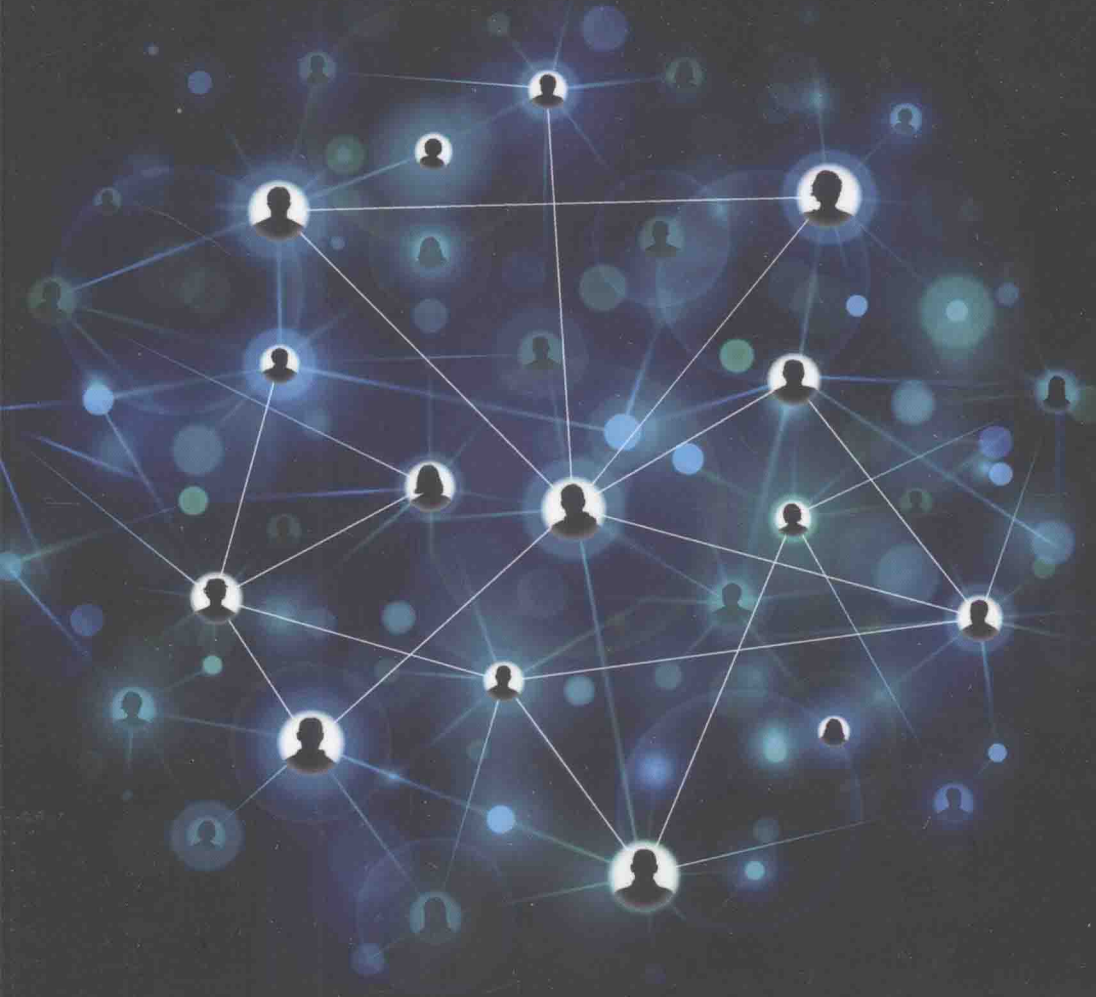


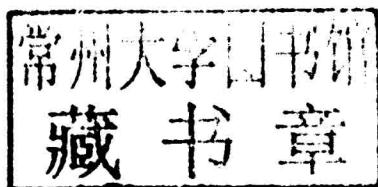
PRACTICAL BUSINESS NEGOTIATION



WILLIAM W. BABER AND
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PRACTICAL BUSINESS NEGOTIATION

Practical Business Negotiation introduces university students to business negotiation as practiced in the globalized business world. There are no other textbooks that take on this topic in depth with non-native English speakers in mind. Current textbooks about negotiation tend to be dense, academic and less than practical in content. Many are demotivating to students who are not easily able to consume a few hundred pages of academic writing.

This textbook takes a step-by-step approach, providing bite-sized presentations of negotiation concepts with practical exercises that include linguistic as well as negotiation content. Explanations are reinforced with practical questions and problem solving and recent examples drawn from a business world that includes much more than North America and Europe.

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Chavi C-Y Fletcher-Chen

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INTRODUCTION

The purpose of this textbook is to put the practical knowledge and tools necessary to negotiate well in business in the hands of students.

The textbook seeks to answer practical questions like:

- What is the overall process of negotiation?
- How do you start?
- What is the sequence?
- What should you expect?
- What phrases communicate the right intention?
- How do you finish it up?
- How do you learn more about it?

The textbook uses plain English, not difficult academic English. The textbook uses many diagrams to help visually explain the processes. Technical words (jargon) are explained so that you can use them properly to communicate your plans and ideas to your team, your superiors and companies you do business with.

The processes and ideas discussed in this textbook are based on the standard practices of “Western business” institutions – practices we must understand in order to function successfully in international business. The learning points in this book will be useful in most kinds of business interactions. However, local business practices and customs must be respected and understood in order to achieve local and regional success.

This textbook will teach you basic ideas about business negotiation through reading, discussing and doing. Each section of this textbook contains one or two key points about planning, structuring, verbalizing or understanding negotiation. Using the case studies included, you will learn and practice phrases and jargon

2 Introduction

commonly used in negotiation. Additionally, you will learn the importance of understanding the other side as well as how to understand the other side.

Fundamentally, this textbook teaches that negotiation is an opportunity to create value and business opportunities. Negotiation should not be a fight to take value from another party. Negotiation should be a constructive conversation in which all parties take home at least as much value as they need. Some of that value may be distributed in a zero-sum way, but additional value should be created to replace value conceded to other parties.

By the end of this text you should be able to:

- identify and use key negotiating strategies;
- identify monetary and non-monetary interests of all parties;
- use various methods to prepare properly, including understanding your counterparts and organizing before negotiating;
- use questions to understand the goals of counterparts;
- provide and receive helpful information;
- identify and improve a BATNA;
- identify and avoid poor tactics and negotiating practices;
- engage in a mutually successful negotiation in which all parties are satisfied, and you have not unnecessarily given away value.

What kind of negotiation

The negotiation we will discuss and study in this textbook is business negotiation. There are other areas of negotiation, for example political negotiation, which we will not directly discuss. Business negotiation is largely a transparent experience with both sides openly seeking money, business opportunities and other forms of value. Political negotiation, on the other hand, is much less open and often threatened by the actions of individuals and groups who do not seek common benefit.

Process

As a practical textbook, you will learn useful “how to” processes. Here we need to be a little cautious. Cognitive psychology shows that processes are useful for simple tasks, but not for complex activities. For example, you can easily learn to turn a car left or right, to start and to stop, but these do not add up to the complicated activity of driving a car; however, after you learn turning, starting, and stopping, you are able gain the experience necessary to drive safely.

In the same way, business negotiation is a complicated procedure that cannot be put into a cookbook recipe of easy steps. You need to know why and how the process works in order to become an expert. The processes included in this textbook are therefore useful as small steps and general overall guidelines. They are not

strict recipe cooking steps. Your first driving lessons are probably on a safe course or parking lot, not a fast highway. Similarly, this textbook contains exercises, examples and simulations so that you can learn by doing, even if you are not at risk of losing money or business.

Contents

Most of this text discusses approaches to resolving problems and difficulties in negotiations, or “solving problems jointly,” as in the book *3D Negotiation* by Lax and Sebenius (2006) and other books broadly referred to as the Harvard Method. Part of this text is devoted to useful words, phrases, and practices that will help students become comfortable with the process of negotiating. Practical steps for problem solving, researching and designing agreements are included. A portion of this text is reserved for tactics, mainly regarding avoiding and handling aggressive tactics.

