



SNS COLLEGE OF TECHNOLOGY

Coimbatore - 35

19BAE717 – Cross Cultural Management

UNIT-IV COMMUNICATION AND NEGOTIATION & DECISION MAKING

PROCESS AND INTERNATIONAL NEGOTIATION HURDLES.

Presented by

Ms. A. Hanis Sultana Assistant
Professor, Department of
Management Studies

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TODAY'S TOPIC:

PROCESS AND INTERNATIONAL NEGOTIATION HURDLES





PROCESS OF NEGOTIATION:

1. Prepare

Preparation is key to success in many sales areas. In negotiations, it's your first vital step to achieving the outcome you want. To prepare for your win-win negotiation, you should research both sides of the conversation so that you can identify your most realistic outcomes. Then, you can prepare a variety of concessions that you're willing to offer to maintain your working relationship with the other party. At this stage, you should also determine your BATNA ("best alternative to a negotiated agreement"). Lastly, your preparation will include setting the negotiation's "ground rules": where will you meet? At what time? For how long?



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2. Exchange information

Next, you exchange information about your initial position with the other negotiating party. We all know the importance of creating an accommodating environment free of aggression and pressure. That's why we suggest that you allow your prospect to start this stage of the sales negotiation. While a polite gesture, it also gives you a chance to scope out the scale of their offer. That way you can use this time to alter your terms if needed. Active listening skills are vital for understanding how your counterpart sees the situation during this stage. That way, you can help to reach an agreement that benefits everybody. Many salespeople opt to take notes that record all points made by the other party to be clarified later. Ultimately, it's crucial for each party to "make their case." So that they have equal opportunity to share their interests, concerns and hopes.



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Key negotiation skills needed to successfully complete this stage of the negotiation process are:

Questioning

Help the other party to think deeply about your offering and if you're the person to help them solve it! Below are several questions you can ask to understand where they're coming from – and where they want to go:

1. What are the most significant challenges you face?
2. Are you overcoming those challenges now?
3. How are you trying to overcome those challenges?
4. Are you satisfied with how my competitors are servicing you?
5. What other solutions are you looking for?



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Active listening

Place the focus back on the other party to make them feel valued. That way they're more likely to open up about their issues or concerns.



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3. Clarify

During the clarification stage, both parties continue their discussion by justifying their “claims”. If one side is unhappy, they should calmly discuss how they can reach an agreement that benefits both sides. This stage is an opportunity for one party to provide the other with any documentation that helps support its position.

4. Bargain

The bargaining stage is a critical component of the negotiation process because it begins a give-and-take process. Both parties have a chance to suggest different offers to the problem whilst being mindful of their pre-considered concessions. The best negotiators know how their emotions, body language, and verbal communication skills translate into a productive conversation. After all, it would help if you were aiming to reach a win-win negotiation at this stage.



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5. Commitment

The final step in the negotiation process is formalizing the agreement reached in the previous stage. In major negotiations, this often requires ironing out the specifics with a formal contract. But before this happens, both parties should thank each other for attending the discussion – regardless of the outcome. This is because negotiations are all about creating and maintaining long-term relationships. So you should always put your best foot forward to secure that deal!

Then outline the expectations of each party to ensure that the compromise will be effective. This often requires a follow-up to confirm that the implementation is going well.



INTERNATIONAL NEGOTIATION HURDLES:



1. OVERCOMING PRECONCEPTIONS

I have been involved in numerous international negotiations and have frequently encountered the same preliminary view from both sides of the table: “We are the good folks and they are the bad folks.” Well, in business negotiations there are typically good people trying to get a good deal. That’s all. But we tend to think that our systems, our clients, our principles are better or superior than the others. If the transaction involves companies in the western and the eastern hemispheres, our initial reaction is to westernize the negotiations, and if the hemispheres that are involved are north and south, then we tend to think that the northern principles should be the guiding ones. After all, we say convincingly to ourselves, a compass will always point toward the north. And so, we embark on our international transactions with a faulty compass.



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2. UNDERSTANDING CULTURAL DIFFERENCES

Interacting with different cultures is always an enriching experience. However, for many legal counsel, managing cultural differences is not only a challenge but also a very stressful situation they fear.

For instance, sometimes the basic concept of time is questionable when dealing internationally. Leaving aside the time differences among regions, when you say that the contract will be ready tomorrow at 5 p.m. you expect the contract to be ready at that time. However, in certain jurisdictions, the concept of time is more elastic. Being flexible in those instances is not only opportune but also pragmatic. You are not going to change the local culture and therefore you must work with it and learn from it by keeping an open mind. The key is to be receptive to different perspectives.



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3. EMBRACING LANGUAGE BARRIERS

Somebody said that language is the key to a people's culture. The same can be said about an international negotiation. If you want to start with the right foot, you must speak the same language.

In-house counsel to Canadian companies are used to speaking and communicating in English or French. However, for those regions of the world where neither of these languages is the local tongue, counsel should be prepared to communicate in other languages. If they do not speak the local language, they should get a translator or interpreter. Learning some of the languages where the company does business it is totally advisable and, in today's global world, a must.



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4.MANAGING DIFFERENT LAWS

There are different legal systems and families of laws. In an international context, one of the most problematic legal issues is the selection of the governing law for a contract or the jurisdiction to incorporate a new entity. These issues should not be taken lightly by the legal adviser. Selecting the governing law has a direct impact on the performance of the obligations under the contract and the rules and norms that a court or an arbitral tribunal will consider if a dispute arises (e.g. interpretation of the contract, availability of injunctive relief and amount of damages). Deciding on the governing law or applicable jurisdiction is a risk management exercise. If there is not sufficient knowledge or experience in the relevant foreign laws, local counsel and expert assistance should be engaged.



REFERENCES:

- <https://www.socoselling.com/how-to-take-control-of-the-5-step-negotiation-process/>
- <https://www.lexisnexis.ca/en-ca/ihc/2020-02/navigating-international-business-negotiations-four-challenges.page#:~:text=Four%20important%20challenges%20in%20international,barriers%20and%20managing%20different%20laws.>



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