

Topic: Negotiations (5): Clinching the deal**Aims:**

- To discuss some aggressive negotiation tactics, and ways to deal with them;
- To analyse an example of the closing stage of a negotiation;
- To teach some useful phrases for reaching agreement and clinching a deal;
- To provide practice and feedback of the situation of closing a negotiation.

Level: Intermediate (B2) and above

Introduction

The final stages of a negotiation don't always go smoothly. It is not uncommon for one side to threaten to walk away from the deal, a situation which is often in neither side's interests. This is where planning and preparation are especially valuable: you need to be able to evaluate accurately the benefits of making an additional concession, or simply accepting that there is no deal to be reached. This workshop deals with a number of common events and situations from the closing stages of a negotiation: from dealing with brinksmanship to finally clinching the deal.

1. Quiz: Are you a hard-nosed negotiator or a soft touch?

Write the name of the quiz on the board, and discuss with the class what a *hard-nosed negotiator* and a *soft touch* might be (i.e. an aggressive negotiator, who uses tough tactics to get what he/she wants; a compliant negotiator who can be bullied into accepting disadvantageous conditions). Discuss with the class which phrase best describes them. Note that these are both negative extremes, so the ideal would be somewhere in the middle, so you could discuss which extreme your students are closest to.

Students work in small groups to discuss the questions, using examples from their own experience where possible. Point out that this is a light-hearted quiz, with no right or wrong answers – the aim is to get students to consider extreme cases in order to find a sensible compromise between them. When they are ready, discuss the answers with the class. You may also need to check some vocabulary from the quiz, e.g. *spontaneous*, *an adversary*, *acounterpart*, *deadlock*, *to settle for sth*. See also background notes below.

Background notes:

- **Tenacity** and **stubbornness** are effectively the same, describing somebody who doesn't give up. The only difference is that *tenacity* is seen as a positive characteristic, while *stubbornness* is seen as negative.
- If you are **accommodating**, you try to fit in with what other people want.
- A **bluff** is a type of trick, where you pretend to be in a stronger position than you really are. The other person usually has no way of checking how strong your position really is. If you **call someone's bluff**, you guess that they are bluffing and force them to reveal their position – which often means revealing that they were lying.

- If you ***dig your heels in***, you refuse to make any concessions.
- If you ***throw a spanner in the works***, you spoil a situation that was working well, by adding a major complication.

Suggested answers:

1. Both **a** and **b** are too extreme. A more sensible compromise (**c**) might be to reach an agreement, but only where a good agreement is possible, and to avoid agreeing to anything that is not in one's best long-term interests.
2. All of these adjectives except *aggressive* and *weak* can apply to good negotiators, depending on the situation. There are times when you need to be *spontaneous*, *flexible*, *generous*, *helpful* and *accommodating*, and times to be *tenacious* and even *stubborn*. The two which probably apply all the time are *patient* and *cautious*.
3. If you see the other person as your *enemy* (or, to a lesser extent, your *adversary* or *opponent*), you have the wrong attitude and will not build good long-term relations. On the other hand, if you try to negotiate with your *friend* (or, to a lesser extent, your *partner*), you may well damage your friendship or get a less than perfect result for your organisation. It is better to allow partnership and friendship to grow out of a successful negotiation, not come before it. The most neutral term, *counterpart*, is probably the safest way to think of your opposite number.
4. It all depends on whether you would still be better off after making the concession. If not, you should definitely call his bluff. If you would be significantly better off by making the concession than walking away, you probably have to make the concession. However, if this is a borderline case, with no obvious 'best' option, remember that you are trying to build a long-term relationship here, and you may decide you don't want to work with someone who uses such aggressive tactics – and certainly that you don't want to start the relationship by showing how easily you can be manipulated. Call his bluff and see what happens.
5. Again, it depends on how important the deal and the relationship are to you. If you want to build a long term relationship, you should try to find out why she won't accept your final offer, by focusing on her interests rather than positions. It's much better to show a positive attitude towards finding a creative solution rather than just expecting your counterpart to do all the hard work.
6. **a** might seem the most honest answer, but **b** might actually be better for both sides. If you accept straight away, your client will realise she has offered too much, and will feel bad about the negotiation. If, on the other hand, she feels as if she has had to fight for her price, she will feel happier about her performance and the negotiation in general. You will also benefit, especially if you can trade the £20 for something you want.
7. This is a common trick, and many inexperienced negotiators accept option **a**, mainly because psychologically it is very hard to go back to the beginning (**b**). Unfortunately, **b** is the only sensible option, unless you decide you can't work with a person who plays such tricks, and decide to walk away.

2. Reading: Brinksmanship and clinching the deal

Elicit from the class what *brinksmanship* is (=using the threat of a destructive situation to put pressure on the other person). Elicit also what it means if you *clinch a deal* (= you reach agreement, typically after a long struggle).

Students work in pairs to discuss whether they think the ten statements are true or false. They then read the text to check their answers, and discuss again in pairs. When you check with the class, discuss why the statements are true or false.

Answers:

1. True: they've both invested plenty of time, effort and money in the negotiation.
2. False: if you hold the negotiation in their office or in neutral territory like a hotel, you can walk away more easily.
3. False: it could still be a factor in your decision-making, but it not the most important factor.
4. True: they may call you bluff, and even if you succeed, it could damage your long-term relationship.
5. True.
6. False: it is bad for long-term relationships.
7. True.
8. False: everything is on the table until the whole deal has been clinched.
9. False: as long as these really are just loose ends, it's usually fine to leave these for later.
10. True: tired negotiators often capitulate. However, it can also do a lot of damage.

3. Dialogues

Go through the background information with the class. Make sure everyone understands the difference between a *franchisor* and a *franchisee*. Students work alone to answer the question. They compare answers in pairs before checking with the class.

Background notes: A *franchisor* is a company which owns a brand, and licenses other people (= *franchisees*) to use that brand for their own business, plus other forms of support (e.g. marketing, access to suppliers) in exchange for a fee and/or a share of income.

Answers: 1% increase in monthly fee for 2 years (to be reviewed in 2 years); 5% cut in setting-up fees; non-compete clause to cover a 15km radius for first two years, 5km radius for next two years; four-month notice period.

4. Analysis

Students discuss the questions in pairs. After a few minutes, open up the discussion to include the whole class.

Suggested answers:

1. Flexibility on the initial setting-up fee in exchange for slightly higher monthly fees. In other words, she is accepting the principle of flexibility, without mentioning specific details.
2. Because the franchisor's agreement (*I think that's fair enough*) is rather vague. If in doubt, get clarification.
3. The franchisee is worried about being able to make a living if the franchise fails. The franchisor is worried about giving away all his secrets and then watching her set up in competition over the road.
4. The franchisee uses phrases like '*possibly slightly more*' and '*say*' to show that the figures are just examples. The franchisor also uses the word '*say*', and the expression "*We might be able to show some flexibility ..., but I was thinking more in terms of ...*".
5. He says "*I'm afraid 1km is totally out of the question*".
6. She thinks it has already been fixed.
7. The franchisor, who first hints at the possibility of the negotiation failing, but tries to make it seem as if the franchisee is considering walking away. In fact, the franchisee is simply stating what she cannot accept.
8. By taking a time-out to think about it.
9. *I've given it some thought. I was wondering whether we could do something like this ...*
10. *We might be able to work out something like that; Sounds good.*
11. He wants to get confirmation of all the details first.
12. To make her feel positive about her performance, and therefore the negotiation as a whole. This will help build their long term relationship.

5. Useful language

Cut up enough copies of the worksheet for students to work in pairs, with one set of slips per pair. They then try to match the phrases from the dialogues with the functions. When they have finished, discuss the answers with the class and elicit more phrases for each function. Give each student a copy of the complete worksheet for reference – this will be useful for the role-play. As a follow-up, students test each other in pairs by reading a phrase aloud to elicit its function.

Answers: 1o 2a 3d 4e 5h 6c 7b 8r 9n 10i 11m 12l 13s 14g 15j 16q 17k 18p 19f

6. Role-play

Put students into pairs. If you have an odd number of students, you could have a group of three, where there are two representatives of the franchisee. Go through the background with the class, making sure everyone

understands the negotiation is in its final stages, and that both sides have already made concessions.

Then randomly distribute to each student one slip of paper showing where they can be most and least flexible. Try to make sure the students in each pair have different slips from their partners. They should not show their slips to their partners.

Before they begin, they should spend around five minutes planning their best strategies: their BATNA, their reservation points, the relative value of the various factors, opportunities for creative solutions, etc., based on the information on their slip of paper.

Allow plenty of time for the role-plays. Encourage students to use the phrases and techniques from this workshop, and remind them that both parties are keen to reach a deal. Monitor carefully. When they have finished, give and elicit feedback on the effectiveness of the negotiations, and discuss the various creative solutions that they found. Finally, allow them to reveal the information on their slips of paper to their partners, to discuss how well they both performed.