**NEGOTIATION**

Two companies had been short-listed for a major infrastructural contract in Mexico. One was North American, the other Swedish. Both companies were invited to Mexico to present their proposals to the relevant ministry and to start negotiating the terms of a deal.

The Americans put a lot of effort into producing a high-tech, hard- hitting presentation. Their message was clear: ‘We can give you the most technically advanced equipment at a price our competitors can’t match.’ The team – which consisted of senior technical experts, lawyers, and interpreters – flew down from their New York head office to Mexico City where they had reserved rooms in one of the top hotels for a week. In order to put on the best possible performance for the minister and his officials, the Americans had arranged to give their presentation in a conference room at the hotel; and they had brought all the necessary equipment with them from the States. All the arrangements had been written down in great detail and sent to the Mexican officials two weeks earlier.

At the agreed time the American team were ready to present, but they had no one to present to. The people from the ministry arrived at various times over the next hour. They didn’t apologize for being late, but just began to chat amiably with the Americans about a wide range of non- business matters. The leader of the American team kept glancing anxiously at his watch. Finally, he suggested that the presentation should start. Though the Mexicans seemed surprised, they politely agreed, and took their seats. Twenty minutes later the minister – accompanied by some senior officials – walked in. He looked extremely angry and asked the Americans to start the presentation again from the beginning. Ten minutes later, he started talking to an aide who had just arrived with a message for him. When the American presenter stopped speaking, the minister signalled that he should continue. By this time, most of the audience were talking amongst themselves. When invited to ask questions at the end, the only thing the minister wanted to know was why the Americans had told them so little about their company’s history.

Later, during lunch, the Americans were very surprised to be asked questions about their individual backgrounds and qualifications, rather than the technical details of their products. The Minister had a brief word with the American team leader and left without eating or drinking anything.

Over the next few days, the Americans contacted their Mexican counterparts several times in an attempt to fix a meeting and start the negotiations. They reminded them that they had to fly back to the States at the end of the week. But the Mexicans’ response was always the same: ‘We need time to examine your proposal amongst ourselves first.’ At the end of the week the Americans left Mexico angry, frustrated and empty- handed.