

Worksheet - Negotiations : Questioning and clarifying

1. Negotiation stages

Put the stages of a formal negotiation into the most logical order. Write 1–9 in the first column. There may be more than one possible order. Justify your choice.

	a. Party B states initial position and responds to party A's position
	b. Tying up loose ends
	c. Party A states initial position
	d. Trading concessions
1	e. Relationship-building
	f. Party A asks questions to clarify party B's position
	g. Establishing a procedure
	h. Clinching the deal
	i. Party B asks questions to clarify party A's position
	j. Party A responds to party B's position

2. Discuss these questions in groups.

1. Do you think the stages of the negotiation should be kept separate in this way, or is it better just to keep things flexible?
2. Is it better to present your position first or second?
3. What is the simple reason for asking lots of questions?
4. What is a more strategic reason for questioning?
5. Are there any dangers connected with questioning?
6. What do you think is involved in *responding to the other party's position*?

3. Reading

Read the article. Which paragraph deals with which questions from exercise 2?

A. In an important business negotiation, it's vital to have a procedure. Of course, you can **deviate** from that procedure as much as you like as the negotiation progresses. And certainly the most important parts of the negotiation, trading concessions and clinching the deal, are almost impossible to plan. But the earlier stages definitely can be planned, and both sides will benefit if you take the time to do things properly.

B. Firstly, make sure you include time to build relationships with the other party. This is not just about being nice and modern, but it actually makes very good business sense. The negotiation is much more likely to reach a **mutually-acceptable** conclusion, and you'll also be in a much better position to build a successful long-term partnership once the deal is signed.

C. The next stage is to establish the procedure – unless you've been really well organised and done this via email in advance of your face-to-face meeting. Don't **impose** your own agenda on the other party, but aim to have at least a simple **framework** to follow. Even if the other party wants to be flexible and **spontaneous**, that's up to them. But you need to be aware of the benefits you will gain by keeping everything under control.

D. Then it's time for the first party to present its position. There are advantages and disadvantages to going first. The advantage is that you get to set the agenda – you decide what the main negotiation points are. It's also much easier to prepare if you know you're going first. Unfortunately, it also means you may accidentally give the other party more than they were expecting. For example, the price you say you're willing to pay may be significantly higher than the one they were willing to accept.

E. During the other party's position statement, it's absolutely vital for you to say as little as possible. Very often, if you simply listen in silence, the presenter will do half the negotiating for you! Just let them talk as much as they want, and whatever you do, don't interrupt them – unless it's to tell them to slow down so you can keep notes. Of course, there'll be plenty of things that you'll want to check, so that's why you need to keep those notes as detailed as possible.

F. When they've finished their opening position statement, you finally get your chance to speak, but again, you'll benefit a lot more by asking simple questions and letting them talk some more. The obvious reason for asking questions is to check you've understood everything correctly. But probing questions are also your best way to understand their underlying interests, and to identify room for manoeuvre. Remember: the more they talk, the more they reveal.

G Just don't be too aggressive in your questioning. If you challenge everything from their opening position statement and make them justify all their demands, you'll find it much harder to trade concessions later. Psychologically, it's much harder to back down once you've justified your position in public, so you may accidentally back them into a corner, with the result that the negotiation will soon reach deadlock.

H. Once you've checked and clarified as much as you can about their position, it's a good idea to repeat the key points back to them, one by one, as a final check. This may actually prompt them to reveal more information or even **give some ground**. This is also when you can start revealing your own position – initially by responding to the key points the other party made. For example, you can comment on which of their points sound reasonable, which might have some room for compromise, and which look like potential **sticking points**. But avoid going into too much detail at this stage – you don't want to start negotiating with yourself, and you've also got your own position to present.

I. This whole procedure is repeated for the second party's position statement: the statement followed by questions and then a final check. At this stage, you'll probably want to **take a time-out** to talk things over with your team, and review your best strategy for reaching a deal. There's still the main body of the negotiation ahead of you: trading concessions and hopefully **clinching the deal**, plus all the **loose ends to be tied up** once you've agreed on the main points. But if you manage the early stages sensibly, those final stages should be much easier and more successful.

4. Negotiations vocabulary

Look at the words and phrases in bold in the article. Match the words and phrases from the article with their definitions.

1. If you deviate from a procedure ...
2. If a decision is mutually-acceptable , ...
3. If you impose something on someone, ...
4. A framework is ...
5. If you set the agenda ...
6. Probing questions ...
7. If you have room for manoeuvre , ...
8. If you challenge a statement, ...
9. If you trade concessions , ...
10. If you back down , ...
11. If you back somebody into a corner , ...
12. If you give some ground , ...
13. A sticking point ...
14. If you take a time-out , ...
15. If you clinch the deal , ...
16. If you tie up loose ends , ...

a. ... you can be flexible.
b. ... you make a concession.
c. ... you don't give them a choice.
d. ... you have a break from the negotiation.
e. ... you give something in return for something from the other party.
f. ... you move away from it.
g. ... simpler than a structured agenda.
h. ... you make it impossible for them to find a way out.
i. ... you finalise all the remaining small details.
j. ... you force the other person to justify it.
k. ... both sides are happy with it.
l. ... is something that could cause the negotiation to fail.
m. ... are attempts to discover hidden details.
n. ... you accept that you cannot get all you want.
o. ... your actions determine how the rest of the meeting will run.
p. ... you reach an agreement.

5. Types of question

Match these types of question with the examples in bold. Write numbers (1–10) in the boxes. Some examples may go with more than one type of question. Which of these questions might be dangerous?

- A: We were thinking in terms of six months.
B: **Six months?**
A: Well, er, maybe we could manage five months.
- So let me check I've understood you correctly. **Are you saying** that would be impossible, or just difficult?
- You mentioned an exclusivity clause. **Can you expand on that? What exactly did you have in mind?**
- You said you don't manufacture in batches of less than 10. Just thinking aloud now, **what if** there was a way for us to guarantee to buy, say, 20 units over the

- next three years? **Would that work for you?**
5. Sorry, **was that** €13 or €30?
 6. So when you say you're looking for a price of around \$200, **am I right in assuming there's some room for manoeuvre there?**
 7. **Can I ask how you arrived at that figure?**
 8. You're offering us 10% now and the remaining 10% on completion. **Is that right?**
 9. A: We need to allow at least a week for unexpected delays.
B: **Unexpected delays?**
A: Yes, you know, like illnesses, accidents, that kind of thing.
 10. I'm a little confused about the after-sales support you mentioned. **What exactly would that involve?**

Echo questions

Checking questions

Probing questions

Hypothetical questions

6. Clarifying, summarising and responding

Look at this extract from a negotiation between supplier of aerosol and a large potential customer. Find examples of the following three functions: *clarifying*, *summarising* and *responding*.

Supplier: OK, so thanks for presenting your position. Let me just get through the notes I've been making, to check I've understood everything correctly.

In terms of quantity, you said you can only commit to 6,000 units as an initial order. That does pose some problems for us, as I'll explain in a second, but I'm sure we'll be able to find a solution.

You mentioned that there may be more orders in the future, but you don't want to commit to anything at this stage. Is that right? And the reason for your hesitation here is that you need to make sure we can deliver on our promises with the first batch, in terms of quality. Have I understood that correctly? OK, good.

Then you talked about payment terms of 90 days. That could be a real sticking point, because we normally never offer more than 30, and even then it's only for our biggest regular customers. So that's something we'll need to discuss carefully.

You also asked for a 25% discount on our list price, which I'm afraid isn't realistic. We may be able to work out a discount during this negotiation, but it really will depend on what we agree on all the other factors.

Finally, you talked about delivery dates. You say you would need the first batch of ... 2,000, was it? Within two weeks of signature? OK, so again, this could be difficult – it would mean moving around some of our other orders, and obviously there are cost implications of that.

Right ... is there anything I've missed? No, OK, so let me set out our offer, and let's see if we can reach an agreement.

7. Role-play: preparation

Work in pairs to plan the supplier's position. Use the same five variables (initial order quantity, future orders, payment terms, discount, delivery dates) plus one or two additional variables (e.g. exclusivity clause, cost of delivery and storage).

8. Role-play

Work with a new partner. Student A is the supplier. Present your position by going through the variables. Student B is the customer. Listen carefully to student A's position and make notes. Then use questioning techniques to clarify student A's position. Finally summarise student A's position and respond to it, using expressions from exercise 6.

When you have finished, swap roles. Student B is the supplier and student A is the customer.

