head in the clouds”;
 - b) be “in a rut.”
4. Are you more impressed by:
 - a) principles;
 - b) emotions.
5. Are more drawn toward the:
 - a) convincing;
 - b) touching.
6. Do you prefer to work:
 - a) to deadlines;
 - b) just “whenever.”
7. Do you tend to choose:
 - a) rather carefully;
 - b) somewhat impulsively.

8. At parties do you:

- a) stay late, with increasing energy;
- b) leave early with decreased energy.

9. Are you more attracted to:

- a) sensible people;
- b) imaginative people.

10. Are you more interested in:

- a) what is actual;
- b) what is possible.

11. In judging others are you more swayed by:

- a) laws than circumstances;
- b) circumstances than laws.

12. In approaching others is your inclination to be somewhat:

- a) objective;
- b) personal.

13. Are you more:

- a) punctual;
- b) leisurely.

14. Does it bother you more having things:

- a) incomplete;
- b) completed.

15. In your social groups do you:

- a) keep abreast of other's happenings;
- b) get behind on the news.

16. In doing ordinary things are you more likely to:

- a) do it the usual way;
- b) do it your own way.

17. Writers should:

- a) say what they mean and mean what they say;
- b) express things more by use of analogy.

18. Which appeals to you more:

- a) consistency of thought;
- b) harmonious human relationships.

19. Are you more comfortable in making:

- a) logical judgments;
- b) value judgments.

20. Do you want things:

- a) settled and decided;
- b) unsettled and undecided.

21. Would you say you are more:

- a) serious and determined;
- b) easy-going.

22. In phoning do you:

- a) rarely question that it will all be said;
- b) rehearse what you'll say.

23. Facts:

- a) "speak for themselves";
- b) illustrate principles.

24. Are visionaries:

- a) somewhat annoying;
- b) rather fascinating.

25. Are you more often:

- a) a cool-headed person;
- b) a warm-hearted person.

26. Is it worse to be:

- a) unjust;
- b) merciless.

27. Should one usually let events occur:

- a) by careful selection and choice;
- b) randomly and by chance.

28. Do you feel better about:

- a) having purchased;
- b) having the option to buy.

29. In company do you:
a) initiate conversation;
b) wait to be approached.
30. Common sense is:
a) rarely questionable;
b) frequently questionable.
31. Children often do not:
a) make themselves useful enough;
b) exercise their fantasy enough.
32. In making decisions do you feel more comfortable with:
a) standards;
b) feelings.
33. Are you more:
a) firm than gentle;
b) gentle than firm.
34. Which is more admirable:
a) the ability to organize and be methodical;
b) the ability to adapt and make do.
35. Do you put more value on:
a) infinite;
b) open-minded.
36. Does new and non-routine interaction with others:
a) stimulate and energize you;
b) tax your reserves.
37. Are you more frequently:
a) a practical sort of person;
b) a fanciful sort of person.
38. Are you more likely to:
a) see how others are useful;
b) see how others see.
39. Which is more satisfying:

- a) to discuss an issue thoroughly;
- b) to arrive at agreement on an issue.

40. Which rules you more:

- a) your head;
- b) your heart.

41. Are you more comfortable with work that is:

- a) contracted;
- b) done on a casual basis.

42. Do you tend to look for:

- a) the orderly;
- b) whatever turns up.

43. Do you prefer:

- a) many friends with brief contact;
- b) a few friends with more lengthy contact.

44. Do you go more by:

- a) facts;
- b) principles.

45. Are you more interested in:

- a) production and distribution;
- b) design and research.

46. Which is more of a compliment:

- a) "there is a very logical person";
- b) "there is a very sentimental person."

47. Do you value in yourself more that you are:

- a) unwavering;
- b) devoted.

48. Do you more often prefer the:

- a) final and unalterable statement;
- b) tentative and preliminary statement.

49. Are you more comfortable:

- a) after a decision;
- b) before a decision.

50. Do you:

- a) speak easily and at length with strangers;
- b) find little to say to strangers.

51. Are you more likely to trust your:

- a) experience;
- b) hunch.

52. Do you feel:

- a) more practical than ingenious;
- b) more ingenious than practical.

53. Which person is more to be complimented – one of:

- a) clear reason;
- b) strong feeling.

54. Are you inclined more to be:

- a) fair-minded;
- b) sympathetic.

55. Is it preferable mostly to:

- a) make sure things are arranged;
- b) just let things happen.

56. In relationships should most things be:

- a) re-negotiable;
- b) random and circumstantial.

57. When the phone rings do you:

- a) hasten to get to it first;
- b) hope someone else will answer.

58. Do you prize more in yourself:

- a) a strong sense of reality;
- b) a vivid imagination.

59. Are you drawn more to:

- a) fundamentals;
- b) overtones;

60. Which seems the greater error:

- a) to be too passionate;
- b) to be too objective.

61. Do you see yourself as basically:

- a) hard-headed;
- b) soft-hearted.

62. Which situation appeals to you more:

- a) the structured and scheduled;
- b) the unstructured and unscheduled.

63. Are you a person that is more:

- a) routinized than whimsical;
- b) whimsical than routinized.

64. Are you more inclined to be:

- a) easy to approach;
- b) somewhat reserved.

65. In writings do you prefer:

- a) the more literal;
- b) the more figurative.

66. Is it harder for you to:

- a) identify with others;
- b) utilize others.

67. Which do you wish more for yourself:

- a) clarity of reason;
- b) strength of compassion.

68. Which is the greater fault:

- a) being indiscriminate;
- b) being critical.

69. Do you prefer the:

- a) planned event;
- b) unplanned event.

70. Do you tend to be more:

- a) deliberate than spontaneous;
- b) spontaneous than deliberate.

Scoring

After answering the questions, count the number of “a” in each positions (E/I, S/N, T/F, J/P).

E/I. 1a, 8a, 15a, 22a, 29a, 36a, 43a, 50a, 57a, 64a.

If you gained 5 “a” scores and more, you are – E.

If you gained less than 5 “a” scores, you are – I.

S/N. 2a, 9a, 16a, 23a, 30a, 37a, 44a, 51a, 58a, 65a, 3a, 10a, 17a, 24a, 31a, 38a, 45a, 52a, 59a, 66a.

If you gained 10 “a” scores and more, you are – S.

If you gained less than 10 “a” scores, you are – N.

T/F. 4a, 11a, 18a, 25a, 32a, 39a, 46a, 53a, 60a, 67a, 5a, 12a, 19a, 26a, 33a, 40a, 47a, 54a, 61a, 68a.

If you gained 10 “a” scores and more, you are – T.

If you gained less than 10 “a” scores, you are – F.

J/P. 6a, 13a, 20a, 27a, 34a, 41a, 48a, 55a, 62a, 69a, 7a, 14a, 21a, 28a, 35a, 42a, 49a, 56a, 63a, 70a.

If you gained 10 “a” scores and more, you are – J.

If you gained less than 10 “a” scores, you are – P.

You can also determine your behavioral type using this link: <http://www.worldpersonality.com>.

Having determined your behavioral type, you should correspond it to one of personality type of negotiators – hard, soft, constructive, ethical.

For example, having determined you are ESTP (doer) (Extraversion, Sensing, Thinking, Perception) and hard negotiator (Table 1), and also read the characteristics of this type (Table 2), you should write the essay “My behavior in the negotiations” and represent strengths and weaknesses of ESTPs as negotiators, how the ESTP sees himself (herself), how others see the ESTP as a negotiator, how the ESTP can negotiate more effectively with other types.

Table 1 – Personality Types

The type of the manager and negotiator	The abbreviation of the personality type	The name of the personality type
Hard managers – hard negotiator	ESTP	Doer
	ESTJ	The guardians/stabilizer
	ISTJ	Systematizer/the duty fulfillers
	ISTP	Strategizer/the mechanics

Table 1 (concluded)

The type of the manager and negotiator	The abbreviation of the personality type	The name of the personality type
Soft managers – flexible negotiators	ESFP	Performer
	ESFJ	The caregivers
	ISFJ	Preserver/the nurturers
	ISFP	Experiencer/the artists
Harmonizers – constructive negotiators	ENTP	Innovator/the visionaries
	ENTJ	Trailblazer/the executives
	INTJ	Designer/the scientists
	INTP	Theorizer/the thinkers
Researchers – ethical negotiators	ENFP	Clarifier
	INFP	Idealizer/the idealists
	ENFJ	Energizer/the givers
	INFJ	Harmonizer/the protectors

Table 2 – **The characteristics of the type ESTP (doer) (Extraversion, Sensing, Thinking, Perception)**

The characteristics of the type	The description of the type
General Depiction of the ESTP	<p>Men and women of action. Conciliator and negotiator par excellence. Attractive, friendly style. Lend excitement and unpredictability to the relationship. Deep commitments do not always occur in the lives of ESTPs. Have a low tolerance for anxiety. Apt to avoid or leave situations that are filled with interpersonal tensions. When all else fails, read the directions. Heavily action oriented type. Ultimate realist with the lowest tolerance for unrelated theory. Open to any new alternative. Act now, pay later. Short attention span. Oblivious to established norms and procedures. Lack of orderliness can be extremely frustrating to those around them</p>
Strengths of ESTPs as Negotiators	<p>Matter-of-fact, practical, adaptable, tolerant style of negotiation Tends to be interested in process. Good natured, realistic, interested in what's going on. Interested in what negotiating partner wants and doesn't want. Open-minded, patient. Can defuse potential situation, doesn't get overwrought. Likes to use logical side. Can use toughness if the situation requires it</p>

Table 2 (concluded)

The characteristics of the type	The description of the type
Weaknesses of ESTPs as Negotiators	May take the easy way out (at own expense). Won't read much about "how to's" of divorce or the process of it. If don't have good judgment to balance easy going nature, they can end up losing too much. Under stress they may feel "It probably won't work out, it's hopeless. It can't be done." They may twist their hands and jump around, they may have nightmares
How the ESTP sees himself (herself)	Proficient, capable, practical. Good problem solvers. See themselves as good negotiators
How others see the ESTP as a negotiator	May be seen as irresponsible, even flaky. Seen as spending too much time in areas where they are proficient rather than reading and studying. Not particularly trust-worthy in sticking to oral promises
How the ESTP can negotiate more effectively with other types	Take negotiations seriously – they are important to your life and to child raising. Get an N friend to help you with compromises. Keep lists and be consistent. Push intuition – engage in brain storming during negotiations. Instead of turning down ideas say "It might work if..."

Exercise 2.3. Effective persuasion

To persuade a customer to make a particular decision, you can apply the AIDA-technique:

- *Attention.* Get their attention.
- *Interest.* Get their interest. Attention means they've noticed you. Interest means they're listening to you. Attention is passive. It means that people are listening to you, but that's all. Interest is active. Active means they are thinking about what you say and how relevant it is for them.
- *Desire.* From interest you need to generate desire for the customer to want to have the goods or services you are offering.
- *Action.* Lead the customer into action, to make a final payment or to submit a testimonial, or agree to buy the matching gloves to the handbag.

Task. In pairs create a business related AIDA-scenario for you to role play. Take it in turns.

What did you learn of benefit to your business?

Unit 3. MODELS AND METHODS OF CONDUCTING BUSINESS NEGOTIATIONS

Issues for discussion

1. The models of business negotiations.
2. The methods of conducting business negotiations.
3. The principles of business negotiations.
4. The tactics of business negotiations.
5. The rules contributing to the success of business negotiations.

Exercise 3.1. Negotiation preparation (20 questions)

A. Get Ready – Decide What You Want

1. What are your objectives?

1. What is your desired outcome? Specify it in terms of dollars, quantities, terms, etc.
2. What is your cutoff point? (What is the most you will pay/accept?)

2. What are his/her/their objectives?

What is their desired outcome? Remember to try to view the world as they see it.

3. Is it a negotiation? (Refer to matrix (Table 1).

1. Are there two or more parties?
2. Do the parties have incompatible desired outcomes?
3. Can each party block the other from obtaining its desired outcome(s)?
4. Are the parties relatively equal in power?
5. Is there something to trade? What?

B. Identify Obstacles and Acceptable Alternatives

4. What can you discover?

What can/will you do to try to find out as early as possible where your opponents stand?

5. Is there any common ground?

List below any areas of common ground/mutual interest.

6. Is there a possible win-win?

What, from your perspective, might be any win-win areas?

7. *Can you see possibly acceptable alternatives?*

What new alternatives can you brainstorm that might be brought to the table?

8. *Think about a contingency plan.*

1. Are there external constraints that would impede bargaining such as geography, time, legal considerations, competitive information, etc? If so, how can you handle?

2. What is the most likely package you will be offered? What/Why?

3. What will be your response (public/private) to the above?

4. What other conceivable moves could the other party make?

5. What would be your response to the above moves?

9. *What are the short-term/long-term consequences for you?*

1. Short-Term: _____

2. Long-Term: _____

C. Manage the Negotiating Environment and Agenda

10. *Who will negotiate? (An individual or a team?)*

1. If an individual, who?

2. If it is a team, clearly specify the decision-making authority role of each member.

Team leader: _____ Leadership style: _____

Member 1: _____ Role: _____

Member 2: _____ Role: _____

Member 3: _____ Role: _____

11. *What will you talk about?*

Specify your agenda for bargaining; indicate what you will discuss and your preferred order to discuss them.

12. *How flexible are you prepared to be on the agenda?*

1. Do you have a flexible agenda? (Yes ___ No ___).

2. Is there anything you can do to make it more flexible?

13. *Where will you negotiate?*

1. Your territory: _____. Their territory: _____. Neutral territory: _____.

2. Where exactly and what can/will you do to assure it works for you?

14. *When will you negotiate?*

Specify any time pressures/deadlines faced.

D. Manage the Transaction ... and Yourself

15. What will your initial offer be?

1. What will your initial offer be?
2. What do you consider this: high ball, low ball, last best? Why.
3. What, if any, are points that you're willing to compromise on?

16. What kind of bargainer will you be? (Refer to your Negotiating Style Assessment & Shell's matrix (Table 3).

1. What is your natural style?
2. What do you think is his/her's/their's?
3. What style can you possibly adopt (if necessary)?

Table 3 – Matrix “Negotiation strategies depending on the interaction between the government, time and trust”

If your power is	Then your		
	Time is	Trust is	Suggested strategy is
High	Long	High	Problem solve
High	Long	Long	Command
High	Short	High	Command
High	Short	Long	Command
Equal	Long	High	Negotiate
Equal	Long	Long	Negotiate
Equal	Short	High	Negotiate
Equal	Short	Long	Negotiate
Low	Long	High	Accede or defer
Low	Long	Long	Withdraw
Low	Short	High	Accede or defer
Low	Short	Long	Withdraw

17. What verbal negotiation tactics are you prepared to use?

Choose which of the following you will use and under what circumstances:

- promises;
- normative appeals;
- threats;
- commitments;
- recommendations;
- self-disclosures;
- warnings;

- questions;
- commands;
- rewards;
- punishments.

18. *How will you frame the interaction?* (Refer to “Principles & Approaches” document.)

What can you do to put/keep this negotiation in a mutually effective frame?

19. *Anticipate if you agree.*

1. What is the degree of ambiguity in the settlement?
2. What is the degree of formality in the settlement?
3. What is the duration of the contract? Are there renewable options?

20. *Anticipate if you disagree.*

1. What is your action plan?
2. Will you use any of the following: mediation, arbitration, final offer arbitration/Specify who?

Exercise 3.2. SWOT-analysis

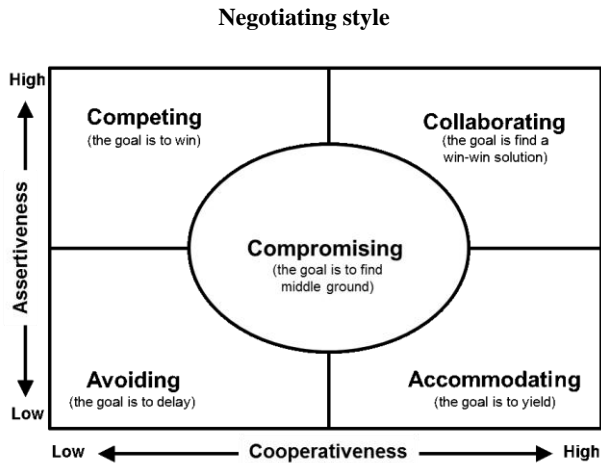
Produce a SWOT-analysis in order to support a negotiation (Table 4).

Table 4 – SWOT-analysis of negotiation

Strengths	Weaknesses
Relationship with customer. Knowledge of customer's need. Experience. Market position. Financial resources. Knowledgeable staffing. Product strengths over competition	Staffing. Margins too low. Market position. Product weaknesses. Financial resources
Opportunities	Threats
New complimentary market. Market poised for growth. Competition weaknesses. Strategic alliance	Economy. Loss of key staff. Cash flow. New technology. New government regulations. Increased competition

Exercise 3.3. Test. Negotiating style: self-assessment

The purpose of this self-assessment is to help you examine your personal negotiating style (Figure).



Directions

1. Answer all questions to the best of your ability. Don't try to think of the "correct" or most "desirable" response, but simply respond with your honest reactions.
2. Respond by putting a check-mark or X in one column per question or statement.
3. In the Table 5 you will find a number of questions that ask you to consider how likely or unlikely you are to behave in a certain way when you are negotiating.
4. In the Table 6 you are required to rate your level of agreement with a number of statements.

Table 5 – The questions and choice

How likely are you to do each of the following when negotiating?	Very unlikely	Unlikely	Neither likely nor unlikely	Likely	Very likely
1. I'll come up with a plan so that I can steer the negotiation to go my way					

Table 5 (concluded)

How likely are you to do each of the following when negotiating?	Very unlikely	Unlikely	Neither likely nor unlikely	Likely	Very likely
2. I'll do things expressly to make sure that the negotiation stays friendly and comfortable					
3. I'll go out of my way to make sure that the outcome for the other person is fair					
4. I'll do things so that both of us can get what we want from the negotiation					
5. If something needs to be negotiated, I'll immediately step forward to do it					
6. I'll give some in order to get some from the person I'm negotiating with					
7. If the negotiation is not going my way, I'll bail out of the negotiation					
8. I'll suggest creative solutions that allow both of us to get what we want from the negotiation					
9. If it seems important for the other person to come out on top, I'll give in to them					
10. I'll avoid difficult issues to keep the negotiation from getting nasty					
11. If the other person compromises their position, I'll compromise my position in return					
12. I'll make sure that both of our needs are understood so that both of us can come out on top					
13. I'll present information, when negotiating, even if it doesn't necessarily always support my position					
14. I'll propose a place in the middle where we both can meet					
15. I'll try to see things from the other person's viewpoint and be considerate of their needs					

Table 6 – The statements and choice

Rate your level of agreement with each of these statements	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
16. In every negotiation, both sides have to give something up to get something in return					
17. What's good for me is really all that matters when negotiating					
18. I'll do almost anything to keep from having to engage in negotiation					
19. In negotiating, someone wins and someone has to lose					
20. The feelings of the other person that I'm negotiating with are important to me					
21. Negotiation works better when the focus is on common agreement rather than differences					
22. I can be aggressive when it comes to getting my way from a negotiation					
23. When you compromise in a negotiation, you really just lose					
24. If the other person gets a "raw deal" from our negotiation, that really doesn't matter to me					
25. Keeping the comfort level high is very important to me when I'm negotiating					

Questions

1. Once you have completed and scored the self-assessment, profile yourself (i. e., as High, Moderate to High, Moderate to Low, or Low) on each of the five negotiation styles. Which negotiation style or styles is/are dominant? Is this how you see yourself and do you agree with this assessment? Why or why not?

2. Profile yourself (i. e., as High, Moderate to High, etc.) with respect to Assertiveness and Cooperativeness. Do you agree with this assessment? Why or why not?

3. Look at Figure in exercise 3.3 again. Does your dominant negotiation style(s) match up with your Assertiveness and Cooperativeness scores on that two-dimensional matrix? For example, if you scored in the “High” category on both Assertiveness and Cooperativeness, your dominant style should be the Collaborating style. Does such a match exist for you?

4. If you scored most highly on Assertiveness, which of the bargaining styles (i. e., Distributive) are you most likely to use? What are the pros and cons of this approach to collective bargaining?

5. If you scored most highly on Cooperativeness, which of the bargaining styles are you most likely to use? What are the pros and cons of this approach to collective bargaining?

Negotiating style. Self-assessment – Interpretation Guide

1. Background

Distributive Bargaining approaches negotiation as a win-lose exercise where the gains of one party must come at the expense of the other party. The sole focus of the negotiator is to maximize his/her own outcomes. In the negotiation literature, this orientation is referred to as *Assertiveness*.

Mutual Gain Bargaining approaches negotiation as a mutual problem-solving exercise. Relying on open communication, trust, and mutual respect, negotiators focus on fulfilling the mutual interests of both parties. In the negotiation literature, this orientation is referred to as *Cooperativeness*.

Negotiators that exhibit *Assertiveness* tendencies are more likely to engage in *Distributive Bargaining* behavior while negotiators that are high in *Cooperativeness* are more likely to use a *Mutual Gain Bargaining* approach. Thus, this self-assessment will help you examine your levels of *Assertiveness* versus *Cooperativeness*.

According to the negotiation literature, the measurement of *Assertiveness* and *Cooperativeness* requires the consideration of five distinct negotiation styles. The five negotiation styles are:

- *Competing* – Negotiators that exhibit this style are results-oriented, self-confident, assertive, are focused primarily on the bottom line, have a tendency to impose their views upon the other party, and in the extreme can become aggressive and domineering. This style is high in *Assertiveness* and low in *Cooperativeness*.

- *Avoiding* – Negotiators that exhibit this style are passive, prefer to avoid conflict, make attempts to withdraw from the situation or pass re-

sponsibility onto another party, and fail to show adequate concern or make an honest attempt to get to a solution. This style is both low in *Assertiveness* and low in *Cooperativeness*.

- *Collaborating* – Negotiators that exhibit this style use open and honest communication, focus on finding creative solutions that mutually satisfy both parties, are open to exploring new and novel solutions, and suggest many alternatives for consideration. This style is both high in *Assertiveness* and high in *Cooperativeness*.

- *Accommodating* – Negotiators that exhibit this style make attempts to maintain relationships with the other party, smooth over conflicts, downplay differences, and are most concerned with satisfying the needs of the other party. This style is low in *Assertiveness* but high in *Cooperativeness*.

- *Compromising* – Negotiators that exhibit this style aim to find the middle ground, often split the difference between positions, frequently engage in give and take tradeoffs, and accept moderate satisfaction of both parties' needs. This style is both moderate in *Assertiveness* and moderate in *Cooperativeness*.

Figure in exercise 3.3 displays the relationship between these five negotiating styles and the competing dimensions of *Assertiveness* versus *Cooperativeness*.

2. Competing Style

Part of the self-assessment measures the degree to which you exhibit characteristics consistent with the *Competing* negotiating style. In the Tables 7 and 8 find the numerical score that corresponds to the column that you checked for each question. Enter that number to the left of the table for each question. *For example, if you checked the “Neither Likely nor Unlikely” column for question 1, you would enter a score of 3 next to Q1.*

Table 7 – The questions and scoring

Question score	Very unlikely	Unlikely	Neither likely nor unlikely	Likely	Very likely
Q1	1	2	3	4	5
Q7	1	2	3	4	5
Q13	5	4	3	2	1

Table 8 – The statement and scoring

Statement score	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
Q17	5	4	3	2	1
Q22	5	4	3	2	1

Total: _____ (Add all scores).

Scoring and interpretation

18 or above. *High on competing style* – Compared to a national sample of students, your score falls in the top/fourth quartile (i. e., top 25%) of scores. This indicates that you strongly exhibit characteristics consistent with the *Competing* style.

16 to 17. *Moderate to high on competing style* – Compared to a national sample of students, your score falls in the third quartile (i. e., between 50–75%) of scores. This indicates that you moderately to strongly exhibit characteristics consistent with the *Competing* style. The higher your score is, the more strongly you exhibit characteristics consistent with the *Competing* style.

14 to 15. *Moderate to low on competing style* – Compared to a national sample of students, your score falls in the second quartile (i. e., between 25–50%) of scores. This indicates that you moderately to weakly exhibit characteristics consistent with the *Competing* style. The lower your score is, the more weakly you exhibit characteristics consistent with the *Competing* style.

13 or below. *Low on competing style* – Compared to a national sample of students, your score falls in the bottom/first quartile (i. e., bottom 25%) of scores. This indicates that you only weakly exhibit characteristics consistent with the *Competing* style.

3. Avoiding Style

This part of the self-assessment measures the degree to which you exhibit characteristics consistent with the Avoiding negotiating style. In the Tables 9 and 10 find the numerical score that corresponds to the column that you checked for each question. Enter that number to the left of the table for each question. *For example, if you checked the “Likely” column for question 2, you would enter a score of 4 next to Q2.*

Table 9 – The questions and scoring

Question score	Very unlikely	Unlikely	Neither likely nor unlikely	Likely	Very likely
Q2	1	2	3	4	5
Q10	1	2	3	4	5
Q5	5	4	3	2	1

Table 10 – The statement and scoring

Statement score	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
Q18	5	4	3	2	1
Q25	5	4	3	2	1

Total: _____ (Add all scores).

Scoring and interpretation

18 or above. *High on avoiding style* – Compared to a national sample of students, your score falls in the top/fourth quartile (i. e., top 25%) of scores. This indicates that you strongly exhibit characteristics consistent with the *Avoiding* style.

16 to 17. *Moderate to high on avoiding style* – Compared to a national sample of students, your score falls in the third quartile (i. e., between 50–75%) of scores. This indicates that you moderately to strongly exhibit characteristics consistent with the *Avoiding* style. The higher your score is, the more strongly you exhibit characteristics consistent with the *Avoiding* style.

14 to 15. *Moderate to low on avoiding style* – Compared to a national sample of students, your score falls in the second quartile (i. e., between 25–50%) of scores. This indicates that you moderately to weakly exhibit characteristics consistent with the *Avoiding* style. The lower your score is, the more weakly you exhibit characteristics consistent with the *Avoiding* style.

13 or below. *Low on avoiding style* – Compared to a national sample of students, your score falls in the bottom/first quartile (i. e., bottom 25%) of scores. This indicates that you only weakly exhibit characteristics consistent with the *Avoiding* style.

4. Collaborating Style

This part of the self-assessment measures the degree to which you exhibit characteristics consistent with the Collaborating negotiating style. In the Tables 11 and 12 find the numerical score that corresponds to the column that you checked for each question. Enter that number to the left of the table for each question. *For example, if you checked the “Unlikely” column for question 4, you would enter a score of 2 next to Q4.*

Table 11 – The questions and scoring

Question score	Very unlikely	Unlikely	Neither likely nor unlikely	Likely	Very likely
Q4	1	2	3	4	5
Q8	1	2	3	4	5
Q12	1	2	3	4	5

Table 12 – The statement and scoring

Statement score	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly Disagree
Q19	1	2	3	4	5
Q21	5	4	3	2	1

Total: _____ (Add all scores).

Scoring and interpretation

21 or above. *High on collaborating style* – Compared to a national sample of students, your score falls in the top/fourth quartile (i. e., top 25%) of scores. This indicates that you strongly exhibit characteristics consistent with the *Collaborating* style.

19 to 20. *Moderate to high on collaborating style* – Compared to a national sample of students, your score falls in the third quartile (i. e., between 50–75%) of scores. This indicates that you moderately to strongly exhibit characteristics consistent with the *Collaborating* style. The higher your score is, the more strongly you exhibit characteristics consistent with the *Collaborating* style.

17 to 18. *Moderate to low on collaborating style* – Compared to a national sample of students, your score falls in the second quartile (i. e., between 25–50%) of scores. This indicates that you moderately to weakly exhibit characteristics consistent with the *Collaborating* style. The lower

your score is, the more weakly you exhibit characteristics consistent with the *Collaborating* style.

16 or below. *Low on collaborating style* – Compared to a national sample of students, your score falls in the bottom/first quartile (i. e., bottom 25%) of scores. This indicates that you only weakly exhibit characteristics consistent with the *Collaborating* style.

5. Accommodating Style

This part of the self-assessment measures the degree to which you exhibit characteristics consistent with the Accommodating negotiating style. In the Tables 13 and 14 find the numerical score that corresponds to the column that you checked for each question. Enter that number to the left of the table for each question. *For example, if you checked the “Very Unlikely” column for question 3, you would enter a score of 1 next to Q3.*

Table 13 – The questions and scoring

Question score	Very unlikely	Unlikely	Neither likely nor unlikely	Likely	Very likely
Q3	1	2	3	4	5
Q9	1	2	3	4	5
Q15	1	2	3	4	5

Table 14 – The statement and scoring

Statement score	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
Q20	5	4	3	2	1
Q24	1	2	3	4	5

Total: _____ (Add all scores).

Scoring and interpretation

19 or above. *High on accommodating style* – Compared to a national sample of students, your score falls in the top/fourth quartile (i. e., top 25%) of scores. This indicates that you strongly exhibit characteristics consistent with the *Accommodating* style.

17 to 18. *Moderate to high on accommodating style* – Compared to a national sample of students, your score falls in the third quartile (i. e., be-

tween 50–75%) of scores. This indicates that you moderately to strongly exhibit characteristics consistent with the *Accommodating* style. The higher your score is, the more strongly you exhibit characteristics consistent with the *Accommodating* style.

15 to 16. *Moderate to low on accommodating style* – Compared to a national sample of students, your score falls in the second quartile (i. e., between 25–50%) of scores. This indicates that you moderately to weakly exhibit characteristics consistent with the *Accommodating* style. The lower your score is, the more weakly you exhibit characteristics consistent with the *Accommodating* style.

14 or below. *Low on accommodating style* – Compared to a national sample of students, your score falls in the bottom/first quartile (i. e., bottom 25%) of scores. This indicates that you only weakly exhibit characteristics consistent with the *Accommodating* style.

6. Compromising Style

This part of the self-assessment measures the degree to which you exhibit characteristics consistent with the Compromising negotiating style. In the Tables 15 and 16 find the numerical score that corresponds to the column that you checked for each question. Enter that number to the left of the table for each question. *For example, if you checked the “Very Likely” column for question 6, you would enter a score of 5 next to Q6.*

Table 15 – The questions and scoring

Question score	Very unlikely	Unlikely	Neither likely nor unlikely	Likely	Very likely
Q6	1	2	3	4	5
Q11	1	2	3	4	5
Q14	1	2	3	4	5

Table 16 – The statement and scoring

Statement score	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
Q16	5	4	3	2	1
Q23	1	2	3	4	5

Total: _____ (Add all scores).

Scoring and interpretation

20 or above. *High on compromising style* – Compared to a national sample of students, your score falls in the top/fourth quartile (i. e., top 25%) of scores. This indicates that you strongly exhibit characteristics consistent with the *Compromising* style.

18 to 19. *Moderate to high on compromising style* – Compared to a national sample of students, your score falls in the third quartile (i. e., between 50–75%) of scores. This indicates that you moderately to strongly exhibit characteristics consistent with the *Compromising* style. The higher your score is, the more strongly you exhibit characteristics consistent with the *Compromising* style.

16 to 17. *Moderate to low on compromising style* – Compared to a national sample of students, your score falls in the second quartile (i. e., between 25–50%) of scores. This indicates that you moderately to weakly exhibit characteristics consistent with the *Compromising* style. The lower your score is, the more weakly you exhibit characteristics consistent with the *Compromising* style.

15 or below. *Low on compromising style* – Compared to a national sample of students, your score falls in the bottom/first quartile (i. e., bottom 25%) of scores. This indicates that you only weakly exhibit characteristics consistent with the *Compromising* style.

7. Assertiveness Index

Now that you know each of your negotiation style total scores, it is possible to determine your level of Assertiveness. The formula is as follows:

$$\begin{aligned} \text{Assertiveness Index} = & (\text{Competing Style Total Score} + \\ & + \text{Collaborating Style Total Score}) - (\text{Avoiding Style Total Score} + \\ & + \text{Accommodating Style Total Score}). \end{aligned}$$

Interpretation of Assertiveness index

5 or above. *High on assertiveness* – Compared to a national sample of students, your score falls in the top/fourth quartile (i. e., top 25%) of scores. This indicates that you strongly exhibit characteristics consistent with *Assertiveness*.

1 to 4. *Moderate to high on assertiveness* – Compared to a national sample of students, your score falls in the third quartile (i. e., between 50–

75%) of scores. This indicates that you moderately to strongly exhibit characteristics consistent with *Assertiveness*. The higher your score is, the more strongly you exhibit characteristics consistent with *Assertiveness*.

–2 to 0. *Moderate to low on assertiveness* – Compared to a national sample of students, your score falls in the second quartile (i. e., between 25–50%) of scores. This indicates that you moderately to weakly exhibit characteristics consistent with *Assertiveness*. The lower your score is, the more weakly you exhibit characteristics consistent with *Assertiveness*.

–3 or below. *Low on assertiveness* – Compared to a national sample of students, your score falls in the bottom/first quartile (i. e., bottom 25%) of scores. This indicates that you only weakly exhibit characteristics consistent with *Assertiveness*.

8. *Cooperativeness Index*

Likewise, it is also possible to determine your level of Cooperativeness. The formula is as follows:

$$\text{Cooperativeness Index} = (\text{Collaborating Style Total Score} + \text{Accommodating Style Total Score}) - (\text{Competing Style Total Score} + \text{Avoiding Style Total Score}).$$

Interpretation of Cooperativeness index

9 or above. *High on cooperativeness* – Compared to a national sample of students, your score falls in the top/fourth quartile (i. e., top 25%) of scores. This indicates that you strongly exhibit characteristics consistent with *Cooperativeness*.

5 to 8. *Moderate to high on cooperativeness* – Compared to a national sample of students, your score falls in the third quartile (i. e., between 50–75%) of scores. This indicates that you moderately to strongly exhibit characteristics consistent with *Cooperativeness*. The higher your score is, the more strongly you exhibit characteristics consistent with *Cooperativeness*.

2 to 4. *Moderate to low on cooperativeness* – Compared to a national sample of students, your score falls in the second quartile (i. e., between 25–50%) of scores. This indicates that you moderately to weakly exhibit characteristics consistent with *Cooperativeness*. The lower your score is, the more weakly you exhibit characteristics consistent with *Cooperativeness*.

1 or below. *Low on assertiveness* – Compared to a national sample of students, your score falls in the bottom/first quartile (i. e., bottom 25%) of scores. This indicates that you only weakly exhibit characteristics consistent with *Cooperativeness*.

Unit 4. BASIC NEGOTIATION TECHNIQUES

Issues for discussion

1. Tactics and strategies before the negotiation.
2. Tactics and strategies starting the negotiation.
3. Tactics and strategies during the negotiation.
4. Tactics and strategies ending the negotiation.
5. Tactics and strategies after the negotiation.

Case study 4.1. A Business Negotiation Example – Recognizing and Diffusing Intimidation

K&R Negotiations co-founder, Harvey, was representing a client in a negotiation. The lead negotiator on the other side had been rude, nasty, and downright obnoxious during the process. Things were unpleasant, but Harvey ignored the behavior and refused to let it get a rise out of him. He stayed focused on the merits of the transaction.

Late during a session, the lead negotiator started to make a point, but then said, “I’d explain this to you in more detail, but it’s so complex so it will just go right over your head, Harvey.”

At this point, Harvey had several options: He could have replied with equal rudeness. He could have stormed out of the room. He could have done nothing. Instead, he stood up and said, “Feel free to offer your explanation. Now that I’m standing, perhaps it won’t go over my head.”

Everyone in the room laughed, except the lead negotiator. She got red with embarrassment.

In the above scenario from our collection of negotiation examples, the lead negotiator and other members of the other side’s team believed in negotiating through intimidation and arrogance. They used negotiation tactics to intimidate Harvey into a concession. However they misjudged him: Harvey recognized their approach and used humor to diffuse the tactic.

Case study 4.2. A Business Negotiation Example – Saving “Face”

“Face” is a person’s standing in the eyes of others. In negotiations, that means looking good to each negotiation side, peers, management, spouse and family. It avoids putting someone in an awkward position that could humiliate or embarrass them, particular with a direct confrontation. When confronted negatively, negotiations can quickly deteriorate. However, giving someone “face” makes them feel good and helps form good business relationships.

We were representing a buyer of equipment from a Chinese company. We were buying, not selling. Harvey was in the second seat, sitting across from the most senior negotiation on the opposing team. We’ll call him “Lu Jiang.” He was serving as a mentor for a much younger team member, Chang Lee, who was the lead negotiator for the Chinese team. As the mentor, Lu Jiang had a lot of face riding on this negotiation.

At the end of a long negotiation day, the head of our team said, “Now we will have to address the process of the negotiation.”

Chang Lee said something important, but off the topic. Our lead negotiator jumped on the remark and said tersely, “Let’s not talk about that now. We have to address the process.” The entire team from the Chinese company was shocked. Lu Jiang was clearly offended. Chang Lee had lost face not only in front of his team but also in front of his mentor. This was serious to the Chinese, who place a premium on face.

K&R Negotiations co-founder, Harvey, understood that we would never get anywhere unless we could help the Chinese team save face. So he turned to the lead negotiator and said, “Chang Lee makes an excellent point. We will have to address his point before we finish today.” Harvey’s comment pumped air back into their entire team. Lu Jiang supported that comment and praised his lead negotiator for making a good point. Humiliation was avoided, harmony restored, and the negotiation continued.

Remember: All other things being equal, people do business with people they like – The Power of “Face.”

Task. In which cases may you get Chinese to “lose face”?

Choose answer Yes or No for each statement (Table 17).

Table 17 – In which cases may you get Chinese to “lose face”

Situations	Yes	No
You make Chinese admit his/her mistakes		
You observe all Chinese cultural requirements and standards clearly and strictly		

Table 17 (concluded)

Situations	Yes	No
You pre-examine all the rules of conduct during the negotiations in business, correspondence, informal meetings		
You avoid ambiguity and informal jokes communicating to Chinese		
You criticize Chinese in public		
You do not deny Chinese direct and in public		
Refusing you give the answer: "No, this is not possible."		
Refusing you give the answer: "We are unlikely to realize it."		
Refusing you give the answer: "You do not know our laws, so you offer the unrealistic plan."		
Refusing you give the answer: "We'll think about it."		
Negotiating with the help of the interpreter, you never address to the interpreter you talk only to the other party		
You never interrupt the interlocutor in spite of how much he may talk		
You always show the level of respect that man deserves and even more		
You listen attentively and nod to show understanding		
You first greet, address to the manager and the executive and then say goodbye		
The executive and the manager are given the most important gifts		
You never appoint the subordinate instead of the head of the delegation (even if the head is ill or has no time) to the business meeting with the head of the Chinese delegation		
You never praise Chinese subordinates more than the manager or the head of delegation		
You thanked the manager that he had sent professional staff to the preliminary business meeting		
You never haste your Chinese partners		
You do not say the Chinese partners that they are delaying		
You do not show the slightest sign of haste		
You can refuse to visit the cultural sites in China you have already seen		
You can refuse to visit cultural sites in China		
You may refuse the invitation for lunch or dinner		
You may ask the Chinese partners to change time of the visit to the restaurant		

Unit 5. THE SITUATION BEHAVIOR IN THE NEGOTIATIONS

Issues for discussion

1. The negotiation behavior and its main characteristics.
2. The negotiation skills in management practice.
3. Instrumental support of business negotiations.
4. The negotiations of manager and subordinate.
5. The negotiations at the meeting.

Case study 5.1. The negotiations of manager and jobseeker in employment

You have interviewed a prospective new employee who could be a key member of your team. The new person's required salary would compromise the integrity of your salary structure, because it is 20% higher than your most senior performer who has been with the company for over 10 years. Finances are tight, yet you believe this person could make a significant impact on future profits. If you paid the required salary for the new person, it would eliminate bonuses for all your staff that you feel they've earned this year. You've been searching for an individual with this skill level for three months.

Task. Analyze the power factors, set up your negotiation strategy, walk through a scenario with your partners (observers).

Case study 5.2. The negotiations in organization

The case study shows that the negotiation is essential not only in the organization's relationships with its partners, but also in the relations between employees or between employees and their managers and helps to the creation of a stable work environment that encourages productivity and corporate sustainability.

The economic sustainability is equivalent with paying fair salaries, fewer unemployed people as a result of the increasing hiring process, wages that support a decent living standard and lead even to a higher standard of living, reasonable profits for organizations etc. Most companies show an interest in social and cultural sustainability. Multinational companies such as Oracle, Vodafone, Orange, Hewlett Packard, Petrom, Rompetrol and others have structured sustainability and organizational responsibility

programs. Oracle, for example, has reduced the number of business trips using the web conference. The company invests over 2 billion dollars annually in education programs. Oracle employees enjoy competitive salaries and benefits, career opportunities, a working environment that encourages diversity and welfare and the possibility of having a flexible working hours.

The organizations realized that the more satisfied the individuals are, the higher the profit. Most companies have involved employees in decision making process and encouraged them to express their opinions freely without any fear of repercussions. They held team meetings and created focus groups and provided the employees with suggestion boxes to collect new information and to receive suggestions on problems, they organized one-to-one meetings to find ways to solve the employees' problems, they have found out their perceptions by distributing questionnaires.

The negotiation is a communication process that aims the peaceful resolution of tensions, grievances, differences of opinion or harmonization of different interests. The negotiation aims to bring balance, stability, sustainability for the organization and it can be used as a tool by which the organization can cope with change. The negotiation can be used in solving all kinds of conflicts that threat one of the three pillars of sustainability. Therefore it is necessary to show how organizational sustainability can be achieved through negotiation depending on the situation.

At the interview, the future employee has the opportunity to negotiate, even in small measure, the salary based on several factors such as his experience, knowledge, seniority etc. It is true that the working hours can be negotiated to a lesser extent, because they depend on legislation, organization profile, time zone of the other countries which other subsidiaries, customers or partners are situated in. The possibility of the wage negotiation gives the employee confidence in his capability, gives him satisfaction of having decision power and gives him satisfaction that the organization takes into account his needs and desires and it appreciates his knowledge, experience and seniority and it is willing to provide him a satisfactory salary for the knowledge and time he puts to the organization's disposal.

The employee has the possibility that after a certain period of time, such as a year to renegotiate the wage. The salary increase is perceived by employee as a reward for the qualitative services rendered to the organization and as a recognition of his outstanding merits. Therefore, it is indicated, that after the assessments applicable for all employees, that are usually taken annually, the corporate managers should request wage increases for the employees with the best performance, to encourage them to achieve the same or higher performance in the future. Thus, the managers will also en-

courage competition, and equity among employees, contributing to maintaining a fair remuneration system based on merit and to the personal development of the employees and of their needs, which ultimately will translate to sustainability across corporation. Not only the material rewards have this effect, but also the intangible, such as public recognition of merit, qualifications, promotion etc.

The negotiation should not be viewed as a confrontation at the decision making moment, but as an opportunity of generating new ways of resolution and finding a middle way or mutually beneficial solutions. The decision makers in the organizations should be aware that negotiation offers an opportunity, and is a problem solving tool and a method for finding new options agreed by all the parties. The negotiation should not be used only in decision making at top management level, but should be a tool used by large by all employees, even by those on entry level jobs. Therefore, the organizations which realize the importance of the sustainability and of the sustainable development, should provide negotiation and conflict management training programs for all employees, whether in electronic form or online or face to face. The negotiation is a game in which each party gives and receives something. At organization level the individuals should use win-win style, because is one that guarantees the highest degree of fairness and brings equal benefit for all the stakeholders.

The main purpose of an organization is selling the products or services it produce. Therefore it is imperative for a company not only retaining customers but also bringing new ones, helping to increase the portfolio and thus increasing profits and ensuring its existence. Therefore no company can exist without a sales department or a person designated to deal with this problem. The whole organizational life is based on sale force and other departments related to the sale, such as contract administration, credit and collection etc. The negotiation is essential in the sales activity. Therefore it is important that negotiators, in this case sale agents, contract administrators and employees working on credit and collection departments, are primarily good speakers, are masters in the communication principles. If communication is led in a foreign language, it is recommended for negotiators to have an advanced level of speaking in order to convey the message in the same code at the interlocutor and to avoid possible errors caused by incorrect interpretation of the message. It is also very important for negotiators to be able to listen carefully and to know how to effectively use the principle of empathy, of calibration, the mirroring, the reformulation. The customers buy a product or service for the potential benefits that it may have for him. But it is also true that in many cases, the customers decide to purchase a product or service based rather on a less rational rea-

son than on an emotional one, especially in cases when the product or service does not differ from those of the competition, neither as price nor as potential advantages that they may present to customers. A salesman who can not correctly identify the customer's needs and who is not able to empathize, to listen, to understand the client will not register significant sales. Instead, one which meets the above conditions will have success. It is important that the agents have the discretion or possibility to address a superior to obtain a nonstandard discount. There are standard discounts generally applied to the purchase of goods or services exceeding an amount fixed in advance or applied to a contract or subscription made for several years. If a customer is unhappy for some reason with the product or service provided, he will decide most likely to choose other organization's products or services, which for the organization translates into loss of customers in favor of competition, by reducing the customer base, into lower income, profits and ultimately bankruptcy. Therefore the sales agent who has the right or delegated authority to offer non-standard discounts or who can call as soon as possible a person who possesses such authority, has the ability to determine and persuade the customers to do not renounce to the products and services of the company in favor of competition. The contract administrators may face, too, cases in which the negotiation can save a situation, which seems at the first glance without solution. If a customer wants a renewal, an amendment, a cancellation of a contract and the contract administrator fails on completing the request by the fault of the client (for example when he does not provide all the information required to enable a contract) or by the fault of the contract administrator (for example, the contract administrator forgot to enter the data and to make the changes required in the system in time or if the operation takes longer than expected), the last one will be able to use his negotiation knowledge to prevent customer loss. One of the most commonly used options is to keep the client "warm" which means contacting the customer from time to time, either by phone or by email to announce that there is a person dealing with the request and that this person will return to him as soon as the requested work will be completed. The persons from the collection department use the negotiation too in their daily tasks. The knowledge of the negotiation tactics and strategies is one of the essential conditions which the debt collection analysts must meet.

It is used specifically by the employees of the departments that have contact with customers, such as sales, debt collection, contract administration, those departments which directly help to the revenue making for the organization, namely those which help the organization to fulfill the main purpose for which it was created, to produce and sell.

But how do the employees apply the communication, negotiation and behavior knowledge in the relationship with the customers? First of all, the principles of the negotiation are used at the first contact with the customers, when they want to find information about products and then purchase them. The negotiation is a main tool for the attraction of new customers, for keeping the existing ones, briefly for obtaining profit, so for maintaining and growing the business.

For example, it tries to prevent the loss of customers by obtaining feedback from them, through the interviews on the satisfaction they feel regarding the company's products and services. The organization conducts such surveys periodically.

The question in this case is which is and how can be solved the customer's problem and what the organization can do to increase the customer satisfaction. Ideally, the employees should contact the customer directly, preferably by phone and not email, because it has some advantages such as the instant transmission of the message, the possibility to hear the person you are talking to and the possibility to analyze the person's reactions. The employees can identify the customer dissatisfaction, they can receive opinions and suggestions and can solve the problem by appealing to the principle of the negotiations used in the most courteous and friendly manner, when the customer avoids to say what displeases him. The purpose of using this principle in this situation is to show to the customers the benefits they can get, the solution to their frustration, by saying what is the aspect that displeases them. The organization will work to satisfy the customers, giving them a more efficient product, a service corresponding to a greater extent of their needs, a shorter processing time etc. and instead will reach the sustainability. The same principle of negotiation *facio ut facias* can be applied when delivery times are exceeded, and the customer begins to lose patience. It is important for employees to keep the customer's interest alive and to reduce the delay impact. It is advisable to maintain the client "warm," to announce him on the stage of the delivery process, especially in cases when the product is shipped on long distances.

Another significant change for the organization in question which could have threatened the stability was the delocalization of a department from Italy to Belarus in 2015. The relocation involves the loss of jobs for some employees, in this case from Italy and the hiring for people in the country where the department moves, Belarus. In this case a tense situation arose from an Italian manager, who had the task of making the transfer and the Belarussian workers who had to receive the transfer. The Italian manager has accused that the Belarussian employees are not ready yet for receiving the transfer and reported that to the Belarussian manager. The last one act-

ed accordingly scheduling a meeting with the employees in order to find out why they are not ready yet for receiving the transfer. He found that the Italian manager, who had to make the knowledge transfer was not able to adequately explain what has to be done and from here resulted the misunderstanding. The Belarussian manager asked to speak with the Italian manager. The Belarussian manager have listened the Italian manager version and they looked for a solution to the existing problem. They have reached an agreement and a common solution through negotiation. They extended the deadline for the knowledge transfer activity. This example shows once again how can be a crisis overcome through negotiation and how can contribute the negotiation to the organizational sustainability.

The purpose of a company is not only to produce and deliver goods or services, but also to obtain pecuniary advantages from the trade. When the goods and services are delivered, but the beneficiaries fail to pay, the organizational sustainability may be threatened and even the organization itself may be in default to its suppliers. The studied company is constantly facing with unpaid bills for various reasons, as for example that the customers refuse to pay because the products are not the ordered ones, because they were not satisfied with the company's services, or because they are in incapacity to pay etc. In order to keep its financial sustainability, the organization has to try to recover at least a part of the debt. The debt collection department was created exactly to this end. In order to recover debts, the employees of this department should use negotiation strategies, techniques and principles. If in the sales department or in the contract administration department, for example, the negotiation style is the win-win style and the attitude is our customer, our master, in order to attract new customers or to keep the existing ones, in the debt collection department the adopted attitude is more sober, but not disrespectful. The argumentation ultimately reduces to address to a speaker an argument (a good reasoning) to make him to admit a conclusion and to determine him to adopt appropriate behaviors.

Tasks

1. Write the essay "The negotiations in activity of the sales manager."
2. Write the essay "The negotiations in activity of the personnel manager."
3. Write the essay, "The negotiations in activity of the manager of the collection department."
4. Write the essay "The trainings in the organization that the managers have to undergo for the development of the competences in the negotiations."

5. Analyze your “negotiating tools” and make two lists:

- the negotiating tools that you use;
- the negotiating tools that you do not use.

Unit 6. PROBLEMATIC NEGOTIATION SITUATIONS AND MULTICULTURAL PARTICULARITIES OF CONDUCTING NEGOTIATIONS

Issues for discussion

1. Manipulation in business negotiations and the psychological protection against manipulation.
2. Psychotechnology of identifying deception in the negotiations.
3. The common mistakes of conducting negotiations.
4. The particularities of conducting negotiations in different countries.
5. Practical recommendations on negotiating with representatives of the definite countries.

Case study 6.1. You are trying to buy a leather jacket from a street trader in a foreign country whose local currency is valued at 50,000 to 1 of yours. You really like the jacket, which is a good fit, well made and style. But you think the trader is asking too much. Can you negotiate an acceptable price for both of you?

Buyer. You have a maximum of 750,000 units of local currency and 100 units of your own. You also have your credit cards. Decide what you want to pay and the tactics you will employ making concessions. A similar jacket in your country will cost about 130 units of your currency.

Trader. You have sold seven of these jackets to foreigners in the last few days. The lowest price you received was 300,000 units, the best prices 800,000 units. Most foreigners did not even haggle with you. The jacket cost you 200,000 units. You know that you can buy them more cheaply with foreign currency than your own, which is shaky on the exchange market. In fact, 30 units of the Buyer’s currency would buy you another jacket.

Task. You are determined however to make a good profit on this deal.

Case study 6.2. You have been analyzing your cash flow for the next thirty days and realize you will be significantly short in meeting your financial commitments. One account you owe equals your shortfall by itself, and the check must be mailed tomorrow. Two other accounts combined al-

so equal your shortfall, and both checks need to be mailed the day after tomorrow. You cannot afford to create a poor credit history because of a pending loan approval with all three accounts being critical credit references.

Task. Analyze the power factors, set up your negotiation strategy, walk through a scenario with your partners (observers).

Case study 6.3. You are negotiating terms with a supplier of a critical component in your manufacturing process. You receive 100 units monthly. You project needing 150 units for the next 6 months and perhaps as many as 200 units ongoing after that. You’ve been satisfied with the supplier’s quality, however there have been two occasions where late deliveries have forced overtime to meet customer commitments. An out of state vendor has offered you a 20% discount for the 200 units per month for a one year contract.

Task. Analyze the power factors, set up your negotiation strategy, walk through a scenario with your partners (observers).

Exercise 6.1. The non-verbal signals of the negotiating partner are described and their interpretation (Table 18). Suggest your actions in response to the non-verbal signals (fill in the column “Your actions” of Tables 18 and 19).

Table 18 – Non-verbal signals

Non-verbal signals	Interpretation	Your actions
Facial Expressions: Taut lips	Frustration or anxiety	
Facial Expressions: A subtle smile, often hidden quickly by a bowed head, or brief signs of relief around the corners of opponent mouths	The offer or has approached or entered the other side’s settlement range	
Flinch	An uncontrolled response to an inadequate offer or concession. The unacceptable nature of the offer being conveyed	
Contrived “flinch”	To silently challenge the adequacy of opponent opening offers or concessions	
Wringing of Hands	Of frustration or tension wholly unsatisfactory negotiation developments	
Tightly Gripping Arm Rests/ Drumming Fingers on Table	Impatient or frustrated persons most likely displeased by the lack of progress they think is occurring	

Table 18 (concluded)

Non-verbal signals	Interpretation	Your actions
Biting Lower Lip/Running Fingers Through Hair	Stress or frustration. They emanate from persons who are disappointed by the lack of negotiation progress and/or their perceived opponent intransigence	
Eyes Wandering/Looking at Watch	Boredom and disinterest. A serious lack of interest in what is being said	
Sitting on the Edge of One's Chair	Interest	
Hands Touching Face/Stroking Chin/Playing with Glasses	Contemplation	
Steepling (Hands Pressed Together with Hands or Fingers Pointed Upward)	Confidence	
Leaning Back with Hands Behind Head	Confidence	
Placing One Hand Behind Head	Distress, see negative developments ahead	
Open/Uplifted Hands with Palms Facing Out	Sincerity of what is being verbally communicated. If the signal seems insincere, it is most likely a deliberate attempt to deceive opponents	
Crossed Arms/Crossed Legs	An aggressive, adversarial posture or a defensive position, depending on the particular position of the arms and legs. If the arms are folded high on the chest and one leg is crossed with one ankle on the knee of the other, this tends to be a combative posture. On the other hand, if the arms are folded low on the chest and one leg is draped over the other, it is a more defensive posture. In both cases, however, these tend to be unreceptive positions. If opponents begin bargaining interactions in such positions, it can be beneficial to take the time to establish sufficient rapport to induce them to become more receptive to what is being discussed	
Covering and Rubbing One Eye	Disbelief	

Table 19 – **Non-verbal signals of deception**

Non-verbal signals	Your actions
<p><i>Increased/Decreased Gross Body Movement</i></p> <p>Under stressful situations, some persons become more fidgety and move their arms and legs at an increased rate.</p> <p>individuals who have clearly increased or decreased their gross body movements</p>	
<p><i>Placing Hand Over Mouth</i></p> <p>Liars frequently place their hands over their mouths when they speak, as if they are subconsciously trying to hold in the lies they know are morally reprehensible</p>	
<p><i>Eyes Looking Up to Wrong Side</i></p> <p>When right handed negotiators look up and to the right or left handed negotiators look up and to the left, this may suggest that they are not trying to recall actual circumstances but are instead creating false stories</p>	
<p><i>Dilated Pupils/More Frequent Blinking</i></p> <p>This may be due to foreign matter that has entered the eyes of such people, or it may be due to stress associated with deception</p>	
<p><i>Narrowing/Tightening of Margin of Lips</i></p> <p>The lips of prospective speakers tighten into a narrow line across their lips just before they utter false statements</p>	
<p><i>Elevated Voice Pitch</i></p> <p>Persons experiencing anxiety frequently raise their voice pitch when they speak. Even though experienced prevaricators work to control their voice when they talk, listeners can often discern their increase in voice pitch</p>	
<p><i>More Deliberate/Rapid Speech</i></p> <p>Individuals who experience stress when they lie may speak more rapidly. On the other hand, persons who wish to have their misrepresentations completely heard may speak more slowly</p>	
<p><i>Increased Speech Errors</i></p> <p>Many persons who try to deceive others have a greater number of speech errors. They may stutter, repeat phrases, or trail off without finishing their statements. They may also include nonsubstantive modifiers like “you know” or “don’t you think.” It is as if their conscience is disrupting the communication between their brain and their mouth to prevent the prevarication</p>	
<p><i>More Frequent Clearing of Throat</i></p> <p>The tension associated with lying may cause speakers to engage in more throat clearing. As they prepare to utter their false statements, they nervously clear their throats</p>	

Exercise 6.2. You prepare for the negotiations between the Open Joint Stock Company “Gomselmash,” the Republic of Belarus and the Industrial Corporation “Zhen Zong,” People’s Republic of China. You have two offers: the first offer is to create a joint venture in People’s Republic of China for the assembly of harvesting combines, from parts supplied from the Republic of Belarus or the second offer is the contract for the purchase of grain harvesting combines.

Exercise 6.3. You are coming talks between the Open Joint Stock Company “Gomselmash,” the Republic of Belarus and the Industrial Corporation “Zhen Zong” People’s Republic of China. You have two proposals – to create a joint venture in the People’s Republic of China for the assembly of kaombaynov of parts supplied from the Republic of Belarus or the contract for the purchase of grain harvesting combines.

Write a script of negotiations in the following terms:

I. Making an opening statement:

1. Welcoming:

- Welcome to ...
- I’m sure we will have a useful and productive meeting ...

2. First meeting:

- We see this as a preparatory meeting ...
- We would like to reach agreement on ...

3. One of a series of meetings:

• Following previous meetings we have agreed on some important issues. Today we have to think about ...

- We have reached an important stage ...

4. Stating your aims and objectives:

- I’d like to begin with a few words about our general expectations ...
- May I outline our principle aims and objectives today ...
- We want to clarify our positions ...
- We have a formal agenda ...
- We don’t have a formal agenda, but we hope to reach agreement on ...
- There are three specific areas we would like to discuss. These are ...
- We have to decide ...

5. Stating shared aims and objectives:

- Together we want to develop a good relationship ...
- We agree that ...
- It is important for both of us that we agree on ...

6. Handing over:

- I’d like to finish there and give you the opportunity to reply to this.

- I'd like to hand over to my colleague ..., who has something to say about ...

7. Bargaining:

- We can agree to that if ...
- On condition that ...
- So long as ...
- That's not acceptable unless ...
- Without ...

8. Making concessions:

- If you could ... we could consider ...
- So long as ... we could agree to ...
- On condition that we agree on ... then we could ...
- Let's think about the issue of ...
- We could offer you ...
- Would you be interested in ...?
- Could we tie this agreement to ...?

9. Accepting:

- We agree.
- That seems acceptable.
- That's probably all right.

10. Confirming:

- Can we run through what we've agreed?
- I'd like to check what we've said/confirm I think this is a good moment to repeat what we've agreed so far.

11. Summarizing:

- 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?

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.

13. Dealing with conflict:

- I think we should look at the points we agree on ...
- We should focus on the positive aspects ...
- We should look at the benefits for both sides.
- It is in our joint interests to resolve the issue.
- What do you think is a fair way to resolve this problem?

- We hope you can see our point of view ...
- Let us explain our position ...
- Could you tell us why you feel like that?
- I think we should look at the whole package, not so much at individual areas of difficulty.

- Perhaps we could adjourn for a little while.
- I think we need to consider some fresh ideas.

14. Rejecting:

- I'm afraid we can't ...
- Before agreeing to that we would need ...
- Unfortunately ...
- I don't think it would be sensible for us to ...
- I think if you consider our position, you'll see that ...

15. Ending negotiations:

- So, can we summarize the progress we've made?
- Can we go through the points we've agreed?
- Perhaps if I can check the main points ...
- So the next step is ...
- What we need to do now is ...

- It's been a very useful and productive meeting.
- We look forward to a successful partnership.

16. Breaking off negotiations:

- I think we've gone as far as we can.
- I'm sorry, but I don't think we're going to agree a deal.
- It's a pity we couldn't reach agreement this time.
- Unfortunately we appear unable to settle our differences.
- It would be better if we looked for some independent arbitrator.

II. The Language of Meetings:

1. Chairing and leading discussion:

1.1. Opening the meeting:

- Thank you for coming ...
- (It's ten o'clock.) Let's start ...
- We've received apologies from ...
- Any comments on our previous meeting?

1.2. Introducing the agenda:

- You've all seen the agenda ...
- On the agenda, you'll see there are three items.
- There is one main item to discuss ...

1.3. Stating objectives:

- We're here today to hear about plans for ...
- Our objective is to discuss different ideas ...

- What we want to do today is to reach a decision ...
- 1.4. Introducing discussion:
 - The background to the problem is ...
 - This issue is about ...
 - The point we have to understand is ...
- 1.5. Calling on a speaker:
 - I'd like to ask Mary to tell us about ...
 - Can we hear from Mr Passas on this?
 - I know that you've prepared a statement on your Department's views ...
- 1.6. Controlling the meeting:
 - Sorry Hans, can we let Magda finish?
 - Er, Henry, we can't talk about that.
- 1.7. Summarizing:
 - So, what you're saying is ...
 - Can I summarize that? You mean ...
 - So, the main point is ...
- 1.8. Moving the discussion on:
 - Can we go on to think about ...
 - Let's move on to the next point.
- 1.9. Closing the meeting:
 - I think we've covered everything.
 - So, we've decided ...
 - I think we can close the meeting now.
 - That's it. The next meeting will be.
- 2. Discussion in meetings:
 - 2.1. Stating opinion:
 - It seems to me ...
 - I tend to think ...
 - In my view ...
 - We think/feel/believe ...
 - There's no alternative to ...
 - It's obvious that ...
 - Clearly/obviously ...
 - 2.2. Asking for opinion:
 - I'd like to hear from ...
 - Could we hear from ...?
 - What's your view?
 - What do you think about ...?
 - Do you have any strong views on ...?
 - Any comments?
 - 2.3. Interrupting:

- Excuse me, may I ask for clarification on this?
- If I may interrupt, could you say ...?
- Sorry to interrupt, but ...
- Do you think so? My impression is ...
- What? That's impossible. We /I think ...

2.4. Handling interruptions:

- Yes, go ahead.
- Sorry, please let me finish ...
- If I may finish this point ...
- Can I come to that later?
- That's not really relevant at this stage ...
- Can we leave that to another discussion?

3. Ending the meeting:

3.1. Asking for clarification:

- Could you be more specific?
- Can you explain that (in more detail)?
- What do you mean by ...?

3.2. Clarifying:

- This means ...
- What I mean is ...
- What I want to say is ...
- To explain this in more detail ...

3.3. Checking that the clarification is sufficient:

- Is that okay?/Is that clearer now?

3.4. Referring to other speakers:

- As John has already told us ...
- I'm sure Mr Edd knows about this ...
- Later we'll hear a report from John on ...
- Doctor Benn is certainly aware of ...

3.5. Delaying decisions:

- I think we need more time to consider this.
- I think we should postpone a decision ...
- Can we leave this until another date?
- It would be wrong to make a final decision ...

3.6. Summarizing:

- I think we should end there. Just to summarize ...
- We've covered everything, so I'd like to go over the decisions we've

taken.

- So, to conclude ... we've agreed ...

3.7. Confirming action:

- We'll contact ...

- John will ...
- We've got to ...
- We need to look at ...

3.8. Referring to next contact:

- We'll meet again next month ...
- We look forward to hearing from you ...
- It's been a pleasure to see you today and I look forward to our next meeting ...

Exercise 6.4. Answer the questions about your negotiating skills according to The Harvard Program on Negotiation's "Eight elements of successful and effective negotiations."

1. Relationship: Am I prepared to deal with the relationship? (List the strategies or actions that may improve the relationship.)

1. A good negotiating relationship is needed to address differences and conflicts.

2. Separate people issues from substantive issues.

3. Plan and prepare to build and maintain a good working relationship.

4. Be respectful, trustworthy and unconditional constructive.

2. Communication: Am I ready to listen and talk effectively?

1. Information to Gather – What do we want to listen for or learn?

2. Information to Share – What information or messages do we want others to hear?

3. Concrete Steps – How can we improve communication?

4. Creating a learning conversation:

4.1. Core Skills – Basic Communication Skills in Negotiation:

A. Active listening – To do active listening, we must overcome some of our tendencies and habits that interfere with good listening.

B. Acknowledging what has been said and felt – Have you effectively demonstrated to the other negotiators that you have heard and understood what they have said? Use paraphrasing and summarizing.

C. Listen to understand, speak to be understood – Have you thought about ways to communicate with the other party by using words (and at the right time) in a way that they will understand?

D. Speak about yourself, not them – Have you let them know what are the crucial issues for you and your community and how you feel about the problem at hand? Use "I"-statements.

E. Speak for a purpose – Have you thought through the timing and impact of what you wish to say? Be clear and concise.

4.2. Core Skills – Communications to Gather Knowledge and Learn About Their Interests:

A. Clarifying and Probing Skills – Have you thought about basic questions for clarification (including empathetic questions) you might ask to draw out the interests from the other negotiators? E. g. can you explain ...? Could you use consequential questions to draw out the other side? E. g. what would you need to ...?

B. Integrative Framing Skills:

- Paraphrasing – Have you given feedback in your own words or what you understand the key concerns and interests on the other side to be?
- Summarizing – Can you accurately draw together the main points of the discussion up to that point in time?

3. *Interests: What do people really want?*

1. Collectively identify and articulate the interests, concerns, needs, hopes and fears that motivate parties to negotiate of all relevant parties (mine, yours, theirs). Remember: most parties do not know all their interests or necessarily agree on their interests.

2. Identify and prioritize community interests together. Get on the same page.

3. Probe for your and their unarticulated or underlying interests.

4. Share and clarify the respective interests of the parties. Move beyond speculation about to acknowledgement of their interests.

5. Identify and share common interests as a basis to develop options.

6. Interests from the agenda.

4. *Options: What are the possible agreements or bits of an agreement?*

1. Design options, not positions.

2. Create options to meet interests of both parties.

3. Remember when designing options they also must transparently meet their interests. Find ways to maximize joint gains for both.

4. Brainstorm possible agreements or ways to satisfy the parties' interests.

5. *Alternatives: What will I do if we do not agree?* (List things you might do to satisfy your interests, which *do not* require the agreement of the other party. Identify your BATNA – Best Alternative to a Negotiated Agreement.)

1. Do we need to negotiate or can we satisfactorily meet our interests in other ways?

2. Identify and articulate our best/doable alternatives to a negotiated agreement.

3. Fully understand the implication, consequences, risks and costs of your and their BATNA.

4. Select and improve our BATNA.

5. Identify the best and worst alternatives open to the other side.

6. How can we make their BATNA worse for them?

6. Legitimacy: What criteria will I use to persuade each of us that we are not being ripped off?

1. Fairness is a governing consideration.

2. Use external criteria and objective standards as a basis to legitimize your preferred options and as a shield against unreasonable proposals from the other side.

3. Use demonstrable “fairness” of the process and outcome to persuade them of the merits of a proposal.

4. Offer their negotiator an attractive way to explain his decision to his principals.

7. Commitment: What commitments should I seek or make?

1. Get commitments at the end not the beginning.

2. Identify all of the implementation issues to be included in the agreement. No post-argument surprises?

3. Plan the timeframe and steps to implement the agreement. What are possible products of the next meeting?

Examples such as:

- Exchange of views?
- List of options?
- Framework agreement?
- Firm, signed deal?

What process or agenda is likely to lead to the desired product?

8. Conclusion: What is a good outcome?

1. Meets interests.

2. Demonstrably fair.

3. Better than BATNA.

4. Doable.

5. Criteria – list all the standards or benchmarks by which you can determine the fairness of an option or outcome.

Unit 7. TECHNOLOGIES OF SUCCESSFUL NEGOTIATIONS

Issues for discussion

1. The benefits in the negotiations, the criteria for the effectiveness and success of the negotiations.
2. Regulations of the negotiations. Defining of the limiting position, benefits and obtaining liabilities.
3. The rules and the methods of rational conducting of business negotiations.
4. Psychological barriers and psychotechnology completion of the negotiations.
5. Analysis of the results of the negotiations.

Exercise 7.1. Answer the questions from the checklist for effective negotiations.

1. With whom am I negotiating?

1. Who are the parties?
2. What are their needs?
3. What are their personality styles?
4. What are their differences?
5. What do they want?

2. What are the key issues?

1. Do all parties clearly understand the issues?
2. What do we have in common?
3. What do I want? What are my needs?
4. What am I willing to give?

3. What is the negotiating environment?

1. What kind of space: public/private?
2. What kind of pressure for decisions?
3. Whose spaces are we in?
4. Whose commitment and trust exists?
5. Whose costs are involved?

4. What is the negotiating process?

1. Who asked for the meeting?
2. Who will begin the process?
3. Who will set the ground rules?

4. Do we need complete agreement?
5. How are decisions made?

5. *What information do I need for negotiating?*

1. How will I gather the data?
2. Will the information be acceptable?
3. Do I discuss it before the negotiation?
4. Do I need more time to gather data?

6. *What is my negotiation strategy?*

1. Do I know my alternatives?
2. Do I understand the issues?
3. Do I have good solutions & options?
4. Do I know my interest?
5. Do I have a bottom-line?
6. What are my goals in this relationship?
7. What PAK (power, authority, knowledge) do I bring to the table?

7. *How will the agreement be reached?*

1. Written agreement?
2. Oral agreement?
3. Formal or informal?
4. Do I need feedback from others?

8. *How will the agreement be implemented?*

1. Who is responsible?
2. What is the time line?
3. Are additional meetings needed?
4. Does the solution need to be monitored by someone else?
5. Is there need to renegotiate?

Exercise 7.2. Read the contract (Table 20) and do the following tasks:

1. Calculate and compare the profitability of two delivery options: transport by sea and by rail.

2. Compare the profitability of three payment options to pay for goods 680 thousand dollars in the following variants:

A. Advance payment – 10%, payment upon delivery (in 2 months) – 40%, trade credit (1 year after delivery) – 50%.

B. Advance payment – 15%, payment upon delivery (in 2 months) – 30%, trade credit (9 months after delivery) – 55%.

C. Advance payment – 15%, payment upon delivery (in 2 months) – 50%, trade credit (1 year 3 months after delivery) – 35%. Interest on loans in dollars – 12% per year.

Table 20 – **The example of the contract**

Contract № _____ Gomel 05.12.2015	Контракт № Т 1/59-02 Гомель, 05.12.2015 г.
OJSC “Gomselfmash” (Gomel, Republic of Belarus), hereinafter referred to as the Sellers, in the person of Mr. Kamko A. I., the Director General acting in accordance with the Charter of the Company on the one part, and Messrs. Industrial Corporation “Zhen Zong” (c. Chuntsin, the People’s Republic of China), hereinafter referred to as the Buyers, in the person of Mr. Zuo Zhen Zong, president of the corporation, acting in accordance with the Charter of the Company, on the other part, have concluded the present Contract as follows.	ОАО “Гомсельмаш” (Гомель, Республика Беларусь), именуемое в дальнейшем Продавец, в лице генерального директора Камко А. И., действующего на основании Устава, с одной стороны, и промышленная корпорация “Цзуншень” (г. Чунцин, Китайская Народная Республика), именуемое в дальнейшем Покупатель, в лице г-на Цзо Цзуншень, президента корпорации, действующего на основании Устава компании, с другой стороны, заключили настоящий контракт о нижеследующем.
1. Subject of the Contract The Sellers have sold and the Buyers have bought combine harvesters manufactured by OJSC “Gomselfmash,” hereinafter referred to as the goods. The range of goods, quality, quantity, technical conditions, price, packing and other information, necessary to the Parties are stated in Specification № 1 and subsequent ones, attached to the present Contract and being an integral part of it.	1. Предмет контракта Продавец продал, а Покупатель купил зерноуборочные комбайны производства ОАО “Гомсельмаш”, именуемые в дальнейшем товар. Ассортимент товара, количество, качество, технические условия, цена, упаковка и другие необходимые сторонам данные указаны в спецификации № 1 и других последующих спецификациях, прилагаемых к настоящему контракту и являющихся его неотъемлемой частью.
2. Contract Value Provisional Contract’s value is 680,800 (six hundred eighty thousand eight hundred only) USD. The final amount of the Contract and the value of the delivery is subject for alteration basing on the quantity, quality of the delivered and accepted goods, changes of delivery terms and final price corrections per a unit of the goods.	2. Общая стоимость контракта Предварительная стоимость контракта составляет 680 800 (шестьсот восемьдесят тысяч восемьсот) долларов США. Окончательная стоимость контракта и стоимость доставки могут быть изменены с учетом результатов фактической поставки товара по количеству, качеству, изменения базиса условий поставки и корректировки итоговой цены за единицу товара и общей стоимости поставленного товара.

Table 20 (continued)

Contract № _____ Gomel 05.12.2015	Контракт № Т 1/59-02 Гомель, 05.12.2015 г.
3. Quality of the goods Quality of the goods should correspond to the technical conditions, stated in the specifications. The quality of the goods is confirmed by Quality certificate issued by the manufacturing-plant.	3. Качество товара Качество товара должно соответствовать техническим условиям, указанным в прилагаемых спецификациях. Качество товара подтверждается сертификатом качества, выданным заводом-изготовителем.
4. Price and the terms of delivery The price for the sold goods is fixed in USD per 1 unit of the goods on terms CFR free out Shanghai, the People's Republic of China (PRC), according to Incoterms 2010. The price may be altered by the additional Agreement to a specification between the Parties. The Sellers have the right to supply 5% more or less than the total quantity supplied stipulated in the specification and the Buyers undertake to accept and to pay for the quantity actually supplied on the terms of the contract within the mentioned tolerances.	4. Цена и условия поставки Цена на проданный товар установлена в долларах США за 1 единицу товара на условиях CFR бесплатно из порта Шанхай, КНР, согласно Инкотермс 2010. Цена может быть изменена по согласованию сторон и оформлена Дополнением к спецификации. Продавец имеет право поставить товар на 5% больше или меньше, чем указано в спецификации, а Покупатель обязуется принять и оплатить фактически поставленное количество на условиях контракта с учетом указанного отклонения.
5. Date of the delivery Date of Bill of Lading, confirming shipment of the goods for transportation from Kaliningrad port to Shanghai port, the People's Republic of China (PRC) is to be considered as the date of delivery. The delivery on the Contract is effected till February 28, 2016.	5. Дата поставки Датой поставки товара считается дата коносамента, подтверждающего отгрузку товара из порта Калининград в порт Шанхай Китайской Народной Республики (КНР). Поставка по данному контракту осуществляется до 28 февраля 2016 г.
6. Terms of payment and ownership 6.1. Payment in the amount of 100% value of each lot of goods shipped shall be effected by means of Documentary Letter of Credit. 6.2. Letter of Credit shall include the following terms: 1. Form of Documentary Credit: Irrevocable. 2. Beneficiary: OJSC "Gomselmash", Shosseynaya str., 41246004, Gomel, Republic of Belarus. 3. Percentage Credit amount tolerance: $\pm 5\%$. 4. Nominated Bank: Bank BelVEB OJSC.	6. Платеж и право собственности 6.1. Платеж в размере 100% стоимости каждой отгруженной партии товара производится с товарного аккредитива. 6.2 Аккредитив должен включать следующие условия: 1. Форма аккредитива – безотзывной. 2. Название бенефициара: ОАО "Гомсельмаш", ул. Шоссейная, 41246004, Гомель, Республика Беларусь. 3. Допустимое отклонение суммы аккредитива $\pm 5\%$. 4. Исполняющий банк – Открытое акционерное общество "Белвнешэкономбанк" (ОАО "Банк БелВЭБ").

Table 20 (continued)

Contract № _____ Gomel 05.12.2015	Контракт № Т 1/59-02 Гомель, 05.12.2015 г.
<p>29, Pobediteley Ave., 220004, Minsk, Belarus. SWIFT: BELBYY2X. BIC: VTBRRUMM.</p> <p>5. Payment: at sight.</p> <p>6. Taking in charge: Kaliningrad port.</p> <p>7. Documents required:</p> <ul style="list-style-type: none"> – 3/3 originals and one copy clean on board Bills of Lading marked “clean on board” and “freight prepaid”; – 3 originals and 2 copies of Commercial Invoice; – 2 originals and 2 copies of packing list indicating calculated weight and number of combine and name of vessel; – 1 original of Certificate of Origin certified by the Chamber of commerce and Industry of RB. <p>8. Additional conditions: documents issued in English and/or Russian are acceptable; partial shipments are allowed.</p> <p>9. All charges connected with the Letter of Credit outside Republic of Belarus are born by Buyer, charges connected with the Letter of Credit in the territory of Republic of Belarus are born by Seller.</p> <p>The Letter of Credit to be opened within 5 working days from the date of the Sellers’ request sent by fax to the Buyers’ address.</p> <p>The Letter of Credit to be valid not less than 90 days from the date of its establishing and accepting by the Sellers.</p> <p>Before issuing the L/C the Buyer shall agree the terms and conditions of the L/C approved by the Issuing Bank with the Seller by sending the L/C to the Sellers’ fax No (7-095) 231-77-19. Otherwise, the Seller can demand to amend L/C according terms of this Contract.</p>	<p>Юридический адрес: 220004, г. Минск, проспект Победителей, 29. Код SWIFT: BELBYY2X. BIC: VTBRRUMM.</p> <p>5. Платеж по предъявлению.</p> <p>6. Принятие к перевозке – Калининградский порт.</p> <p>7. Требуемые документы:</p> <ul style="list-style-type: none"> – 3/3 оригинала и одна копия коносамента с пометкой “clean on board” и “freight prepaid”; – 3 оригинала и 2 копии коммерческого счета; – 2 оригинала и 2 копии упаковочного листа с указанием расчетной массы, количества комбайнов и названия судна; – 1 оригинал сертификата происхождения, заверенного Торгово-промышленной палатой Республики Беларусь. <p>8. Дополнительные условия: принимаются документы, выписанные на английском и (или) русском языках; частичные отгрузки разрешены.</p> <p>9. Все расходы по аккредитиву вне территории Республики Беларусь оплачиваются Покупателем, расходы по аккредитиву на территории Республики Беларусь оплачиваются Продавцом.</p> <p>Аккредитив должен быть открыт в течение 5 рабочих дней с даты запроса Продавца, направленного по факсу в адрес Покупателя, на открытие аккредитива.</p> <p>Срок действия аккредитива должен быть не менее 90 дней от даты его открытия и акцептования Продавцом.</p> <p>Покупатель обязан согласовать с Продавцом условия открываемого аккредитива, одобренные банком-эмитентом, до момента фактического открытия аккредитива, направив их Продавцу по факсу (7-095) 231-77-19. В противном случае Продавец имеет право требовать изменений аккредитива в соответствии с условиями настоящего Контракта.</p>

Table 20 (continued)

Contract № _____ Gomel 05.12.2015	Контракт № Т 1/59-02 Гомель, 05.12.2015 г.
<p>In four working days Seller should consider L/C terms and conditions and accept or propose changes. Otherwise, L/C terms are considered as agreed by parties. Should Seller do not agree with terms of L/C or L/C opened does not correspond with the terms agreed, Seller has the right to delay shipment for the period necessary for settling such terms.</p> <p>Should the terms of agreed Letter of Credit will contradict with the terms stipulated by the present Contract, the terms of agreed Letter of Credit should be applied.</p>	<p>В течение четырех рабочих дней Продавец обязан рассмотреть условия аккредитива и дать подтверждение либо предложить изменения. В противном случае аккредитив считается согласованным сторонами. В случае если Продавец не согласен с условиями аккредитива или открытый аккредитив не соответствует согласованным условиям, Продавец имеет право задержать поставку товара на срок согласования таких условий.</p> <p>В случае если условия согласованного сторонами аккредитива противоречат условиям настоящего контракта, применяются условия аккредитива.</p>
<p>7. Transport condition</p> <p>The Sellers undertake to charter tonnage for shipment of the goods to the port of destination.</p> <p>On the completing the loading the Sellers shall advise the Buyers by fax or by E-mail the name of vessel, the date of sailing, the quantity of goods loaded, the preliminary date of arriving of vessel at the port of discharge and all other data according the contract.</p> <p>Discharge of the goods from holds at the port of destination shall be effected for the Buyers' account at the rate of average fixed in the Charter party. The rate of average and other conditions of the Charter party will be advised to the Buyers for the agreement for the beginning of loading of vessel at the port of loading.</p> <p>Time lost in waiting for the berth in port of destination shall be counted as laytime.</p> <p>The procedure of tendering of notice will be regulated by the conditions of Charter party.</p> <p>In the event of the vessel being discharged in port of destination at the rate exceeding that defined in Charter party, they shall pay demurrage at the rate fixed in Charter party.</p>	<p>7. Транспортные условия</p> <p>Продавец обеспечивает фрахтование тоннажа для перевозки груза в порт назначения.</p> <p>По окончании погрузки Продавец сообщает Покупателю по факсу или электронной почте название судна, дату выхода судна из порта погрузки, количество погруженного груза, ориентировочную дату подхода судна в порт выгрузки и другие данные, предусмотренные контрактом.</p> <p>Выгрузка в порту назначения производится за счет Покупателя по нормам, указанным в чартер-партии. Нормы выгрузки и другие условия чартер-партии сообщаются Покупателю для согласования до начала погрузки в порту отправления.</p> <p>Время, использованное на ожидание причала в порту назначения, считается как стальнойное время.</p> <p>Порядок подачи нотиса регулируется в соответствии с условиями чартер-партии.</p> <p>В случае если Покупатель не обеспечит выгрузку судна в соответствии с нормами выгрузки, указанными в чартер-партии, он оплачивает демередж по ставке, указанной в чартер-партии.</p>

Table 20 (continued)

Contract № _____ Gomel 05.12.2015	Контракт № Т 1/59-02 Гомель, 05.12.2015 г.
<p>Should parcel quantities are shipped by liner vessel, no dispatch/demurrage will arise.</p> <p>All other transportation conditions non provided by this contract shall be regulated by the terms of the Gencon proforma Charter party.</p>	<p>В случае отгрузки на линейных судах расчеты по диспачу (демереджу) не производятся.</p> <p>Все остальные условия перевозки, не предусмотренные в данном контракте, регулируются положениями чартер-партии "Дженкон".</p>
<p>8. Marking of the goods</p> <p>Each combine harvesters should marked as follows: mill's sign, contract number.</p>	<p>8. Маркировка товара</p> <p>На каждый зерноуборочный комбайн наносится следующая маркировка: знак завода, номер контракта.</p>
<p>9. Delivery and acceptance of the goods</p> <p>The goods are delivered by the Sellers and accepted by the Buyers: in respect of quality – in accordance with the certificate of quality issued by the Manufacturer; in respect of quantity – accordance with the weight, stated in the Bill of Lading.</p>	<p>9. Сдача-приемка товара</p> <p>Товар поставляется Продавцом и принимается Покупателем: по качеству – в соответствии с сертификатом качества, выданным заводом-изготовителем; по количеству – в соответствии с массой, указанной в коносаменте.</p>
<p>10. Claims</p> <p>If nonconformity of the goods to specification and/or shipping documents in quantity and in quality is found right in the process of unloading, the Buyers must stop the acceptance of the goods and immediately coordinate with the Sellers the necessary subsequent measures.</p> <p>Should the quality of the goods doesn't conform to the one, stated in specifications the Parties will take all possible measures to solve problem by talks.</p> <p>If the Parties fail to agree the Buyers have the right to make a quality claim within 15 working days form the date of the goods receipt.</p> <p>Upon expiration of stated periods the claims are not accepted.</p> <p>The Buyers have no right to refuse payment for the goods in respect of which they have any claims, to reject the subsequent lots under the contract or refuse payment for them.</p>	<p>10. Претензии</p> <p>Если непосредственно в процессе приемки товара обнаружится несоответствие количества и качества, указанных в спецификации и (или) отгрузочных документах, то Покупатель обязан прекратить приемку товара и немедленно согласовать с Продавцом порядок необходимых действий.</p> <p>При несоответствии качества товара, оговоренного в спецификациях, стороны принимают все возможные шаги к разрешению разногласий путем переговоров.</p> <p>В случае невозможности достижения согласия Покупатель имеет право заявить претензию по качеству в течение 15 рабочих дней с даты получения товара.</p> <p>По истечении вышеуказанных сроков претензии не принимаются.</p> <p>Предъявление претензии в отношении какой-либо поставленной части товара не может служить основанием для отказа Покупателя принять и оплатить товар, находящийся под рекламацией, а также оставшуюся часть товара, поставляемого по настоящему контракту.</p>

Table 20 (continued)

Contract № _____ Gomel 05.12.2015	Контракт № Т 1/59-02 Гомель, 05.12.2015 г.
<p>The Buyers' Claim is accepted for consideration if it is sent by a registered (courier) mail with attachment of all necessary documents, grounding the claim and under condition that it is confirmed by the results of an neutral experts' report. Appointment of neutral experts organization is agreed between the Sellers and the Buyers.</p> <p>The Following shall be attached to the claim:</p> <p>1. Experts' report, made by an independent expert organization, agreed between the Parties. The report must have the following information: contract No, contract description of the goods, weight of the goods under claim, means of transportation and number of transport bill, marking of the goods, experts' claim confirmation. 2. The essence of the Buyers' claim. 3. The Buyers' demand.</p> <p>The Sellers have the right to check the grounds of claim by sending their representative to the place of the goods storage.</p> <p>The results of an independent examination are considered as final for the both Parties.</p> <p>The date of the Sellers receipt of a registered letter with a claim is considered as the starting date of claim.</p> <p>The Sellers are obligated to consider the claim, with all necessary documents attached, within 30 calendar days, since the date of a registered letter receipt.</p> <p>It is prohibited to use or process the goods under claim and it is on the Buyers' safe-keep for the Buyers' account.</p> <p>Responsibility of the Sellers on all claims is limited by the value of the defected goods in a lot, calculated on the basis of terms of delivery as stated in a corresponding specification.</p>	<p>Претензия Покупателя принимается к рассмотрению, если она направлена заказным письмом (курьерской почтой) с приложением всех необходимых документов, подтверждающих претензию, и при условии ее подтверждения результатами независимой экспертизы.</p> <p>Назначение независимой экспертной организации согласуется между Продавцом и Покупателем.</p> <p>К претензии должны быть приложены:</p> <p>1. Рекламационный акт экспертизы, проведенной согласованной между сторонами независимой экспертной организацией. Акт должен содержать следующую информацию: номер контракта, наименование товара в соответствии с контрактом, вес товара, в отношении которого была заявлена претензия, данные о транспортном средстве и номер транспортной накладной, маркировка товара, экспертное подтверждение существования претензии. 2. Описание претензии Покупателя. 3. Требования Покупателя.</p> <p>Продавцу предоставляется право проверить обоснованность претензии на месте складирования товара через своего представителя. Результаты независимой экспертизы признаются окончательными для обеих сторон. Датой заявления претензии считается дата получения Продавцом заказного письма. Продавец обязуется рассмотреть претензию в течение 30 календарных дней с даты получения заказного письма, содержащего все необходимые документы.</p> <p>Покупатель не имеет права использовать и работать с товаром, на который заявлена претензия. Данный товар находится на ответственном хранении Покупателя за его счет.</p> <p>Ответственность Продавца по всем претензиям ограничивается стоимостью дефектного товара в партии, при этом стоимость товара определяется на условиях базисной поставки согласно соответствующей спецификации.</p>

Table 20 (continued)

Contract № _____ Gomel 05.12.2015	Контракт № Т 1/59-02 Гомель, 05.12.2015 г.
<p>11. Force-Majeure</p> <p>Neither of the Parties shall bear the responsibility for complete or partial fulfillment of any of its respective obligations provided that non-fulfillment is due to such circumstances as flood, fire, earthquake and other acts of God, as well as war, combat operations, civil unrest, ban or restrictions of export or introduction of changes to the Law deteriorating the conditions of export, emerging after the above-listed circumstances affect directly the fulfillment in time of the obligations stipulated by the Contract or Supplements, the terms specified by the Contract shall be extended for the period equal to the duration of the respective circumstance.</p> <p>The Party which encountered the circumstance preventing the fulfillment of its obligations, shall immediately advise its counterpart in a written form as regards the commencement, possible duration and cessation of the contingencies listed above, but not later than 3 calendar days after the commencement or cessation thereof. The facts listed in the notification shall be confirmed by the Chamber of Commerce (or Chamber of Commerce and Industry) or any other competent Authority or organization of the respective country. Non-advice or untimely advice deprives the Parties of the right to refer to any above circumstances as a basis for waiving responsibility for non-fulfillment of the obligations. In case of circumstances, such as introduction of a new Law, taxes and duties, preventing the Sellers to deliver the goods on former terms of the contract within the contractual delivery period, the Parties will agree to adopt some of the following options: to extend the period of delivery, to reduce the volume of deliveries, to renegotiate the price or to cancel the Contract. The Sellers will maintain their delivery obligations if coordinated between the Parties new terms of delivery are accepted. Should conditions proposed by the Buyers be unaccepted, the Sellers may cancel the contract and the delivery.</p>	<p>11. Форс-мажор</p> <p>Ни одна из сторон не будет нести ответственность за полное или частичное неисполнение любой из своих обязанностей, если неисполнение будет являться следствием таких обстоятельств, как наводнение, пожар, землетрясение, другие стихийные бедствия, а также война, боевые действия, гражданские волнения, запрет или ограничение экспорта или внесение изменений в законодательство, ухудшающие для Продавца условия экспорта, возникшие после заключения контракта. Если любое из перечисленных обстоятельств непосредственно повлияло на исполнение обязательств в срок, установленный в контракте или спецификациях, то этот срок соразмерно отодвигается на время действия соответствующего обстоятельства.</p> <p>Сторона, для которой создалась невозможность исполнения обязательства, должна в письменной форме уведомить другую сторону о наступлении, предполагаемом сроке действия и прекращении вышеуказанных обстоятельств. Уведомление другой стороне направляется в письменной форме немедленно, но не позднее 3 календарных дней с момента их наступления и прекращения. Факты, изложенные в уведомлении, должны быть подтверждены Торговой (Торгово-промышленной) палатой или иным компетентным органом или организацией соответствующей страны. Неуведомление или несвоевременное уведомление лишает Стороны права ссылаться на любое из вышеперечисленных обязательств как на основание, освобождающее от ответственности за неисполнение обязательств. В случае наступления обстоятельств, таких как введение новых законов, налогов и пошлин, не позволяющих Продавцу отгрузить товары в течение срока поставки по контракту на прежних условиях, Стороны соглашаются принять некоторые из перечисленных ниже мер: продлить срок поставки, снизить объем поставок, назначить новую цену или отказаться от контракта. В случае согласия с изменением условий Продавец будет продолжать свои обязательства по поставке. Продавец в случае несогласия с условиями может отказаться от контракта и от поставки.</p>

Table 20 (continued)

Contract № _____ Gomel 05.12.2015	Контракт № Т 1/59-02 Гомель, 05.12.2015 г.
<p>12. The responsibility of the Parties The Parties shall do their best to ensure a proper fulfillment of their obligations in time.</p> <p>Should the Buyers fail to open the L/C as per terms of the present Contract, the Sellers shall have the right to cancel the contract. Also the Buyers have to pay storage expenses in Kaliningrad port due to delay in L/C establishment and reimburse the Sellers' for loss due to postpone real date of shipment.</p> <p>Should the Sellers fail to deliver the goods in time stipulated in the present Contract the Sellers have to pay penalty 0.1% from the value of non-delivered goods beginning of 11th day of delay in delivery but total amount of penalty should not exceed 5% of value of non-delivered goods.</p> <p>Should the Parties fail proper fulfillment of obligations under the present contract all disputes, controversies or demands to be settled as per procedure mentioned in chapter 13 of the present contract.</p>	<p>12. Ответственность сторон Стороны примут все зависящие от них меры по качественному и своевременно-му выполнению обязательств, указанных в настоящем контракте.</p> <p>В случае если Покупатель не откроет аккредитив в соответствии с условиями настоящего контракта, Продавец имеет право расторгнуть контракт в одностороннем порядке. Покупатель обязан оплатить фактические расходы по хранению груза в порту Калининград, возникшие из-за задержки в открытии аккредитива, а также возместить Продавцу понесенные убытки из-за срывов сроков отгрузки.</p> <p>В случае несоблюдения Продавцом сроков поставки, оговоренных в контракте, Продавец обязан уплатить Покупателю пеню в размере 0,1% от стоимости недопоставленного товара за каждый день просрочки, начиная с 11 дня просрочки поставки. Однако общая сумма штрафа не должна превышать 5% от стоимости недопоставленного в срок товара.</p> <p>В случае невыполнения сторонами своих обязательств должным образом все споры, разногласия или требования разрешаются в соответствии процедурой, описанной в разделе 13 настоящего контракта.</p>
<p>13. Applicable law, claims and arbitration The Law of the Republic of Belarus is applied to the Contract.</p> <p>All disputes and controversies arising between the Parties out of the Contracts should be resolved by talks and consensus.</p> <p>All disputes, controversies claims or demands arising between the Parties out of the Contracts or in connection with it, including fulfillment, violation, cessation or nullity thereof shall be finally settled by the International Commercial Arbitration Court of the Chamber of Commerce and Industry of the Republic of Belarus, Minsk in accordance with its Rules.</p>	<p>13. Применимое право, споры и арбитраж Применимое право – законодательство Республики Беларусь.</p> <p>Споры и разногласия, которые могут возникнуть из данного контракта или в связи с ним, будут разрешаться путем переговоров между Сторонами.</p> <p>Все споры и разногласия, или требования, возникающие из настоящего контракта или в связи с ним, в том числе касающиеся его исполнения, нарушения, прекращения или недействительности, подлежат разрешению в Международном Коммерческом Арбитражном Суде при Торгово-промышленной палате Республики Беларусь, г. Минск, в соответствии с его регламентом.</p>

Table 20 (continued)

Contract № _____ Gomel 05.12.2015	Контракт № Т 1/59-02 Гомель, 05.12.2015 г.
<p>The text in Russian language has a priority, should any dispute arise in connection with the contract and supplements.</p> <p>The expenses to cover the services of lawyers, attorneys, interpreters, business trip expenses connected with the arbitration trial (except for arbitration fees), are paid by the sides independently.</p>	<p>При рассмотрении споров по настоящему контракту с приложениями русский текст имеет приоритет.</p> <p>Расходы на привлечение юристов, адвокатов, переводчиков, командировочные и прочие расходы связанные с рассмотрением дела (кроме арбитражных сборов), стороны несут самостоятельно.</p>
<p>14. Other Conditions</p> <p>Discharging expenses at the port of destination are for the Buyers' account.</p> <p>All and any taxes, harbor dues, customs duties and other charges payable under the rules existing in the destination port to be for the Buyers' account.</p> <p>All the amendments and addenda to the present Contract are valid only on condition of being made in a written form as Addendum or Specification to the Contract and signed by the both Parties.</p> <p>Neither Party has the right to assign its obligations and rights under the resent Contract to any third party without written consent of the other Party to the Contract excluding situations stipulated in Belarussian Law.</p> <p>After signing the Contract all preliminary agreements, discussions and correspondence between the Parties concerning this Contract are to be null and void.</p> <p>If a Party intends to change an address (legal and mail) or requisite it must inform the other Party about it in a written form not later than 10 days in advance. Otherwise, the Party which was not informed about the change of the address shall not bear responsibility for timely delivery and receipt of mail by the other Party.</p> <p>This contract is made in English/Russian languages in tow original, each having equal force.</p> <p>A fax copy of the Contract is a valid instrument for customs and banking procedure necessary for execution of the contract terms until the originals are available.</p>	<p>14. Прочие условия</p> <p>Расходы по разгрузке товара в порту назначения оплачиваются Покупателем.</p> <p>Все пошлины, портовые и таможенные сборы и прочие расходы, которые необходимо оплачивать по правилам порта назначения, оплачиваются Покупателем.</p> <p>Все изменения и дополнения к настоящему контракту действительны лишь в том случае, если они совершены в письменной форме в виде Дополнения или Спецификации к Контракту и подписаны обеими сторонами. Ни одна из сторон не вправе передавать свои права и обязательства по настоящему контракту третьей стороне без письменного согласия другой стороны контракта, кроме случаев, предусмотренных законодательством Республики Беларусь.</p> <p>Все соглашения, переговоры и переписка между сторонами по вопросам, изложенным в настоящем контракте, имевшие место до подписания контракта, теряют силу с даты подписания контракта.</p> <p>В случае если одна из Сторон контракта намеревается изменить адрес (юридический или почтовый) или реквизиты, она обязана известить противоположную Сторону об этом в письменном виде не позднее чем за 10 дней до даты начала действия новых данных. В противном случае Сторона, не получившая данного уведомления, не несет ответственность за несвоевременность доставки и получения корреспонденции другой Стороной.</p>

Table 20 (concluded)

Contract № _____ Gomel 05.12.2015	Контракт № Т 1/59-02 Гомель, 05.12.2015 г.
	<p>Контракт выполнен на русском и английском языках в двух экземплярах, каждый из которых имеет одинаковую юридическую силу.</p> <p>Копия контракта, полученная по факсу, является действующим инструментом для проведения таможенных и банковских процедур или других действий, необходимых для выполнения условий контракта, до момента обмена оригиналами контракта.</p>
<p>15. Validity period of contract</p> <p>The Contract comes into effect from the date of its signing and it is valid till March 31, 2016.</p>	<p>15. Период действия контракта</p> <p>Контракт вступает в силу со дня его подписания и действует до 31 марта 2016 г.</p>
<p>16. Legal addresses and requisite of the Parties</p> <p>The SELLERS:</p> <p>OJSC "Gomselmash"</p> <p>Legal address: Republic of Belarus, 246004, Gomel, Shosseynaya str., 41</p> <p>Account in Bank department of OJCS "BPS-Sberbank" in Gomel.</p> <p>THE BUYERS:</p> <p>Industrial Corporation "Zhen Zong"</p> <p>Legal address: 2nd Floor, Building № 121, Revolution street, Chuntsin, the People's Republic of China</p> <p>Tel/Fax:</p> <p>THE BUYERS/ THE SELLERS/</p>	<p>16. Юридические адреса сторон</p> <p>ПРОДАВЕЦ:</p> <p>ОАО "Гомсельмаш"</p> <p>Юридический адрес: Республика Беларусь, 246004, г. Гомель, ул. Шоссейная, 41.</p> <p>Счет в Железнодорожном отделении ОАО "БПС-Сбербанк" в г. Гомеле</p> <p>ПОКУПАТЕЛЬ:</p> <p>Промышленная корпорация "Цзуншень"</p> <p>Юридический адрес: 2-й этаж, здание № 121, ул. Революционная, Чунцин, Китайская Народная Республика.</p> <p>Тел.(факс):</p> <p>ПОКУПАТЕЛЬ/ ПРОДАВЕЦ</p>

GLOSSARY

Association “Also referred to as ‘Name Dropping’” – we do business with a VIP in an important company. Pictures often are displayed of someone shaking hands with important people. This behavior plays upon the human tendency of wanting to do business with people who are well connected. Common sense says that a person should disassociate from those who make it harder to reach an agreement. The tactics of disassociation are as important as those of association. Good planning requires a person to search for the right partners. A good negotiator should ask, “Will any of my associates make it harder for me to reach a favorable settlement with the other party?” If so, do something about it.

BATNA – best alternative to a negotiated agreement. If the potential outcome of your negotiation only offers a value that is less than your BATNA, there is no point in proceeding with the negotiation. You should proceed with your BATNA.

Big Pot Approach – a negotiator starts a negotiation by using a ‘big pot’ filled with numerous issues – some real and some made of straw. This accomplishes several goals: it tends to reduce the other party’s aspirations; it builds trading room into the negotiation; it demonstrates to others in their own organization that they are good negotiators; and it makes it easier for the other party to sell their own organization on the value of a reduced package. The “big pot” approach gives a negotiator room to negotiate and compromise. In the absence of other concessions, it gives the other party something to take away (i. e. “Look at all the things that I got them to give up”).

Black Hat – White Hat – Black Hat (BH) – tough, unyielding. White Hat (WH) – generous, compromising. Experiments show that negotiations proceeding from BH to WH (e. g. begin with a tough stance, few early concessions, followed by larger concessions) are more effective than negotiations that flow WH to BH (e. g. begin with generous concessions and move to tough, unyielding positions). A BH/WH approach will produce more concessions from the other party because a person who has been dealing with the BH feels relieved to now be dealing with the WH. A WH to BH approach produces the opposite effect and many times leads to deadlock.

Bluffing – asserting things that are not true. Used like the “Decoy” to test the other party. Business bluffing is part of negotiating. However,

standards need to be established that forbid and penalize outright lying, false claims, bribing, stealing secrets, or outright threats. Bluffing, while ethical, involves some risk. The bluffer who is called loses credibility and bluffing sometimes leads to exaggerations threaten the viability of the negotiation.

Bogey Tactic – a buyer says, “I love to purchase your product but have only so much money to spend.” The buyer establishes an anchor, but in a friendly way that invites the seller to help solve this “budget” problem. The seller, who usually knows much more about the product than the buyer, then gets involved to see if there are ways the proposed product offering can be modified so it can fit within the required budget. The negotiation moves away from a competitive affair to one of cooperation. The bogey may not necessarily lead to a lower price for the buyer, but the buyer will be better off by learning a lot more about the product offering and price flexibility than was known before the Bogey.

Caucus – a temporary withdrawal from a negotiation into a private meeting where a group can discuss sensitive issues, confusing issues and changes in negotiating strategy/tactics. Sometimes used to “buy time” or to let a heated negotiation “cool down.” Also used when new, unexpected information is introduced into a negotiation, and time is needed to evaluate or research the new information.

Change The Participants – new people are introduced into the negotiation that then change the rules or modify what has already been agreed to. Can also be used to help break a Deadlock or Impasse.

Change The Standards – changing the benchmarks or specifications that have been used in the negotiation. This sometimes helps bring the parties closer together and can create better outcomes.

Cherry-Picking – picking only the most profitable or most beneficial components of the negotiation and leaving the others.

Chicken Tactic – when someone gives you a “last and final offer,” don’t accept it at face value. Test it. It could be they are simply asking you to play “chicken” to test your resolve. When you are given a last clear chance to take a final offer or risk the consequences, you are in this “chicken” situation. You can usually keep talking. But not always!

Competition – used to lower expectations of the other party. “I can get this from your competition for \$\$\$.” “If you don’t lower your price I need

to go out to bid on this.” “Everyone else is offering option this at no extra cost.” “This is the last one available for three months, if you don’t want it I know someone who does.” Determine if you have real competition or just imaginary competition. Don’t let the party using “competition” generalize with you. Ask for specifics. Do you really have “competition” for your proposal?

Concession Pattern – negotiators that use a consistent concession pattern sent a signal to the other side and become somewhat predictable. Reduce this risk by varying your concession pattern. Make consistently smaller and smaller concessions as the negotiation progresses. This sends the signal, “I don’t have much more to give.” Most successful negotiators are less generous and less predictable in their concessions. Experiments have indicated that negotiators who lack a thoughtful concession strategy tend to concede little during the first half of negotiation but move to large concessions later. As deadlock approaches they sometimes give huge concessions. On the other hand, skilled negotiators plan a concession strategy, have better control, do not panic at deadlocks, and generally achieve better results.

Concessions – tradeoffs where one party concedes or yields on issues. While it would appear a concession by one party would bring the participants closer to agreement, sometimes a concession can do just the opposite. Developing a concession strategy is an important part of any negotiation. See “Log Rolling.”

Dancers – Team Negotiations “It sometimes helps to have a ‘dancer’ on your negotiating team. Someone who can say much about very little. A dancer can provide a ‘smokescreen,’ divert the other side away from problem issues, or perhaps buy your team some time to re-group or determine a change in strategy.”

Decoys – asserting things that are not true or taking positions or making an offer that is ultimately withdrawn after they have impacted the other side’s position. Used like the “Bluff” to test the other party. It works when you agree to forget about some of your real interests in exchange for the other party forgetting about some of their “decoys” or fictitious interests. See “Straw Issues.”

Default Tactic – you are provided something you did not agree to (i. e. extra service, extra materials) along with correspondence that makes the assumption that you agree to accept these extras. This places the bur-

den on you to formally reject these “extras.” If you fail to take action and accept them your inaction indicates tacit agreement to the altered agreement.

Deliberate Mistakes – this tactic plays upon your ethics, or lack thereof. You may be baited with an agreement that is clearly to your advantage but contrary to your discussions. The danger lies in you quickly signing the agreement before the other party realizes their error or omission. Later, after performance of the agreement has begun, and you cannot back out, the “mistake” is brought to your attention and corrected.

Devil’s Advocate Planning – you can do this mentally with yourself, but it generally works better if you can enlist the help of another person to play the role of the other side – the person or group you will be negotiating with (i. e. play the role of the Devil). Have your Devil’ Advocate plead the other side’s case; take their anticipated position; use their arguments and objections. You should try to estimate your Devil’s desired outcomes and goals (BATNA). Do this prior to your negotiation. It provides you an “inoculation” in advance of the negotiation and helps assure you appropriate responses and strategies in place. Remember, the other side may be more intent on frustrating your proposal than accommodating it.

Disassociation – common sense says that a person should disassociate from those who make it harder to reach an agreement. The tactics of disassociation are as important as those of association. Good planning requires a person to search for the right partners. A good negotiator should ask, “Will any of my associates make it harder for me to reach a favorable settlement with the other party?” If so, do something about it.

Disorder Tactic – a negotiator uses disorder to confuse the other side. This tactic deliberately mixes things up. It can be used to forestall a deadlock; make the other side work harder; force through a last-minute demand; or allow one to retreat from a prior concession. Sometimes it is used just to see how well the other person keeps their wits under pressure. Disorder complicates the negotiation and the person using the disorder tactic hopes to profit from this confusion. Examples: the introduction of new product-price schedules; new quality standards or revised specifications; some services that were bundled are now unbundled; new delivery dates; suddenly apples can’t be compared to apples and cost comparisons become almost impossible to make. See “Cultural Disorder” and “Scrambled Eggs.”

Divide and Conquer – two quite different meanings. If referring to a multi-party negotiation, one side attempts to get the other side arguing with one another to cause a breakdown in their solidarity. This weakens their power and resolve. If referring to a complex, multi-issue negotiation, it is often helpful to divide up the negotiation into its various components; come to agreement on the simpler issues; and then tackle the tougher issues. This can help pave a way to agreement. During the course of coming to agreement on the simpler issue, relationships improve, and communication-understanding improve. This sets the stage for a more productive process when the tough issues are tackled. See “Fragmentation” and “Slicing.” See “Salami Tactics.”

Doomsday – painting such a bleak and black picture that the other party feels obliged to increase the offer to compensate.

Door-in-the-Face – technique “When a negotiator makes an outlandish initial request, they are more likely to secure agreement to subsequent, smaller request. This is based upon principles of perceptual contrast. If a person lifts a heavy object, sets it down, and then lifts a light object, the person will perceive the light object to be much lighter than it actually is. An irrational negotiator who calms down following a wild display of emotion may get what they want.

Dutch Auction – a variation of the Noah’s Ark tactic and used to play one supplier off against another.

Empty Pockets – say you can’t afford it, don’t have it, have nothing left to give.

Escalation Tactic – escalation is a very tough negotiating tactic. An agreement is reached between two people who have the apparent authority to make the deal. Then, one says that they need to show the agreement to someone else for “routine” approval. That’s when the first surprise occurs. The higher authority rejects the agreement unless further concessions are made. A re-negotiation granting these concessions then follows to settle the almost closed deal. This can go on with multiple levels, where each level of authority demands and wins further concessions to reach final agreement. Each re-negotiation “tests” the resolve and the limits of the other party.

Face (e. g. Saving Face) – face is the value a person places on his or her public image, reputation, and status relative to other people involved in the negotiation. Direct threats to face in a negotiation include making ulti-

matums, criticism, challenges, and insults. When negotiating in a group environment (i. e. there is an audience), “saving face” often becomes very important to a negotiator. This can result in the negotiator moving away from any cooperative efforts into competition to protect their position. Often an impasse or lose-lose outcome in the result. Saving face is an important cultural component in many negotiations.

Fait Accompli Tactic – someone takes a surprise action designed to place them in a favorable negotiating position. The “accomplished fact” affects the final outcome of the negotiation because it alters the balance of power. The strength of fait accompli rests in the fact that once a deed is done, it is difficult to undo.

Falling In Love Trap – instead of “falling in love” with a single outcome to a negotiation (i. e. this car is the one I want), it is important to develop several optional outcomes that are acceptable.

Fishing – suggest a solution or option to see if the other side “Bites.” See “Trial Balloon” and “What If?”

Foot-in-the-Door Technique – a negotiator is asked to agree to a small favor or statement. Later the negotiator is asked to commit to a larger request. The probability of them agreeing to the second, larger request, increases if they have already established their agreement to the small request. People generally have a need to demonstrate consistent behavior.

Good Cop – Bad Cop – two participants play two “roles” in the negotiation. One plays an aggressive, demanding role, the other a more reasonable, friendly role. Sometimes the “Bad Cop” does not even have to be present. The “Bad Cop” could be your supervisor, or someone in authority in a distant office. Be aware of what is happening and realize the “Good Cop” is not really on your side.

Good Guy – Bad Guy – see “Good Cop – Bad Cop.”

Intersection Maneuver – this technique seeks to tie existing and future contracts into the content of ongoing negotiations. In a large organization, two buyers can deal with the same supplier without knowing it. If negotiations can be made to intersect, the leverage of one may extend to the other.

Intimidation Tactics – intimidation can take many forms: physical appearance (mean, tall, big, unfriendly); environmental (fatigue and discomfort); use of outside experts or legal authorities; use of hostages (resources, issues, people); status (bring in the CEO, president, a senior manager);

threats. Recognize these intimidation techniques for what they are – negotiating tactics. Respond accordingly. Don’t simply reciprocate with intimidation of your own, negotiate. See “Emotional Outbursts.”

“If you do now agree immediately to our demands we will ...” is the type of statement made in this sort of situation. Long-term relations between two parties when this situation has occurred are usually poor.

Krunch Tactic – “You’ve got to do better than that.” “This puts pressure on the other party without elaborating on,” “how much better.” Often this tactic by a participant to test the limits of the other party.

Limiting Your Authority Technique – negotiators often find it useful to limit their own authority. This provides opportunities for a negotiator to gather information, test the other side’s positions, and explore potential concessions prior to being pressured into making a decision. See “Mandated Authority.”

Linking – “I am prepared to discuss the price issue if you will discuss the slow payment record of your company.” When you are on thin ice on a particular issue, it is worth trying to link the discussions to an area in which you have the upper hand.

Mirror and Match Technique – we tend to like people whom we perceive to be similar to ourselves. Negotiators are more likely to make concessions with people they know and like. Some negotiators get positive results by purposely making themselves “similar” to the other party: body posture, mood, verbal style, and dress. See “Similarity Attraction Effect.”

Missing – person Maneuver “The person with final authority disappears just as the parties reach agreement. Nothing can be done until he or she returns, and nobody is quite sure when that will be. The side that uses the ‘missing person’ maneuver is buying time to see if they can get a better deal from someone else before they finalize the agreement. Meanwhile you wait for the missing person to return.”

Mr. Nasty and Mr. Nice – much beloved of American detective shows, this tactic has been used very successfully in the fields of industrial relations and commerce for years. It does not work if the two parties know the members of the teams well as out of character behavior is easily spotted. If this tactic is used correctly, it can be very effective. Danger is that the nasty role is overplayed. An element of intimidation is required rather than to provoke the opposition. See “Good Cop – Bad Cop.”

New Information – bringing new information, new benchmarks or new specifications into the negotiation, can sometimes help bring the parties closer together and can create better outcomes.

New Issue – the introduction of a new issue that has not been discussed. Sometimes used to throw the other side off balance.

New Player – new people are introduced into the negotiation that then change the rules or modify what has already been agreed to. Can also be used to help break a Deadlock or Impasse.

No Authority Here – if the person you are negotiating with does not have the authority to make a decision then you can bank on the person who does not liking your “best” proposal.

Noah’s Ark – and probably as old! “You are nowhere near the prices from your competitors.” Usually accompanied by tapping an empty file! Three possible answers to this technique. Counter bluff – “Then I would advise you to accept.” Call their bluff – “If you are asking me to compete then I need to see the other quote so that I can compare like for like.” Take the initiative – “Then I assume that my product or service is better and you would like me to justify the difference.”

Perry Mason – obtaining “yes” answers to a series of questions and eventually trying to hang your opponent with logic.

Polite Impertinence – used to imply that you are more important/have more power than the other party. If they are intimidated by your confidence, they will tend to assume that they have the weaker position. “Your overdraft is due for renewal. Please arrange for an appointment with me to discuss.” (Reply) “I am please to be able to discuss the progress of the company with you and would be delighted to see you in my office at 3 pm on Thursday.”

Reactance – Technique Using reverse psychology to get someone to agree to move from a firm position. This technique is based upon the human need to assert one’s individual freedom when it is challenged. A negotiator achieves the desired “reaction” from the other party by paraphrasing their negotiating position in a way that makes it sound more extreme than it actually is; then inferring that they do not personally have the power to change their position. This negotiating approach sometimes results in a compromised position. The other party needs to prove they have the power to modify their position and that their position is not “fixed in stone.” See “Boomerang Effect.”

Re-Anchor Technique – once the other party establishes an offer, or anchor point, it is wise to immediately make a counter offer. This minimizes the importance of the initial anchor point. This also signals your desire to negotiate in that you not accept the initial offer. Do not adjust your BATNA or target based on this initial anchor. Instead focus on what information you have that might shed light on the other party's BATNA or desired target.

Rejection/Retreat Tactic – a negotiator starts off the negotiation by asking for a very large concession or favor from the other party – one that the other party is almost certain to refuse. When the request is refused, the negotiator makes a much smaller request, which was the option they wanted all along. Begin negotiations with high aspirations. A high aspiration creates a contrast effect so that the other party views any following request that is less extreme to be more reasonable. See “Aspiration Level” and “Make An Offer Then Must Refuse.”

Salami – used when something unpleasant is being proposed. By offering to introduce the change over a period of time, the resistance to change is lessened. A good example of the use of this tactic would be the acceptance by a union for reductions in staffing by natural wastage rather than compulsory redundancy.

Salami Tactics – also sometimes referred to as the “salami-slice strategy.” Much like the “Divide and Conquer” process. Uses threats and alliances to overcome opposition. Using this tactic, an aggressive negotiator can eventually politically dominate the entire negotiation, piece by piece. In this fashion, the “salami” is taken in “Slices” until the other side realizes (too late) that it is gone in its entirety. In political negotiations it includes the creation of several factions within the opposing political party and then dismantling that party from the inside, without causing the “Sliced” sides to protest. In business negotiations this tactic is used to present problems or solutions in pieces so it is hard for the other side to get the big picture. See “Scrambled Eggs.”

Saving Face – face is the value a person places on his or her public image, reputation, and status relative to other people involved in the negotiation. Direct threats to face in a negotiation include making ultimatums, criticism, challenges, and insults. When negotiating in a group environment (i. e. there is an audience), “saving face” often becomes very important to a negotiator. This can result in the negotiator moving away from any cooperative efforts into competition to protect their position. Often an

impasse or lose-lose outcome in the result. Saving face is an important cultural component in many negotiations.

Scrambled Eggs – tactic in business negotiations. This tactic is used to present problems or solutions in pieces so it is hard for the other side to get the big picture. See “Salami Tactics.”

See you in the boxing ring – in other words, if you do not see it my way I will solve this dispute/problem in some other way. The threats used usually involve the taking of legal action/moving of business somewhere else in the commercial world.

Shot-gun – an obvious tactic which can be used if the balance of power is very much in your favor.

Split – the Difference Technique Offer to agree on a half-way position. Make equal concessions to settle the difference.

Squeaky Wheel – adopting a negative, demanding emotional style of negotiating. Using hostility and threats to demonstrate an unwillingness to move away from a stated position. A negotiator often is compelled to concede or give in just to stop an irritating squeaky wheel. It’s just not worth it to hold their position.

Surprise Issues – the introduction of surprise issues, tangential to the negotiation, can act as a smokescreen and slow down a negotiation. They often provide one side to the negotiation more time to reconsider their position prior to making a final agreement.

Sweetening the Deal – one party to a negotiation adds items to a negotiated package or deal to enhance satisfaction of the other party. Sometimes used as a “deal closer” (e. g. and we will toss this in at no charge). See “That’s Not All Technique.”

Take-It-Or-Leave-It – give the other party only two options – accept this or end the negotiation. This is a very tough negotiating tactic and often leads to resentment and hostility. This approach certainly removes any opportunity for Both-Win value creation. When confronted with a Take-It-Or-Leave-It a good negotiator will ask for consideration. This tests the resolve of the party and explores opportunities to move away from this firm position. Techniques such as – what if? Would you consider? How much better? It shouldn’t apply in this case. Who can change the policy? – Often open a pathway into a more productive negotiation. See “Doorknob Price.”

The Brooklyn Optician – two ways this technique can be used, first to raise the price and second to increase what you get for a specific price. An example would be “the lenses you require are £20 (pause) each. Frames will cost you £50 (pause) plus £20 fitting for the basic model which is fine if nobody sees you wearing them. The better models are £70 (pause) plus £30 for fitting ...” The pause gives the customer the opportunity to close. If they do not, then the optician keeps going!

The Disguised Claim – used to mask the real objective being sought by one of the parties. Commonly used in conjunction with something like a Health and Safety issue. It has been suggested that the difference between a safe working practice and an unsafe one has a monetary value.

The Mother Hubbard – a favorite tactic of local authorities and other public sector bodies. “I like your product/service but I am only allowed to spend this much on that item.”

The Quivering Pen Technique – most successful when one of the parties has made public an agreement which has not yet been signed. Also very handy when you buy a car!

The Russian Front – the opponent is offered two choices. One of these is very much worse than the other. He is intimidated into accepting the better offer rather than suffer the consequences of being sent to the Russian Front. Handling this type of tactic involves remembering that it takes two to agree a deal or you can counter propose with equally extreme alternatives. This can lead to the moving of the parties towards more reasonable positions.

The Vice Tactic – you’ve got to do better than that. See “Krunch.”

Threats – threaten extreme action if the other side does not agree. Threat is implicit in every negotiation, whether it is expressed openly or not. There is always a possibility of deadlock and if talks fail both parties expect to lose something. Threats also create hostility and may have unexpected consequences. If you are going to use a threat, take the following precautions: 1) Threats have to be credible. The other party must believe that the threat will be carried out. If you threaten but fail to follow through, you lose credibility and authority. A threat is likely to be believed if the threatening party has made good on previous threats. 2) Threats need to be proportional to the problem at hand. If you want a small concession, don’t make a big threat. 3) Before threatening, be sure you have the resources to follow through and make sure your organization is willing to back you in

taking the necessary action. 4) Threats may win momentary concessions, but they leave a residue of anger. The threatened party may get revenge later. 5) Threats can break up long term partnerships or create distrust between parties that have spent years building a relationship. 6) Threats have a way of getting out of control and sometimes have consequences that the person delivering the threat may not have intended.

Tit-for-Tat – making similar or like exchanges of information, concessions, introductions, money, or something else of value that are given by one party to another party. Think of: “You scratch my back and I’ll scratch your back,” “I did this for you now you owe me.” See “Reciprocity and Quid-Pro-Quo.”

Trial Balloons – suggest a solution or option to see if the other side “Bites.” Exploring potential opportunities or alternatives. See “What If?” and “Fishing.”

Unbundling Issues – one reason some negotiations fail is because they get stuck on a single issue. Having flexibility to remove a troublesome issue from a negotiation can pave the way to agreement.

Walk-Out Tactic – sometimes walking out or forcing an impasse (deadlock) can be done for strategic purposes. When used as a strategy to test the other sides resolve, or to buy yourself more time, it is important to plan in advance how you will re-open the negotiation at a later date.

What If? – Technique Suggest a solution or option to see how the other side responds. Exploring potential opportunities or alternatives. This technique is a way to get information from the other party that ordinarily might not be given. Good “What If” questions provide insights into the other party’s business practices and motivations. These questions can open up new avenues of thought for both parties and create opportunities for agreement. See “Trial Balloon” and “Fishing.”

Widows and Orphans – if you do not agree my wife and children will not eat this weekend. Not a very credible tactic these days!

Win-Win Negotiations – there are generally several dimensions and several issues at play in any negotiation. Wise negotiators explore all the issues and dimensions of a negotiation to find trade off areas and ways to enhance the ultimate agreement for all parties. Creative trade offs between the different assets, needs and preferences each party has are diligently examined to find ways to build new value. When the pie is successfully ex-

panded, both parties leave with new value that was created purely from the process of negotiating. See “Both-Win” and “Expanding the Pie.”

Would You Consider? – technique Suggest a solution or option to see how the other side responds. Exploring potential opportunities or alternatives. This technique is a way to get information from the other party that ordinarily might not be given. Good “Would You Consider” questions provide insights into the other party’s business practices and motivations. These questions can open up new avenues of thought for both parties and create opportunities for agreement. See “Trial Balloon” and “Fishing.”

You’ve Got To Do Better Than That – “puts pressure on the other party without elaborating on,” “how much better.” Often this tactic is used by a participant to test the limits of the other party. This tactic is also known as the “Krunch.”

ZOPA – Zone Of Possible Agreement describes the range of possible outcomes where both parties are satisfied with the agreement. This generally is the overlap area between each party’s acceptable low and high range. See “Spheres of Mutual Interest” and “Interdependence.”

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В практикуме отражены проблемы эффективных переговоров, роль личности и эмоций в процессе переговоров, роль невербальной коммуникации, а также обсуждаются различные модели и типы деловых переговоров, специфика проведения деловых встреч с представителями других культур.

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