

Vendor Negotiation and Contract Renewal

1. Role-Play Dialogue (Approx. 10 minutes)

Scenario: A procurement manager and a supplier representative discuss the renewal of a contract and negotiate better terms.

Characters:

- **John** – Procurement Manager
- **Lisa** – Supplier Representative

Dialogue:

John: Good morning, Lisa. Thank you for joining me today. As you know, our contract is up for renewal, and we'd like to discuss the terms.

Lisa: Good morning, John. I appreciate the opportunity. We value our partnership and are happy to negotiate.

John: We've reviewed our purchasing data and noticed a 15% increase in costs over the past year. If we negotiate better terms, then we might reduce costs and improve efficiency.

Lisa: I understand your concerns. However, due to inflation and increased logistics costs, we've had to adjust our pricing. That said, we may be able to offer a volume discount if you increase your order size.

John: That's worth considering. If we agree to a larger order, would you be willing to extend payment terms to 60 days?

Lisa: Extending to 60 days is possible, but we would need a commitment for at least six months.

John: That seems reasonable. If we finalize this agreement today, can you also include free shipping for bulk orders?

Lisa: I can authorize free shipping for orders over \$50,000. Does that work for you?

John: That sounds fair. Let's finalize the details and update the contract.

Lisa: Perfect. I'll send over the revised contract shortly. Looking forward to continuing our partnership!

2. Comprehension Questions & Sample Answers (Approx. 5 minutes)

1. What was John's main concern about the contract renewal?

John was concerned about the 15% increase in costs and wanted to negotiate better terms to reduce expenses.

2. How did Lisa justify the price increase?

Lisa explained that inflation and increased logistics costs led to the higher prices.

3. What condition did Lisa set for extending payment terms?

Lisa agreed to extend payment terms to 60 days if John committed to a six-month contract.

4. What additional request did John make at the end of the negotiation?

John requested free shipping for bulk orders over \$50,000, which Lisa accepted.

3. Teacher's Lesson Points (Concise Version)

Pre-Class Preparation:

- Review the dialogue, key vocabulary (*vendor, contract, negotiation, volume discount, payment terms, bulk order*), and grammar points (modal verbs, conditionals).
- Be ready to explain negotiation techniques and strategies.

Lesson Flow:

1. Introduction (2–3 minutes)

- Warm-up discussion: "Have you ever negotiated a contract or purchase? What strategies did you use?"
- Introduce lesson objectives: understanding negotiation strategies, key phrases, and conditionals.

2. Reading & Analysis (10 minutes)

- Have the student read the dialogue aloud.
- Focus on pronunciation, intonation, and fluency.
- Pause to highlight key grammar structures (e.g., *If we negotiate better terms, then we might reduce costs*).

3. Comprehension Check (5 minutes)

- Ask comprehension questions.
- Provide feedback and explanations where needed.

4. Role-Play Practice (Remaining Time)

- Teacher takes the role of *Lisa* (supplier representative), and student plays *John* (procurement manager).
- Encourage the student to apply the vocabulary and conditionals in a natural way.
- Switch roles if time allows.

5. Wrap-Up (2–3 minutes)

- Summarize key vocabulary and grammar points.
- Assign homework: "Prepare a short email proposal summarizing the key negotiation points discussed in today's lesson."