

The Science of Negotiation

The Heart of Negotiation

Total Cost of Ownership (TCO)

- How to identify and quantify the Total Cost of Ownership (TCO)
- Developing TCO = the costs of Quality + Service + Delivery + Price (Price ≠ Cost)
- How to calculate the Best Value (lowest TCO)

Spot Exercise - "Rank QSDP"

Establishing Cost criteria and rankings for procurement – a mini Negotiation Plan

Price Analysis

- How and why are prices established?
- Pricing strategies – huh?
- The relationship amongst Price, Cost, and Value

Cost Analysis - The most essential tool for buyers

- How and why buyers identify and eliminate unnecessary costs
- Cost reduction and profitability
- Quantifying a basis for negotiation
- Avoiding Robinson-Patman problems

Spot Exercise - "The 'OI restock Fee Play:"

How to handle this supplier's question using Price and Cost Analysis and TCO

Supplier Evaluation as a negotiation tool

- Evaluating supplier performance
- What data do we collect and analyze
- How and why does it save money to reduce the supplier base
- Investing in supplier development?

Formal Exercise - "The Gaylord Principle"

How to create a simple, workplace-friendly model to measure and evaluate supplier performance and apply it as a negotiation tool

Exercise: Performance Metrics

How to measure supplier performance based on Total Cost of Ownership. We will construct a simple model for measuring supplier performance that you can use at work.

Negotiation Planning and Preparation

Writing an Effective Negotiation Plan

- How to prioritize issues on the basis of costs
- How to align our Negotiation plan with our Purchasing strategy
- What to include in the Negotiation Plan

Capitalizing on the Importance of High Initial Demands (HID)

- Why HID is necessary
- Won't unrealistic HID turn off the other side?
- How HID trains the buyer
- What to do when they counter my HID with theirs?

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. For three decades, he has been helping clients with customized training and hands-on consulting bringing his unique buyer's perspective of Purchasing, Negotiation, and Supply Chain Management to clients in the US and abroad.

An expert in business strategies involving Negotiation, Purchasing, Green Procurement, and Global Commerce, his expertise and experience creates value that has led to multiple repeat clients, the hallmark of his practice.

Among his client focused talents are:
PROFESSIONAL CERTIFICATIONS:

- Certified Purchasing Professional (CPP)
- Certified Professional Purchasing Consultant (CPPC)

CONTENT EXPERTISE:

- author of
 - o You're the Buyer – You Negotiate It
 - o Green Purchasing and Sustainability
 - o several CD sets
 - o multiple on-line study programs
- <http://PurchasingNegotiationTraining.com>
- two thousand seminars, workshops, and talks



Deploying Concession Behavior

- How and do I make a concession
- How to build in concessions and make the other side want them
- The proper way to offer the size and direction of concessions
- How to estimate the other side's concessions

Spot Exercise - "Where do i have to be?"

How to handle this supplier's question using Price and Cost Analysis and TCO

Negotiation Strategies

- How to define: Win-Win, Win-Lose, Lose-Win, Lose-Lose?
- How can buyer and seller both win?
- When is Lose-Win better?
- How and where strategies apply in the construction world
- What is Best Value and how do I know who gets it and how?
- Selecting a strategy based on importance of Issues and Relationships of the parties

Formal Exercise - "The Negotiation Template"

How to use this simple tool to capture all you'll need to plan for a successful negotiation outcome

The Art of Negotiation

Communication Skills

Communication (the stage upon which the Negotiation play unfolds)

- Skillful questioning techniques
 - Closed ended questions for precision
 - Open ended questions for probe
- Listening Skills
 - Mirroring/Modeling/Matching
 - 4 problems with listening
- Speaking Skills
 - Connotation and denotation
 - How to improve (do not emulate politicians)
- Verbal language clues to seize upon, Listening or Speaking
- How to negotiate effectively on the telephone

Spot Exercise - "The One Word Story Game"

An ear opening exercise in improving listening and communication skills

Dealing with Personality Types

- How to recognize and neutralize personality types
- Secrets to Communicating in their personality style
- The Golden Rule
- How to communicate in the personality type of the other side (Quand en la France, il faut parler francais!)

"Are you talking to me?"

- Tell tales words to listen for and avoid
- Separating stated positions and motivations
- "I" versus "you" statements and reflective response
- How to negotiate effectively on the telephone

REPRESENTATIVE CLIENTS

PUBLIC, NON-PROFIT HEALTH

- Boehringer-Ingelheim
- US House of Representatives
- Baylor Health Care System
- University of Texas
- Dormitory Authority of State of NY
- City of San Antonio
- Providence Housing Partnership
- Parkland Hospital
- Chicago Public Schools
- Danbury Health & Hospital System

INDUSTRY ASSOCIATIONS

- APICS chapters in Rochester, Twin Cities, New Orleans, Dallas, Nashua, Santa Rosa, Fort Worth
- ISM (NAPM) Affiliates in Madison, Dallas, Mid-Ohio Valley, Rhode Island, Central Texas, Maryland, Columbus, Fort Worth
- American Management Association
- American Purchasing Society
- Warehouse Education and Research Council
- American Galvanizers Association
- Sheet Metal and Air-conditioning Contractors National Association
- National Precast Concrete Association
- American Society of Safety Engineers
- Manufactured Concrete Products Expo
- Precast/Prestressed Concrete Institute
- Canadian Precast/Prestressed Concrete Institute
- Sealants, Waterproofing & Restoration Institute
- Construction Financial Mgmt. Association
- American Society of Safety Engineers

CORPORATIONS

- Dole Foods
- United Rentals
- Timbar Packaging and Display
- Progress Software (US, Europe, Asia)
- BASF (US and Germany)
- Aerojet Corporation
- Mack Industries
- Portland Cement Association
- Aerojet Corporation
- Cabot Microelectronics
- Lehigh/Heidelberg Cement (US & Canada)
- Gourmet Award Foods (US and Holland)
- Atofina Petrochemicals (France)
- Fabcon, Inc
- Schlumberger (US & Asia)
- Burlington Northern Santa Fe RR
- Energia Petrobas (Argentina)

Tactics - Selecting, Exploiting, and Countering

We will demonstrate dozens of Negotiation tactics and how to effectively counter them. Tactics constitutes only about 10% of a professional negotiator's arsenal. Mastery is essential, however, and we will learn about many.

- Dozens of tactics and how to effectively counter them
- The Amateur Negotiator's Top 20 Boners
- The 'No' statement, the 'Huh' statement? "You" versus "I" statements...
- Handouts of Tactics we don't get to cover
- How, when and why to use or not use all of these and much more

Body Language - What's a body to say?

Body Language intrigues us. We usually focus on the signals of others, disregarding the messages we transmit to them. Is more than half the meaning really transmitted non-verbally?

- The four C's of Body Language
- Interpreting gestures and their meanings
- How can I "neutralize" my gestures?
- How do I know if that's what he/I really meant?

Spot Exercise - "And now a word from our live studio audience"

Participate in transmitting a simple message and have the audience determine the meaning. Winner gets a free home version of our game!