

NLU DELHI – HSF INTERNATIONAL NEGOTIATION COMPETITION 2018

National Law University, Delhi

TEAM CODE: 23

NEGOTIATION PLAN FOR: GREENWHEELS LTD

IN THE MATTER OF:

GREENWHEELS LTD (“GREENWHEELS”)

&

PIONEER MOTORS LTD. (“PIONEER”)

STRENGTHS AND WEAKNESSES OF PARTIES

Strengths of GreenWheels

- *Strong Market Presence*: GreenWheels is a market leader in many Asian countries including Tokyo, where the Summer Olympics is going to be held.
- *Positive Identity*: GreenWheels is a popular choice among consumers in these cities as it uses a combination of environmentally-friendly “green” cars that emit 70% less hazardous gases and consumer-friendly pricing which gives them a niche over their competitors.
- *Tax Deductions and High Demand*: GreenWheels receives tax deductions from the government for its support for an eco-friendly environment, which it uses to lower fares for its customers. Due to this, there is a big demand for GreenWheels Taxis.
- *Environment Friendly Operations*: Consumers prefer traditional-engine based vehicles with a reduced environmental impact, like the ones GreenWheels uses.
- *Synergies between the two parties*: The CEOs of the companies are friends with each other, which is reflected in the positive working relationship between the two parties.

Weaknesses of GreenWheels

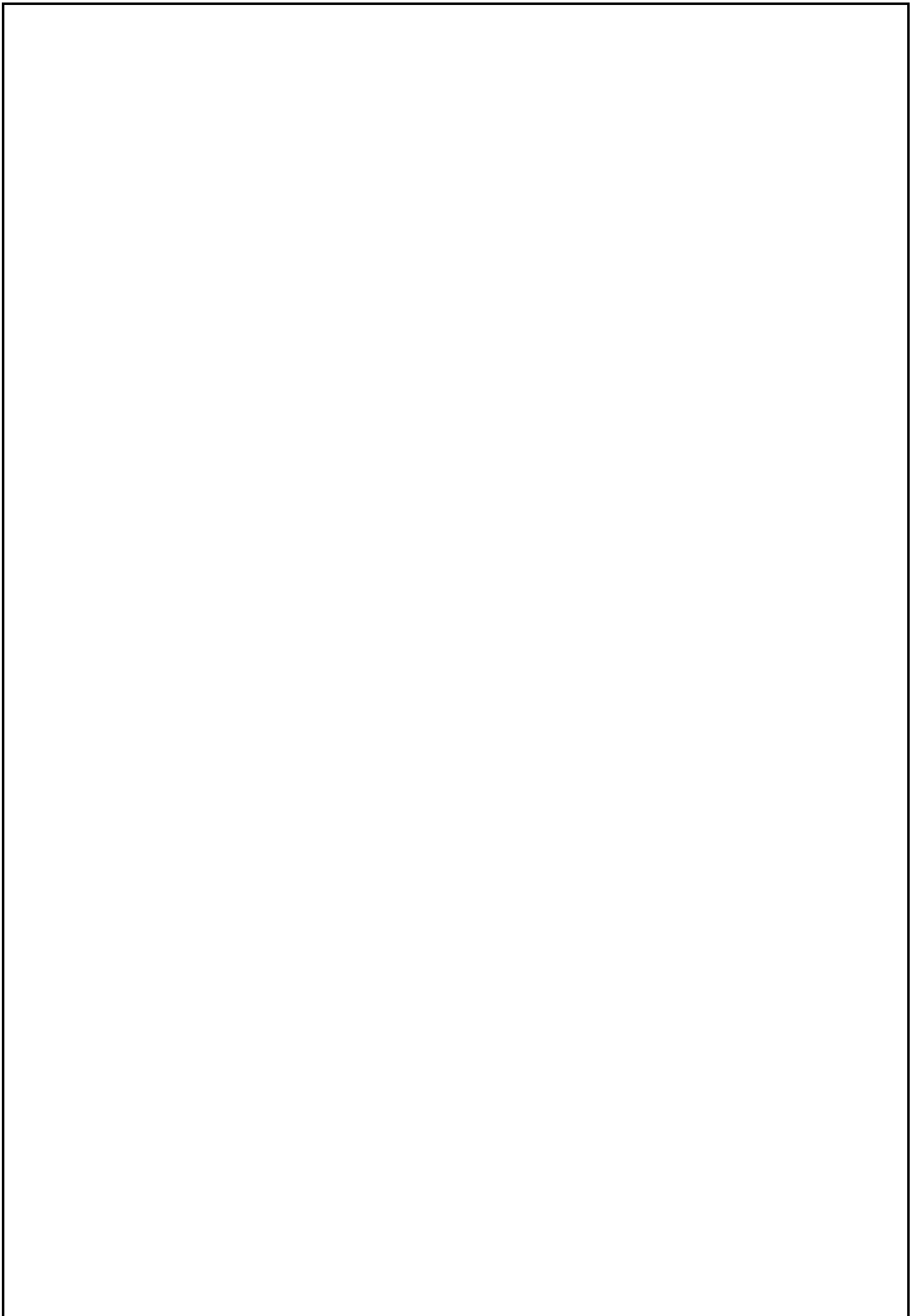
- *Vehicle Crunch*: Due to excess demand for GreenWheels taxis, consumers are facing higher waiting times which might cause them inconvenience.
- *Paucity of Time*: GreenWheels has less than 4 weeks to repair its cars, if it wants to be chosen as the official ‘taxi’ sponsor of the Olympics.
- *Public Knowledge*: If the faulty convertors or problems with supplier become public knowledge, GreenWheels reputation will be damaged and consumers’ confidence in it will drastically decrease.

Strengths of Pioneer (Perceived)

- *CarbonFree Technology*: The CarbonFree technology reduces hazardous emissions by over 70% and is therefore massively popular among consumers and environmentalists.
- *Intellectual Property*: Pioneer has developed its CarbonFree and catalytic convertor technologies themselves and hence enjoy complete licensing control over them.

Weaknesses of Pioneer (Perceived)

- *Staff Crunch*: Pioneer’s repairs team is significantly small and has to work under acute time pressures. The team, due to its size, is overworked, which impacts its efficiency.
- *Poor Management*: Due to its inefficiency in management, Pioneer has been unable to grow its business in the past few years.
- *Possible Competition from Electric Cars*: The market for electric cars is booming and these cars will give a tough competition to ones currently using the CarbonFree technology. This makes the future prospects of the technology extremely uncertain.



Interests and Objectives of GreenWheels

1. Securing Sponsorship Deal: It is imperative for GreenWheels to secure the official 'taxi' sponsorship deal with the Tokyo Olympics in order to gain global recognition and positive publicity.
2. Restore fleet size: In order to secure the sponsorship deal, GreenWheels has to ensure that all of its cars (500) are repaired within 4 weeks and are back on road, serving its customers without fail.
3. To retain identity as eco-friendly: The USP of GreenWheels is traditional-engine based vehicles with significantly reduced carbon emissions. Therefore, it is important that it retains this eco-friendly tag, to maintain its popularity among the consumers.
4. Increase Fleet Size: In order to maximise its profits, GreenWheels needs to increase its fleet size by acquiring more cars, which use some sort of emission reduction technologies. This will also help it to compete against the bigger players in the market.
5. Use of Third Party Contractors: Since GreenWheels needs all its cars on the roads within 4 weeks, it will have to depend on third party contractors to repair its cars as soon as possible.
6. Acquire Equity in Pioneer: The efficient functioning of Pioneer is in the interest of GreenWheels. Therefore, it wishes to acquire a 15-20% share in Pioneer, to increase its efficiency and accountability.
7. Exclusivity Provisions: GreenWheels wishes to do away with the exclusivity provisions in the repairs of its CarbonFree cars, to ensure that the repairs are done on these cars with the utmost expediency.

BATNA & WATNA

BATNA for GreenWheels

- GreenWheels has the option to partner with AutoTech Ltd. and use their catalytic convertors that are available at a cheaper price and reduce emissions up to 40%.

WATNA for GreenWheels

- Go for litigation to claim damages under breach of contract from Pioneer Motors Ltd.

Negotiation Strategy

GreenWheels needs to get the Tokyo Olympics Official Sponsorship deal to gain worldwide recognition and expand its business to other cities of the world. This is also in the interest of Pioneer, since expansion of GreenWheels' business will translate into more business for Pioneer too. For this, GreenWheels will push for amendments to the exclusivity provisions of the current supply agreement and also to acquire a substantial equity in Pioneer.

