

Business Lesson

A **business negotiation** is similar to a discussion between friends arranging a social engagement. Two parties have shared objectives: to work together in a way which is mutually beneficial. Proposals and counter proposals are discussed until agreement is reached. Both sides hope for repeat business. This is an agreement-based negotiation sometimes referred to as a **win-win negotiation**.



Two other types of negotiation are less founded on mutual benefit, but on gaining the best deal possible for your side. In the first type, both teams negotiate to **independent advantage**. This means that each team thinks only about its own interests. In this type, a seller typically seeks to sell a product but is less concerned about repeat business.

A third type is the negotiation to resolve conflict, for example in a contractual dispute. Here, it is possible that each party regards the other as an opponent and seeks to win the argument. This is a **win-lose negotiation**.

Discussion:

Suggest other situations which match each of the three types of negotiations described here. Think of examples from your own experience.

Preparation for Negotiation

1. Points to make a successful negotiation:
2. Prepare your negotiating position- know your aims and objectives.
3. Prepare any figures, calculations and any support materials you may need.
4. Prepare your opening statement
5. Identify your minimum requirements.
6. Know your role as part of the team
7. Decide your strength and weaknesses.
8. Decide what concession you could make.

Let's talk:

- 1. What type of negotiator are you? Defend your choice?**
- 2. As a businessman, what type of negotiation do you want? Why?**
- 3. Point out the significance of negotiation in the business sector?
What about in daily life?**
- 4. Suppose you are in a peace talk with the rebels in your country.
As a representative of the government, what kind of negotiation will you adopt? Why?**
- 5. There was a kidnap for ransom case in the district where you were assigned as a police officer you were asked as the negotiator to negotiate with the kidnappers. What type of negotiation will you use? Why?**