

Negotiation report example

[Business](#), [Management](#)



Part A

As the course materials make clear, at its most fundamental level, a negotiation is a discussion “with a view to compromise.” Naturally, not every negotiation one enters into will be a success but if one plans, prepares and performs, chances of succeeding will weigh more heavily in one’s favor. In business, it is more likely than not that you will have to enter into a negotiation at some point in time. Accordingly, you should use the inevitability of negotiations as a map to guide all subsequent actions. Indeed, planning for a negotiation should be part of every project from the outset. Since negotiations almost always preceded by communication prior to conflict, one should be sure to get the other side to confirm in writing or recording any actions, promises or statement of value they have given or that you have given and they have acknowledged. Another benefit of early recognition of negotiation is that you can perform long-term observation of the other side, namely see what their real needs are, what they find most important, where they are willing to yield, when they are sensitive to compromise.

When it is clear that an issue will require negotiation, the next step is to thoroughly prepare for the negotiations. This includes, creating the appropriate team with a viable team leader and knowledgeable support members. Once the team is chosen, ample time must be given for team members to meet and come up with a negotiations plan. A solid negotiation plan begins gathering all necessary data. If you have been thinking about negotiation from the outset, the necessary data should be already archived. In addition to documentary information, all team members must fully inform

the others of what they know and how they can help bring about success. In short everyone needs to be “ using the same book and on the same page.”

Second, the team needs to think about what its objectives are in the negotiation and, as importantly what the other sides objectives are as well.

Third, team members need to categorize the objectives of both sides with an eye to how all objectives might be “ compromised” in order to ultimately reach agreement. One the one hand, areas that are deemed impossible for your side to concede should be reevaluated. On the other hand, areas that are considered impossible for the other side to give should be carefully analyzed for the benefits it may provide for your side. The final negotiation plan should be realistic and relevant to the objectives. It should be noted that while there will likely be surprises during negotiation that were not planned for, having a plan provides a framework for performance as well as a position to return to if a surprise pulls you off track. In short, going into a negotiation without a carefully thought out plan is a recipe for disaster.

Finally, any successful negotiation requires the team to actually perform adequately. Normally, little more will need to be done other than to follow the negotiation plan. Performance begins with the team leader. While the responsibility of running the negotiations stands with the leader; every team members need to be ready, willing and able to provide information on their specific subject areas when needed. This can only be accomplished if there was an effective division of labor of team members during the planning stage. As mentioned, there are bound to be surprises during the negotiations and so team members need to be active participants in all activities. They need to follow the flow of the negotiations to understand when there is a

deviation from the plan and how can help solve an issue or put it back on track. Any new information must be immediately considered and communicated to the leader in a way that does not disrupt the leader or the flow of the negotiations. Team members, however, need to be wary of answering or commenting on areas outside of their expertise or contradicting each other in front of the other side. Again, this is easier accomplished if the team had enough time to “bond” with one another prior to the actual negotiations. Adequate performance also includes always keeping sight of the negotiating plans objects, not volunteering information, not becoming emotionally by the other sides intransigence and perhaps most importantly having fun.

Part B

Question1: The problem in this situation is one of preparation and performance. Prior to meeting with the customer, the commercial manager and project engineer should have worked out a clearer negotiating plan. For instance, besides simply telling the project engineer to answer questions put to him, the commercial manager should have explained his objectives (and reasoning for those objectives). Similarly, the project engineer should have informed the commercial manager of any issues he knew in regards to those objectives. Accordingly, prior to the negotiations, both would be on the “same page” and could act in unison. Additionally, even if the project engineer did not know the objectives of the negotiation, his duty was still to follow the negotiation leader rather than become the negotiation leader. When he had issues with what the commercial manager was saying, he should have presented those issues outside of the presence of the customer.

Question 2: Having seemingly come up with a viable negotiation plan, the project manager's unfortunate comment suggests that he did not understand the importance of adequate performance. Normally, adequate performance can be obtained by following the negotiation plan. Here the project manager did not follow the plan. Second, while all members of a negotiation team are vital, the responsibility of negotiations is the leader, in this case that was the commercial manager. Accordingly, the project manager should have deferred to the commercial manager during the negotiations and most importantly, thought before he spoke.

Question 3: If the project manager was not available for the pre-meeting, prior to negotiations he should have been made aware of the agreed on negotiation plan and what each member is expected to contribute. The project manager should have known to “ stay on task” and not be lead away from the objectives of the negotiation plan, which was to delay or take the spotlight off of the company's contribution. Moreover, the project manager should have been made aware of not introducing new information in the presence of the other side but rather privately and with enough time for the lead negotiator to reflect on if it was useful or not in achieving their objectives.

Question 4: The negotiation plan was made. The division of labor of team members was spelled out. The only problem was performance. The project manager neither stayed within her area of expertise nor within her agreed to role during negotiations. Furthermore, she did not think before speaking nor defer to the commercial manager in leading and closing the negotiations.

She lost sight of the objective. Finally, she broke one of the fundamental rules of negotiation, namely “ don’t volunteer information.”