

# 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

## Advanced Class



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

# Picture Description

What documents are they signing?



B



What are they negotiating?

A



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

**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*

## Agree or Disagree



1. Negotiating on behalf of your company is a lot of responsibility.
2. Negotiations always take a long time to complete.
3. You need to be ruthless in order to negotiate successfully.

- 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?



- 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.*