



Effective Purchasing and Contract Negotiation
Strategies



21 October - 1 November



Milan (Italy)

Effective Purchasing and Contract Negotiation Strategies

course code: P4046 From: 21 October - 1 November 2024 Venue: Milan (Italy) - course Fees: 4500 Euro

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 organisation and has an immediate negative effect on company profitability.

This seminar provide 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.

- Each day involves the delegate in a specific negotiating scenario
- The focus is upon achieving a “win - win “outcome but recognises that all negotiation are not conducted with this result in mind.
- The emphasis is placed upon good planning and preparation to assure an effective negotiated result. Fail to plan and you plan to fail!
- Common tactics and countermeasures are explored and Negotiational “ traps” uncovered
- Each delegate is expected to evaluate their current negotiating ability and develop a personal plan for improvement

Objectives

Upon completion of this seminar, participants will know:

- The importance of planning in successful negotiations
- Approaches in negotiations
- Standards of ethics
- The importance of determining, rating, and valuing the issues in a negotiation
- Evaluating strengths and weaknesses
- Important issues in various contract clauses
- Important elements of final preparation
- Common negotiation tactics & counter measures
- Gain experience & confidence through the actual negotiation of sample cases

Training Methodology

Participants will gain from a combination of instructional methods including lecture by an experienced practitioner and consultant, exercises, negotiation of model cases, and group discussions covering current practices and their relationship to the implementation of concepts and techniques discussed. This is a very “ hands on “ event with part of each day devoted to preparing and conducting a negotiation.

Organisational Impact

The organization will benefit by:

- Reduced total cost of purchased material, equipment and services
- Better outcomes in disputes and claims with suppliers and contractors
- Improved supplier performance
- Having the advantage in negotiations as a result of their employees being better prepared and trained than the employees of the other side.
- Greater likelihood that the organizations objectives in dealing with outside firms will be met.
- An employee who is more comfortable in dealing with people at all levels both within the company and across the supply chain

Personal Impact

Attendees will gain by participation in this program as a result of:

- Establishing an understanding of their existing negotiation capabilities
- Increased skill sets in negotiations
- A greater sense of confidence and professionalism
- Applying increased negotiation skills to personnel situations
- Greater ability to obtain desired outcomes in negotiations
- Increased recognition by the organization due to improved performance

SEMINAR OUTLINE

DAY 1

What Makes a Negotiation a Success?

- Negotiation Exercise Number 1
- 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
- Negotiation Exercise Number 2

DAY 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 suppliers likely position
- The influence of long and short term supplier relationships
- The importance of research
- Negotiation Exercise Number 3

DAY 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
- Negotiation Exercise Number 4

DAY 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 organisation
- 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

- Negotiation Exercise Number 5

DAY 5

Common Negotiation Tactics & Countermeasures

- Framing the negotiation
- Deciding your tactics and counter tactics
- Dealing with bargaining
- How to concede to gain 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