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BANKINTER BUSINESS ENGLISH COURSE 2021

CLASS 19 - NEGOTIATIONS

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WARM-UP - Guess the Object

HOMEWORK REVIEW

Fill in the gap with the appropriate question tag.

1. Mr McGuinness is from Ireland, ____?
2. The car isn't in the garage, ____?
3. You are John, ____?
4. She went to the library yesterday, ____?
5. He didn't recognize me, ____?
6. Cars pollute the environment, ____?
7. The trip is very expensive, ____?
8. He won't tell her, ____?

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HOMEWORK

Match the sentence with the appropriate question tag.

1.____	You are going to be late...	**a.** didn't you?
2.____	She is at the office...	**b.** do you?
3.____	It is awful weather...	**c.** does she?
4.____	You saw the presentation...	**d.** aren't you?
5.____	You don't sleep well...	**e.** isn't she?
6.____	She doesn't like her boss...	**f.** isn't it?
7.____	You will help me...	**g.** can't you?
8.____	They won't finish it on time...	**h.** will they?
9.____	They didn't see the email...	**i.** did they?
10.____	You can do it...	**j.** won't you?

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VOCABULARY

Reserve price

Stretch goal

BATNA (Best alternative to a negotiated agreement)

ZOPA (Zone of possible agreement)

In a negotiation, buyers and sellers should have a reserve price, a stretch goal, a BATNA, and hopefully, there is a ZOPA as well. *Explanation* 👉

VOCABULARY EXPLANATION

The seller

- Reserve price = their worst case: the lowest price they're willing to sell something for
- Stretch goal = their best case/desired price: the highest price they will try and get for what they're selling
- BATNA = If they can't get their reserve price, what is their alternative? *E.g. they may have a second buyer who can meet the reserve price if this buyer can't.*

The buyer

- Reserve price = their worst case: the highest price they're willing to buy something for
- Stretch goal = their best case/desired price: the lowest price they will try and get for what they're buying
- BATNA = If they can't get their reserve price, what is their alternative? *E.g. they may have an alternative product to buy at their reserve price if the seller can't meet it.*

ZOPA

- This is the bargaining range which benefits both sides more than their BATNA does. It's where their reserve prices overlap.

VOCABULARY ILLUSTRATION

Seller's Reserve Price

Seller's Stretch Goal

Lowest

Highest

Seller's Alternatives

SELLER'S BATNA

Seller's Negotiating Range

ZOPA

Buyer's Negotiating Range

Buyer's Alternatives

BUYER'S BATNA

Lowest

Highest

Buyer's Stretch Goal

Buyer's Reserve Price

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TOPIC ACTIVITY

- You are preparing to negotiate the sale of your car to a possible buyer, Juan. He is the only person who responded to an ad that you posted one week ago.

- You need at least 4000 from the sale to finance the purchase of a truck that you have ordered. You want to keep your car for three more weeks, which is when the truck will arrive.

- The reasonable value of the car is 5000 (based on several online calculators).

- If you can't find a buyer willing to pay at least 4500, you will sell the car to a friend, Pedro, for 4000. You know that Pedro will let you keep the car for the next three weeks.

TOPIC ACTIVITY - Questions in your analysis

- What is your overall goal in reaching a negotiated agreement with Juan?

- What issues are most important to you in reaching this goal? <u>Why</u> are these issues important?

- What is your <u>B</u>est <u>A</u>lternative <u>t</u>o a <u>N</u>egotiated <u>A</u>greement (BATNA) with Juan?

- What is your **reservation price** (in this negotiation with Juan, the lowest price that you will accept)?

- What is your **most likely** price?

- What is your **stretch goal**?
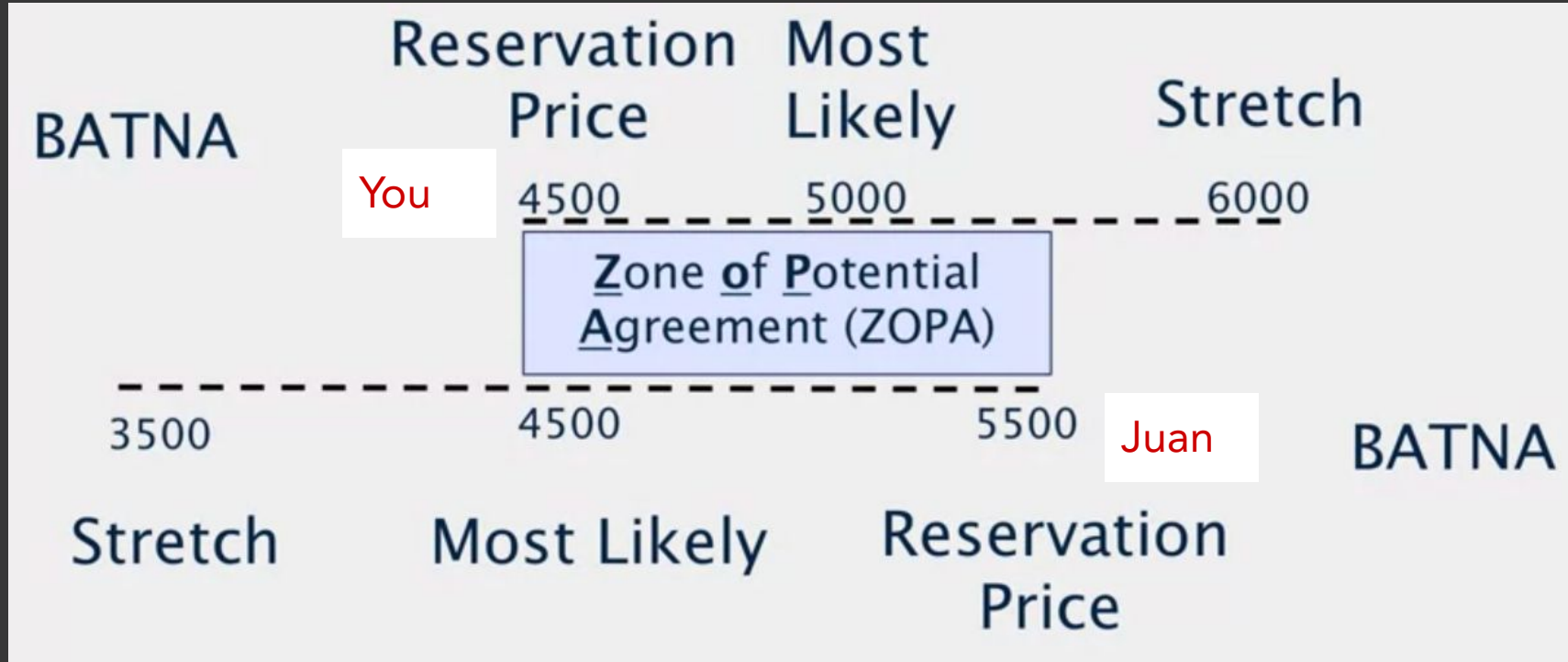
TOPIC ACTIVITY - Answers in your analysis

- What is your overall goal in reaching a negotiated agreement with Juan? Sell your car

- What issues are most important to you in reaching this goal? <u>Why</u> are these issues important? Price (because you need money to buy the truck) and transfer date (because you need the car for the next 3 weeks)

- What is your <u>B</u>est <u>A</u>lternative <u>to</u> a <u>N</u>egotiated <u>A</u>greement (BATNA) with Juan? Sell the car to your friend, Pedro.

- What is your reservation price (in this negotiation with Juan, the lowest price that you will accept)? 4500

- What is your most likely price? 5000

- What is your stretch goal? 6000?

TOPIC ACTIVITY CONTINUED - What is the ZOPA?

BATNA

Reservation Price

Most Likely

Stretch

You 4500 — — — 5000 — — — 6000

— — — 3500 — — — 4500 — — — 5500 Juan BATNA

Stretch

Most Likely

Reservation Price

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TOPIC ACTIVITY CONTINUED - What is the ZOPA?

BATNA | Reservation Price | Most Likely | Stretch

You · 4500 — — — 5000 — — — 6000

Zone **of** Potential **A**greement (ZOPA)

3500 — — — — 4500 — — — 5500 Juan · BATNA

Stretch · Most Likely · Reservation Price

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GRAMMAR

Comparatives and superlatives

COMPARATIVES AND SUPERLATIVES			
	Adjective	Comparative	Superlative
ONE syllable	Fast Young	+ ER Fast**er** Young**er**	+ EST Fast**est** Young**est**
TWO or MORE syllables	Famous Beautiful	MORE+ **More** famous **More** beautiful	THE MOST+ **The most** famous **The most** beautiful
Common Exceptions	Good Worse	Better Worse	The best The worse

GRAMMAR PRACTISE

Teacher: Tall - Superlative

Student: He is the tallest negotiator in Spain.

High - comparative

Good - superlative

Low - comparative

Bad - superlative

Fast - superlative

Slow - comparative

Confident - comparative

Lucky - superlative

Stressed - comparative

CORRECTIONS & VOCABULARY

HOMEWORK

Complete the phrases and match them to their correct definition:

1. A win- sum game ⇒ a situation in which a benefit gained by one side means a loss to the other side

2. A zero- win situation ⇒ a situation in which both sides benefit.

Match the following common 'manipulative' negotiation tactics to their descriptions. Can you think of any dangers in using them?

1. The negotiation decoy

a. add extra false interests to your agenda which you can bargain with, without affecting your real interests

2. The extreme offer

b. appear as if you are ready to break off the negotiations unless your interests are met

3. Negotiation nibbling

c. ask for more or offer less than expected in order to make 'concessions' later

4. Good cop bad cop

d. make one last 'small' demand once the deal has been done hoping that your opponent will agree in order not to harm the agreement

5. Mention the competition

e. make references to what your opponent's competitors are offering in order to gain the concessions that you want.

6. Negotiation limits

f. one member of your team is demanding and inflexible (the bad cop), the other appears to be pleasant and reasonable (the good cop). Your opponent will have to deal with the good cop.

7. Take it or leave it

g. state limitations (e.g. money, time), real or imagined, hoping that your opponent will make a concession to meet your limit.

8. Negotiation silence

h. stop talking during the negotiation in the hope that your opponent will become uncomfortable and want to make a concession in order to break the silence.

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HOMEWORK

Listen again to the negotiation extracts. Which of the tactics 1-8 do you hear? Which of them worked and which of them were neutralised?

Extract 1: _____

Extract 2: _____

Extract 1

Extract 2

THANKS

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