

Practitioner information

Introduction

This resource helps learners explore and understand the importance of negotiation in innovation and enterprise, with examples of this, the parties involved, and what successful outcomes might look like. They explore how negotiation helps shape a startup's core mission and vision. They also discover how it affects product design, features, and performance, to enable it to meet customer expectations, and the critical steps in the negotiation process. Learners consider how negotiation creates alignment across an organisation to include team members, customers, and investors.

Topic links

- Enterprise
- Skills for employability, teamworking, and project management
- Negotiation

Suggested learning outcomes

Learners will be able to:

- define negotiation and describe examples of negotiation in enterprise
- describe the steps in a simple negotiation process and the meaning of a 'win-win' outcome
- explain the importance of negotiation within the innovation process.

Why this topic is relevant for engineers

Every successful innovation is the result of repeated negotiations through which the different viewpoints of technologists, designers, manufacturers, customers, and investors are aligned, and areas of agreement are identified. A successful product or service lies at the centre of these different areas of agreement. This means that the innovation and startup process is not purely one of technical development but one that also requires empathy and emotional intelligence to balance competing priorities and focus on what matters most.

Delivering the theory: Negotiation in enterprise

- Emphasise the usefulness of the Venn diagram as a visual metaphor for negotiation. How would the diagram change if there is less agreement, no agreement at all, or more agreement? What if a third party is involved?
- Discuss what might happen if each negotiation in the table is unsuccessful or favours one side more than the other.
- Highlight that successful negotiations give each party the space to succeed, for example, balancing investor returns with funding and founder income. How does aiming for joint success help to build and strengthen key relationships, such as with suppliers? How will a constructive approach to negotiation help the business in the longer term, for example, through a long-term supplier relationship?

Practitioner information

Delivering the theory: Negotiation in innovation and design

- Highlight how the first negotiation for any startup is to reach agreement about the fundamental questions about the business: What are we here to do? For whom? How? Why?
- Discuss why it is important to agree priorities first before brainstorming, and to align these with the core questions about the business, above.
- Then discuss why a team needs to negotiate the criteria by which they evaluate the best possible solutions or ideas. What influences these and who has a say?
- Ask learners to suggest areas for negotiation in the product design process, for example, material, features, performance. Who would have a say in these decisions and why?

Delivering the theory: The negotiation process

- It is helpful to illustrate the process using real but simple examples, such as a learner asking for an extension to an assignment.

- Learners can share examples of their own teamworking when discussing each stage, for example, how a project's focus was agreed or how they shared the workload.
- You may need or wish to unpack emotional intelligence/people skills more and discuss listening, self-control, and emotional regulation, communications, empathy, etc.

Delivering the case study: Negotiations in a startup

- Bring the discussions to life by asking learners to take on the roles of Eva and Johannes, and try to negotiate each person's percentage ownership of the startup.
- Discuss what justifications learners gave to support their request and how the other person responded. Include feelings as well as more objective views.