



Lesson plan

Topic 4 - Contract negotiations

Duration: 4 lessons (4*45 minutes)

Operational objectives:

Student is able to:

- List the types of negotiations and their rules.
- Apply various negotiation styles.
- Negotiate the terms of an inter-branch agreement.
- Work out a compromise during the negotiation process.
- Discuss the components of the company's image development.
- Prepare a description of construction services offered.

Methods:

Exercises and games, psychodrama, discussion.

Course of the lesson:

The introduction is meant to provide detailed information on the types of negotiations and their rules. Use the presentation from Annex 1.

Expected duration- 10 minutes

ANNEX 1 – "Communication in negotiations" presentation



Task 1.

Students are divided into groups and receive a task - a different one for each group. The purpose of these tasks is to acquire skills regarding one's positions and interests.

1. Orange or much ado about nothing.

Two participants role-play a siblings' quarrel about an orange without knowing each other's intentions. The brother needs orange peel to build a boat for school classes to give it to a sick child, and the sister wants to make juice. The essence of the problem is to determine why each of them needs the orange.

2. Egg

Two participants role-play a scenario in which they try to convince one another that the only remaining egg in the fridge belongs to them. As in real life, each person thinks that his/her arguments are more convincing. Initially, the participants don't listen to each other at all. Gradually, additional arguments appear in the conversation, which show that there is really no reason to disagree (the scenario requires giving instructions to each of the participants).

3. Let's talk about...

Participants are divided into groups of three. Two students are interlocutors, and the third is an observer whose job is to identify communication barriers. Conversations concern ways to solve peer conflicts - one of the participants wants to convince a friend to lend him/her a car .

4 Who's right?

The group is divided into three-person teams. Two students resolve a conflict according to the rules provided earlier, and the third acts as an observer and provides feedback. Participants draw number 6 on a piece of paper and position themselves so that one of them sees it upright and the other upside down. Their task is to convince the other student what number is written on the piece of paper.

Students get 5 minutes to work on the task and then present the results in front of the others.

Expected duration - 15 minutes

The teacher summarises the task paying special attention to the styles of conducting negotiations:

The basic division of negotiations is as follows:

- Hard negotiations - are characterised by firm and specific requirements presented to the other side; a partner in hard negotiations is treated as an opponent. There are no compromises;
- Soft negotiations - at least one of the parties tries to avoid confrontations and is willing to compromise. They are characterised by the search for an amicable solution even if it means possible losses or failure to achieve the intended goal.



Five basic styles of conducting negotiations can be distinguished:

- compromise,
- domination,
- accommodation,
- avoidance,
- integrative negotiations.

COMPROMISE - it is a style characterised by a specific approach, according to which in the negotiation process each party achieves some benefits, but also suffers some losses. The mutual agreement reached by the parties to the negotiations does not fully meet the expectations and needs of any of the negotiators, but only ensures maintaining good relations.

DOMINATION - it is a style of conducting negotiations consisting in attempting to achieve personal goals in a way that excludes or limits the possibility of satisfying any needs of the opposite party. This style is mainly used by people with strong personality, who like competition and who have a tendency to lead and seek power. It is characterised by such features as: the main goal is to win; negotiation parties are opponents; strong adherence to their own position; being firm and uncompromising towards the other party; determined defence of one's own point of view; exerting pressure on the other party; striving to find a solution that is only beneficial to one party; achieving own benefits as the main method of reaching agreement.

ACCOMMODATION - it is a negotiation style which consists in deliberate giving up on achieving one's personal goals so that the interests of the other party can be satisfied. The main determinant of such behaviour is the desire to maintain good relations with the opposite party. This style is preferred primarily by people who are easily influenced, trustworthy and who avoid conflict. The most important features of this style are: the parties to the negotiations are friends; the basic principle is to reach an agreement; allowing concessions in order to maintain good relations; showing trust; determined pursuit of compromise and agreement; the ability to quickly change one's view; being prepared to suffer a loss to reach an agreement; striving to find a solution that is beneficial to the other party.



AVOIDANCE - is a negotiation style characterised by passivity, avoidance of action or withdrawal. It is also called isolation, indifference or escape. This style results from the conviction that conducting negotiations is unprofitable, and the benefits of the agreement will probably be lower than the costs incurred during the negotiations. This style usually results in losses suffered by both parties. Avoidance is usually used when one of the parties: seeks to punish the other party; intends to hurt the negotiation partner; plans to humiliate the other party.

INTEGRATIVE NEGOTIATIONS - it is a negotiation style that is based on the win-win approach. It consists in negotiating an agreement that is beneficial and profitable for both negotiation partners. The most important principles of integrative negotiations include: separating people from the problem; seeking solutions beneficial for both parties; applying only objective criteria; focusing mainly on objectives and not on one's positions.

Expected duration- 10 minutes

Then the students, led by the teacher, discuss their negotiation interests - it serves as the introduction to effective problem solving.

Task 2.

Students in pairs talk about:

What, in your opinion, is the negotiation position and negotiation interest?

Once the conversation is over, they write their answers on the board. They avoid repeating similar expressions. Finally, together with the teacher, they point out the difference between positions and interests.

The discussion is conducted in the form of brainstorming.

Expected duration - 10 minutes



Task 3.

Direct negotiations - How to reach a compromise

Students are divided into two groups. Their task is to create an agreement between the companies they represent. The company that is created as a result of a merger of these companies is to combine the features of both of them.

First group - a company of pipe fitters assembling indoor installations and utility network connections. Assumptions:

- no heavy equipment,
- team works from 6 a.m. to 2 p.m.,
- maximum rental cost of equipment PLN 50 / hour,
- efficient team,
- full work schedule now and in the future,
- good quality.

Second group - a company employing specialists with heavy equipment permits. Assumptions:

- possess heavy equipment,
- team works from 10 a.m. to 6 p.m.,
- rental cost PLN 80 / hour,
- there is a need to quickly repay the loan for the equipment,
- one of the operators broke his leg and is on sick leave,
- a small number of customers,
- problems with equipment.

Groups internally discuss their contract terms and possible concessions. Within the groups the task consists in: getting acquainted with the characteristics of their own company / team. They must indicate their strengths and weaknesses and choose their priority in the negotiation process. They write their preconditions in the worksheet.

Expected duration- 15 minutes

ANNEX 2 – “Conditions and concessions in the negotiations” worksheet



Once they are ready, the groups delegate one representative each whose aim is to agree terms of cooperation with each other. Other group members can intervene, supplement information and request breaks. The exercise must end with an amicable agreement between the parties.

The role of the teacher is to observe, prevent conflict situations and react in the event of increased tensions or aggressive behaviours. The final results of the negotiations are written on the previously mentioned worksheets.

Expected duration - 15 minutes

The summary consists in comparing the preliminary assumptions with the final results of the negotiations and informing both parties about the red lines in the negotiations.

Expected duration - 15 minutes

The teacher introduces students to the concept of company's image:

What is company's image?

Let's start by answering the question: What is company's image? This concept covers a number of elements that make up the way a company is present in the minds of customers or consumers. The presence of our company in the minds of customers, employees and business partners is the key aspect in creating the image of the organisation. **Company's image is the entirety of ideas, feelings and expectations people have about the company, i.e. the services or products it offers, its employees and specialists, the way it provides services and communicates with customers, its values and organisational culture.**

Image building is a difficult and continuous process. However, companies that want to be a significant player on the market have no choice but to engage in these activities. If this process is thought through and implemented in a consistent manner, it will surely pay off in the future.



How to create a positive image of a construction company?

The use of the Internet to advertise the company. Building a positive image of the company and the use of the opportunities that the Internet brings to managers of construction companies is extremely important these days. Adapting the company's website to the needs of journalists and extensive cooperation with industry websites brings particular benefits.

- A well-designed company's image in the Internet gives companies an advantage in the form of deeper customer trust in the company's brand, products and services.
- Nothing lasts forever. The image should be systematically refreshed.
- Design communication so that all contact points of the brand with customers are consistent with its main objectives.
- A professionally designed company's image is a very efficient tool for generating leads and sales. Savings in this area will reduce the number of potential customers.
- Expensive company must not look like a cheap company.
- Poor company's image means lower margins.

Issues:

- **Problems of companies: falling turnover and low profit margins on products sold.**
- **Website as a tool for building the company's image and generating sales.**
- **Assessment of the business potential of the company that potential customers may have problems with** - they don't know who are they going to work with and what to expect.

Expected duration - 15 minutes



Task 4.

Students are divided into groups - role-playing two separate construction teams. They receive documentation of the planned investment project (as per ANNEX 1 - Lesson plan 1) and manufacturers' catalogues. They can use information from the Internet.

Each team has its own overarching objectives

Team A – implementation period and quality

Team B – cost of materials and maximum profit

The group's task is to prepare a bid for the implementation of the investment project. Within a group, tasks must be assigned according to the following roles:

- documentation analysis (what works, materials and tools are needed)
- determination of the completion date
- determination of costs and profits
- determination of the quality of work and available materials

On the basis of the recommendations in the previous classes, the student are to prepare two options - first, optimal for the team from the point of view of their own assumptions and second, with certain admissible exceptions (limited e.g. by the threat of penalties)

Expected duration- 30 minutes

Once the task is completed the team exchange their notes. Their task now is to negotiate with the second group (which plays the role of an investor) according to the assumptions prepared and developed by the second group. After receiving the second group's notes, students are granted time to familiarise themselves with the materials.

Expected duration- 15 minutes

The teams negotiate with each other. One of them plays the role of an investor and the other tries to negotiate the terms prepared by that group. This part of the classes takes the form of role-playing. Each team is granted some time for negotiations.

Expected duration - 15 minutes

Summary - students receive a survey as per ANNEX 3:

ANNEX 3 – "Active listening as the path to negotiations" survey

Expected duration - 15 minutes