Do Better Deals Workshop

After attending this workshop, you’ll be better prepared to:

- Identify and counter vendor ploys
- Use RFPs to negotiate with power
- Maintain leverage throughout your negotiations
- Utilize sourcing/procurement best practices
- Increase vendor accountability
- Maximize your contractual protections
- Develop advantageous relationships with your key suppliers
- Prioritize deal objectives

Workshop Outline

Your Challenge
Customer Environment—Eight issues to address, including:
1. Low aspirations
2. Sense of urgency
3. Lack of executive support

Vendor Environment—Seven considerations, including:
1. Highly trained
2. Very motivated
3. Team advantage

Relationship Dynamics
1. Customer objectives
2. Vendor objectives

The Solution—The Managed Acquisition Process

1. Form Team
   a. Why?—Seven reasons, including:
      • Gains power
      • Reduces second guessing
   b. Who?—Just the people impacted, including representatives from:
      • Finance
      • End users
      • Legal/contracts

2. Assess Baseline/Marketplace
   a. Assess Baseline
      • Type of project
      • Something new
      • Modifications required
      • Documented successes
      • Areas for improvement
      • Concerns
      • Financial information
      • Business relationships
      • Internal expertise
   b. Assess Marketplace
      • Conduct external assessment
      • Issue request for information
      • Benefits
      • Four main sections
      • Conduct additional research—Six key ways, including:

3. Decide: Results or Resources
   a. Contracting for Resources
      • Vendor responsibilities
      • Customer responsibilities
   b. Contracting for Results
      • Key concepts
      • Vendor responsibilities
      • Customer responsibilities
      • Management tools

4. Collect/Prioritize Objectives
   a. Collect Objectives
      • Who?
      • What?
      • Benefits—Five key reasons, including:
      • Improve contractual protections
      • Refine project scope and improve focus
   b. Prioritize Objectives
      • Who?
      • Why?
      • Benefits—Six advantages, including:
      • Decide without pressure
      • Establish decision model
      • How?
5. Prepare Position Paper
   a. Why?—Four primary benefits, including:
      - Gain authority
      - Use as game plan
   b. Sample Topics—Eight major categories, including:
      - Negotiation considerations
      - Potential vendors’ strengths and weaknesses
6. Gain Management Approval
   a. Why?
   b. How?
7. Develop Contract/RFP
   a. Develop Contract
      • Benefits—Seven advantages to using your contract, including:
        - Improve quality
        - Qualify vendors
      • Objectives—Six major goals, including:
        - Fit the transaction
        - Facilitate monitoring and enforcement
      • Enforceability—Converting “vendorspeak” into meaningful language
      • Contract hierarchy
        - Philosophy
        - Concepts
        - Details
   b. Develop Request for Proposal
      • Functions
      • Benefits—Ten advantages, including:
        - Results in better specifications
        - Proposals are more specific
      • Objectives—Seven important goals, including:
        - Increase control
        - Maximize competition
      • Content—Six sections, including:
        - General procedures
        - Your contract
8. Conduct Bidders’ Conference
   a. What?
   b. Who?
      • Customer personnel
      • Representatives from all of the potential vendors
   c. Why?—Eleven advantages, including:
      - Increases competitive proposals
      - Offers additional clarifying opportunities
      - Reduces incumbent’s overconfidence
9. Evaluate Potential Vendors
   a. Who?
      • Options
      • Considerations
   b. What?—Three critical concepts
   c. How?
      • Selecting a methodology
      • Team orientation and tasks
      • Seven primary steps
10. Conduct Competitive Negotiations
    a. Overview
      - Multiple vendors in the zone
      - Power shifts over time
    b. Top-down negotiations
    c. Guiding principles—Twelve thoughts, including:
      - Negotiate only when you are prepared
      - Don’t rely on verbal promises or assurances
      - Competition is your strongest negotiation ally
    d. Preparation
      - Negotiation roles—Seven key roles, including
        - Observer
        - Emissary
        - Identifying and maintaining power
        - Developing the negotiation agenda
        - Conducting negotiation simulations
        - Meeting prior to negotiations
    e. Ploys and tactics
      - Identifying vendor ploys
      - Neutralizing vendor ploys
      - Utilizing tactics
    f. Negotiating—Twelve factors for success, including:
      - Strategy implementation
      - Asking questions
      - Linking concessions
11. Select Vendor(s)
    a. Select one or more vendors
    b. Execute the contract(s)
    c. Notify non-selected vendor(s)
12. Manage Contract/Vendor
    a. Manage Contract
      • Why?—Six critical reasons, including:
        - To ensure compliance
        - To enforce our rights
      • Who?
        - Options
        - Key personnel traits
      • How?—Ten important concepts, including:
        - Contract management tools
        - Rolling estoppel
    b. Manage Vendor
      • Why?—Six benefits, including:
        - Gain flexibility
        - Improve relationships
      • Who?
        - Options
        - Factors for success
      • How?
        - Define roles
        - Assign duties
        - Select vendors
      • Tasks—Ten key concepts, including:
        - Conduct status meetings
        - Develop improvement plans

Keys to Success
Thirteen critical factors, including:
1. Information
2. Attitude
3. Alternatives

The Truths of Contracting
Ten important principles to remember, including:
1. If it’s not in the contract, it’s not in the deal.
2. Contract and relationship management are critical.
3. It is NOT a relationship of trust; it is NOT a partnership.