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**Part**

**1**

# ABC to Business Negotiation & Communication

## Chapter 1

# Fundamental Theories of Business Negotiation & Communication

### Learning Goals

Upon completion of this chapter, you will be able to:

- ☞ recognize the important role of communication in business;
- ☞ identify the components and nature of communication;
- ☞ define concepts and motivation of business negotiation;
- ☞ recognize the key elements of international business negotiation;
- ☞ distinguish the major characteristics of business negotiation;
- ☞ present the different types of business negotiation.

### Lead-in Words

infinite *adj.* 无限的

vital *adj.* 至关重要的,致命的,根本的

territory *n.* 领土,领域

concise *adj.* 准确的,简明的

divergent *adj.* 不同的,有差异的,有分歧的

confrontation *n.* 对抗,敌对

trigger *v.* 激起,引起,引发

tackle *v.* 应对,处理,应付

option *n.* 选择

plead *v.* 请求,恳求,央求

bargain *v. n.* 讲价,讨价还价

agenda *n.* 议事日程,章程

embodiment *n.* 体现,显现,化身

### Section I Introduction to Business Communication

As an element of human behavior, negotiation depends on communication. Communicating effectively in speaking and writing extends across all areas of business, including management, technical, clerical, and social positions. And now in the 21st century, business has become truly global and the electronic age has made possible instantaneous communication. The phenomenal growth of international business also creates the need for us to understand international

communication.

## 1. Business Communication & Its Nature

In general, communication is the transferring of message and understanding of meaning among people. But communication is more than just the spoken or written words. At its best it is multifaceted through which we exchange information with the world around us. We use communication skills in every aspect of our lives: at work, family and friends, even with ourselves.

As for business communication, it differs to a certain degree from other forms of communication even though they do share something in common. Sun Yao-yuan (孙耀远) explained that *international business communications mean the exchange of trading messages that relate to buying or selling, understanding or being understood, with the use of traditional or advanced technology*. Xu Xian-guang (徐宪光) in his *Business Communication* defined it as: a dynamic, multi-channeled process, which covers internal as well as external communication in a given organization. This definition has included those essential elements like dynamic, multi-channeled process in nature.

First, business communication is dynamic because it is always changing with the changing business. Every day business people from CEO to employees should take part in all kinds of business activities inside or outside the organization in an oral or written way. They communicate with different people for different reasons or purposes trying to solve all kinds of problems — some between individuals, some between the individual and the management, some between the organization and the public, and still some between organizations. Besides, from time to time, they will hold meetings or give presentations to people inside and outside the organization. Moreover, every day business people either receive or send many business letters, memos, faxes, e-mails, etc. However, we could hardly believe that business communication would involve so many aspects in its applications. All these and more have constituted nothing else but the dynamic nature of business communication.

Second, being multi-channeled is another important feature of business communication. It is highly advantageous for business people to get in touch with each other in a multi-channeled way in their daily management of business communications. Sometimes they choose the form of telephone or video conferences to discuss important issues. Still sometimes they have their activities recorded or produced on a tape or disk, so as to make it portable and convenient for promotions (like a product presentation or a TV promotion) or for distribution. When a GM (general manager) has something in his mind and he wants to discuss it with someone, he has a number of choices. He may choose a face-to-face way so as to make the talk more impressive or emphatic. He may simply pick up the phone if he wants to save time, or he may write a memo, even send either e-mails or faxes to the relevant person(s) instead.



In a word, being multi-channeled leaves much room for business people to choose the most effective way for their intended communication, which is highly necessary for business people today. It won't be hard for us to find out — and to understand as well — what an active role business communication may play in our versatile business activities.

## **2. The Role of Business Communication**

First, communication is the “lifeblood” that makes every organization go around. And without effective communication organizations cannot function. An organization is a group of people associated for business, political, professional, religious, athletic, social, or other purposes. Its activities require people to interact and react, that is, to communicate effectively.

Second, most managers and office staff spend more than 70% percent of their working time on communications for their daily business, including writing and reading letters, faxes, e-mails, and proposals, making and receiving phone calls, and having meetings etc. Their job, promotion, and professional reputation often depend on doing well in both written and oral communication. Therefore communication is often regarded as a primary responsibility in many careers such as customer relations, labor relations, marketing, personnel, public relations, sales and teaching. Even in the accounting profession mainly with figures, the ability to communicate to those who read his / her financial reports is essential. And this is also the reason why strong communication skills are found in the job descriptions, as a valuable job requirement, listed by numerous companies advertising positions.

## **3. Components of Communication**

Communication is dynamic. Simply stated, it is a two-way process of exchanging ideas or information. In this process, a number of components have been involved, each of them plays an important role in the promotion of communication. These factors interact in the communication processes, affected by various contextual conditions and decisions. This chapter only covers several main elements such as context, sender-encoder, message, medium, receiver-decoder, and feedback, each has different implications and functions.

### **(1) Message**

A message carries ideas from one person to another and it can be delivered either in a verbal way or in a non-verbal way. Verbal message can be further divided into oral form like a face-to-face talk, a phone call, voice mail, TV conference, speech making, and written form, etc. In fact, for a better and more effective communication, the two forms should go hand-in-hand according to the actual situation.

### **(2) Sender & Receiver**

Sender refers to the person who sends the message, and receiver is the one who is supposed to receive the message. As far as the sender is concerned, there are two factors to be taken

into consideration; what message should be composed and how to send it out. A message comes from an idea, yet it is not equivalent to an idea. A sender should be wise enough to compose a message in an appropriate way. And then he should choose the right channel to send it out.

In order to make the message well understood and to minimize the probability of misunderstanding, the sender should put himself in the receiver's shoes when designing the message. Suppose a manager wants to send a message to his employees about the rescheduling of the work. Before he actually sends it out, he should think about the likely responses positive or negative — he might get from them, and then decide in which way he should create the message. This will help him to minimize the possible complaints from the employees.

On the receiver's part, although he is entitled to give his feedback in whatever possible ways he likes, he should not give the feedback in a casual way if he really cares about getting the right message from the sender. When he is not clear or not certain about the message, he should not hesitate to ask for clarification. In this way, it will be possible for the receiver to minimize any misunderstanding resulting from vague messages.

In addition, as a good understanding of the interchangeable nature will help us think from both sides — the sender's and the receiver's, the study on the interchangeable nature of both sender and receiver is significant. As a receiver, we all expect the message to be clear and well composed (better not too long); and as a sender, we should do a good job in composing the message before we actually send it out, and none of us would expect any misunderstanding from our receivers. The explanation or reexplanation is not only time-consuming, sometimes, it may result in loss of some opportunities or failures in our planned action.

### (3) Channel

The term channel is used technically to refer to the means by which the encoded message is transmitted, that is, the ways of sending and receiving messages. Today, you might feel more comfortable using the word "media". The medium or channel, then, may be print, electronic, or the light and sound waves of face-to-face communication. Different messages naturally ask for different channels for transmission, for example, when the message to be sent is urgent and asks for an immediate reply, the oral channel will be the best choice. As the oral channel is characterized by its intimacy, directness, promptness and impressiveness, many people prefer oral channel.

When the message is formal or worth keeping, another channel is preferable, i. e. the written channel. Written channel helps people to memorize the message. It also serves as a data source. In addition, it can supply legal evidence when required. That is why no one could say "no" to written channel in spite of its time-consuming efforts and cost, although people are getting busier and busier with each passing day.

In fact the oral channel and the written one should not be taken as conflicting ways of

message transmission. Actually, they often compensate each other when required. For example, when time is tight, a manager may not be able to give a detailed explanation about some decisions. Then it is high time for him to use the written channel — sending each of his employees an e-mail with his new idea. Sometimes the receiver may not have enough time to go over written message, especially when the message is too long, he may use the oral channel — asking the sender to give him the general idea of the report. Still sometimes both channels are required. That is, when something is really important, the employment of both channels would ensure the desired effect. That is the reason why a copy of the agenda is provided to everyone for a meeting, a brochure distributed for an exhibition and a handout given to each participant before / after a presentation.

Channels within an organization can be further divided into formal and informal ones. Formal channels comprise three kinds of communication — downward, upward, and horizontal, which will be discussed in the following chapter.

#### (4) Feedback

Feedback refers to the reaction from the message receiver to the message sender. Feedback can be presented in various forms — verbal or non-verbal, formal or informal, positive or negative, etc. It can also be an action, such as receiving in the mail an item you ordered. Senders need feedback in order to determine the success or failure of communication. The actual choice depends both on the message received and on the preference of the receiver. Feedback is important as it gives the original message sender the responding message. Feedback makes communication a two-way or interactive process, but only when the reader responds to a survey or writes a letter to the author does feedback occur.

In another way feedback can be further divided into two pairs: positive feedback vs. negative feedback; internal feedback vs. external feedback. Positive feedback refers to the response that has an encouraging impact on the sender, while negative feedback refers to the corrective reaction from the receiver to the sender. Internal feedback refers to the feedback initiated by the sender. External feedback is often called feedback, as many people have little knowledge of internal feedback. The coupling of internal feedback with external feedback is an ideal model for communication, as it can maximize the effectiveness of the feedback as a whole.

#### (5) Context

The final component of communication is context. Context is a broad field that includes country, culture, organization and external and internal stimuli. Generally, context can be defined as the environment in which the communication process takes place and which helps to define the communication. If you know the physical context, you can predict with a high degree of accuracy much of the communication. For example, you have certain knowledge and expectations of the communication that occurs within churches, temples, and synagogues. At times, you intentionally want to place your romantic communication in a quiet, dimly light

restaurant or on a secluded beach. Again, knowing that a person is being stopped by a police officer for speeding is enough to predict much of the communication.

Every country, culture and company or organization has its own convention for processing and communicating information. As context, every culture has its own worldview, its own way of thinking of activity, time, and human nature, its own way of perceiving self, and its own system of social organization. Knowing each of these helps you assign meaning to the symbols. In this point, the choice of the environment or the context helps assign the desired meaning to the communicated words; certain things are likely to be said and done; other things are very unlikely. It also helps you recognize that the extent to which the source and receiver have similar meanings for the communicated symbols and similar understandings of the culture in which the communication takes place is critical to the success of the communication.

## Section II Basic Concepts of Business Negotiation

According to Robert Maddox, author of *Successful Negotiation*, negotiation is the process we use to satisfy our needs when someone else controls what we want. For example, suppose you were a small child and you stood in the aisle of a store and pleaded with a parent for the purchase of a toy, a candy or a game, you were negotiating. You may have been promising you'd be good; you may have been articulating that the item was needed. Your persistence may have been the biggest bargaining chip you held in these dealings with grown-ups. In a word, negotiation is a basic human activity as well as a process people undertake every day to manage their relationships such as the relationship between husband and wife, children and parents, and buyer and seller. Negotiation is a fact of life. People negotiate something at work, at home, or as a consumer every day even when they don't think of themselves as doing so.

### 1. Motivations of Business Negotiation

Although human beings live in a finite world, their appetites are oriented to the infinite. As a result, man's unlimited demand has constantly given rise to conflicts between such demand and limited, scarce natural resources. To find a way out, the science of economics has been developed to study alternative ways to use scarce and limited but productive resources to produce goods and services to satisfy man's unlimited demand. Man's endless need and demand not only produce confrontation against nature but trigger conflicts among themselves. As we know the long lasting negotiations between Israel and Syria on returning of Israeli occupied territory — Golenhigh site an example to the point. On the 11% of the territory Israel agreed to return, there is a lake providing fresh water to Israeli people. Because of serious shortage of fresh water in that area, the lake becomes vital to the people of the both countries. Israeli government's target in the negotiation was to make sure that after the returning of the territory, Israel could

continuously fetch water from the lake. So the water issue became the focus of the negotiation and increased complexity of the talks.

Water conflict in the Middle East is simply one typical issue among countless disputes of similar nature among countries and nations. There are also other serious confrontations and conflicts induced by social, religious, cultural and political events, however the majority of the conflicts have direct and indirect economic background.

How to resolve and tackle these problems has always been the chief concern of all countries and states. Generally speaking, two approaches have been applied to conflict settlement: military means and peaceful means. Countless battles and wars, both worldwide wars and regional wars have been fought resulting in loss of millions of lives and ruin of property. As an alternative to military forces, weapons and guns, negotiations have also been employed to manage conflicts and settle disputes, thus negotiations are also referred to as peaceful means or political approaches. The two approaches have always backed each other and functioned in an alternative way. However, after the World War II, the devastating consequence of the war has made people all over the world realize a solid fact that coordination through negotiations is no doubt a better option for various conflicts and disputes.

It is misleading to conceive that negotiations are only applied to significant issues. As a matter of fact, negotiations are applied to all situations of conflicts, arguments and bargaining arising in the normal course of business, personal relations and daily life.

More and more occasions require negotiations; conflict is a growing industry. Everyone wants to participate in decisions that affect him; fewer and fewer people will accept decisions dictated by someone else. People differ, and they use negotiations to handle their differences. Whether in business, government, or the family, people reach most decisions through negotiations. Even when they go to court, they almost always negotiate a settlement before trial. Negotiation is such a common phenomenon, it is of great importance to define the meaning of negotiation and generalize activities that can be negotiations in a more concise way called definition.

## **2. Implications of Business Negotiation**

With the further development of economic globalization and integration, negotiations have been widely practised in social life of all kinds, particularly in business activities. Then what is business negotiation?

Generally speaking, business negotiation is one of the important steps taken towards completing import and export trade agreements. It is a bargaining situation in which two or more players have a common interest to cooperate, but at the same time have conflicting interests over exactly how to share. In other words, the players can mutually benefit from reaching an agreement on an outcome from a set of possible outcomes, but have conflicting interests over the set of outcomes. In import and export trade operations, the buyer and the

seller confer together to reach a mutually satisfying agreement on a matter of common interest. This is because each of the parties has his own objective in trade operations; e. g. the seller intends to sell the goods / services at a higher price, while the buyer intends to buy the same goods / services at a lower price. Each party presses for the attainment of its own goal. But some elements of cooperation must be presented, otherwise there will be no agreement at all and the opportunity to take part in the activity will be lost. Therefore, business negotiation is a dynamic process of adjustment between governments, trade organizations, multinational enterprises, private business firms and buyers and sellers in relation to investment and import and export of products, machinery and equipments and technology.

Take the following as example. Jane owns a car that she values at \$100, 000 (which is the minimum price at which she intends to sell), while Mark values this car at \$80, 000 (which is the maximum price at which he intends to buy). If trade occurs at a price that lies between \$100, 000 and \$80, 000 — that is, if Jane sells the car to Mark — the seller and the buyer would each become better off. In this situation, there lies a common interest for the two individuals to trade. But, at the same time, they have conflicting interests over the price at which to trade: the seller would like to trade at a higher price, while the buyer would like to trade at a lower price. Any exchange situation, such as the one just described, in which a pair of individuals (or organizations) can engage in mutually beneficial trade but have conflicting interests over the terms of trade, is a bargaining situation.

The main problem that confronts the players in a bargaining situation is the need to reach an agreement over exactly how to cooperate — before their actual cooperation. On one hand, each player would like to reach some agreement rather than no agreement. But, on the other hand, each player would like to reach an agreement that is as favorable to him as possible. It is thus conceivable that the players will strike an agreement only after some costly delay, or indeed even fail to reach any agreement.

### **3. Elements of Business Negotiation**

Negotiation is a social phenomenon and a special embodiment of human relations. It is a process of information exchange between two sides. They are counterparts of matched qualification and rather independent in material force, personality and social status. etc. Due to mutual contact, conflict and differences in viewpoints, needs, basic interests and action mode, both parties try to persuade the other party to understand or accept their viewpoints and to satisfy their own needs. It concerns the following elements: It is an element of human behavior and depends on communication, that is, it occurs between individuals; it takes place only over negotiable issues; it takes place only between people who have the same interest; it takes place only when negotiators are interested not only in taking but also in giving; and it takes place only when negotiating parties trust each other to some extent.

In negotiations, both parties should know the following:

- (1) why they negotiate;
- (2) whom they negotiate with;
- (3) what they negotiate about;
- (4) where they negotiate;
- (5) when they negotiate;
- (6) how they negotiate.

#### **4. Characteristics of Business Negotiation**

And no matter what the negotiation is about, there are some of the characteristics of business negotiation:

- (1) Negotiation is at the heart of every transaction and, for the most part, it comes down to the interaction between two parties with a common goal (profits) but divergent methods.
- (2) These methods (the details of the contract) must be negotiated to the satisfaction of both parties. It can be a very trying process with confrontation and concession.
- (3) Both parties share open information. In this case, both parties sincerely disclose them and listen to the other's objectives in order to find something in common.
- (4) Both parties try to understand each other's point of view.
- (5) Both parties know that they have common and conflicting objectives, so they try to find a way to achieve common and complementary objectives acceptable to them both.
- (6) There's no such thing as "take it or leave it" in international business. Everything is negotiable. It all depends on the expertise of the negotiators.
- (7) International business negotiation is known as the zero-sum game. One side's gains are directly the other side's losses. Your counterpart attempts to achieve the maximum concessions while leaving you just enough to keep you interested in the deal. Behind all of the smiles, handshakes, and banquets lurks the reality that both parties are trying to "beat" each other. It's an accepted, yet unspoken, fact.

#### **5. Types of Business Negotiation**

So far as the types of business negotiation are concerned, we focus on four areas to prepare you for the fundamentals: sale of goods / services, investment, technology transfers as well as business contract.

##### **(1) Sales of Goods / Services**

Sales negotiation is an increasingly important part of the sales process. Negotiation starts when a buyer and a seller are conditionally committed to the sale. Negotiation generally results in a compromise between seller and buyer on price, i.e., the seller reduces and the buyer increases the price from their starting positions.

Due to the status differences of the two parties, generally the negotiator shall discuss the export business on the basis of analyzing the relation between supply and demand in international market, making proper strategic objective to achieve the desired results. No matter in what situation, the goal of the negotiators is to provide / get the right product in the right place at the right time at the right price. For the exporter, he must make sure that he gets paid for the product, and for the importer, he must be assured that what he'll get is exactly what he orders.

To achieve desirable results in a sales negotiation, one must consider a variety of factors: product, quality, quantity, packing, price, shipping, quotation, offer and counter offer, insurance, payment, claim and arbitration, etc.

## (2) Investment Negotiation

The creation of joint venture is probably the most widespread and complex investment negotiations that exist nowadays. Here, we just quote the negotiation of joint ventures as a example of investment negotiation.

Literally, setting up a joint venture is a long and complicated process that involves four stages: preliminary investigation, pre-negotiation, negotiation and implementation. The preliminary investigation covers the initial approach to the market. This exploratory stage is mainly a phase for collecting information before acting. The pre-negotiation phase includes making the first contacts with the company that could be a partner, assessing the compatibility of the two parties' objectives, ascertaining if they have common views on market strategy, conducting the feasibility study, and signing a letter of intent. When the feasibility study has approved by the authorities, the full negotiation can take place. At this stage the parties concerned discuss everything necessary to set up and operate the future joint venture, such as the rights and obligations of each party, as well as the respective contribution of capital, technology, expertise and other resources. The negotiation also addresses issues concerning the management of the joint venture, its decisionmaking structure, its policy for personnel management and the conditions for its termination. At this stage, parties also explore such issues as domestic and export pricing of the future products for sale. This phrase is rather difficult with more than 50 issues, involving a large number of negotiators, lasting a long time and be subject to multiple unexpected events.

The last stage of the whole process concerns the implementation of the agreement. It would be logical to think the negotiation is over, but this is usually not the case. At this stage, surprises crop up on a daily basis because, for instance, the working conditions or supplies of raw materials may undergo dramatic, unforeseeable external changes, as a matter of fact, numerous renegotiation may take place.

## (3) Technology Transfer

For different environmental and developmental reasons, technological advances in different countries have always been unequal. The disparate nature of technological progress throughout



the world provides the very basis for technology transfer. In the past few decades, international technology transfer has multiplied in leaps and bounds.

Technology transfer is a means of transferring research findings from within the institution to and for the benefit of the public. There are three principal legal methods that can be used to import technology. The first one is through assignment, which is the most expensive among the three as it entails the purchase from the owner all his exclusive rights to a patented technology, trademark or know-how. The second method through a licensing agreement or contracts more flexible and less expensive, hence more suitable to our national conditions. The third method is signing a know-how contract. But more often than not, the purchase of know-how alone is not enough. It takes place together with the purchase of equipment or technology and therefore can be included in the license contract.

A number of unique features in technology transfer as following: First, commercial technology transfer is highly monopolistic. Second, a single technology can be traded multiple times, as the transfer does not involve ownership but only the right to use. Finally, technology transfer does not simply follow the basic market rule of exchange.

#### (4) Business Contract Negotiation

A contract, in the broadest sense, is simply an agreement that defines a relationship between one or more parties. A business contract, in simplest terms, is just an agreement made by two or more parties for the purpose of transacting business. The contract which is generally adopted in import and export business is the formal written contract. Written terms may be recorded in a simple memorandum, certificate, or receipt. Because a contractual relationship is made between two or more parties who have potentially adverse interests, the contract terms are usually supplemented and restricted by laws that serve to protect the parties and to define specific relationships between them in the event that provisions are indefinite, ambiguous, or even missing.

## Section III Practical Activities

### 1. Case Study

#### ● Case Study 1

##### **Background**

*A fair and equitable deal can be reached quickly, with a minimum of effort on even the most complex issues. It depends on who the major players are, how motivated they feel and whether lawyers play an active role. If you think there is a little unfair to attorneys, you might be right. However, most of the lawyers I've worked with agree with me, off the*

record, of course.

*There are businessmen and businesswomen out there who still do things in the old-fashioned way. Their negotiating style is much the same as it was when they were kids. They know the rules, that to give value. All they want is a reasonable profit. When you run across a company like this, you should go out of your way to keep them happy.*

In the following dialogue, Jeffrey is an honest old-fashioned businessman content to make an honest living. He wants to buy some big screen TV sets distributed in the U.S. Marilyn has often contacted Jeffrey and tried to sell him electronics, but this is the first time she is meeting Jeffrey in person and she is hopeful Jeffrey will actually buy from her.

Jeffrey: Hello, come in. I've been waiting for you.

Marilyn: Thank you. I'm not late, am I?

Jeffrey: No, no, no, not at all. It is just that I've been looking forward to meeting you.

Marilyn: Well, thank you, but it is not all that hard to do, you know. I've been calling your office and sending you proposals for about two years, and you've never responded before.

Jeffrey: Ha, ha, ha! Yes, I guess I deserved that. Let me explain, OK?

Marilyn: Please, I wish you would.

Jeffrey: Well, as you probably know I buy from a selected group of suppliers and don't, as a rule, deal with new people.

Marilyn: Yes, I know that. It is why I've been trying to become one of those suppliers. I hear you are a good man to do business with.

Jeffrey: I've very old-fashioned. I believe in loyalty. Once I start a sales relationship with someone, I stay with him or her, and we do most of our business on the phone. I expect their absolute best price possible and don't haggle. But if I find out they screwed me over, then I find another supplier.

Marilyn: That's pretty much what I heard.

Jeffrey: Well, those are my terms. As long as you honor them, we do business. If you break faith and try to take advantage, I'll find someone else to work with. Can you live with that?

Marilyn: No problem at all, Jeffrey, just give me the chance.

#### ● Case Study 2

*Ikea, a well-known Swedish home improvement store opened a Home Furnishings store in Shanghai last year, and has attracted many visitors every day.*

### Ikea's Rule

Xu Mei and her husband have just moved into a new apartment and the couple wanted to add some more pieces of furniture in the apartment. As Xu Mei's husband once lived and studied in Sweden for some time, the couple decided to go to Ikea for the selection. They found what they wanted; a set of leather sofa. However, they were told that they should pay the total sum of money right there before the furniture was sent to their home.

In Shanghai, the popular way for the purchase of furniture is to pay 10 percent of the total sum as a deposit, and the remaining is paid upon the arrival of the furniture. After some negotiation, Ikea employees gave up their original request but insisted on a 25 percent deposit for the sofa.

In the course of this process, the saleswoman's arrogant attitude and her repeated expression "It's Ikea's rule . . ." almost spoiled the transaction. Nevertheless, the couple filled in the order form for the sofa. They asked the saleswoman to tell the deliverers not to forget to bring the receipt with the sofa.

Three days later, the ordered sofa was delivered to the couple's apartment, which was on the fifth floor. When the husband asked for the receipt while paying the deliverers the outstanding balance, they told him that they were from a home-removal company and Ikea would send the receipt to him the next day. In this case, the couple asked to keep the ¥1,000 until the next day. When the deliverer phoned Ikea up for the answer, they were told to bring the sofa back if the outstanding balance was not fully paid, as it was the rule from Ikea's financial department. The deliverers brought the sofa down from the fifth floor.

No message came from Ikea the next day.

(Adapted and translated from People's Daily, Overseas Edition, Jan. 7, 1999)

#### Questions:

- ① You are a friend of Xu Mei. After hearing Xi Mei's story, what would you do to help her? Why?
- ② You are the newly-arrived manager of Ikea. As soon as you arrive, you hear the whole matter, what do you think of this? And what action would you take to handle it (as the media is concerned about it)? Why?
- ③ As a potential consumer of Ikea furniture, how do you feel about this after reading the case above? Do you think that Ikea has its reasons for reacting in that way?

## 2. Role Play

### For your Information

*Having a reputation for honesty is important in doing business and following the advice above will go a long way, but that is not everything.*

The following is an example of just how easy it can be. It could be face to face or over the phone. Jack is selling speakers made in Taiwan, and Mary works for an American distributor.

Jack: Mary! How are you? It's good to hear your voice.

Mary: Thank you, Jack, it is always a pleasure doing business with you.

Jack: So how are things in the land of the free and the home of the brave?

Mary: Great! And, how are things in your neck of the woods (你的地盘)?

Jack: Things are so great here. I almost smiled myself to death last week. One of my coworkers had to give me CPR (心脏复苏术).

Mary: Oh, Jack, I have missed your sense of humor. Ha, ha, ha! Nobody else sees things quite like you do. It's your gift.

Jack: Or a curse.

Mary: Nope, it is a gift. Anyway, we need some more of those mid-range speakers you tricked me into buying last time.

Jack: That, my dear, was classic sales technique delivered by professionals.

Mary: Are you still gouging (欺诈,勒索) your customers the same price per unit?

Jack: Heck no, we doubled the price, but because it's you, I'll let you have them at 50% off. Heh, heh, heh! How does that sound?

Mary: You silver tongued devil. Can't you ever just answer a question with a simple yes or no?

Jack: I could but there's the fun in that!

### 3. Mini Negotiation

#### Background

*You are the chairman of the Machinery Import and Export department of the company "Bright Path". There are 200 people working in that company. After lengthy internal coordination and discussion, "Bright Path" is going to invest in a set of new special machinery to expand their productivity.*

*In the end, you opted for the offer of "Information Highway", a Japanese supplier. Even though the price of "Information Highway" is high, you hope to save time and money in the long run since the geographic proximity of "Information Highway" will make the maintenance of the machinery easier.*

*The new machines were delivered over the last two weeks. On the last five days an installation team of three engineers from "Information Highway" came to "Bright Path". They installed the machines, conducted tests and finally a take-over-protocol was signed.*

*The representative of the installation-team, Mr. Tanaka, came to your office for the last half hour of the final installation; you drank some tea together and had a lively*

*conversation. The technical director of “Bright Path” could have asked more detailed questions. But at the moment he is out of the city on a business-trip.*

*Generally speaking, your long hours working on the weekend were worthwhile: The new machines are installed and the Monday morning-shift will start the production. This is very important since orders for the new product have already come in: the first delivery to one of your longstanding key customer must be completed in one week.*

On Monday morning, not long before the morning break, you receive a phone call from the assembly shop. The excited shift leader tells you that there was an accident with the new machines. An electric shock injured two engineers of your company. An emergency doctor and an ambulance have already been called for. The machines' provider, “Information Highway”, had also already been informed. They promised their support as quickly as possible. The new machines don't work! The engineers of “Bright Path” are helpless. You leave your office in order to go to the assembly shop. The two engineers affected seem to be “OK”: Some minor burns on their skin, they escaped with no more than a fright. It could have been a great deal worse! About two hours later, you receive a phone call from the factory security service: A visitor from “Information Highway” is waiting at your company's security gate in order to see you. You hurry there. Approaching the gate, you recognize the competent Mr. Tanaka. He smiles.

**Directions:** *Supposing the given situation takes place in China. Please discuss the questions below in small groups and afterwards select a person (playing the part of Information Highway) from one group who will then role-play the conversation with a person from another group (playing the part of “Bright Path”). You'll have about 20 minutes for discussion and preparation.*

**Questions:**

- ① How will you act towards the head of the installation team, Mr. H.?
- ② Should the situation arise, what will be your steps against the head of the installation team, Mr. H., and what are the steps against “Technology Corp.”?
- ③ Please explain your approach.

## Negotiation Tips

### ● Be Prepared 充分准备

Preparation is the single most important element in successful negotiations. In negotiation, information is power. The more relevant information you have, the better your position is. Preparation for your negotiations can not be overdone. Allow yourself adequate time to prepare prior entering any negotiation.

- Negotiation Involve on Going Relationships 谈判着眼长远关系

With the exception of large purchase, most negotiations involve parties involved in a long term relationship. Whether the relationship is family, friends or business associates, it will be necessary to continue to deal with your “adversary” outside the context of the negotiation. Always be sensitive to the potential impact of your negotiations on these relationship.

- Understand the Needs of Your Adversary 了解对手的需求

Your adversary in this context is the other party in the negotiation. Your relationship with this party may not normally be described as adversarial (敌对的, 对抗的), but for the purposes of this discussion we will view the negotiation as an adversarial relationship. Put yourself in your adversary’s shoes. What would they like to gain from the negotiation? Write down as many possible goals as you can think of. Prioritize (区分优先顺序) your list in the order that you believe your adversary would. Identify the items you are willing to negotiate and those items which are non-negotiable.

### Extended Activities

#### I. Situational Group Talks.

A director of garment factory and the dean of the director’s office receive a businessman and his foreign trade customer who come to visit the factory to see how garments are made from selecting material, cutting to sewing and the whole process of making garments.

#### II. Decide whether the following statements are true(T) or false(F).

1. Negotiation is a way of dealing with human relationship and resolving conflicts.
2. If conflicts give rise to negotiations, then the conflict itself is caused due to clash of stakes or interests held by each party.
3. A negotiation is a process of communication between parties to manage interests in order for them to come to an agreement, solve a problem or make arrangements.
4. Negotiation on price is normally the key part of a business talks.
5. The most important part of pre-negotiation planning is determining your objectives that need to be achieved.
6. In negotiations, you should pay attention to your verbal and non-verbal communication skills as well as get feedback properly.
7. Technology transfer simply follows the basic market rule of exchange.
8. Feedback can be further divided into two pairs: positive feedback vs. negative feedback; internal feedback vs. external feedback.
9. Managing position means knowing how to make concessions.
10. A conclusion or an agreement should be reached to finally close the negotiation.

#### III. Translate the following sentences into Chinese.

1. Never forget, everyone who sits down at the negotiation table is there for one simple reason:

they want something the other side has.

2. If you are armed with knowledge you can face your negotiators with confidence.
3. Success in negotiation is seen not to be measured in points scored off one's opponent, but in the contribution that the negotiation makes to the successful operation of the activity as a whole.
4. The entire process of negotiation is founded on the premise that both are interdependent, that is, one party cannot get what he / she wants without taking the other into consideration.
5. Negotiation is a function subservient to the general commercial interests of the parties involved and it is directed towards the achievement of their overall objectives.

#### IV. Translate the following sentences into English.

1. 谈判并非独立于整个交易之外,而是整个交易活动的一部分。
2. 谈判者需要通过就共同的利益来交换意见从而调整各自的想法。
3. 共同以及互补的目标对谈判产生直接和积极的影响,而相互冲突的目标则对谈判进程产生消极的影响。
4. 谈判高手认为创造一个建设性的氛围和建立彼此尊重的人际关系是至关重要的。
5. 谈判的关键是结果,其他的一切均为装饰。

#### V. Read the following passage and fill in the blanks with the given words.

bargain	cooperation	agreement	lost	interests
objective	mutual	lower	risk	negotiator

Negotiation is a dynamic process of adjustment. In import and export trade operations, the buyer and the seller confer together to reach a mutually satisfying \_\_\_\_ 1. \_\_\_\_ on a matter of common interest. This is because each of the parties has his own \_\_\_\_ 2. \_\_\_\_ in trade operations, e. g. the seller intends to sell the goods / services at a higher price, while the buyer intends to buy the same goods / services at a \_\_\_\_ 3. \_\_\_\_ price. Each party presses for the attainment of its own goal. But some elements of \_\_\_\_ 4. \_\_\_\_ must be presented, otherwise there will be no agreement at all and the opportunity to take part in the activity will be \_\_\_\_ 5. \_\_\_\_.

The dual elements of conflict and cooperation are described here; it is in the \_\_\_\_ 6. \_\_\_\_ interest of participants to come to some agreement and this provides a cooperative aspect; however, the \_\_\_\_ 7. \_\_\_\_ of participants are opposed, and this is the basis for rivalry. The \_\_\_\_ 8. \_\_\_\_ is pulled in two directions at the same time; towards holding out for more with the \_\_\_\_ 9. \_\_\_\_ of losing all; towards agreeing to his opponent's demands and securing the \_\_\_\_ 10. \_\_\_\_ with sacrificing the chance of a possible higher reward.