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Successful Negotiations

a multimedia business English study guide to negotiating effectively in English



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Successful Negotiations

A multimedia business English study guide to negotiating effectively in English

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Successful Negotiations

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Successful Negotiations

Successful Negotiations

This is an e-book brought to you by Business English Pod, the leading provider of on-demand training for business English communication skills, available on the Web at www.businessenglishpod.com.

In *Successful Negotiations* we'll explore the language of negotiating in English with a series of lessons and activities that examine several typical business negotiations and the language used in each stage of the process. The goal is to study all the essentials language you need to present your case and discuss different options in a negotiation.

The first two lessons cover the fundamentals of negotiation strategy and common terms and collocations used to describe different aspects of a negotiation. In the following seven lessons, we will examine two different styles of negotiations: A transactional negotiation between Tony, a supplier of building materials, and Paul, a purchasing manager for a large construction company; and, a strategic negotiation between the owners of two mobile phone service providers who are trying to negotiate the merger of their companies.



First, we look at how building a strong relationship at the beginning of a negotiation can help overcome obstacles in later stages. Then, we'll look at how to start off a negotiation, set ground rules for the discussion and begin to explore possibilities. After that, we'll study stating, clarifying, and evaluating positions. As not all negotiations are successful, we'll also cover how to decline an offer while maintaining the goodwill generated through the discussion. The next lesson deals with the process of trading concessions by making offers and counter-offers. The final two lessons focus on overcoming obstacles by identifying stumbling blocks and exploring alternatives; and how to close the deal by summarizing details, tying up loose ends, and reinforcing the relationship.

In all, this e-book has over four hours of information-packed audio lessons. The accompanying study notes contain a complete transcript of every lesson, vocabulary definitions, extra practice questions, and study strategies. And you can access over 90 interactive Flash exercises via the Business English Pod website and the activity links in this e-book.

In each lesson, we'll introduce the topic, then you'll hear a dialog that demonstrates the key language. Afterwards, in the "debrief" section, we'll take you through the main points and explain important vocabulary and idioms. For each skill, we'll learn more phrases that you can use. Then, finally, in the practice section of each debrief, you will have the opportunity to practice the language you covered in the lesson.

Learners often ask me how to study more efficiently and effectively. I have some suggestions. Listen to each chapter and practice the example phrases multiple times. First listen without the transcript; then, when you have time, go back and listen again with the transcript. Underline and look up words you don't understand. It's important to study vocabulary in context: Pay attention to collocations, or word partnerships, and words in whole sentences, with their accompanying prepositions and other grammatical characteristics.

Do the practice section of each debrief at least a couple times; try substituting different language the second time you practice. Substitution helps you increase your fluency, that is, your ability to say the same thing in many ways. You can also record yourself, write and act out dialogs, and practice together with a learning partner. These and many more strategies are covered in the study notes for each chapter.

Successful Negotiations is targeted for intermediate learners at or above the [Common European Framework \(CEF\)](#) level B2. This corresponds to a BULATS score of 3 or higher or an IELTS score of 5 or higher. The materials are designed, however, to be useful to students at a variety of levels: intermediate learners will focus initially on language development, whereas upper-intermediate and more advanced learners can zoom in on skills development, high-level vocabulary, fluency, confidence and enhancement of overall professionalism.

What's Included?

All Business English Pod e-books come with a variety of study resources to provide learners with maximum flexibility and value.

You can access and download all the materials for this e-book on this webpage:

www.businessenglishpod.com/learningcenter2/ebooks/business-english-negotiations-ebook

Each e-book includes the following resources:



Podcasts

MP3 lessons you can listen to on your computer, MP3 player or mobile phone.



Study Notes

PDF lesson transcripts with extra vocabulary and language exercises.



PhraseCasts

Compact MP3's of just the dialog, phrases and speaking practice.



Online Activities

Interactive quizzes, listening and language review exercises.

Online Activities – Preview the new Flash Quizzes:



(Click to open)

BEP 407 – Negotiations: Bargaining



In this episode, we'll study the skills and language of *bargaining*. This show is part of a larger series on negotiation skills.

Bargaining is the process of *swapping* or *trading concessions* – in other words, "You give me something, and I'll give you something in return." This is also called *making offers* and *counter-offers*. The goal is to *reach a compromise* – a result in which both sides *get benefit*.



Today's listening focuses on a typical bargaining situation. Paul is a purchasing manager for a construction company. Tony is a supplier of *anchor bolts* – large metal screws used in building projects. They are in the middle of a telephone conversation in which they are negotiating an order. Tony has already *opened the discussion* and *clarified Paul's basic needs*. Now they need to agree on the *quantity* and *price*.

As you listen, focus on the language that they use to *swap concessions* and *reach a deal*. Also, try to answer the following questions. The answers will be posted in a few days on our website at www.businessenglishpod.com.

Listening Questions

1. What does Paul mean when he says he'll probably be "throwing more business Tony's way?"

2. Tony suggests a way of helping Paul get a higher discount. What is it?

3. When Tony says to Paul, "You drive a hard bargain!" what does he mean?

Vocabulary

To bargain (for sth.): To try to get better terms (for sth.) by trading concessions. "We bargained with them all day for a better price."

Swapping / trading concessions: Offering something in return for something else.

Somewhere in the ballpark of: Approximately. "We would like to hire somewhere in the ballpark of 50 new employees this year."

To throwing some more business s/o's way: To give someone more business. "Give us a good price, and we'll be happy to throw more business your way."

List price: The price quoted in the catalog (before discount). "The list price is \$750, but we should be able to get you a discount on that."

To toss sth in (to the offer): To include sth in the offer. (Also "to throw sth. in.") "We'll toss in free delivery with an order of over 100,000 pieces."

Fierce competition: Intense competition. "Fierce competition is driving down prices."

Tight (profit) margins: A profit margin is the amount of profit we make on a deal. Tight margins refers to very little profit. "We're operating on very tight margins, so taxes and duties hurt us a lot."

To combine purchases: To put two purchases together. "By combining our purchases, we'll be able to get a higher discount."

Specifications: (Technical) details; requirements. "Please give us your exact specifications, and we will manufacture the model accordingly."

(Binding / non-binding) letter of intent: A preliminary, or beginning, agreement that describes the terms for a future final contract. Letters of intent can be *binding* – that is, it is legally required to follow the agreement – or *non-binding* – that is, either party may break the agreement without legal consequences.

To check with s/o: To make sure something is okay with someone. "Please check with your boss before you go on break."

Prompt payment: Payment on time or within a specific deadline. "We have a discount for prompt payment – if you pay within two weeks of delivery, you can get 5% off."

You drive a hard bargain! "You are a tough negotiator." (Used to praise someone or let them know they are getting a good deal. "You drive a hard bargain, but I think I can agree to that.")

To expand rapidly: To grow quickly. "Our business is expanding rapidly."

To have one's hands tied: Not to have any choice. "There's nothing we can do – we have our hands tied."

To be a bit of a stretch: To be hard to agree to. "I'm sorry, but that's a bit of a stretch – I don't think we can agree to that."

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Dialog

Paul: Yes, well, **what kind of** discount could you give us on a large order...?

Tony: That depends... how many are we talking about?

Paul: For this particular bolt... on this project, something **in the ballpark of** 8,500.

Tony: Okay.

Paul: And we have another similar project coming up, so if the price is right and the bolts are good, we'll probably be **throwing some more business your way**.

Tony: I understand. If you order over 10,000, I can give you an 8% discount off the **list price**.

Paul: I see. And what kind of discount can we get on 8,500?

Tony: Probably only around 3%, but we can **toss in** another 2% discount if you pay within one week of delivery.

Paul: Actually, I was hoping for a little more help from you... We are evaluating other suppliers.

Tony: Yes, **competition is fierce**, and our **margins are already very tight**. Why don't you consider **combining your purchases** for the two projects? Then we can discuss a bigger discount.

Paul: We're not sure of the **specifications** yet. But what if we sign a **letter of intent** to use you as the supplier for that project too? Could you consider giving us an 8% discount then?

Tony: Yes... that might be possible. I'd have to **check with** the head office.

Paul: And with the 2% discount for the **prompt payment**, we're talking about 10% off your list price for 8,500.

Tony: **You drive a hard bargain!**

Paul: We've got an **excellent reputation**, and we're **expanding rapidly**. I'm sure we'll be giving you more business in the future.

Tony: Well, let me check and call you right back.

Paul: Okay, sounds good.

Debrief

After having traded concessions, Tony and Paul are *nearing agreement*. Let's study the language they use.

To begin with, Paul asks Tony about discounts for large orders. Paul says he wants *something in the ball park of 8,500*. This is *vague*, or indefinite language. It means *approximately 8,500*: Paul is being vague to give himself room to adjust the number upwards or downwards later.

Next, Paul employs another negotiating strategy. What is it? Listen again.

Paul: And we have another similar project coming up, so if the price is right and the bolts are good, we'll probably be **throwing some more business your way**.

To throw more business someone's way means *to give someone more business*. Paul is saying he will use Tony's company for future projects, so it will be worth it to Tony to give him a low price now.

Emphasizing possibilities for further cooperation is an important technique for *getting a better deal*. What are some other phrases we can use for this purpose?

- We're looking for a steady supplier.
- After we get you on our approved supplier list, we should be able to give you consistent business.
- We're definitely in the hunt for a long-term partner.

How does Tony respond to Paul's promise of future business?

Tony: I understand. If you order over 10,000, I can give you an 8% discount off the list price.

Paul: I see. And **what kind of** discount can we get on 8,500?

Tony: Probably only around 3%, but we can **toss in** another 2% discount if you pay within one week of delivery.

List price is the catalog or standard price. *Toss in* means to add or include.

This passage represents the heart of the bargaining process: We see Tony using *conditional phrases* – or “if-sentences” – to swap concessions. “If you give me this..., I can give you that.” If Paul orders more than 10,000, Tony can give him an 8% discount. If Paul pays within one week of delivery, he can *toss in* – or *include* – an extra 2% discount.

For more practice, let's review further examples of *trading concessions*.

- If I agreed to stagger the payments, would you find that more acceptable?
- Would it help if we offered to install the equipment for free?
- Give us a better discount, and we'll make a larger order.
- We can toss in free delivery if you are willing to accept a later shipment.

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How does the dialog continue? As the buyer, Paul is naturally in a stronger position. He uses this *leverage*, or strength, to *put pressure on Tony*, that is, he tries to *force* Tony to improve the offer.

Paul: Actually, I was hoping for a little more help from you...

First, Paul *signals for movement*, that is, he indicates he wants a better deal: He says he was "hoping for a little more help," by which he means, of course, a bigger discount. What other language can we use to *signal for movement*?

- That seems rather high.
- Don't you think that's a little low?
- Can you go a little lower?

Next, Paul *turns on*, or increases, the pressure.

Paul: We are evaluating some other suppliers.

Reminding someone of the competition is a standard way to pressure them into giving us a better bargain.

What are some other ways to *turn the pressure on*? First, let's consider a more positive approach.

- To reach agreement, we're going to have to see a little movement on price.
- Your lowering the price by just 2% would enable us to seriously consider the offer.

Pay attention to the positive emphasis in these examples: Instead of focusing on what we *can't do* if the other side *doesn't compromise*, we frame our thoughts *in positive terms*: What *can* we do to reach agreement? How *can* the other party *enable us* to consider the offer seriously.

Of course, it's not always possible to take a positive approach. Sometimes we need to *be very clear* that an offer is *unacceptable*.

- We can't really accept these conditions.
- Honestly, we were hoping for better terms.
- I'm really doubtful whether I can get the other members of my team to agree to this.

Back in the dialog, how does Tony respond to Paul's attempt to *use pressure* on him? He stays very calm, doesn't he?

Tony: Yes, **competition is fierce**, and our **margins are already very tight**.

Tony agrees that there are a lot of other suppliers – as he puts it, "*competition is fierce*," that is, intense. But this also means that his "*margins are already very tight*," or small. By margins, he is referring to *profit margins*, the amount of profit he makes on a deal. In other words, his competition has *squeezed* or tightened his margins: He can't make any money if he offers a higher discount.

Tony, therefore, has an idea:

Tony: ... Why don't you consider **combining your purchases** for the two projects? Then we can discuss a bigger discount.

"*Why don't you*" is a way of suggesting an alternative; "*Then we can*" describes the benefit.

Suggesting alternatives and their benefits is an good way to move discussions forward. Let's look at some more examples.

- Have you considered ordering earlier? *Then you could save on shipping.*
- What if we get a third-party to check the quality? *That way we can avoid any further problems.*

Is Paul prepared to combine his orders for the current and future projects, as Tony suggests? Not right away, because he isn't yet sure about the *specifications*, or exact details, of the future project. But he does have a idea – he proposes signing a *letter of intent*, which is a preliminary agreement that states the terms for a future final contract. So Paul's proposal is basically to *promise* or *pledge* that he will use Tony for the later shipment as well; in this way, his total pledged order will go over 10,000 bolts, which will enable him to receive the 8% discount.

Let's listen again to Tony's reaction.

Tony: Yes... that might be possible. I'd have to **check with** the head office.

Tony reacts with a *cautious*, or careful, yes – He says, "That *might* be possible."

How else can we respond to a proposal? In addition to a *cautious yes*, other possible reactions include a *strong yes*, *strong no*, and a soft *no*.

First, let's look at more language for a *cautious yes*.

- That **could** be a way forward.
- Well, that **might** be possible, but we need something in return.

Now let's study some more phrases we can use when we *totally* agree to a suggestion, in other words, when we'd like to say a *strong yes*.

- Okay, we **can** agree to that.
- That sounds fine.
- That's acceptable.

Of course, we're not always able to agree to an offer. What if we have to say no? There are both strong and soft ways to say no. Let's first study a strong no.

- I **must** say 'no,' and I'll give you my reasons.
- I'm sorry, that's just out of the question
- My hands are tied – I have to say no.

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"To have one's hands tied" means *to not have any choice*.

These are very direct ways of saying no. How can we *moderate* or tone down the language to make a *softer no*? Listen.

- That **would** probably be a little bit tough for us.
- I'm afraid that **might be** hard to do.
- That **could be** a bit of a stretch.

"To be a bit of a stretch" means *to be hard to agree to*.

In both the *cautious yes* and *soft no* reactions, note that we use past modals – *would, could, might* – to *tone down* or soften the tone.

What happens next in the dialog? Having received a cautious agreement from Tony, Paul *summarizes the deal*:

Paul: And with the 2% discount for prompt payment, we're talking about 10% off your list price for 8,500.

Tony: You drive a hard bargain!

"To drive a hard bargain" means to be a tough negotiator – Tony is praising Paul's negotiation skills, and perhaps signaling to Paul that he is getting a good deal.

How does the discussion finish? First, Paul again emphasizes possibilities for future cooperation – his company is "expanding rapidly," so he's sure he'll be giving Tony more business in the future. Then Tony *buys a little time* – that is, he delays making a final agreement.

Tony: Well, let me check and call you right back.

Paul: Okay, sounds good.

By buying time, Tony is *controlling the pace* or speed of talks. Managing the timing is often very important to achieving a good outcome. Before we finish today, let's review more expressions that we can use to *buy time*.

- I'll need to check a few details.
- I'd like to consult with my colleagues before committing to a view on the point.
- Why don't we come back to that point again after we've discussed payment terms.

Now, it's your turn to practice. First, let's practice reacting to offers. In the cues, you'll hear a series of different reactions. After the beep, repeat the reaction, but *change the tone*. That is, if you hear a *soft yes*, change it to a strong yes. And if you hear a *strong no*, turn it into a *soft no*, and so on.

For example, if the cue is:

Example cue: That's acceptable.

This is a strong yes, so we should change it into a soft yes. You can say something like:

Example answer: Okay, that *might* be acceptable.

Are you ready? Let's give it a try.

Cue 1 – strong no: My hands are tied – I have to say no.

Learner 1 – soft no: _____

Cue 2 – strong yes: That sounds fine.

Learner 2 – soft yes: _____

Cue 3 – soft no: I'm afraid that might be hard to do.

Learner 3 – strong no: _____

Cue 4 – soft yes: That could be a way forward.

Learner 4 – strong yes: _____

Cue 5 – strong no: I'm sorry, that's just out of the question.

Learner 5 – soft no: _____

Now, listen to some example answers. Of course there are many possible correct responses.

Cue 1 – strong no: My hands are tied – I have to say no.

Learner 1 – soft no: I'm afraid that might be a bit of a stretch.

Cue 2 – strong yes: That sounds fine.

Learner 2 – soft yes: That might be all right.

Cue 3 – soft no: I'm afraid that **might be** hard to do.

Learner 3 – strong no: I have to say no, and I'll give you my reasons.

Cue 4 – soft yes: That **could** be a way forward.

Learner 4 – strong yes: Okay, we can agree to that.

Cue 5 – strong no: I'm sorry, that's just out of the question

Learner 5 – soft no: That would probably be a little bit tough for us.

Okay, now let's practice useful collocations. You'll hear a series of sentences with a word *blanked out* or replaced with a *beep*. Repeat the whole sentence, but say the missing word.

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For example, if you hear...

Example cue: We can't really <bEEP> these conditions.

You should say ...

Example answer: We can't really **accept** these conditions.

We'll play an example answer after each exercise.

Are you ready? Let's begin.

Cue 1: We'll probably be <bEEP> some more business your way.

Learner 1: _____

Cue 2: Sorry, our <bEEP> our tied.

Learner 2: _____

Cue 3: Honestly, we were <bEEP> for better terms.

Learner 3: _____

Cue 4: I'd like to <bEEP> with my colleagues before committing.

Learner 4: _____

Cue 5: You <bEEP> a hard bargain!

Learner 5: _____

Answer 1: We'll probably be **throwing** some more business your way.

Answer 2: Sorry, our hands our tied.

Answer 3: Honestly, we were **hoping** for better terms.

Answer 4: I'd like to **consult** with my colleagues before committing.

Answer 5: You **drive** a hard bargain!

That's all for this episode on bargaining. We've studied *emphasizing possibilities for cooperation, trading concession and signaling for movement*. In addition, we've looked at different approaches to *turning on the pressure, suggesting alternatives and their benefits, reacting to a proposal, and buying time*.

Remember to check out the study notes at www.businessenglishpod.com. There you'll find full transcripts, vocabulary explanations and review exercises for this and other episodes. Thanks for listening, and see you next time!

Language Review

A. Trading Concessions

Put the jumbled sentences in order to practice useful phrases for trading concessions. Type the correct responses in the gaps below the jumbled words.

1. I agreed stagger to the if acceptable payments you that more would find

2. help would for it offered if we equipment install to the free

3. give better a will discount and we larger make a order us

4. shipment we can delivery in are if you free accept willing to a later toss

B. Turning on the Pressure

To review useful language, fill in the blanks in the phrases below with words from the box. Next, determine whether each statement is an example of *signaling for movement*, *turning on the pressure in a positive way*, or *turning on the pressure in a strong way*.

movement	doubtful	accept	little
hoping	rather	enable	go

1. That seems _____ high.
2. Don't you think that's a _____ low?
3. Can you _____ a little lower?
4. To reach agreement, we're going to have to see a little _____ on price.
5. Your lowering the price by just 2% would _____ us to seriously consider the offer.
6. We can't really _____ these conditions.
7. Honestly, we were _____ for better terms.
8. I'm really _____ whether I can get the other members of my team to agree to this.

Study Strategy

In your country, what are some things that people bargain for? Are the prices in the shops fixed, or negotiable? How about when you buy a house or a car? Are people in your culture considered good bargainers? What are some typical strategies that people use to get a better deal? Next, with a colleague or a friend, try the following role play: Each of you tries to sell something on your person (a ring, a watch, an article of clothing) to the other person. Afterwards, analyze the results, and compare them to your earlier discussion of bargaining culture.

Answers

Listening Questions

1. Paul means that he will probably be able to give Tony more business in the future. He is using this as a negotiating tactic to get a better discount.
2. Tony suggests Paul combine his current order with an order for a future project. This will increase the overall quantity of Tony's order, and thus will allow Tony to increase Tony's quantity discount.
3. When Tony says to Tony, "You drive a hard bargain!" he means that Paul is a tough negotiator – for example, Paul has not only asked for a large quantity discount, but also for a prompt payment discount. (Tony also perhaps intends to signal to Paul that he is getting a good deal.)

Language Review

A. Trading Concessions

1. If I agreed to stagger the payments, would you find that more acceptable?
2. Would it help if we offered to install the equipment for free?
3. Give us a better discount, and we will make a larger order.
4. We can toss in free delivery if you are willing to accept a later shipment.

B. Turning on the Pressure

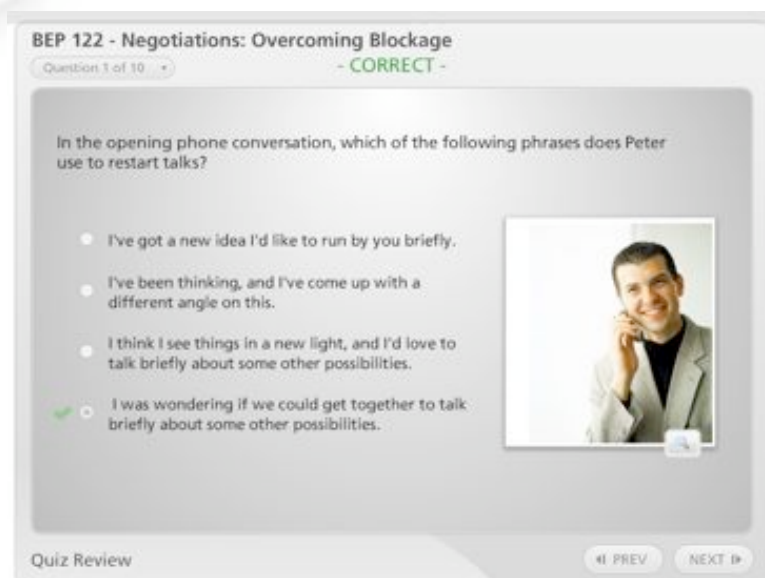
Sentences 1 to 3 are *signaling for movement*; sentences 4 to 5 are *turning on the pressure – positive*; and 6 to 8 are *turning on the pressure – strong*.

1. That seems **rather** high.
2. Don't you think that's a **little** low?
3. Can you **go** a little lower?
4. To reach agreement, we're going to have to see a little **movement** on price.
5. Your lowering the price by just 2% would **enable** us to seriously consider the offer.
6. We can't really **accept** these conditions.
7. Honestly, we were **hoping** for better terms.
8. I'm really **doubtful** whether I can get the other members of my team to agree to this.

Online Activities – Preview the new Flash Quizzes

Launch 

(click above to open)



BEP 122 - Negotiations: Overcoming Blockage

Question 1 of 10 - CORRECT -

In the opening phone conversation, which of the following phrases does Peter use to restart talks?

- I've got a new idea I'd like to run by you briefly.
- I've been thinking, and I've come up with a different angle on this.
- I think I see things in a new light, and I'd love to talk briefly about some other possibilities.
- I was wondering if we could get together to talk briefly about some other possibilities.

Quiz Review

PREV NEXT