Negoiation in management

Business, Management

Negotiation in Management In the first scenario, when both stores remain closed for eleven weeks and stay open for the first week before negotiation, the store will incur a profit of two hundred and thirty thousand dollars after twelve weeks and the city will gain a levied fine of forty thousand dollars. In the second scenario, when the store open on the first week and decide to alternate, one store will profit fifty thousand dollars after week 12 and the other will incur a loss of thirty thousand for the entire period. Here the city will gain forty thousand from the levied fines. In the third scenario, assuming the stores stay closed for the first week before negotiation and then ought to alternate, a single store will incur a profit of sixty thousand after the entire period and other will lose twenty thousand with the city gaining none as levied fine. In the fourth scenario, when the store are all closed in the first week and stay closed for the remaining weeks, they will all profit one hundred and twenty thousand after the entire period, and the city will gain four hundred and eighty thousand as fine.

Therefore, for the store to maximize the profits I will go for the first and the fourth scenario. When the store remains closed, the current profit will be kept and the city will gain profit in case the other store remains open before the negotiation. Therefore, when the two stores remain closed, profits will be recorded. The ultimate option will be for the store to demonstrate against the city claiming they will generate two hundred percent increase in revenue (Kim, 2009).

Reference

Kim, Y. J. (2009). Fractional tit for tat strategy in promotional competition. New York: New York University Press.