



## Background

The Kim Guitar Company (KGC) in Seoul, South Korea, makes electric guitars for Japanese manufacturers and distributors in Europe and the US. It creates its own branded products but also makes guitars to distributors' specifications.

A major US distributor, Ashbury Guitars, has contacted KGC about marketing a range of guitars under its own brand name for the Californian market. Ashbury Guitars is a well-established company with an up-market image. It has had no previous dealings with KGC. Ashbury's owner, Richard Grant, plans to put three models on the market: the Ashbury SG1000 (the most expensive model), the SG500 and the SG200. The body of the guitars will have an experimental shape as well as advanced technical features. Ashbury's guitars will appeal to any musician who wants an instrument with a distinctive sound and exotic appearance.

It is now early January. KGC has agreed to manufacture the guitars for Ashbury, even though it is a very busy time of the year for them. The two companies have had some initial correspondence by fax and now a face-to-face meeting is required.

Several points of the contract need to be negotiated. KGC's owner, David Kim has flown to San Francisco to meet Richard Grant. At the meeting, the Marketing Director of each company will be present. The purpose of the meeting is to make a deal acceptable to both sides, and which could be the basis for a long-term relationship.

## Task

You are negotiating as either:

- The KGC team: David Kim and Marketing Director turn to page 156.
- The Ashbury team: Richard Grant and Marketing Director turn to page 154.

Read your information files. Identify your priorities and work out your strategy and tactics. Then negotiate so that you get the best deal for your company.

## Writing

As the owner of either Ashbury Guitars or KGC, write a fax summarising the points agreed during the negotiation. Indicate any terms of the contract requiring discussion or clarification.



Writing file pages 143 and 145