Contract Negotiations





This week...

Max and Chris are working on the details for an upcoming contract negotiation with a new supplier. They are debating the best strategy.

Lesson Objectives...

- To discuss contracts
- To practice negotiating

Business English Conversation

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Warm Up – Topic Question





Have you ever been involved in contract negotiations at work before?

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Picture Description



What documents are they signing?

А



What are they negotiating?



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Max	Thanks for meeting me, Chris. I've been worried about the upcoming contract negotiation with our supplier.			
Chris	It should be easy enough. What's the problem?			
Max	I've heard a rumor that they are going to push for higher prices.			
Chris	That makes sense. They are just trying to maintain profit. Manufacturing costs are shooting up at the moment.			
Max	What should we do? We can't afford to raise prices. We don't want to lose profits either.			
Chris	We'll threaten to break the contract and find a cheaper supplier.			
Max	We'll need to research their competitors.			
Chris	If we make this play, they'll be forced to offer us a better deal. They won't want to lose us as clients.			
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Sentence Building



I've heard a rumor that they are not satisfied with the terms and conditions of the contract.

- 1. I've been worried about
- 2. I've heard a rumor that
- 3. They are just trying to
- 4. We don't want to lose



Role Play – Contract Negotiations



Student A is worried about ongoing contract negotiations with one of his/her suppliers. Student A asks Student B for advice about how to handle the negotiations.



Student A: Ask Student B for help regarding your tricky ongoing contract negotiations. Student B: Find out what Student A's concerns are and offer advice.

Key Phrases

- I'm really concerned about my current contract negotiations.
- My worry is that they will
- What do I do if?
- What are you most concerned about?
- You could always
- Have you considered?
- Sometimes you just have to be ruthless.
- Other

Concerns

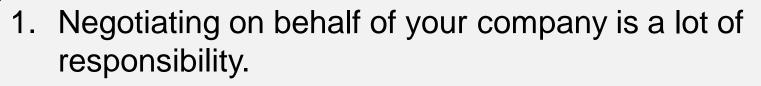
- price
- contract length
- legal issues
- other side will pull out
- burning bridges
- other

Tactics

- lowball on price
- threaten to pull out
- find another supplier
- speak to the legal department
- be ruthless
- other







- 2. Negotiations always take a long time to complete.
- 3. You need to be ruthless in order to negotiate successfully.

Agree or Disagree

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- What is the most challenging aspect of negotiating?
- Do you need a good legal understanding to negotiate a contract?
- Should the outcome of every negotiation be a win-win for all sides?

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afford	-	We can't afford to delay on this matter.
deal	-	It's the best deal we could get at the time.
increase	-	Let's increase our budget to counteract that.
issues	-	These issues should be resolved by Friday.
negotiation) -	So far the negotiation's been going smoothly.
profit	-	We stand to profit from their mistakes.
pull out	-	They're going to pull out of the negotiation.