



# DISTRIBUTOR'S

# NEGOTIATION IN INTERNATIONAL BUSINESS -

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Negotiation phase

# NEGOTIATION PHASE



# NEGOTIATION PHASE

- Introduction
- Reasoning
- Signals recognition
- Expressing offer
- Offer acceptance or rejection
- Closing of negotiations

# INTRODUCTION



# INTRODUCTION

- Objective
- Preparation for the most important part of negotiations
- Duration – depends about the country where the customer is coming from
- Informal introduction to main part of negotiation phase
- Topics can be informal

# REASONING



# REASONING

- Discussion about your offer and terms of potential agreement
- Longest and most part of negotiation phase
- Both parties represent their requirements
- It is necessary to say something about the company
- Show to the other side you met with their company
- Advice: Your requirements should be discussed
- In negotiation – you mustn't give concession immediately after other side requires something

# WHAT CAN YOU REPRESENT IN REASONING

- KPI
- Market potential
- Your knowledge about other side and macroeconomic situation in customer`s country
- But for You it is mostly recommended to:
- Represent Your requirements from offer and inquiry
- Provide proper argumentation for each item and discuss with other
- Only small number of concessions is recommended to give in this phase



# REASONING – PRACTICAL EXAMPLE

- Representing KPI from 2017:
  1. Signed agreement with 4 subdistributors
  2. Product placement on 7 markets
  3. Market potential: 47 million people and 15000 POS
  4. Placement of products in 30% of POS
  5. Croatian market: placement of product to 50 customers, in total 80 POS
  6. Turnovers and quantities

# REASONING – PRACTICAL EXAMPLE

- Presenting activities through 2017
- Presenting cost analysis
- Presenting problems we faced in our business
- Presenting market potential

# SIGNAL RECOGNITION

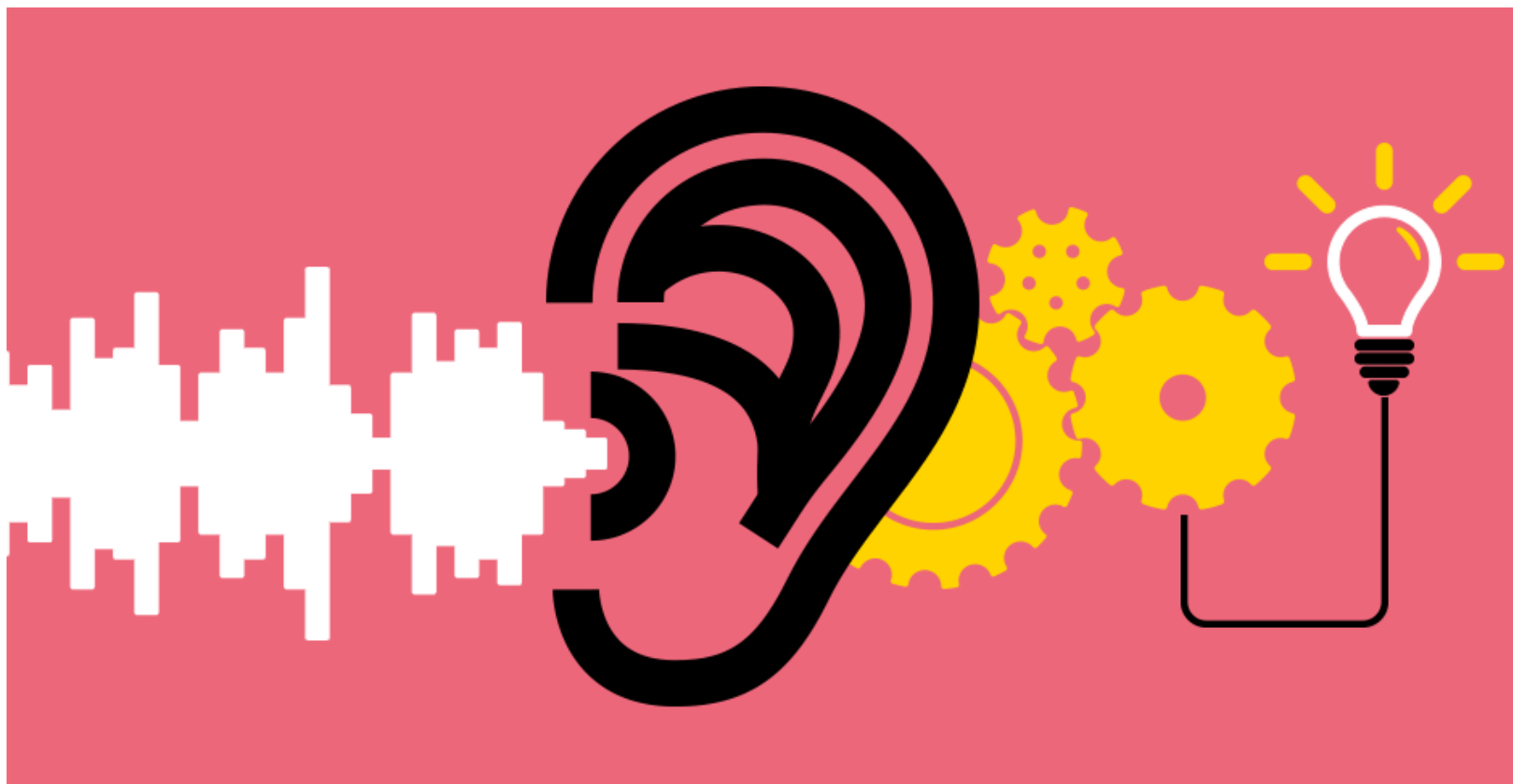
- Verbal and non verbal communication



# EXPRESSING AN OFFER

- In your case this phase will be expressing concessions
- Part where negotiations are coming to the end phase
- Have in mind tactic 80/20
- You should be careful about expressing your possible concession
- Have in mind everything that is said in reasoning part
- Concessions are results of your active listening during reasoning

# ACTIVE LISTENING



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- Try to remember one situation where You tried to express Your opinion or point of view, but You felt like no one is listening:
  1. Describe the situation – what happened, what was behaviour of the other side.
  2. How did you feel?
  3. What was your reaction?
  4. What the other side could get if they listened?

# TYPES OF NOT LISTENING

- Pseudolistening – other side just pretends to listen and leaves, such impression, but in fact doesn't listen
- Single-layer listening – listening just one part of message, for example just verbal communication
- Selective listening – listening just something what interests You
- Selective rejection – other side listens, but refuses to hear certain parts

# TYPES OF NOT LISTENING

- Stealing words – other side listens just to continue the speech either by continuing last sentence or taking over whole topic
- Defensive listening – sensitive listener who thinks that is always under attack and each advice or positive criticism consider as an attack to his/her personality
- Ambush listening – other side listen just to attack the speaker. They don't pay attention to the main thought or idea and whole context. Their main focus is try to catch each omission or misunderstanding in order to use it against speaker



# ACTIVE LISTENING

- Active listening is directing or routing an attention to the others side: what the other side speaks, feels, expresses and using our verbal and non verbal communication to send a message we understand the other side and what does he/she expresses and feels
- Remember:
- We have two ears and only one mouth
- Many people don't listen to understand. They just listen to reply. If You want to be a good negotiator, don't be like that

# WHY TO LISTEN ACTIVELY?

- It shows interest and care for other side
- You will be better informed about other side and situation
- Stimulates further communication
- Enables higher level of cooperation and possibility of solving problems among people that feel they don't understand each other
- Calms the other side and decreases tensions
- Improves relations between people
- Descends the other side to listen to You carefully

# ACTIVE LISTENING

- <https://www.youtube.com/watch?v=t2z9mdX1j4A>

# OFFER ACCEPTANCE OR REJECTION

- Answer of the other party
- Looking for a win win solution
- Offer acceptance or rejection
- In your case you accept or reject concessions will be
- About it depends results of negotiation and your agreement

# OFFER ACCEPTANCE OR REJECTION

- In this phase where are many concessions
- Be a principle negotiator:
- Give-get rule – you will give the concession to the other side, but for one concession you give, you have to seek one
- Argument your attitudes
- Represents attitudes and interests of Your company
- No matter if You are buyer or seller, you should look for win win solutions in order to set an agreement

# CLOSING NEGOTIATIONS

- Defining negotiation results
- Agreeing with negotiation results
- Defining the way how to implement negotiation results
- Here is possibility to invite the other side to business lunch or dinner

# NEGOTIATION

- <https://www.youtube.com/watch?v=rSDntln6ekE&t=74s>
- [https://www.youtube.com/watch?v=LC\\_EXd0uWnA](https://www.youtube.com/watch?v=LC_EXd0uWnA)





# THANK YOU FOR ATTENTION

