

# Contracts/Supplier Management

## Practical Contracts/Supplier Management Law

### Spot Exercise—"What's Your UCC Quotient?"

A Brief intro into why we need things they didn't teach in college, MBA school too.

### Uniform Commercial Code (UCC) basics including

- Goods versus services
- The 4 requirements of a P.O to avoid personal liability
- The 4 requirements of a contract
- The 4 forms of purchasing authority
- UCC listings (liens and searches)
- The 7 obligations of an agent (it imposes a burden on you!)

### More practical legal considerations

- Robinson-Patman (how a price below a suppliers cost can be illegal)
- Reciprocity
- Oral contracts
- Mirror image rule last shot principle

### Ethics

- Legal versus ethical considerations (Ethical Behavior is the law!)
- Ethical practices and good faith
- Land mines to avoid
- Sample Ethics policies
- Answering the suppliers question "Where do I have to be?"

### Spot Exercise: "Do We Have a Deal?"

Another familiar question, the answer to which may be different now that we know more.

### Ethics

- Legal versus ethical considerations (Ethical Behavior is the law!)
- Ethical practices and good faith
- Land mines to avoid

### Spot Exercise: "Legal Conduct vs. Ethical Behavior"

An interesting challenge.

## About

# Robert Menard

Bob Menard helps companies make money by saving it. His unique supply side philosophy is embodied in the corporate slogan: *Sell for a dollar, earn a dime; save the same dollar, earn ten dimes.* Since 1985, he has been president of Vinca Corporation/SPEECH2, a consulting and training firm bringing his unique buyer's perspective of Negotiation to all his clients. In addition to Keynotes, Seminars and Workshops at convention and corporate meetings, he provides training and consulting services in purchasing and cost management strategies to clients in the US and abroad.

With his energetic and engaging style, Menard has delighted audiences in over 2,000 seminars, workshops and keynotes in 47 states and 5 foreign countries. His business acumen stems from a career as an entrepreneur, an uncommon feature amongst speakers. He has that rare ability to touch audiences on a personal level because he has lived and experienced their challenges.

An expert in business strategies, he delivers powerful and effective addresses on Negotiation, Purchasing, Partnering and Communication issues. His motivational speeches strike the personal chord, reminding each of us of our limitless potential. His entertainment speeches are without equal in educational and humorous value.

Sales groups seek out his counter point perspective, unique amongst sales speakers and trainers.

He is the author of *You're the Buyer—You Negotiate It* and CD sets on Communication and Personality Management and Negotiation Tactics and Counter-Tactics.



## Supplier Management Strategies

### Supplier Certification

- How to establish minimum standards for our suppliers
- Why we need to have Certification
- How it proceeds to Evaluation
- How to base standards on TCO
- How and why does it save money to reduce the supplier base?

### Supplier Evaluation

- Evaluating supplier RFQ/RFP
- Evaluating supplier performance
- What data do we collect and analyze?
- Invest in supplier development?

### Formal Exercise: “The Gaylord Principle”

Creating a simple, workplace-friendly model to measure and evaluate supplier performance

### Single and Sole Source Suppliers

- Achieving mutual cost reduction
- Falling costs = falling prices

### Spot Exercise: ROUND TABLE Examination

- Where are we now with Single and Sole sources?
- Where are we going?
- What kind of problems do we have
- Do we have/need/want a unified strategy?

### Formal Exercise: “TBD”

We’ll apply supplier management skills to the AAFES workplace.

## Contracts Management Strategies

### Formation of Strategic Alliances

- Rationale for creating
- Forms, including single source issues
- Problems in maintaining
- Sample road map

### Partnering, Preferred Suppliers, and other Strategic Alliances

- A COST reduction strategy for supplier and customer
- Achieving mutual cost reduction
- How to Partner *and* not to Partner

### Spot Exercise: ROUND TABLE Examination

- Where are we now with forms of contract familiarity?
- Where are we going?
- What kind of problems do we have
- Do we have/need/want a unified strategy?

### Forms of Contract

- Lump Sum
- Cost plus
- Unit Price
- Take or Pay
- Escalation/De-escalation
- Fixed price re-determinable
- Shared savings
- Contracts from the FAR side, CPFF, CPAF, IDIQ, NTE, etc, DDT, AM/FM, QED, OIC

### Formal Exercise: “Contract Forms—Whatchu talkin’ abow?”

An eye opening exercise in learning about appropriate contract forms

### Enforcement clauses

- Liquidated damages
- Bonus and Penalty
- Time, delivery and inspection
- Letters of credit, domestic and foreign

### Spot Exercise: Emergency Capital Construction

Encounter more twists and turns in this complex exercise than a Six Flags rollercoaster.

### Insurance

- Negligence
- Coverage and Amounts
- Frequency and Severity of claims
- The “Sue everybody” principle
- Surety bonding

### Supplier Finance

- Financial statements
- Ratios, trends, and computations
- Credit investigation
- Impact of buy vs. lease

### Spot Exercise: “The Shaky Supplier Samba”

There are many steps to this dance, but we can learn how to recognize all the moves.

## Terms and Conditions (T's & C's)

### Warranties

- Basic protections under law
- Buyers remedies
- Sellers Remedies

### Transportation

- How does international transportation practice differ from domestic?
- UCC and INCO terms (and a little CISG)
- Delivery and risk of loss
- JIT and teeth in delivery clause (Does Time is of the Essence mean anything)
- Expedited delivery versus safety stock
- Inspection

### Spot Exercise: "Open Discussion"

This will be an opportunity for anyone to raise an issue of interest or curiosity.

## Other topics of interest

### Deming 14 Points

- Relation to TCO

### Strategic Sourcing

- How to interface with and serve end-user users

### JIT, Inventory concepts, logistics,

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Save the same dollar, earn ten dimes*

# Robert Menard

The Voice of the Customer

Call 214-513-8484

or visit [www.RobertMenard.com](http://www.RobertMenard.com)

"We will collaborate in the advance work to identify areas of greatest interest and need. (Initial Questionnaires and Pre-course Assessments accompany most engagements).

During training sessions, some topics explode in a burst of importance, so we'll cover those in greater detail. All sessions are completely interactive and exercise driven.

— Bob Menard

