

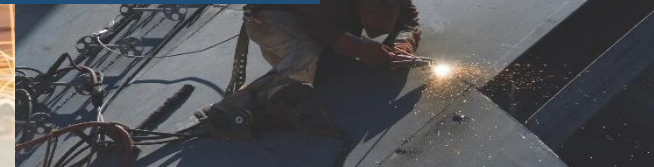


Wisconsin  
Procurement  
Institute

A Procurement Technical  
Assistance Center (PTAC)



# NEGOTIATIONS EAU CLAIRE, WI May 21, 2018



# ABOUT WPI SUPPORTING THE MISSION

SERVING WISCONSIN  
COMPANIES FOR 30 YEARS!

Assist businesses in creating,  
development and growing their  
sales, revenue and jobs through  
Federal, state and local government  
contracts.

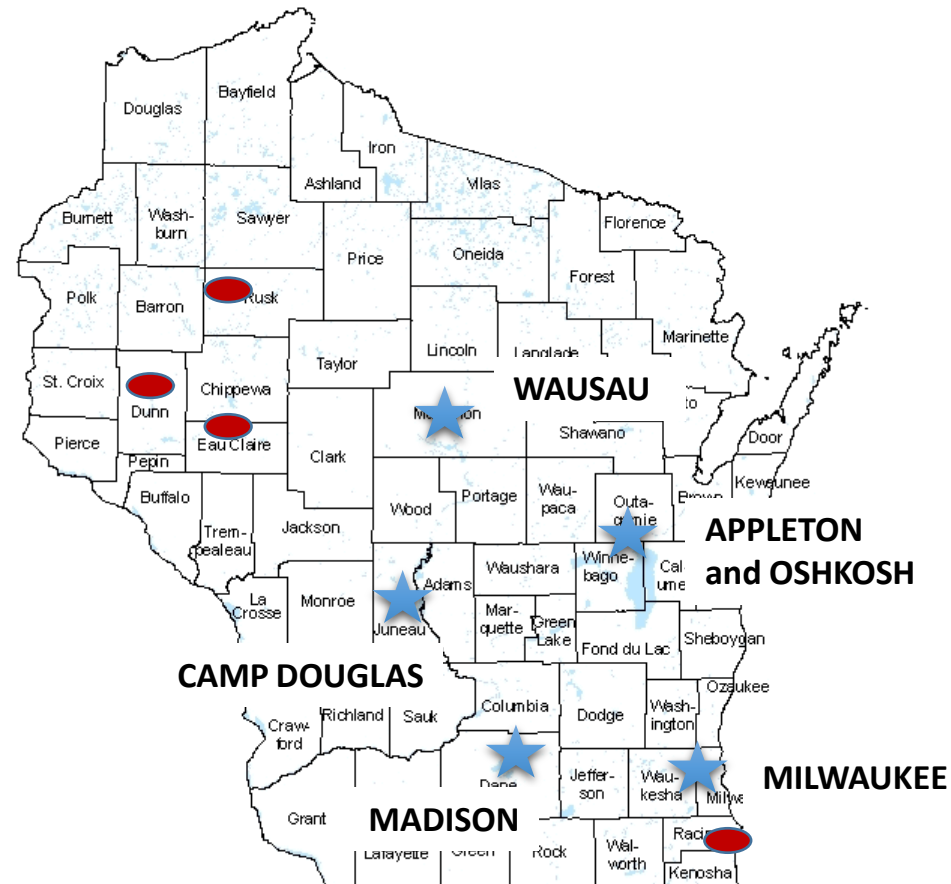
*WPI is a Procurement Technical Assistance Center (PTAC) funded in part by  
the Defense Logistics Agency (DLA), WEDC and other funding sources.*

## WPI OFFICE LOCATIONS

- MILWAUKEE – *Technology Innovation Center*
- MADISON –
  - *Madison Enterprise Center*
  - *FEED Kitchens*
- CAMP DOUGLAS – *Juneau County Economic Development Corporation (JCEDC)*
- WAUSAU – *Wausau Region Chamber of Commerce*
- APPLETON / OSHKOSH – *Fox Valley Technical College*

## WPI partner co-locations

- Eau Claire – *Western Dairyland*
- Ladysmith – *Indianhead Community Action Agency*
- Menomonie – *Dunn County EDC*
- Racine - *Launchbox*



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FAQS

# CONTRACTING BASICS AND WOMAN OWNED BUSINESS CERTIFICATIONS - MAY 3RD, MADISON

[www.wispro.org](http://www.wispro.org)

## UPCOMING EVENTS

APRIL 26 2018  
PREPARING A WINNING GOVERNMENT PROPOSAL  
MILWAUKEE »

MAY 1 2018  
FEDERAL ACQUISITION REGULATIONS (FAR) REVIEW -  
SESSION 12: PARTS 42-45

MAY 3 2018  
CONTRACTING BASICS AND WOMAN OWNED  
BUSINESS CERTIFICATIONS  
MADISON, WI »

MAY 3 2018  
BUILDING YOUR BUSINESS – DEVELOPING THE TOOLS  
FOR GROWTH AND SUCCESS FOR NATIVE AND TRIBAL  
SMALL BUSINESSES  
HALES CORNERS (MILWAUKEE) »

MAY 8 2018  
ACQUISITION HOUR: HOW TO QUICKLY ANALYZE  
SOLICITATIONS

## CURRENT OPPORTUNITIES (3)



## SERVICES OFFERED BY WPI

- FREE Bid Matching Services
- Individual Counseling and Assistance
- Locating Local, State and Federal Opportunities
- Government Market Strategy Development
- Training in use of Government websites and tools
- Assistance with System for Award Management (SAM) Registration
- Assisting in Market Research Process
- Development of Market Profile
- Small Business Subcontracting Plans Development, Outreach and Reporting
- Small Group Training
- Outreach and training with Local, State and Federal agencies
- Assist with Pre and Post Award Functions
- Assistance with Agency Specific Contracting Requirements
- Assistance with Contracting Regulations and Requirements, including FAR, DFAR, CFR
- Assistance with GSA Schedule Preparation and Administration
- Assistance with Local, State and Federal Certifications, including:
  - Service Disabled & Veteran Owned Small Business, HUBZone, Woman Owned Small Business, 8(a) Business Development Program
  - State
  - Local
  - DBE
- Bid review and Submission Assistance
- Proposal review and Submission Assistance
- Capabilities Statement and Related Government Marketing Material Development
- Assistance in Locating and Developing Teaming Partners and Subcontractors
- Updated Government Market Information

# WHAT WE WILL COVER TODAY

- What is Negotiation?
- How to Prepare for a Negotiation
- Develop Basic Negotiation Attitudes
- Explore Various Techniques
- Strive for Win/Win Outcome
- Competitive Negotiations
- Exercise

# WHAT IS NEGOTIATION?

# EVERY DAY NEGOTIATIONS

Everyone negotiates

- We negotiate on the price of a car or a home.
- We negotiate with our colleagues on who will stay late to complete an assignment.
- We negotiate with our friends on what to do this weekend.
- We negotiate in our family on who does the dishes and who pays the bills.
- We even negotiate with our children on bedtimes.

**We negotiate everyday!**

# DEFINITION OF NEGOTIATION

- Basic Definition – discussion aimed at reaching an agreement
- Business Dictionary
  - General: Bargaining (give and take) process between two or more parties (each with its own aims, needs, and viewpoints) seeking to discover a common ground and reach an agreement to settle a matter of mutual concern or resolve a conflict.
  - Banking: Accepting or trading a negotiable instrument.
  - Contracting: Use of any method to award a contract other than sealed bidding.
  - Trading: Process by which a negotiable instrument is transferred from one party to another by endorsement or delivery.

# HOW TO PREPARE FOR A NEGOTIATION

# PREPARING FOR A NEGOTIATION

- What are the Requirements – Have a thorough knowledge
  - Commodity
  - Value/Quantity
  - Importance
  - Risk
  - Sole Source/Competitive
- What are potential outcomes
  - What can you concede
  - What do you need to achieve

# PREPARING FOR A NEGOTIATION

- What are the circumstances
  - New Contract/Requirement
  - Recurring Buy (review past buy negotiation factors, change in terms, profitability, product specifications, economic environment, performance)
  - 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
  - Timeframe of Award

# 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 risk
  - 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

# PREPARING FOR A NEGOTIATION

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

# DEVELOP BASIC NEGOTIATION ATTITUDES

# BASIC NEGOTIATION ATTITUDES

- Think win/win
- Sell your position
- Understand and Reduce Risk Factors
- Win results not arguments
- Everything is negotiable
- Make it happen
- The most important outcome of any negotiation is to get to the next negotiation. The first deal is just the beginning.

# EXPLORE VARIOUS TECHNIQUES

# EXPLORE VARIOUS NEGOTIATION TECHNIQUES

- Always be Polite and Listen
- Never interrupt
- Give yourself room to compromise, concessions are always necessary
- Satisfy non-price issues first
- Satisfy price issues in sequence of importance

# EXPLORE VARIOUS NEGOTIATION TECHNIQUES

- 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 and **hopefully** on other negotiations

# EXPLORE VARIOUS NEGOTIATION TECHNIQUES

- Know when to stop talking
  - Great negotiating is more listening than talking
  - Choose your words carefully – once you have said something you cannot take it back
- Mind your manners – Be respectful
- Have a strategy – you will never get what you do not ask for, make your first offer aggressive
  - Have something to give away without hurting your negotiating position

# EXPLORE VARIOUS NEGOTIATION TECHNIQUES

- Share information – if you want to be trusted you must first offer it
- Rank the order of your priorities
- Go in knowing your target price and your walkaway terms
- Make the first offer
- Don't counter too low
- Counter offers make both parties more satisfied
- Make sure the person with the authority to seal the deal is present during the negotiation

# EXPLORE VARIOUS NEGOTIATION TECHNIQUES

- **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

# STRIVE FOR WIN/WIN OUTCOME

# STRIVE FOR WIN/WIN OUTCOMES

- Develop an Overall Plan
- Be Prepared
- Know Strengths and Weaknesses
- Establish Cordial Relations
- Resolve Conflicts
- Resolve Inconsistencies
- Clarify Elements Affecting Cost
- Avoid Deception

# STRIVE FOR WIN/WIN OUTCOMES

- Be Persuasive
- Use Common Sense
- Establish Priorities and Positions
- Put Pressure on the Other Side
- Use Concessions Wisely – Ask for Something in Return
- Win Agreements instead of Arguments
- Display Win/Win Attitudes

# COMPETITIVE NEGOTIATIONS

# COMPETITIVE NEGOTIATIONS

- Offer your best terms and prices to start with
- Know your competition
- If possible, research recent similar purchases to determine price paid
- Come to the negotiations with a win/win expectation

# SUMMARY

# SUMMARY

Parties often share interests, even when they believe they're on opposite sides of an issue, and some issues are usually more important to one person than to the other. The key to a successful negotiation is to maximize the outcome for everyone.

# EXERCISE

# UPCOMING TRAINING - EVENTS

## WHAT IS WPI'S CURRENT WEBINAR SCHEDULE?

May 23, 2018 – **Cyber Security for Current and Prospective DOD Contractors and Subcontractors** – [CLICK HERE](#) for additional information – presented by Marc Violante – Wisconsin Procurement Institute (WPI)

June 5, 2018 – **Invoicing the Department of Defense Using WAWF/iRAPT**– [CLICK HERE](#) for additional information – presented by Benjamin Blanc – Wisconsin Procurement Institute (WPI)

June 6, 2018 – **Flow-down Clauses – Management and Responsibilities for Federal Contractors** – [CLICK HERE](#) for additional information – presented by Carol Murphy – Wisconsin Procurement Institute (WPI)

June 12, 2018 – **Code of Business Ethics and Conduct in Government Contracting** – [CLICK HERE](#) for additional information – presented by Emily A. Constantine, Attorney, Husch Blackwell LLP

June 13, 2018 – **Update on the Fair Labor Standards Act** – [CLICK HERE](#) for additional information – presented by Corey Walton, Community Outreach and Resource Planning Specialist, U.S. Department of Labor/Wage & Hour Division

June 26, 2018 – **Export Controls – ITAR and Associated Requirements** – [CLICK HERE](#) for information – presented by Marc Violante, Wisconsin Procurement Institute (WPI)

<https://www.wispro.org/faqs/what-is-wpis-webinar-schedule/>

# DOING BUSINESS WITH THE US FOREST SERVICE

JUNE 6, 2018 RHINELANDER, WI

Start Date	June 6, 2018
End Date	June 6, 2018
Time	1:00 pm - 4:00 pm
Facility	Fieldside Center Room 102
Address	Nicolet Area Technical College 5364 College Dr Rhinelanders, WI 54501
Details	<a href="#">Read More Information</a>
Register Online	<a href="#">Register for Event</a>

## Guest Speakers:

- Karie Linn, Contract Specialist, Lake State Acquisition Team – US Forest Service
- US Small Business Administration
- Don Makowski, CFCM, Northwest Michigan PTAC
- Joseph Smetak, CFCM, Wisconsin Procurement Institute



[REGISTER](#)

Nicolet Area Technical College

Northwest Michigan PTAC

US Forest Service (USFS)

US Small Business Administration (SBA)

Wisconsin Procurement Institute (WPI)

<https://www.wispro.org/events/doing-business-with-the-us-forest-service/>

# DOING BUSINESS WITH THE NATIONAL PARK SERVICE

JUNE 7, 2018 HOUGHTON, MI

Start Date	June 7, 2018
End Date	June 7, 2018
Time	1:00 pm - 4:00 pm
Facility	Michigan Technological University, ATDC
Address	1400 Townsend Drive Houghton, MI 49932
Contact Info	Joe Smetak josephs@wispro.org (414) 270-3600
Details	<a href="#">Read More Information</a>
Register Online	<a href="#">Register for Event</a>

The federal government market is worth nearly \$100 billion in sales to small businesses each year, but selling to the government is very different than selling to the commercial sector.

The National Park Service has a broad range of requirements ranging from construction services to outerwear. At this unique workshop, your business will have the opportunity to meet with and learn from a National Park Service Midwest Region contracting official.

Join the National Park Service and Procurement Technical Assistance Center (PTAC) representatives to take advantage of this unique opportunity!



**REGISTER**

National Park Service – Midwest Region

U.S Small Business Administration (SBA)

Northwest Michigan Procurement  
Technical Assistance Center (PTAC)

Wisconsin Procurement Institute (WPI)

<https://www.wispro.org/events/doing-business-with-the-national-park-service-4/>

# 12TH ANNUAL VOLK FIELD – FORT MCCOY SMALL BUSINESS CONFERENCE

JUNE 19, 2018 FORT MCCOY, WI

Start Date	June 19, 2018
End Date	June 20, 2018
Facility	Ft. McCoy Building 905
Address	Ft. McCoy Building 905 11th Avenue Fort McCoy, WI
Contact Info	Dave Olson davido@wispro.org (608) 338-8018
Details	<a href="#">Read More Information</a>
Agenda	<a href="#">View The Agenda</a>
Register Online	<a href="#">Register for Event</a>

Previously known as the Annual Volk Field Small Business Conference – this year, the conference will be held at Ft. McCoy.

**CLICK HERE** to view more information at the conference website

**\*Registration for this event will close June 5, 2018 – Early registration ends May 29th\***



**REGISTER**

Fort McCoy

Volk Field Air National Guard Base

Juneau County Economic Development Corporation

American Indian Chamber of Commerce (AICCW) – First American Capital Corp. (FACC)

Center for Economic and Entrepreneur Development (CEED)

Small Business Administration (SBA)

Western Dairyland

Wisconsin Economic Development Corporation (WEDC)

Wisconsin Procurement Institute (WPI)

<https://www.wispro.org/events/12th-annual-volk-fieldfort-mccoy-small-business-conference/>



WISCONSIN ECONOMIC  
DEVELOPMENT CORPORATION

Governor's Conference on Minority Business Development  
Welcoming minority, woman and veteran-owned businesses

December 13 - 14, 2017

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SAVE THE DATES  
**2018 MARKETPLACE**  
December 12-13, 2018

LOCATION:  
Potawatomi Conference Center  
Milwaukee, Wisconsin

**THANK YOU**

**2017**



# QUESTIONS?

# PRESENTED BY

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