



A negotiation

Name: _____ Group: _____

Daniel and Gina are negotiating. Listen to their conversation and answer the questions.

Establishing a position

1. What product are they talking about?

- a) Food
- b) Housing
- c) Clothing

2. What type of negotiation is it?

- a) Buying and selling properties.
- b) Buying products to resell.
- c) Opening a restaurant.

3. Who is the seller?

- a) Gina
- b) Daniel

4. Who is the buyer?

- a) Gina
- b) Daniel

5. What's Gina's position at the beginning of the negotiation?

- a) She suggests starting with small quantity in flexible time.
- b) She pretends to invest between \$500 to \$1500 per month.
- c) She is thinking of opening new branches in different cities.

6. What's the buyer biggest problem?

- a) He/She doesn't have enough of warehousing space.
- b) He/She doesn't have the legal documentation ready yet.
- c) He/She won't have enough time to deliver the products.

7. How long does it take to the seller to process orders?

- a) 2 to 5 days
- b) One month
- c) At least two weeks

Setting conditions

8. What is the most important factor for the seller?

- a) The price
- b) The volume
- c) The schedule

9. What's the price of items with a flexible schedule?

- a) \$6 per unit for tees and tank tops, and \$15 for hoodies and zip-ups.
- b) \$16 per unit for tees and tank tops, and \$50 for hoodies and zip-ups.
- c) \$60 per unit for hoodies and zip-ups, and \$50 for tees and tank tops.

10. What's the condition to get a discount on products?

- a) A minimum monthly volume
- b) An exclusiveness to the supplier
- c) A long-term contract

Disagreements

we've reached a bit of an impasse
we won't be able to offer you the lower price
We're not willing to absorb those costs
say that's not going to work for us

I'm sorry to be blunt
there's no way around this
I have to draw a line here
we'd need to have monthly deliveries

Daniel: Let's work out the details about delivery and scheduling. For us to make this work at the lower price, 11. _____, but we could let you adjust the size of the order to some extent, so that you can manage your warehousing space.

Gina: I'll come right out and 12. _____. Flexibility is essential for us; our whole model is based on just-in-time logistics, so 13. _____.

D: Well, in that case, 14. _____. I have no problem with flexible deliveries as such, but we can't offer our best prices without a regular commitment on your part.

G: 15. _____, but this seems a little short-sighted on your part. We're potentially looking to order millions of units each year. Flexible delivery doesn't mean that we won't make orders regularly, it just means that we need to control the timing and quantities.

D: I understand completely, but you need to realize that we have our own logistics issues to deal with. If we don't know exactly when and how big an order will be, that creates costs for us. 16. _____; I feel that if you need this flexibility, then you should be willing to pay for it. I'm sorry but 17.

_____. It's simply too risky for us to give you what you're asking.

G: It seems like 18. _____. Shall we take a five-minute break?

Reaching an agreement

19. The first offer the seller makes is a full year contract.

TRUE

FALSE

20. The buyer considers the year contract is better for them.

TRUE

FALSE

The agreement reached consisted in:

COSTS:

DURATION OF CONTRACT:

VOLUME:

Tees and tank tops

Six months

Minimum, per quarter

\$6

A year

Minimum, per six months

\$5.75

Minimum, per year

\$5.50

Hoodies and zip-up tops

\$15

\$14

\$14.50