



The Essentials of Contracting & Contract Negotiation



5 - 23 August 2024



Munich (Germany)

The Essentials of Contracting & Contract Negotiation

course code: P4005 From: 5 - 23 August 2024 Venue: Munich (Germany) - course Fees: 6750 Euro

The Course

Every day significant monies are made and lost by organizations as a result of the contractual terms and conditions governing contracts for the purchase of goods, equipment, and services. Since all business activities are governed by contractual relationships, it is increasingly important for all those dealing with outside organizations to have an understanding of how to obtain the best possible agreement for their organization. This involves skills in negotiating and drafting the contract, as well as managing the same and negotiating issues and disputes that may arise.

The first course module will look at how contracts are created, and some of the main clauses that appear in contracts, together with a number of alternative contracting strategies and structures. The course will also consider techniques for third party dispute resolution. The second Module will cover the whole range of negotiations, reviewing the whole negotiation process and showing how a collaborative style to handling disputes or conflict maintains the win/win approach (which was set before any dispute arose!).

The course can be taken as two modules or as each module individually.

The complete course will cover:

- Contract types
- Applying contract types to different risk profiles
- Contract clauses
- Legal issues with contracts
- Dispute resolution using third parties
- Key stages of a negotiation and how causes of later disputes can be avoided
- Managing meetings involving individuals as well as teams
- How to cope with the emotions and conflicts involved in dramatic situations or crises
- Common negotiation tactics and how to counter them

The Structure

Module 1 - **The Essentials of Contracting**

Module 2 - **Negotiating & Dispute Resolutions**

The Goals

- Provide an understanding of how contracts are formed
- Give in depth analysis of issues behind major contract clauses
- Enhance understanding of different contracting strategies and structures
- Learn how to transfer risk through different contract types
- Understand dispute resolution techniques through courts and other alternative methods
- Apply the main negotiation phases – Planning, Discussion, Proposing, Summarising and Concluding
- Achieve 'win-win' outcomes within the bargaining process

- Understand the significance of disputes, their causes and the long term impact they can have on business relationships
- Identify and use strategies to resolve causes of disputes

The Process

Training will involve a high level of interaction and delegate participation. The intention is that the trainer will explain issues, using real examples, but will then involve the delegates in discussion, using the information provided. There will also be sessions on negotiating, where delegates will work as teams to seek to agree disputes in role playing in realistic scenarios. The practical element encourages delegates to experiment with new approaches which expand their current experience and skills. Based around their self assessments during the negotiation module, the delegates are able to seek coaching and counselling from the tutor throughout the programme - either with their peer group or individually.

Delegates are encouraged to bring real problem examples with them, for discussion on a confidential basis, and to share their experience of particular issues in their company or industry.

The Benefits

- Expanding the expertise of personnel involved in developing contractual strategies, negotiating contracts and claims
- Delegates will be introduced to some of the latest international practices in contracting strategy and dispute resolution, and shown how to build such practices into their contract documents
- Professionals should have more confidence in discussing issues with lawyers or with the other parties to contracts
- Dispute avoidance skills will be enhanced, as will the ability to manage such disputes as do arise in an effective manner
- Achieving best possible terms for an agreement with clients or suppliers
- Bring increased vigour to their critical thinking before, during and after a negotiation
- Increased confidence in their personal skills of influence and persuasion
- Reduced incidence of implementation failure by either party to the agreement
- Enhanced reputation as a highly skilled contracting specialist and negotiator and a good person to do business with

The Results

- Total cost of Ownership should be reduced
- Contracts should better reflect the commercial aims of the business
- Better value for money will be achieved where contracts are well managed and understood
- Understand the key skills involved in resolving disputes and conflict
- Know how to apply a collaborative role in partnering strategic organisations in their markets
- Apply critical thinking to planning, conducting and reviewing negotiations
- Know how to reduce risks of implementation failure in agreements they have concluded

The Core Competencies

- Developing contract strategies and structures
- Understanding contract issues
- Analyzing and drafting contract clauses
- Resolution of claims and disputes
- Risk Analysis

- Principled negotiation techniques
- Critical thinking skills
- Building trust

The Programme Content

Module 1:

The Essentials of Contracting

How Contracts are Formed

- The reasons for using contracts
- Basic principles in contract formation
- Examples of formalities for contract formation
- The use of written or oral contracts
- Authority to sign a contract
- Basic contractual structures
- Use of different types of contract for different business models
- Ethical issues

Main Contract Provisions and Associated Issues

- Scope of Work
- Force majeure
- How to deal in volatile market conditions
- Delivery and acceptance
- Termination and Suspension
- Warranty
- Selecting the appropriate law to govern the contract
- Entire Agreement

Changes and Variations

- Changes to the contract
- Scope variations
 - Use of variations clauses
 - Evaluating scope changes
 - Extensions of time
 - Disruption
 - Changes in sequence and timing
- Controlling and managing change

Contractual Documents and Payment Issues

- Letters of Intent and Award
- Bonds
- Progress Payments
- Parent Company Guarantees
- Use of commercial standard documents
- How contracts end

- Suspension and Termination
- Types of damages

Dispute Resolution

- Avoiding disputes
- Recognising disputes when they arise
- Contract clause to encourage negotiation
- Third party dispute resolution
 - Courts
 - Arbitration
 - Alternative methods - including mediation
- Post review and analysis

Module 2:

Negotiating & Dispute Resolutions

Fundamentals of Negotiation

- Building business relationships - impact of disputes on “partnerships”
- 4-phase structure: Preparation, Discussion, Proposing, Bargain & Close
- Use of concessions; best alternative to a negotiated settlement (BATNeS)
- Preparing the case, objectives (entry/exit points) and concessions
- Common mistakes to avoid

The Negotiator's Toolbox

- Planning an appropriate environment for the meeting
- Opening discussion, priorities, information needs and building trust
- Using proposals -conditional and un-conditional to move the meeting on
- Closing the bargain: trading concessions, summaries, recording outcomes
- Alternatives to negotiating outcomes to a dispute

Negotiating Styles, Tactics and Ploys

- Cultural & international issues: negotiating styles around the World
- Emotion and negotiation - managing negative emotions
- Interpreting non-verbal communication - do's and don'ts
- Push/pull styles and silence as a tactic
- 60 common tactics and how to counter them

Personal Skills in Dispute Negotiation

- Motivation - analysis of needs, interests, positions and escalation
- Motivators of conflict and 5 alternative approaches to dispute resolution
- Team negotiations - Why? What? How? Who? When?
- Handling conflict and deadlock
- Personal skills development - fitness check

Putting it All Into Practice

- Leaders' contribution of mission and self-belief in critical situations

- Team allocation and orchestration of specialists - mediation process
- Negotiation case study – plan, bargain, review, analysis of results
- The do's and don'ts of negotiating – success in dealing with assumptions
- Murphy's law - improving what we do – final action planning