

NEGOTIATIONS

January 24 2017

Marinette WI

Presented by Jean Polka, WPI

Negotiations

- Preparing for a Negotiation
- Type of Negotiation & Attendees
- Negotiation Support
- Negotiation Guidelines
- Document

Preparing for a Negotiation

- What are the requirements – Have a thorough knowledge
 - Commodity
 - Value/Quantity
 - Importance
 - Risk
 - Sole Source/Competitive

Preparing for a Negotiation

- What are the circumstances
 - New Contract/Requirement
 - Change in product requirements
 - Change in quantity
 - Change in Delivery

Preparing for a Negotiation

- What items will be negotiated
 - Delivery Schedule, FOB Terms
 - Escalation - PPI – Producer Price Index, CPI - Consumer Price Index, ECI – Employment Cost Index (Support)
 - Bureau of Labor Statistics website: <https://www.bls.gov/bls/escalation.htm>
 - Commodity Risk
 - Price (Support)
 - Payment Terms

Preparing for a Negotiation

- Define Areas of Highest Risk
 - Economic Environment
 - Contract Vehicle – long term - # of years, minimum buy
 - Past usage
 - Sole Source or Competitive
 - What terms changed from previous buy
 - Previous Contract Performance
 - Timeframe of award/performance
 - How Can I mitigate
 - Quantity

Preparing for a Negotiation

Negotiation Support

- Be able to provide support for your position
- Be knowledgeable about your product(s)
- Be knowledgeable about your product cost/price (possible support)
- Be knowledgeable about your company
 - What do you do well?
 - What is your quality/on time delivery score? (seller)
 - Were you able to expedite delivery/provide delivery updates on previous contracts? (seller)
 - Value to subcontractor (Buyer)
 - Do not volunteer weaknesses

Negotiation Schedule & Attendees

- Agenda & Attendees (who, position, past, other)
- In person – Site
- Phone
- Email
- Fact Finding or Negotiation

Negotiation Guidelines

- Always be POLITE & LISTEN
- Give yourself room to compromise, concessions are always necessary
- Satisfy non-price issues first
- Satisfy price issues in sequence of importance
- Put pressure on the other side (expiring price, upcoming capacity issue, customer may be looking at another supplier)
- Use the power of patience – Don't be in a hurry
- Be willing to walk away, back to negotiations, change venue
- Remember – You will be working with these same people after the negotiation & on Hopefully other negotiations

Document

- EVERYTHING – Negotiation Memorandum
- What went well
- What did not go well
- What did you learn and how would you approach differently in the future

Basic Negotiation Attitudes

- **Think win/win**
- **Sell your position**
- **Win results not arguments**
- **Everything is negotiable**
- **Make it happen**

**"MYTH-BUSTING 3" FURTHER
IMPROVING INDUSTRY
COMMUNICATION WITH
EFFECTIVE DEBRIEFINGS**



UPCOMING EVENTS

JANUARY 24 2017
ACQUISITION HOUR – THE CONTRACTOR P
SYSTEM REVIEW SERIES PART 1 OF 4

JANUARY 24 2017
SUPPORTING THE FEDERAL DEFENSE SUP
FOR MANUFACTURERS - MARINETTE
MARINETTE, WI »

JANUARY 25 2017
ACQUISITION HOUR – THE SBA 8(A) CERTIF
PROGRAM

FEBRUARY 2 2017
US ARMY CORPS OF ENGINEERS HUNTSVIL
FACILITY SUPPORT INDUSTRY DAY WEBINA
MILWAUKEE, WI »

FEBRUARY 7 2017
ACQUISITION HOUR: THE HUBZONE PROGF
CERTIFICATION BENEFITS AND NEW REGUL

CURRENT OPPORTUNITIES

<https://www.wispro.org/>

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