



DISTRIBUTOR'S

NEGOTIATION IN

INTERNATIONAL

BUSINESS –

PREPARATION PHASE

LEARNING OUTCOMES

1. Specify and define the basic concepts and elements of the business negotiation process, identify the of negotiation sub-processes, recognize the context of negotiations and determine relationships in negotiation and define, compare and differentiate the principles and techniques of business negotiation
2. Identify the basic characteristics of the negotiation situation and identify obstacles in negotiation and negotiating skills, discuss about negotiation power, differences in negotiation skills and be able to predict use power in business negotiations and classify, properly define and implement business negotiations strategies
3. Differentiate, identify and compare business and negotiation tactics, recognize the importance of communication skills in business negotiations, discuss about ethics and culture in business negotiations and identify and consider the specifics of international and intercultural negotiation



LEARNING OBJECTIVES

- Prepare students for workshops
- Explain how to prepare for negotiations
- Give insights how to lead negotiation
- Insights in negotiation through practical example



INDEPENDENT LTD

- Distributor of eyewear and sunglasses for Italia Independent group (www.italiaindependent.com)
- Southeastern Europe market
- BRANDS:
 1. ITALIA INDEPENDENT
 2. ADIDAS
 3. HUBLOT
 4. ROSSIGNOL
 5. POP LINE
 6. JUVENTUS
 7. FIAT



WHAT IS DISTRIBUTION?

- Marketing function that enables product movement from manufacturer to end consumer.” (Kovač, 2011.)



PRODUCT MOVEMENT DIAGRAM



WHO DOES DISTRIBUTOR NEGOTIATE WITH

- Manufacturer
- Wholesalers
- Retailers



NEGOTIATION PROCESS

- Preparation phase
- Negotiation phase
- After negotiation phase



PREPARATION PHASE

- Market analysis
- Defining negotiation objectives
- Detail company analysis
- Detail analysis of other party
- Meeting culture and business customs of a country where partner comes from
- Negotiation strategy



DEFINING NEGOTIATION OBJECTIVES

- Defined by reasons for negotiation
- Directions for business and negotiations
- Result of company vision



EXAMPLES OF NEGOTIATION OBJECTIVES

- Seller:
 1. Set a long term agreement with retail chain that will buy our chocolates
 2. This summer we want to bring 5000 US tourists in Spain

- Buyer:
 1. We are looking for long term supplier because we need new product in our bevarage assortment
 2. We are looking for a new destination for our clients this summer



DETAIL COMPANY ANALYSIS

- As a good negotiator you already know your company
- Results and KPI
- Cost analysis
- Activities
- Market potential



DETAIL ANALYSIS OF OTHER PARTY

- Negotiation team
- Reasons of visit and objectives
- Willingness for cooperation
- Company analysis



CULTURE AND BUSINESS CUSTOMS OF PARTNER'S COUNTRY

- Basic national values
- Fashion culture
- Time and place of negotiation
- Business lunch or dinner
- Gifts
- Negotiation styles
- Behaviour
- Punctuality
- Business cards
- Handshaking
- Way of speaking



NEGOTIATION STRATEGY

- Negotiation team
- Defining roles of each team member
- Meeting schedule
- Negotiation style
- Defining concessions
- Defining BATNA



NEGOTIATION TEAM

- Negotiation team depends about structure of the company and other side
- Determine who will be a part of negotiation team – in your case – economist, lawyer and third member: engineer, technologist
- Take care about positions in the company of each team member



DEFINING ROLES OF EACH TEAM MEMBER

- Roles depend about nature of negotiations
- Take care about other party
- Team leader – speaks the most
- Team leader is a person with highest level of trust from the other side
- Other members are active listeners
- You will define roles before negotiations
- Recommendations: to have a person that writes everything that is spoken



MEETING SCHEDULE

- Introduction
- Presenting results and KPI
- Presenting problems, costs and activities
- Presenting market potential
- Other



NEGOTIATION STYLE AND TACTICS

- Depends about other side – from which country is a customer
- Be prepared for future situations:
- Rude behaviour of the other side
- Other side can avoid to give precise answer
- Other side can have tactic that all members talk at the same time
- If other side insists on one particular detail



DEFINING CONCESSIONS AND BATNA

KNOW YOUR BATNA



Presentation by

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DEFINING CONCESSIONS AND BATNA

- Your base for negotiations where you will be graded:
- Inquiry – sent by buyer
- Offer – seller`s respond to inquiry
- Negotiation objectives – written in first word document
- Buyer decides what will be negotiated about regarding to offer
- Reccomendation: Negotiate about maximum two elements



DEFINING CONCESSIONS AND BATNA

- Both sides are recommended to have more solutions for each part of the offer
- For example: In the offer Apple will set the price of 120 euros per iPhone and quantity 300 iPhones
- Other solution is 100 euros iPhones but you must pay everything in advance and no discounts on quantity
- BATNA – the last solution 80 euros per iPhone, but without possibility of free repair of broken iPhone
- You will decide about it



WHY IS IT IMPORTANT TO HAVE MORE SOLUTIONS



WHY IS IT IMPORTANT TO HAVE MORE SOLUTIONS

- In real negotiation situation on the other side will be experienced managers with a lot of knowledge
- Solutions mean we can set an agreement without losing money
- Solutions mean we understand our business and we can't be negatively surprised after negotiation will end



QUESTIONS



**Averaging While
Trading in Options**



THANK YOU FOR ATTENTION

