

# The Negotiation Group Exercise

# The NEGOTIATING Group Exercise:

- Break into your Class Groups and Prepare a negotiation:
- You are negotiating with another class group. Both of your groups are part of the global technology company, LG Electronics in **Seoul, South Korea**.
- **Group A** represents the **Europe** Region of LG Electronics (Korea). The representatives (you) are Irish.
- **Group B** represents the **South America** Region of LG Electronics (Korea). The representatives (you) are Brazilian.
- The decision makers are the Korean executives of the LG Electronics Global Television and Display Technology Business Division. They are at the negotiation as observers. They will make a decision based on the agreement reached by the two regions.
- You are meeting in a hotel Suite at the Westin Chosun Hotel in Seoul, South Korea.

# The Negotiation

- The Objective is to agree on the control of the LCD Television Manufacturing Division of LG Electronics (Seoul, South Korea).
- Each Region desires to have more of the LCD TVs produced allocated to their region because they never have enough TVs to meet the demand in their area. They can sell as many TVs as they can get.
- Unfortunately, increasing the number of TVs produced is not an option because LG must also manufacture its other products.

# The Negotiation

- \* There are exactly 1.1 million TVs that will be manufactured for the combined two regions.
- All of the other regions have settled their manufacturing allocations
- The total sales revenue for these 1.1 million TV sets is \$800 million (US dollars) (Planned at 500,000 TVs at \$1,000 and 600,000 TVs at \$500)
- The mix of TVs (high-end / cheap, etc.) will be what the negotiation agrees on.

# The Negotiation

- You must prepare a negotiation that includes your **plan and an explanation** of your considerations.
- You must, at least, include:
  - The logistics for your meetings (facility, meals, customs, cultural norms, etc.)
  - A description of the market and customer considerations for your region.
  - Your negotiation strategy and goals.

# NEGOTIATE !!!!

- OK – Negotiate.
- Achieve agreement on who gets what.

# THE AGREEMENT:

<b>ITEM:</b>	<b>Group A (Europe)</b>	<b>Group B (South America)</b>
<b>Number of Televisions</b>		
<b>Expensive televisions</b>		
<b>Inexpensive televisions</b>		
<b>Projected revenue from Televisions</b>		
<b>Timing of deliveries:</b>		
<b>Other items:</b>		