**Slobovic**

Gunter Slobovic, Financial Director at Ivory Press Plc, has a formidable reputation as a ‘hard nosed’ negotiator. He does not agree to anything easily, especially if it costs money and he does not normally indulge in social pleasantries, unless it gets him concessions from whatever is proposed to him by suppliers unlucky enough to have him on their ‘slow paying’ clients’ list and due for a ‘motivational’ visit.

While occasionally affable, Gunter is unfriendly. He is always in a hurry to finish a meeting with a supplier and go somewhere else. He gives the impression that time is so scarce for a busy man like him that whatever time he spends with you, the people who should be benefiting from his presence that very moment are making a supreme sacrifice in him stopping long enough to say ‘hello’. So he doesn’t say much more, except ‘good bye’.

Most visitors are intimidated by Slobovic's manner and usually drop on his desk the

paperwork about their visit and get out as fast as they can. Those (few) brave enough to stay and conduct their business suffer indignities, including being kept waiting well beyond their appointed interview time, having to endure constant interruptions while in his presence, having to ignore obvious signs that he is not listening very attentively, having to put up with sneers about their company or its services and suffer being threatened with outrageous consequences if they do not ‘sharpen their pencils’.

In short, Gunter Slobovic is a difficult person with whom to deal.

Only his firm's growth and profitability as a customer saves it from being dropped by suppliers as ‘more trouble than it is worth’ (though over the years, several firms have done just that, because they cannot endure the personal costs of trying to deal with Gunter).

He is also abusive, given to ‘bad language’, highly prejudiced about ‘foreigners’ (and not too fond of younger people) and can be outright rude when challenged over his statements during a debate. He also theatrically switches off his hearing aid when he doesn't want to listen to anything he disapproves of, such as a complaint about a late payment, an announcement of a price increase, or a refusal of a concession that he thinks he is justified in (rudely) demanding.

A new account manager has joined the finance and investment team of your merchant bank recently and she is about to visit Gunter to discuss his requirement for a stand-by finance package to cover a proposed acquisition programme his firm is putting in place, with a view to some rapid acquisitions in their business sector. Your company wants to be involved int his acquisition programme because Ivory Press's plans are sound and likely to be profitable and Gunter's firm could grow from a $170 million turnover to $400 million in three years.

This could become a major first account for your new manager and you want her to do well (you recruited her from a rival merchant bank). She has come to you for some advice in handling Gunter – she has heard of his reputation on the ‘grapevine’ – and asks you the following questions:

1. How should I respond to Slobovic's bad behavior?

2. How much will the fact that Slobovic wants something from us soften his approach –

and should it stiffen mine?

3. Is it better for me to go in pretty close to our ‘best price’ or should I go in ‘high’ and leave room to negotiate?

4. Should I let him know what I think of his expected rude behavior or should I ignore it and stick close to the business in hand?

5. Should I match or contrast Slobovic's behavior?

**Total of 40 marks**

**Essay 3**

How would you make the case for Principled Negotiation?