



SheTrades

# Commercial negotiation for export

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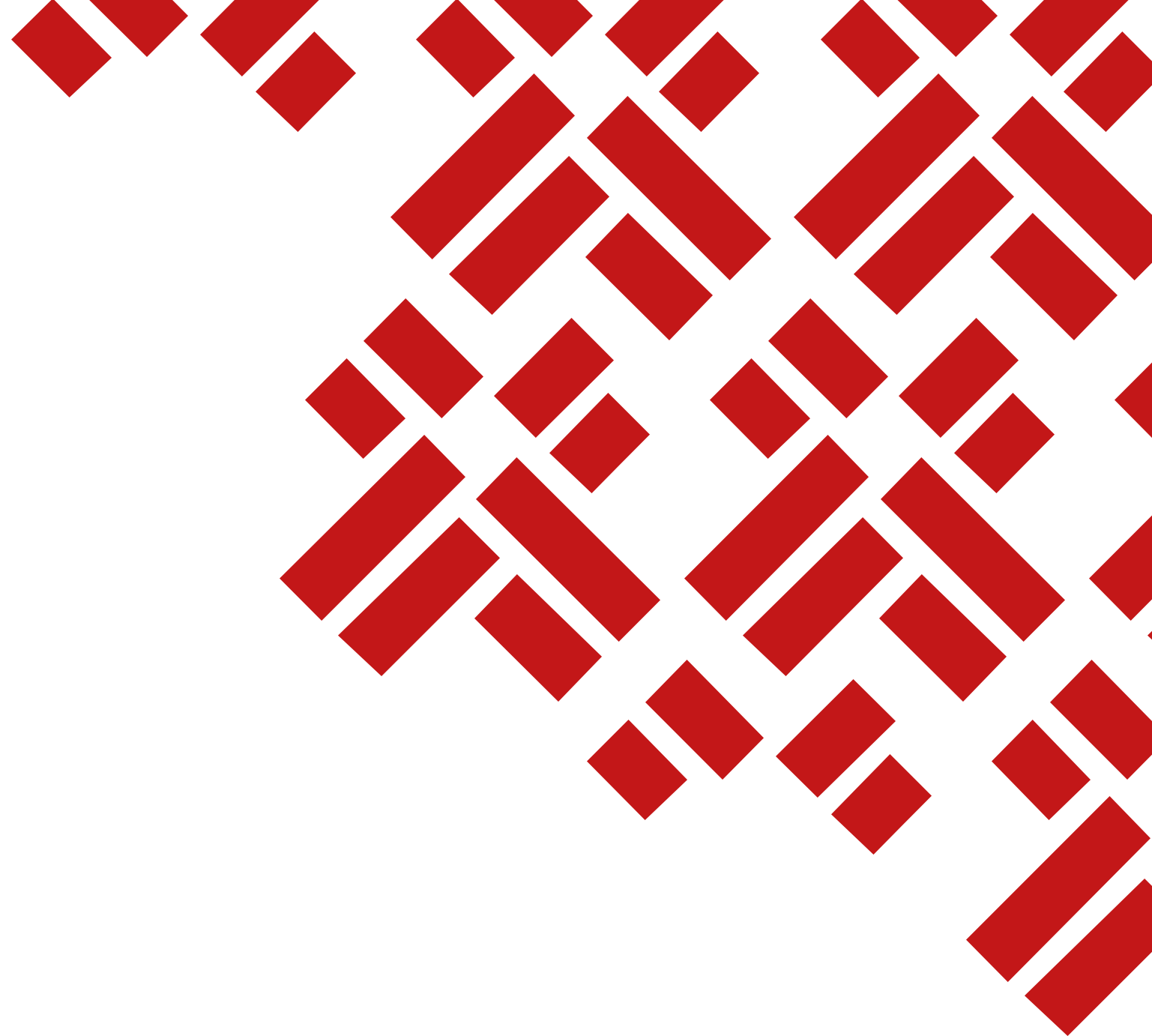


**“In Business As In Life—  
You Don’t Get What  
You Deserve,  
You Get What You  
Negotiate”**



**Chester L. Karrass**

*Bestselling Author of  
'The Negotiating Game' and 'Give and Take'*



# Program

- Introduction – What is negotiation?
- Basic concepts of commercial negotiation
  - Negotiation strategies
  - Negotiation techniques
  - Negotiation ploys
- Preparation for commercial negotiation
  - 10 qualities of a good negotiator
  - Negotiation steps
  - Simulation of a sales price negotiation
  - Other recommended preparations

# Program

- Who will you negotiate with?
  - Typology of negotiators
  - Negotiation methods used
  - Segments of food product negotiators
- Course of the negotiation
  - Negotiation pyramid
  - The plane metaphor

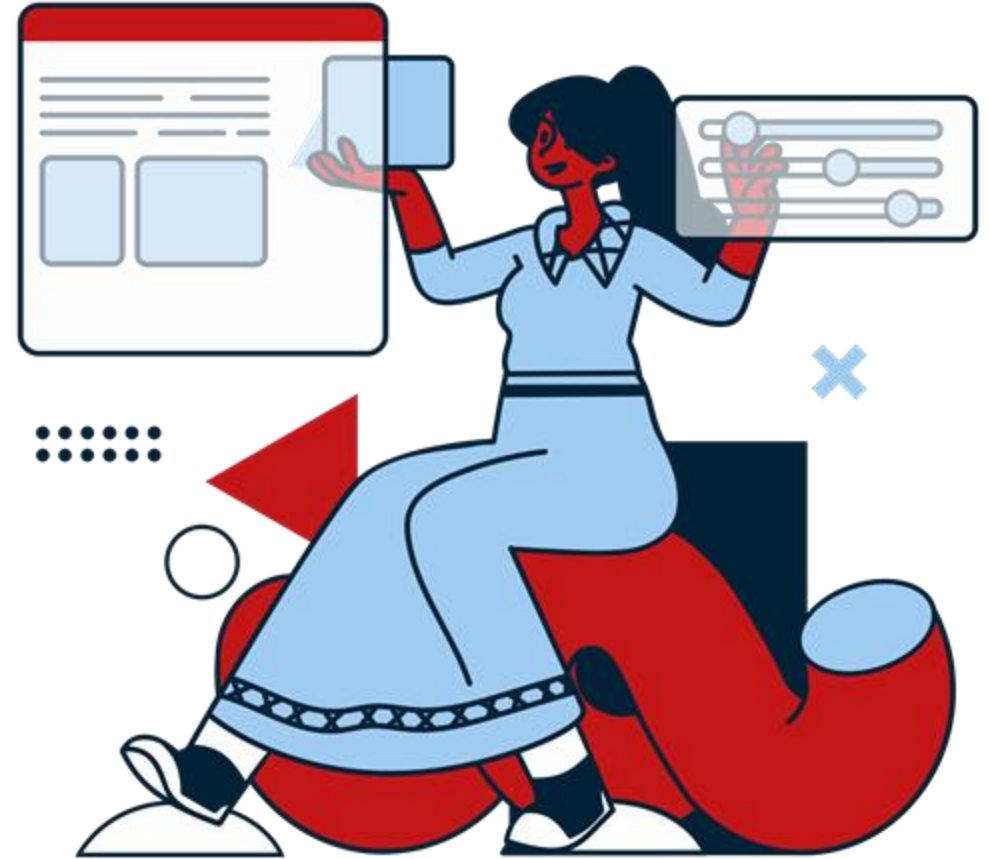


# Program

- Ensure a good follow-up
  - When to ensure customer follow-up?
  - Why ensure customer follow-up?
  - How to ensure customer follow-up?
- Conclusion

01.

# Introduction – What is negotiation?



# Negotiating aims to achieve a goal...



- Is Man a Homo Negociatus? – The Three Heads of Michel Bauer
  - *Homo Economicus*
  - *Homo Politicus*
  - *Pater Familias*
- Negotiating is always linked to achieving a goal:
  - Inform, describe, and explain
  - State and convince
  - Testify

## ... starting from a situation of conflict or disagreement ...



The negotiation is different from a **discussion**, where the goal is less about “reaching an agreement than [about] justifying the validity of one's position”.

It is also different from **explanation**, which aims to “make known, make clearly understood by elaborating... To clarify, to help understand (what is or seems unclear).”



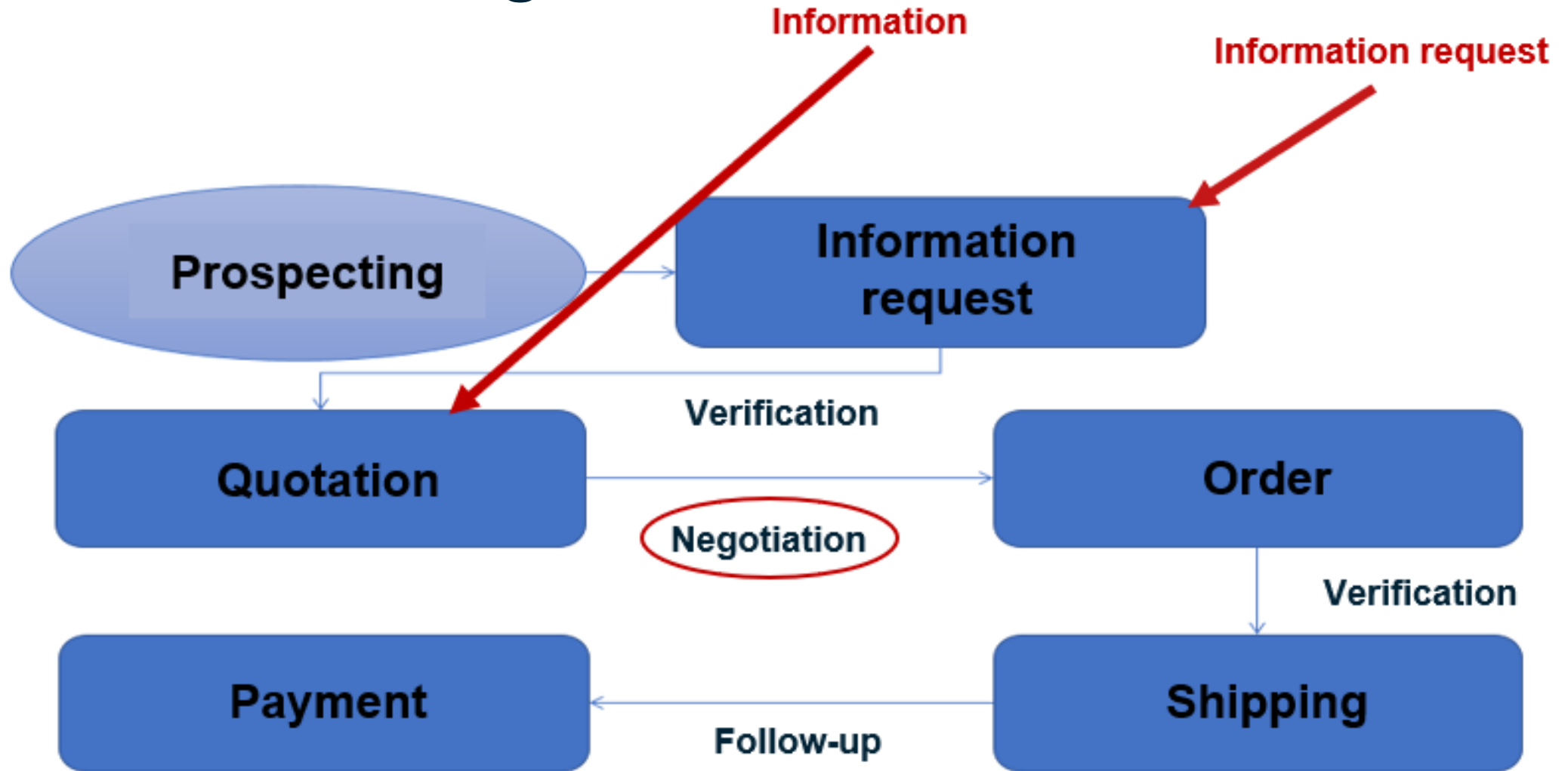
## INTRODUCTION

# Negotiation and sales interviews

Negotiation often forms part of the **sales interview** when the **positions** of the parties (seller and buyer) **diverge** on one of the discussion topics. It aims to **bridge their positions** on the issue in question and often requires **concessions** from both sides.



# Information vs negotiation



... provided that the parties are willing to reach an agreement

## Negotiation is

"a **confrontation** between parties who are closely or strongly interdependent, bound by a certain **power dynamic**, and who demonstrate a minimum **willingness to reach an agreement** in order to reduce a gap or **divergence**, with the aim of constructing an **acceptable solution** that respects their **goals** and the **flexibility** they have allowed themselves." — Bellenger (1990)

# Prerequisites of negotiation



**In short, we are dealing with a negotiation if the following conditions are met:**

- Adversarial or partnering negotiators
- Divergence or gap
- Common willingness to reach an agreement
- Need for a goal and room for maneuver
- Consideration of power dynamics and the stakes of the parties

02.

## Basic concepts of commercial negotiation



# Negotiation strategies



- **Distributive strategies**
- **Integrative strategies**
- **Negotiator's dilemma**

# Negotiation techniques



## Main negotiation techniques

- Point by point
- Gradually
- Give and take
- Broadening
- False pivot

# Negotiation techniques



## Occasional negotiation techniques

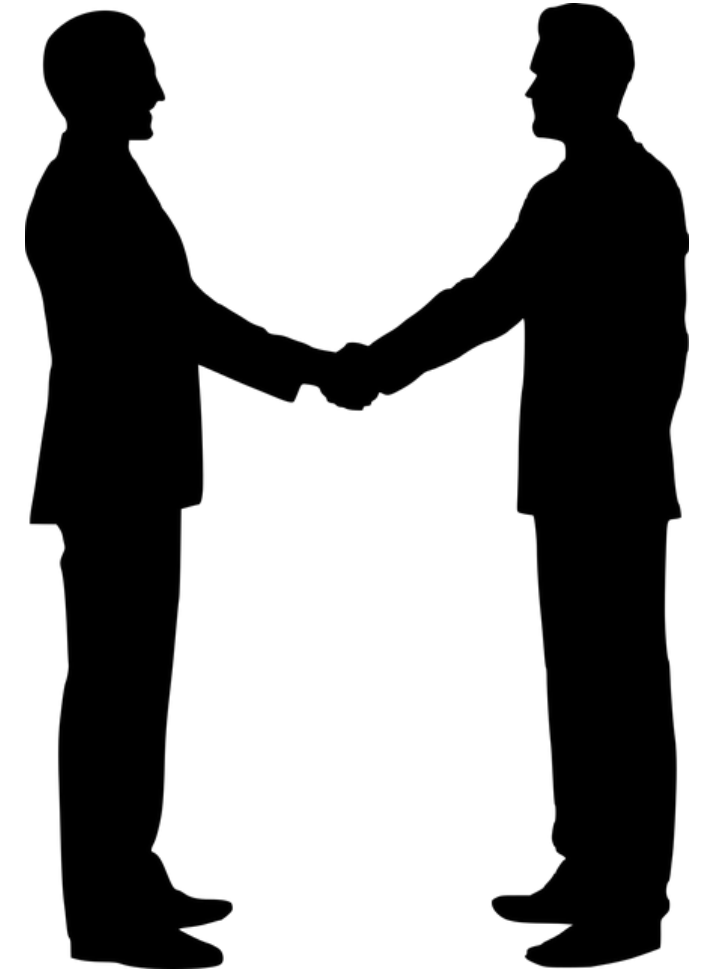
- Assessment and targeted assessment
- Reversal
- Four-step technique



# Negotiation techniques

## The four-step technique

Step 1	Ideal position for the negotiator but intolerable for their partner
Step 2	Position sought by the negotiator that they consider acceptable to their partner
Step 3	Fallback position that is more favourable to their partner
Step 4	Intolerable position for the negotiator and ideal for the partner



# Negotiation ploys

1. Ploys aimed at creating physical discomfort
2. Psychological harassment ploys
3. Ploys to disrupt discussions
4. Ploys to divide the opposing team
5. Etc.



03.

## Preparation for commercial negotiation



# 10 qualities of a good negotiator



1. Active listening and empathy
2. Self-control and self-mastery
3. Experience and mastery of the subject
4. Method and preparation
5. Creativity
6. Flexibility
7. Credibility and trustworthiness
8. Sociability (and even charisma)
9. Win-win mindset
10. Team spirit

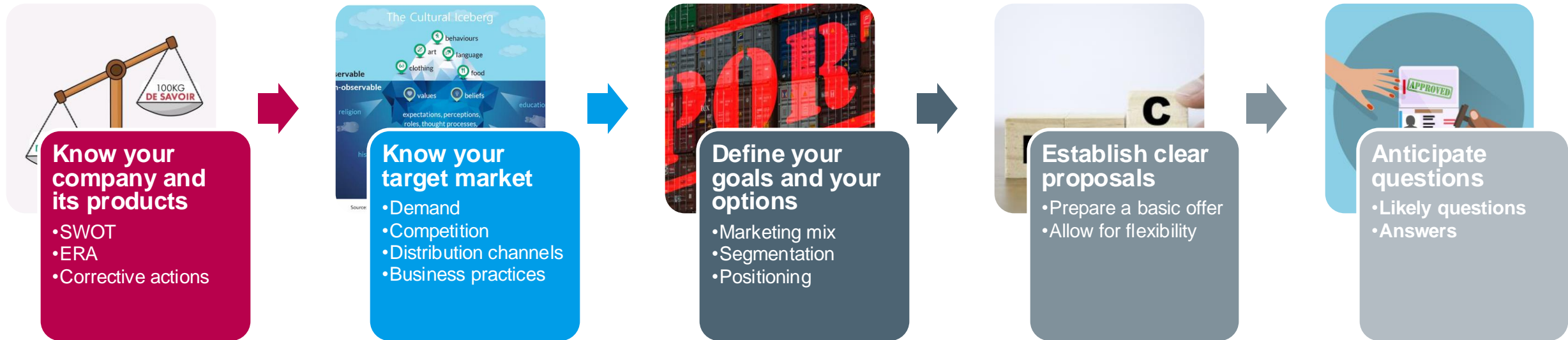
# Preparation steps



1. Thoroughly understand your company and its products
2. Thoroughly understand your target market, its operation, and its channels
3. Define your objectives and options
4. Establish clear and well-supported proposals
5. Anticipate the interlocutor's questions and prepare clear and convincing responses

Always ask yourself why the customer should buy your product; why they should buy it instead of your competitors' products, and why they should buy it now rather than later.

# Preparation steps



# 1. Know your company and its product(s)

## Company

- Infrastructure and equipment
- Technical, commercial, human, financial, and logistical capacities
- Production capacity
- Product range
- Cost structure
- Certifications, labels, and approvals
- Current market(s) and clients
- Competitive advantage(s)
- Etc.

## Product(s)

- Technical specifications
- Organoleptic, microbiological characteristics, etc. (analyses)
- Nutritional values
- Traceability
- Adaptability
- Compliance (availability of a safety sheet)
- Possible uses
- Packaging, labeling, ULD, etc.

## 2. Know your target market

- Regulatory and marketing characteristics of demand: regulations to comply with, demand volume and growth potential, nature of needs, purchasing and consumption behaviors, market psychic price, expectations regarding food product certifications, packaging and labeling, etc.
- Characteristics of the existing supply: competitors and their relative strengths/weaknesses, supply volume and growth potential, competitor prices and strategies, current certifications, etc.
- Distribution channels for food products: characteristics and length, margins, current strategies, best-before dates, point-of-sale promotions, merchandising, etc.
- Successful business practices: discounts and rebates, credit and payment terms, appreciated additional nutritional information, cultural aspects, etc.



# 3. Define your goal(s) and your options

## Define your goal(s)

- Negotiation objective(s)
- What would happen if no agreement is reached

## Define your options (and if possible, those of the other party)

- What are the other alternatives, and how can I prioritize them? Concept of BATNA (Best Alternative to a Negotiated Agreement)
- How is an agreement better than my first alternative (or fallback position)?

## Define your position

- How far can I go in making concessions while keeping the agreement better than my first alternative?

## 4. Establish clear proposals

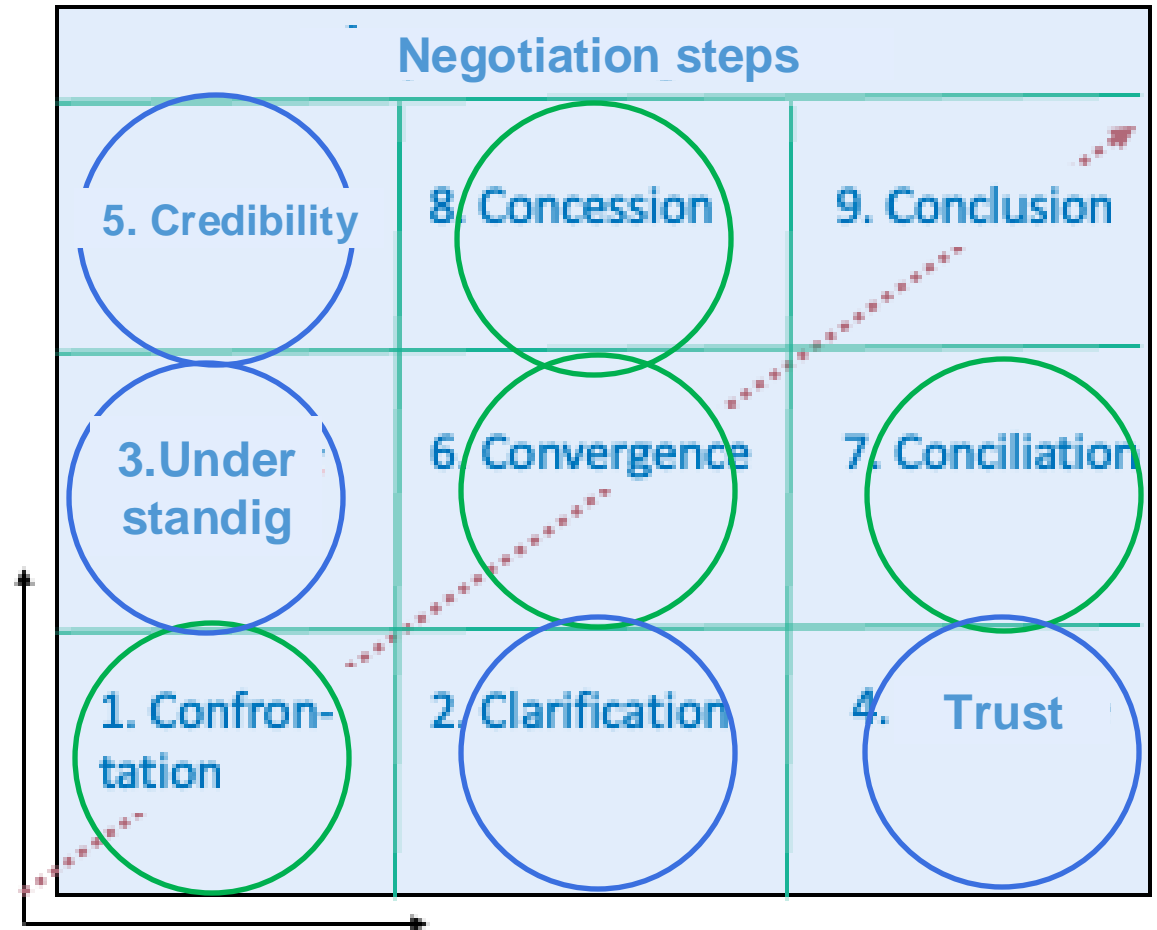
### Prepare a basic offer to be adapted according to needs

1. Product description: HS-6 code (Harmonized System code), technical specifications, laboratory characteristics, certifications and labels, forms and usage recommendations, nutritional values, shelf life ..
2. Price and pricing policy (based on quantities purchased, minimum order, etc.)
3. Main sources of supply and, if applicable, key suppliers
4. Production and delivery capacity
5. Proposed Incoterm (with the possibility of accepting other designated Incoterms)
6. Packaging: composition and characteristics, possible certificates (e.g., fumigation)
7. Marking and labeling: form, text, label language, brands and pictograms, etc.
8. Proposed mode of transport (with the possibility of using other modes): approximate cost, average transit time, direct shipping or transshipment, transport packaging, etc.
9. Proposed payment terms
10. Main markets and current customers

# 5. Anticipate questions and prepare your answers

## Anticipate the course of the negotiation

- Anticipate the 9 steps of negotiation
- Think about the questions and objections of your interlocutor for **key stages**
- Find convincing and well-reasoned answers to each question and objection, and prepare Question-Answer sheets
- Prepare supporting arguments for **secondary stages**



# 5-1 Anticipate questions and prepare your answers

## Prepare Question-Answer sheets for key stages

- Anticipate the question or objection
- Prepare at least one response for each question or objection. Ensure that the response is well-reasoned to avoid further questions on the same topic
- Enrich your sheets with any additional questions posed by interlocutors

Example of a Question-Answer sheet

CONFRONTATION	
<u>Anticipated question or objection</u>	<u>Possible answer</u>
<p>The Incoterm FOB that you propose does not suit us. We would like you to invoice using DDP.</p>	<p>It would be possible for us to invoice you using DDP, but to cover the risks associated with this Incoterm, we would need to include the following conditions:</p> <ul style="list-style-type: none"> <li>• Payment of a deposit of X%</li> <li>• Inclusion of a revision clause in the contract if any of the costs associated with DDP increase by more than Y%</li> </ul>

# 5-2 Anticipate questions and prepare your answers

## Prepare supporting arguments for secondary steps

- In the example of the DDP Incoterm, plan arguments such as:
  - Accepting DDP requires the seller to bear all the costs, which would put pressure on their cash flow.
  - The costs of transportation, handling, insurance, etc., as well as customs duties, could increase.

Example of a Question-Answer sheet

CONFRONTATION	
<u>Anticipated question or objection</u>	<u>Possible answer</u>
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Argue at the right time and avoid over-arguing.

# Simulation of a sales price negotiation.

## Buyer

- We have received your price offer for the supply of a container of diced tomatoes according to the specifications. We agree on all the proposed terms, but the unit price of €0.45 EXW-Lagos seems too expensive compared to your competitors' prices. The maximum we could pay is €0.40 per unit.
- We thank you for the clarification regarding the price of your tomatoes. However, it is the premium quality that interests us, and we would be willing to pay you a price of €0.42 per unit.

## Seller

- Thank you for your response regarding our price offer. We are pleased to note your agreement on the terms of our offer, except for the price. In this regard, we would like to draw your attention to the fact that our proposal involves the supply of premium quality tomatoes, whose production cost is high. That said, our selling price of €0.45 is well below that of our competitors for premium quality. However, we would be willing to charge you €0.40 as requested if you accept the delivery of category 2 tomatoes.
- As we are committed to satisfying our customers while remaining profitable, we could not sell this quality below €0.44. However, we could make an additional effort and lower the price to €0.43, but only for a minimum order of 2 containers. We take this opportunity to remind you that we are HACCP and FSSC 22,000 certified, and our suppliers are Global GAP certified.

# Simulation of a sales price negotiation.

## Buyer

- OK. Very interesting!
- Could you please send us a copy of the compliance certificates as well as the safety sheet?

## Seller

- Furthermore, we would like to inform you that we have already exported this product to Europe, and for this, we had to make the necessary efforts to ensure compliance with European regulations. We have also done the same to adapt the packaging, labeling, etc.
- Of course. However, as you have opted for the EXW Incoterm and as the transport between our factory and the port of Lagos will be handled by your carrier, we will need to obtain the export documentation after the shipment of the goods. For this, we suggest either using our transportation provider or our freight forwarder.

# Safety data sheet

## The anatomy of a safety data sheet

A safety data sheet is a document that communicates information about a chemical's hazards.

The Hazard Communication Standard (HCS) — created by the Occupational Safety and Health Administration (OSHA) — requires that each safety data sheet include the following information about a chemical product (1):



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<https://foodsafepal.com/safety-data-sheets/>

1. Identification
2. Hazard(s) identification
3. Composition/information on ingredients
4. First-aid measures
5. Fire-fighting measures
6. Accidental release measures
7. Handling and storage
8. Exposure controls/personal protection
9. Physical and chemical properties
10. Stability and reactivity
11. Toxicological information
12. Ecological information (non-mandatory)
13. Disposal considerations (non-mandatory)
14. Transport information (non-mandatory)
15. Regulatory information (non-mandatory)
16. Other information



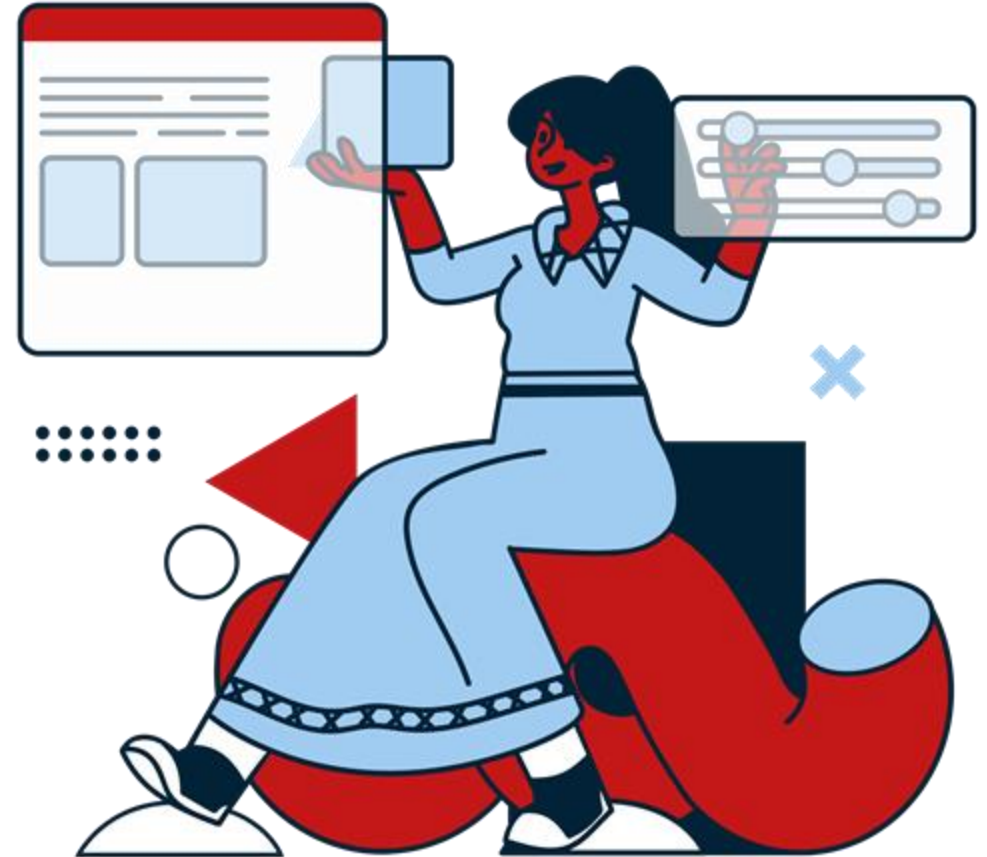
## Other recommended preparations

- **Psychological Preparation:** Self-control, self-mastery, and defense against ploys.
- **Cultural Preparation:** Cultural affinities (Dos & Don'ts) and etiquette rules, non-verbal communication (high-context vs. low-context, single-task vs. multi-tasking, etc.).
- **Logistical Preparation:** Exchange of business cards, documentation, simulations, and scenarios.



04.

**Who will you negotiate with?**



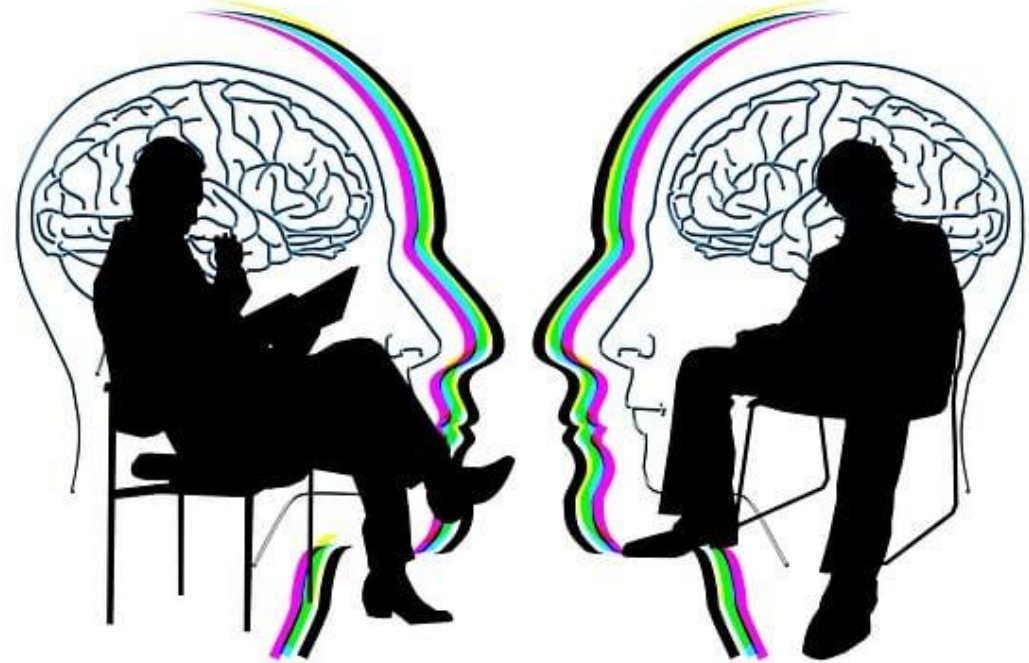
# Typology of negotiators

## Identity of the negotiator

- Gender
- Age
- Nationality and culture

## Personality

- Sense of connection: introverted vs. extroverted; sociability, ...
- Ability to understand and listen
- Decision-making autonomy
- Creativity



# Negotiation methods used

## Negotiation methods used

- Aggressive / Friendly
- Dominant / Submissive
- Charming / Irritating
- Analytical / Intuitive
- Optimistic / Pessimistic
- Monochronic / Polychronic



WHO WILL YOU NEGOTIATE WITH?

# Segments of food product negotiators

- Retailers and buyers from mass-market retailers (supermarkets) and purchasing centers
- Buyers from agri-food companies (processing)
- End consumers and the general public



WHO WILL YOU NEGOTIATE WITH?

## Retailers, buyers from mass-market retailers (supermarkets) and purchasing centers 1/2

An interesting target market for companies that meet the following main conditions:

- Large production and delivery capacity
- Market sensitive to private label brands (store brands)
- Short delivery times or the presence of an on-site logistics dispatching platform
- In the case of retailers, partnership with or reliance on a local distribution structure



## Retailers, buyers from mass-market retailers (supermarkets) and purchasing centers 2/2



In addition to the usual international trade questions (price, Incoterm, transport, payment method, etc.), it would be advisable to prepare answers to questions regarding the following aspects:

- Product listing fees (mass-market retailers)
- Discount for large quantities
- Production and delivery capacity
- Transit time and delivery deadline (especially for repeat orders)
- Shelf life (DLC)
- Possibility of consignment sales
- External packaging, ULDs, marking
- Private label (store brand) options
- Presence of a local dispatching platform

# Buyers from agri-food companies 1/2

- The company would benefit from using this approach if its product is used in the manufacture of another product or if it needs to undergo some form of processing in the foreign market before being offered to consumers.
- In addition to the basic questions the company should prepare for, it should also anticipate convincing answers to the following key questions:





# Buyers from agri-food companies 2/2

- Required certifications for production and any potential processing of the product
- Product traceability
- Laboratory analysis data
- Product perishability
- Transport and handling conditions
- If necessary, guarantee of uninterrupted cold chain and/or protection from light



# End consumers and the general public (1/2)

This approach is only possible in three main cases:

- Direct sales to the public during exhibitions or sales events
- Partnership with or control of a distribution structure allowing direct sales to end consumers
- Online sales and direct delivery to buyers



## End consumers and the general public (2/2)

Except for the case of exhibitions or sales events and, to a lesser extent, online sales, this approach assumes that:

- The company has a large production and distribution capacity
- The company controls all aspects related to product presentation and promotion
- The company has the ability to collect and process individual payments
- The company has the capacity to manage returns and provide after-sales service



06.

## Course of the negotiation

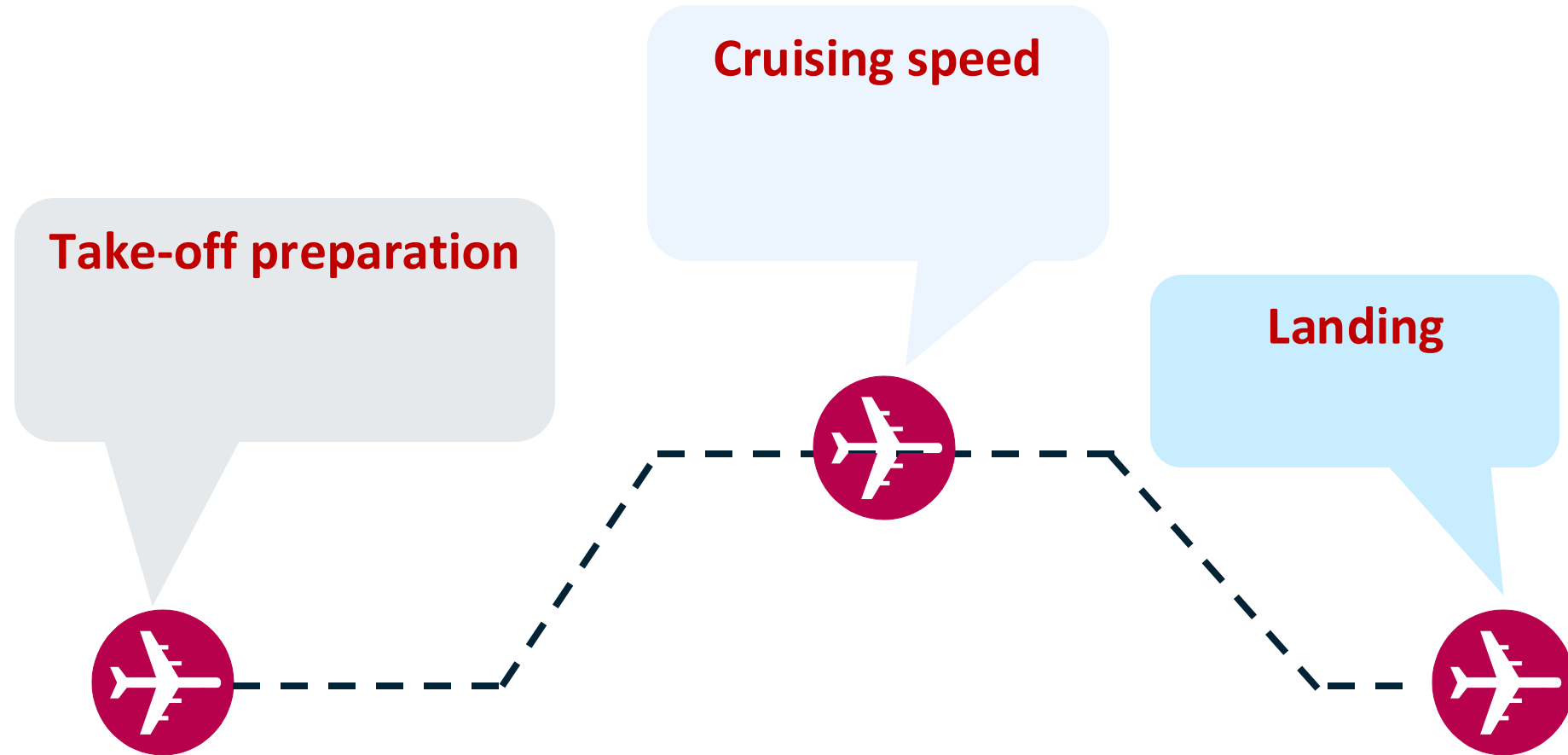


# Negotiation pyramid



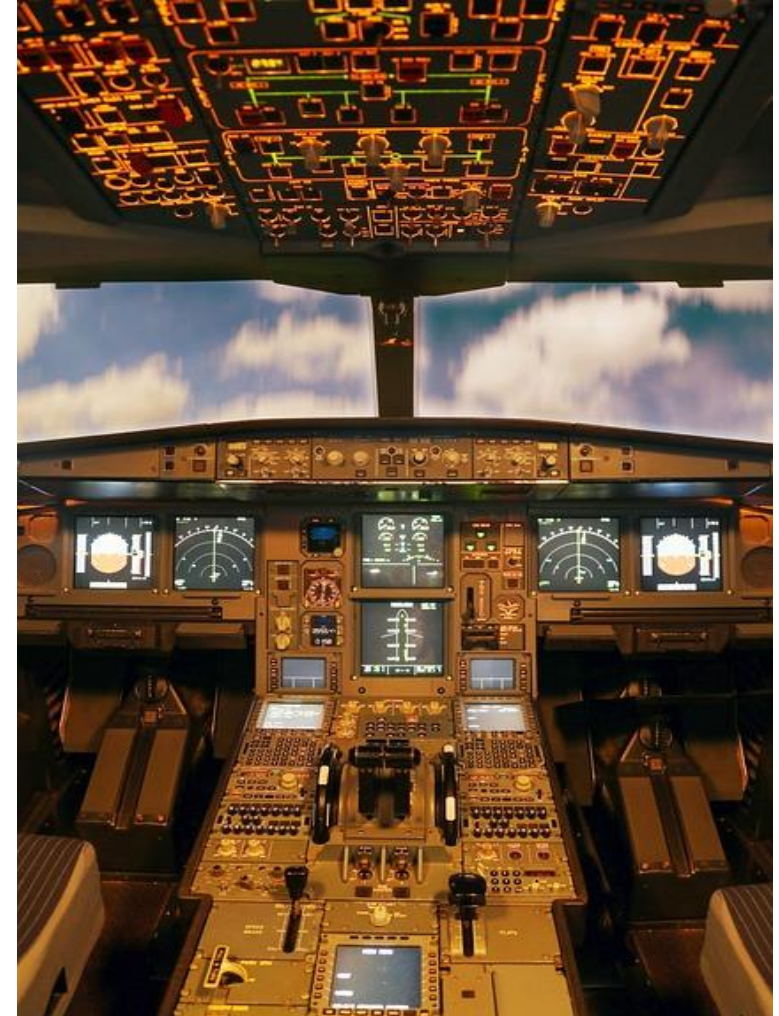
- Welcome the customer
- Identify needs
- Offer suitable products or services
- Provide arguments
- Address objections
- Close the sale
- Say goodbye

# The plane metaphor



# The plane metaphor– Take-off preparation 1/2

- Prospect and find potential customers:  
**Trade Map case**
- Verify the profile of identified prospects and ensure their interest
- Contact the prospects and present the company and its activities:
  1. Description of the company and its activities
  2. Client needs: who, what, when, why, how, and where
  3. Solution you can offer
  4. Pricing and cost-benefit analysis
  5. Summary

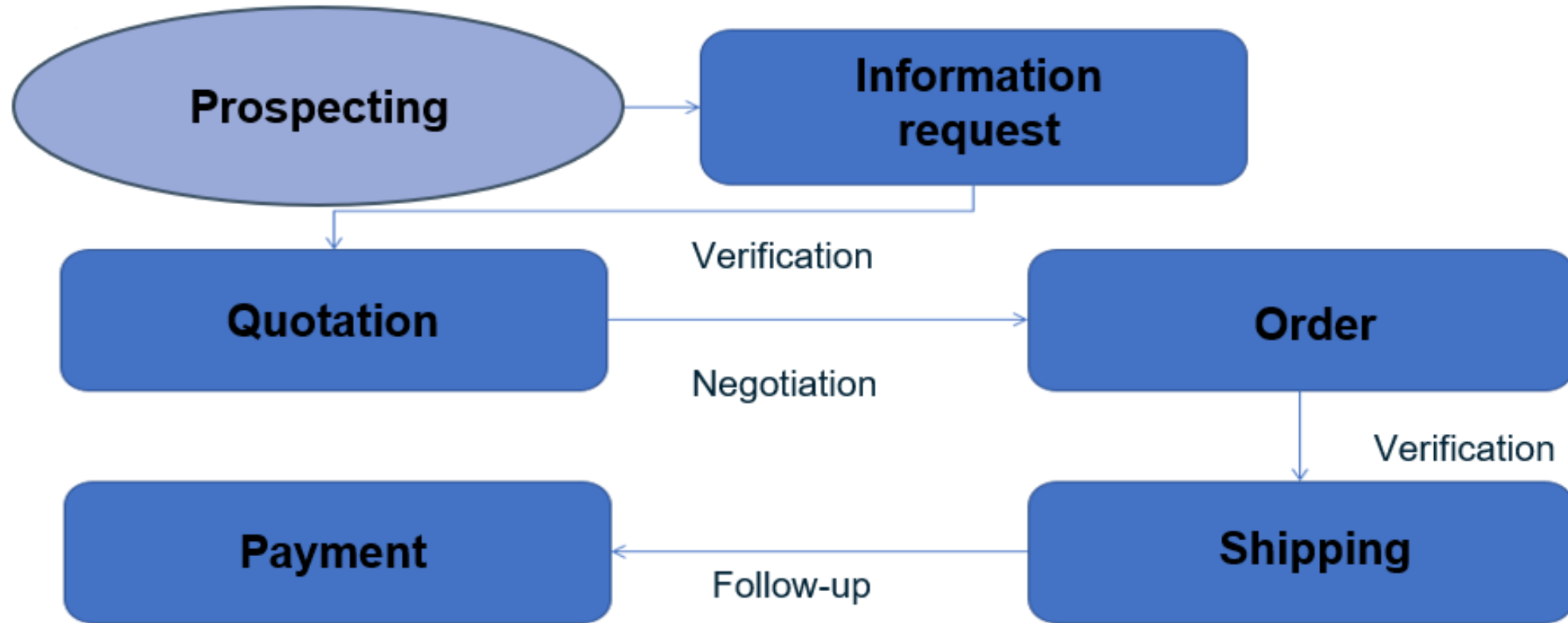


# The plane metaphor– Take-off preparation 2/2

- The interested prospect may have additional questions. In this case, they would send you an inquiry.
- Acknowledge receipt of the inquiry by thanking the prospect for their interest and specify a date by which you will send your response (Rule of 3 C's: Courteous, Concise, and Clear). Carry out the necessary verifications and prepare your response.
- If the prospect agrees to the proposed terms, they would place an order; otherwise, they might request a revision of certain conditions.  
➔ **NEGOTIATION**







# The plane metaphor– Cruising speed 1/2

- Negotiation mode: face-to-face, by phone, by email, online, etc.
- Strategy chosen by the buyer: distributive or collaborative
  - Distributive → Collaborative → Distributive
  - Collaborative → collaborative
- Technique proposed or chosen for the negotiation: point-by-point, incremental, package, etc.
  - Point by point, gradually → Package



# The plane metaphor– Cruising speed 2/2

- Detection of potential use of ploys by the buyer
  - Keep your composure
  - Reiterate the points to be negotiated and ask the other party to adhere to them
  - If the used ploy involves physical discomfort, request to change seats, take a break, etc.
  - Convey to the other party that you are committed to securing a long-term agreement and are interested in a long-lasting win-win partnership.



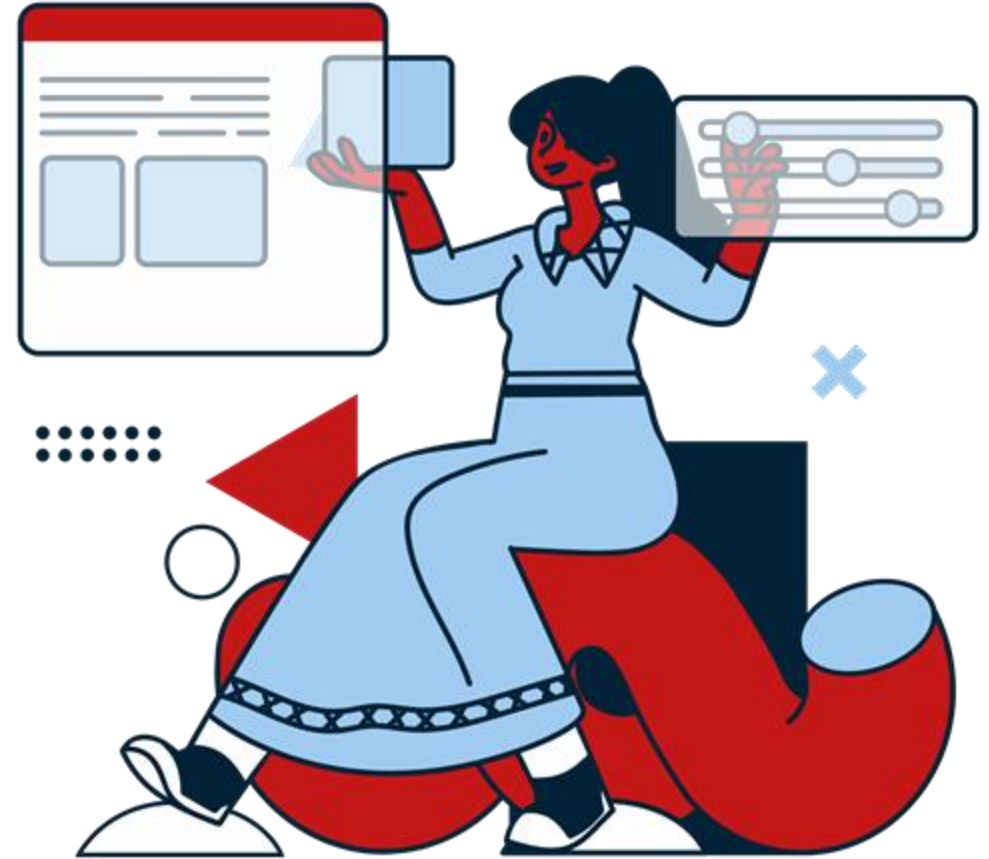
# The plane metaphor– Landing

- Three types of positive negotiation outcomes:
  - Complete and final agreement
  - Partial or provisional agreement
  - Some progress, but no agreement (MOU)
- Agreement on follow-up mechanisms
- Farewell (reassure, thank, escort, say goodbye)



07.

Ensure a good follow-up



# Customer follow-up

## When to ensure customer follow-up?

- After an initial contact (cold or warm) with the prospect, whether they have responded or not (see example on the next slide)
- To answer their question(s) or objections
- To provide more information on a subject of interest
- To respond to their proposal or counter-proposal
- To acknowledge receipt of their inquiry or order
- To thank them for their time and attention after a meeting or order
- To present your after-sales service terms, etc.



# How to ensure customer follow-up? Example of a follow-up email after a quotation

Dear Mrs./Ms./Mr.,

On the date of ..., you honored us by sending a request for information regarding our product X (Reference ...). Following the receipt of your request, we provided a quotation on the date of ... for the supply of Y units of the said product. Similarly, we proposed our usual commercial terms, while specifying that we remain at your disposal to adapt, if necessary, to your preferred terms (Incoterms, transportation and payment methods, etc.).

We are pleased to send you an updated version of the aforementioned quotation and remain at your full disposal to provide further information regarding our offer and/or discuss its terms.

# Why ensure customer follow-up?

- Capitalize on customer satisfaction during the period directly following the sale (honeymoon phase)
- A satisfied customer today may not necessarily be satisfied in the future.
- The need that your product addresses today is likely to evolve tomorrow.
- Your competitors may offer more competitive products or products that create more value for the customer than yours.





# Why ensure customer follow-up?

- Ensuring follow-up will project an image of seriousness and professionalism in the eyes of the customer.
- It is much less expensive to retain existing customers than to acquire new ones.
- Your satisfied customers will recommend you to others.

→ Setting up monitoring to track customers satisfaction



# How to ensure customer follow-up? Communication

- Passive communication follow-up:
  - Effective presence on social media with relevant, high-quality, dynamic, and up-to-date content.
  - Website with all the information of interest to the buyer.
- Active communication follow-up:
  - Direct contact with the buyer: personalized email, newsletter, phone call, visit, invitation, etc.



# How to ensure customer follow-up? General framework:

- Gather as much information as you can on the customer → **Up-to-date and complete customer file**
- Nurture the relationship, communicate regularly (without overdoing it and on topics that interest them).
- Be attentive to your customers.
- Focus on an omnichannel relationship with the customer.
- Schedule follow-up actions. If possible, set up a CRM system.

## Customer Prospecting Sheet

### Client Information

Company Name:		Type of Business:	
Company Address:			
City:	State:	Zip:	Phone No.:
Contact:		Title:	
Decision Maker:			

### Goals of the Meeting


### Goals of the Customer


### Ways to Help Customer Fulfill Goals


### Objections of Customer


### Responses to Objections


### Ways to Ensure Customer Satisfaction


# How to ensure customer follow-up? 5 important steps

1. Thank the customer Immediately after the delivery of the goods.
2. Ensure everything is going well: One to two weeks after the receipt of the goods.
3. Ask for permission to stay in touch and keep communication channels open: Periodically (e.g., newsletters) and occasionally (e.g., new events).
4. Prepare the ground for another sale: Detect needs, introduce a new or modified product, etc.
5. Ask for recommendations (without overdoing it).



# How to ensure after-sales follow-up? Example of an email after the customer has received the goods.

Dear Mrs./Ms./Mr.,

Our records indicate that the goods related to your order No. ... have been delivered to you in good condition. Despite the special care we took with your order, if you are not satisfied with any of our products or with the conditions under which the goods were delivered, we would appreciate it if you could let us know as soon as possible. The complete satisfaction of our customers is of utmost importance to us.

Thank you very much for the trust you have placed in us by entrusting us with your order. We remain at your full disposal to continue serving you.

# How to ensure after-sales follow-up? Example of an email after a complaint (receipt of damaged products)

Dear Mrs./Ms./Mr.,

Thank you for your message (Ref No. ...) dated ..., in which you informed us about the receipt of X damaged products. We are sorry for this inconvenience and greatly appreciate you bringing it to our attention. You are giving us another opportunity to continue serving you.

Upon receiving your complaint, we initiated an investigation with our carrier to identify the causes of the product damage, despite the goods being shipped in good condition, as evidenced by the pre-shipment inspection certificate included with the documents sent to you. Of course, we will keep you informed of the outcome of the investigation.

In the meantime, please inform us by return email of the specifications and the number of damaged products so that we can send you replacement products as quickly as possible and at our expense.

Concerned with the complete satisfaction of our customers, we will take all necessary measures to prevent such an incident, for which we apologize, from happening again in the future.

Thank you for your understanding!

08.

Conclusion -



## CONCLUSION

# Key take-aways

- A successful negotiation involves good preparation of its content and process.
- The foundation of any successful commercial negotiation is knowledge of the company, the product, the market, and the customer.
- Preparing a comprehensive, clear, and well-argued basic offer enables an effective negotiation.
- The negotiator must demonstrate active listening and self-control, and be familiar with negotiation strategies, techniques, and ploys.
- Ensuring good after-sales follow-up helps continue to satisfy the clientele.
- The company must be flexible and prepare to adapt to the needs and constraints of buyers.







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# Thank you for your attention!

## Any questions?

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development



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