

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.

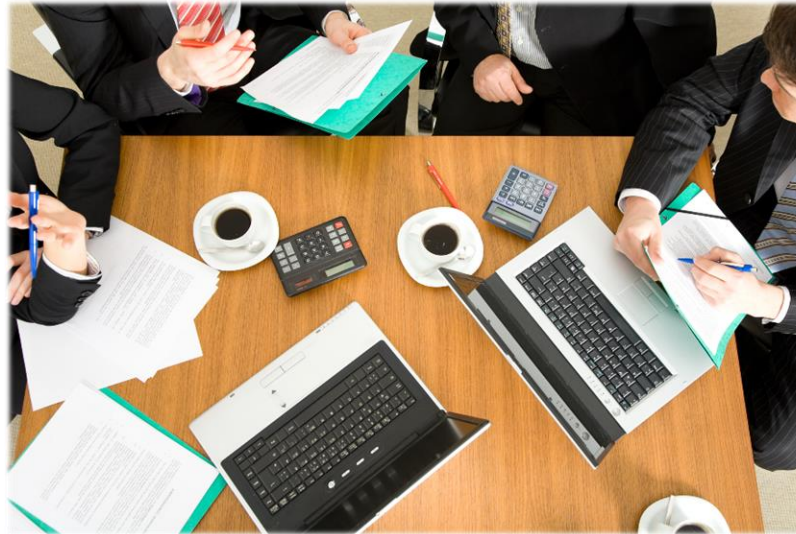
Lesson Objectives...

- To discuss contracts
- To practice negotiating

Business English Conversation

Basic Class

Warm Up – Topic Question



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

Picture Description

What documents are they signing?



A



B



What are they negotiating?

*Create a short story using the following format

1. Who
2. Where
3. When
4. What's happening?

*Create simple sentences using the vocabulary

1. increase

2. profit

3. afford

4. deal

I think I negotiated a very good **deal**!



1. **I am worried about** the price on the contract.
2. **I've heard a rumor that** the contract's been rejected.
3. **They are trying to** force us to pay extra.
4. **If we do this,** we have to be sure the terms and conditions are good for us.

- Words
- Phrases

Max	Thanks for meeting me, Chris. I am worried about the contract negotiation with our supplier.
Chris	It should be fine. What is the problem?
Max	I've heard a rumor that they are going to increase prices.
Chris	That makes sense. They are trying to stay in profit . Manufacturing costs are increasing at the moment.
Max	What should we do? We can't afford to raise prices.
Chris	We'll threaten to break the contract and find a cheaper supplier.
Max	We'll need to research their competitors.
Chris	If we do this , they'll be forced to offer us a better deal .

1. I am worried about
2. I've heard a rumor that
3. They are trying to
4. If we do this,

Responses - Prepositions

*please select the most appropriate response for each item below:

1. A: I'm in the middle some really tough negotiations right now.
B: Sounds stressful!

in / of / for

2. A: What should I do?
B: You've got speak to the legal department.

to / for / about

3. A: What's this I'm hearing ABC company being difficult?
B: Yes, they're playing hardball in our negotiations.

on / about / at

4. A: What's the latest that contract dispute?
B: We're working hard to resolve it.

in / with / of

5. A: Can you help me out with these negotiations?
B: Sure, I'll speak to the other side you.

for / at / with

6. A: How're the negotiations going?
B: Things seem to be track.

in / on / at

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: I need some advice about my negotiations with ABC Supplies.

Student B: What are your main concerns?

* Continue the conversation using the

Key Phrases, **Concerns** and **Tactics** from below.

Key Phrases

- I'm really concerned about
- My worry is that they will
- What do I do if?

- You could always
- Have you considered?
- Sometimes you just have to be tough.
- *Other*

Concerns

- price
- contract length
- legal issues
- other side will pull out
- *other*

Tactics

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

- ❑ What is the most challenging aspect of negotiating?
- ❑ Do you need a good legal understanding to negotiate a contract?

- afford - *We can't **afford** to delay signing the contract.*
- deal - *It's the best **deal** we could get.*
- increase - *Let's **increase** our budget to counteract that.*
- issues - *These **issues** should be resolved by Friday.*
- negotiation - *The **negotiations** are going smoothly.*
- profit - *I believe we will make a good **profit**.*
- pull out - *They're going to **pull out** of the negotiation.*