The Bare Knuckles Guide to Negotiating with International Prospects

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Benefits of Exporting

- Increase in sales and profits
- New markets and customers
- Faster growth
- Market intelligence
- Innovation
Prospect Personalities
Prospect Personalities

The Yes Man

The Straight Shooter

Mr. Smooth

The Big Shot
Prospects will ask for:

- Exclusive distribution rights for entire country or more than one country.
- For all product lines.
- On a long term deal (5+ years).
- Deep discounts.
- Generous payment terms.
Do’s
Do’s

1. Define in advance 3 elements
   - Requirements
     - Territorial exclusive rights
     - Product lines exclusive rights
     - Long term deals
   - Discounts
   - Special payment terms
Prospects will ask for:

- Exclusive distribution rights for entire country or more than one country.
- For all product lines.
- On a long term deal (5+ years).
- Deep discounts.
- Generous payment terms.

★★★★ They have to be EARNED! ★★★★
<table>
<thead>
<tr>
<th>Prospect wants:</th>
<th>Candidate has to:</th>
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<tbody>
<tr>
<td>Exclusive distribution rights for the entire country</td>
<td>Open retail store or assign sales rep to every city with a population of more than 500,000</td>
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<tr>
<td>Exclusive distribution rights for all product lines</td>
<td>Assign a dedicated brand manager Sales goals of $X per product line/year</td>
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<tr>
<td>Long term deal (5+ years)</td>
<td>Start with 3-year deal. If sales goals are reached, agreement is extended X more years</td>
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<tr>
<td>Deep discounts</td>
<td>Achieve X level of sales to access volume discounts</td>
</tr>
<tr>
<td>Generous payment terms</td>
<td>Prove creditworthiness during year</td>
</tr>
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They have to be EARNED!
Do’s

1. Define in advance 3 elements
   - Requirements
   - Distribution agreement (special clauses)

★ ★ The “first order” clause ★ ★
Do’s

1. Define in advance 3 elements
   - Requirements
   - Distribution agreement (special clauses)
   - Selection process
Selection Process

Rapid qualification:
Information Request Form

If information is provided:
Distributor Prospectus

Follow up:
Phone interviews

For qualified prospects:
Distributor Application

Selection
Do’s

1. Define in advance 3 elements
   - Requirements
   - Distribution agreement
   - Selection process

2. Make these elements company policy

3. Keep calm and be assertive
Dont’s
Dont’s

1. Never give in to the prospects’ demands, threats, charm, or promises
2. Never fall in the “first comer” trap
3. Never hurry or skip the selection process
Maneuvers
The Jab
“I’m glad you are interested in distributing our products in (country name). We have an application and selection process for all international prospects. This process ensures that our company and potential distributors are a good match for each other. This process is very simple. The first step is...”
The Counterpunch

* * * * * * *
“I understand your excitement about becoming our distributor. However, we have this application and selection process to ensure our company and your company’s goals are compatible. As a matter of fact, every prospect goes through this process because it is company policy. So, we can start the process today by taking the first step, which is…”
The Bare Knuckles Guide to Negotiating with International Prospects

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Training checklist

1. Distributor prospects come in different types and have different agendas
2. They will request all kind of benefits upfront
3. Define the requirements to be your distributor
4. Define a distributor selection process
5. Make sure to have a distribution agreement in place
6. Special clauses will ensure best results
7. Master the defensive moves
8. Become skilful at using the jab and the counterpunch!
9. Never stop practicing and improving your skills