

€ TRAINING

Effective Purchasing and Contract
Negotiation Strategies



Effective Purchasing and Contract Negotiation Strategies

Introduction:

The ability to negotiate is one of the basic commercial business requirements yet it is often delegated to those least able to produce an effective outcome. The impact of poor negotiation is therefore felt throughout an organization and has an immediate negative effect on company profitability.

This seminar provides practical, experience-based guidance in planning and conducting a successful negotiation and identifies on an individual basis the key competencies and skills required to emerge on the winning side.

Course Objectives:

At the end of this course the participants will be able to:

- Understand the importance of planning in successful negotiations
- Explore the approaches in negotiations
- Recognize the standards of ethics
- Understand the importance of determining, rating, and valuing the issues in a negotiation
- Evaluate strengths and weaknesses
- Understand the important issues in various contract clauses
- Understand the important elements of the final preparation
- Explore common negotiation tactics & countermeasures
- Gain experience & confidence through the actual negotiation of sample cases

Targeted Audience:

- Purchasing Professionals
- Those at all levels in Projects, Site Contract Management, Engineering with Supply Chain Involvement
- Those in a Company who influence the selection of Materials, Services, and Source of Supply
- Any person regardless of background or present role/position who wishes to understand the purchase process

Course Outlines:

Unit 1: What Makes a Negotiation Successful?

- Personal obstacles to a successful negotiation
- Purchasing responsibilities as a negotiator
- Identifying the phases of a negotiation
- Understanding the phases of a negotiation
- What makes the "winners" win - the elements of success
- Comparing Approaches in Negotiations
- Looking for a better deal for both parties
- When to use what style of negotiation
- Protecting yourself and your company
- Using Time as a key element

Unit 2: The Expert Negotiator Has Many Talents:

- Skill sets and knowledge requirements
- The role of intuition and Emotion
- Understanding your present personal capability
- Defining the negotiator competencies
- Uncovering the learning gap
- Identifying what should be negotiated
- Positioning the negotiation
- Determining the supplier's likely position
- The influence of long and short term supplier relationships
- The importance of research

Unit 3: Valuing Issues for Both Sides:

- Understanding price and cost
- Determining the suppliers pricing strategy
- Life cycle costing and improving added value
- Developing price indices
- Needs of a standard contract
- Developing terms and conditions of contract
- Transfer of ownership and risk
- Warranties & spare parts issues
- Liquidated damages
- Negotiating contractor contingencies
- Economic price adjustment clauses
- The Tender Process - does it add value
- Developing a tender assessment model

Unit 4: What Happens Inside Every Negotiation - Getting to "Yes"

- Negotiation in an e-Commerce environment
- Testing the potential benefits of e-Commerce
- Ethics in negotiation & tendering
- Developing a transparent & ethical organization
- Negotiating with different cultures
- Telephone negotiations
- How to communicate your needs
- How to move the other party to your viewpoint
- How to gain advantage through listening
- Body language and uncovering deception

Unit 5: Common Negotiation Tactics & Countermeasures:

- Framing the negotiation
- Deciding your tactics and counter-tactics
- Dealing with bargaining
- How to concede to gain an advantage
- How to keep the seller selling
- Dealing with deadlocks in negotiations
- Avoiding The Funny Money Trap



- Lessons in negotiation from history
- 24 essential things to do in any negotiation