



**SCHOOL OF HUMANITIES & SOCIAL SCIENCES  
BACHELOR OF ARTS IN COMMUNICATION  
END OF SEMESTER EXAMINATION**

**BAC 2105: COMMUNICATION AND NEGOTIATION SKILLS**

**DATE: Friday 18<sup>th</sup> October 2019**

**TIME: 08:00 – 10:00**

**Instructions**

1. This examination consists of **FIVE** questions.
2. Answer **Question ONE (COMPULSORY)** and any other **TWO** questions.

***Question One***

Read the case below and answer the questions that follow.

**WORLD OF BEAUTY ENTERPRISES**

World of Beauty Enterprises (WOBE), opened its doors to the citizens of Zuri in the late 80's and by the year 2000, the enterprise was not only a household name but a brand to be reckoned with in the country. Thanks to its competent management team.

A talk with the Business Development Manager (BDM), Ms Rapando, reveals that the journey to the top has not been an easy one. She narrates of days when the enterprise had to negotiate the sourcing of products from both the domestic and international markets, a task that always left WOBE frustrated. She adds that this went on for a long time until the management sought a business consultancy firm to establish the cause of this continuous loss in several negotiations that the consultant insisted on being part of the next negotiating team that would undertake the next task the enterprise would find itself in. The main aim was to observe both teams during the negotiation. It did not take long before an opportunity arose and as earlier agreed; a representative of the consultancy firm formed part of WOBE's negotiating team without the knowledge of the other team. As the negotiation went on, the consultant quickly observed how the team from WOBE was not giving much attention to what the other team was saying or doing. Their statements were full of closed ended questions which lacked space or void that would encourage the other team to talk and give their views. On the other hand, members of the other team remained very attentive and only asked open ended questions. Based on this observation, the consultant concluded that the major cause of the continuous loss in negotiations was nothing but lack of effective listening skills on the part of WEBO.

It therefore was not a surprise to the consultant when WOBE lost the negotiation again. He pointed out that the loss was due to lack of effective listening skills amongst the negotiators of WOBE. Firmly, he made them understand how paramount the skills were to any successful negotiation and recommended the training of the employees on the same if at all WOBE expected to succeed in forth coming negotiations. It was after this that the enterprise embarked on training its employees as advised, something Ms Rapando says the enterprise has lived to appreciate.

The recent economic recession in the Republic of Zuri saw many business enterprises go under, Kitu Cosmetics being one of such business enterprise. The plight of Kitu provides a business opportunity to other businesses in the beauty industry and WOBE led by its BDM, Ms Rapando, see no reason of not exploiting this opportunity. Ms Rapando convened a management meeting where the acquisition of Kitu Cosmetics was discussed. During the meeting, Ms Rapando pointed out that, if the management team remained resilient, patient and proved able to adapt to the ever changing business dynamics in the industry after this acquisition, then a synergy value of high revenues and low expenses would be some of the benefits WOBE stood to gain by acquiring Kitu Cosmetics.

Immediately a team of able and effective business negotiators was formed. The key business areas to be negotiated in the upcoming acquisition were identified as: legal considerations,

existing customers and vendor contracts, tax, intellectual property, and employment and liability issues to mention just but a few. Having identified the key business areas to be negotiated, the team formulated strategies to be used to build trust during the negotiation process since members had unanimously agreed that winning the trust of negotiators from Kitu Cosmetics would be key to the success of the whole exercise. The negotiating team has also put in place a BATNA that it believes will work out to its advantage should the negotiating team from Kitu Cosmetics team refuse to accept WEBO's terms and acquisition of the enterprise.

## **Questions**

### **Question One**

a). The Business Management Consultant sought by the management of WOBE to determine the continuous loss in any negotiation task the enterprise engages in revealed lack of effective listening skills as a major cause. Explain **FIVE** ways in which the negotiating team from WOBE could have used listening skills to enhance success in its negotiation. (10 Marks)

b). The team that was appointed to attend to the task of negotiating the acquisition of Kitu Cosmetics unanimously agreed that winning the trust of negotiators from the cosmetic firm would be key to the success of the acquisition. Outline **FIVE** reasons that could have made the team come to this agreement. (10 Marks)

c). The negotiating team has put in place a BATNA that it believes will work out to the advantage of WOBE should the negotiating team from the cosmetic firm refuse to accept their terms and conditions of the acquisition. Explain **FIVE** ways in which this BATNA can work to the advantage of WOBE. (10 Marks)

### **Question Two**

(a). The negotiation process between Pendo Enterprises and one of its major suppliers has entered its conclusion stage. Explain **FIVE** key activities in this stage. (10 Marks)

b) Smart Company Limited is engaged in a negotiation process with one of the international business entities. State **FIVE** protocol factors that are key in this negotiation. (5 Marks)

### **Question Three**

a). Rinda Company Limited has a policy that all its new employees must undertake a negotiation skills course offered by the management. Justify this decision. (10 Marks)

b). Mr Tenda an effective and skilful negotiator in Popote Enterprises is known for manipulating the negotiation tool of interest to his advantage whenever he is involved in a negotiation exercise. State **FIVE** ways in which he manipulates this tool to his advantage. (5 Marks)

### **Question Four**

a). The recent assessment of the trust level between Pale Enterprises and one of its major suppliers that the enterprise is about to enter a negotiation with, revealed that the level of trust for each other was at 1, and so both parties are in agreement that they should go on with the scheduled negotiation. State **FIVE** factors that made the assessors place the trust level at 1. (5 Marks)

b). Explain **FIVE** ways in which managers use downward communication to solve conflict at the place of work. (10 Marks)

### **Question Five**

a). Successful negotiators in business enterprises use the verbal skill of Reflecting and Clarifying as a means of enhancing effective negotiations. State **FIVE** reasons for using this method. (5 Marks)

b). The success of the just concluded negotiation process, where Nguvu Enterprises took over the operations of Kamata Enterprises, is attributed to the use of Gaining Positional Advantage negotiation tactic fronted by Mr Sema. Outline **FIVE** ways in which Mr Sema and his team could have used this tactic. (10 Marks)