Class Exercise - Distributive Bargaining

Student's Name

Institutional Affiliation

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Description of the Case / Introduction

Distributive bargaining is a type of negotiation where the two parties involved share their products. In this type of bargaining, an individual is expected to demonstrate good negotiation skills to win over the other party and become a novice negotiator. The negotiation between Francis and Charlene is an example of distributive bargaining where both parties must win. Charlene's idea was to open up a shop near the university with a pool of handpicked independent music. In addition, Charlene expressed an interest in having a small stage inside the store and periodically holding events as well as small concerts. On the other hand, Francis's idea was to have a business structure with less risk to their short-term income. Notably, Francis happened to have run a shop owned by his uncle and is thus privy to the challenges that can cause a business to run a loss. In this regard, Francis opted to continue working in his uncle's pharmacy during the day and spare time at night to create an internet-based business offering a platform to independent artists in both the national and international arena. It is upon Charlene to convince Francis to buy the idea so that they can be partners in the business.

Communication of Goals and Definition of Limits

First, Charlene should set the goals of the business to make it easy for Francis to understand. The importance of explaining the specific goals of the business to Francis is that the opponent will scrutinize each goal and determine whether they can reach the set goals. Charlene should also define her limits during the negotiation (Benetti & Ogliastri, 2019). In this case, Charlene will note the resistance points and stop when a settlement has been reached. Apparently, Charlene should compare both goals and convince Francis that her goals would maximize profits.

Obtaining Critical Information About the Opponent

Charlene needs to obtain information from Francis before participating in the negotiation. It is important to note that the information from the other party will help in detecting the resistance points. In this scenario, the information can either be assessed directly or indirectly. Indirect assessment involves the information that Francis would use to set the resistance points (Prado & Martinelli, 2018). For instance, Francis would insist that certain business activities can lead to losses as experienced in his uncle's pharmacy. Charlene can share examples of some successful businesses to convince Francis that they are likely to make profits and minimize losses. Charlene should not make assumptions, but should ask Francis to explain the cause of the losses in his uncle's shop.

Making an Opening Offer

Charlene should make an opening offer to win in the negotiations. Usually, opening offers help in setting the tone during the negotiation process. In this case, the opening offer must not be exaggerated, but should allow the other party to synthesize and accept the offer (Prado & Martinelli, 2018). Charlene should learn the responses and apply the correct body language to persuade Francis. For instance, when Francis resists, Charlene should put on a smiling face to communicate that there is no complexity in the business idea. The tone during the negotiation should not be harsh but rather entice the other party. The aim of Charlene is to make it easy for Francis at the resistance points.

Closing the Deal

Finally, Charlene can apply various tactics to close the deal. Charlene should ensure that the agreement reached does not violate Francis's points. In addition, Charlene can use a "deal

sweetener" as a special concession at the end of the story. The conversation should end while the

two parties are laughing to reduce the emotional tension.

References

Benetti, S., & Ogliastri, E. (2019). Distributive/Integrative negotiation strategies in international contexts: A comparative study. *Academy of Management Proceedings*, *2019*(1), 17660. doi:10.5465/ambpp.2019.17660abstract

Prado, L. S., & Martinelli, D. P. (2018). Analysis of negotiation strategies between buyers and sellers: An applied study on crop protection products distribution. *RAUSP Management Journal*, *53*(2), 225-240. doi:10.1016/j.rauspm.2018.01.001