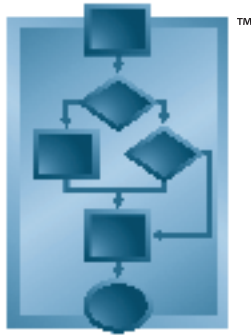


# High Tech Procurement

## Managing the Acquisition Process



Get answers and reliable negotiating insights. Learn a proven methodology for managing and controlling acquisitions so you get the *best and safest deal possible*. We help you understand the issues beyond the technical considerations: vendor management, the intricacies of contracting, vendor ploys, negotiation strategies and tactics, procurement tools and more. This course has saved ICN clients billions of dollars. What's more, we've helped clients ensure their rights, remedies and deal flexibilities.

### Benefits

- Master negotiation strategies
- Learn and understand the methodology for successful procurement
- Maximize your protections
- Gain significant bottom-line dollars
- Level the negotiations table
- Learn to use RFPs to negotiate with power
- Obtain meaningful warranties and remedies for vendor noncompliance

### Workshop Outline

Course Length: 3 Days

#### Your Challenge

##### Customer Environment

1. Less experience
2. Urgency
3. Less incentive
4. Relationship
5. Tradition
6. No formal process

##### Our Worthy Opponent

1. Full-time
2. Highly trained
3. Information advantage
4. Very motivated
5. Team advantage
6. Superior product knowledge

##### Relationship Dynamics

1. Customer objectives
2. Vendor objectives

##### Risk Allocation

1. Customer
2. Vendor

##### Defective Process—What's Wrong?

1. Evaluation
2. Selection
3. Negotiations

#### The Solution—The Managed Acquisition Process

##### 1. Form Team

- a. Why?—**Five** reasons, including:
  - Gains power
  - Represents total organization
- b. Who?—*Just the people impacted, including representatives from:*
  - Finance
  - End users
  - Legal/contracts
  - Senior management
  - Purchasing/procurement
  - Product/service expertise
  - Operational management
  - Others impacted by the deal
- c. Structure—*Two-tiered:*
  - Advisory Team
  - Table Team
- d. Roles—**Seven** key roles, including:
  - Observer
  - Emissary

##### 2. Establish Decision Criteria

- a. Determine results or resources
  - Who will be responsible for the outcome?

- a. Who will be responsible for the project management?
  - b. Determine requirements
    - Resources
      - People
      - Products
      - Services
    - Results
      - Service levels
      - Desired outcomes
  - c. Collect objectives
    - Gain consensus
    - Get comprehensive understanding
    - Develop performance measurement criteria
  - d. Issue Request for Information—**Five** advantages, including:
    - Gain RFP input
    - Negotiate representation reliance agreement
3. Determine Relationship Architecture
    - a. Strategic partnership—**Seven** essential characteristics, including:
      - Shared risks
      - Mutual commitment
      - Continuous improvement

- b. Tactical alliance—**Four** main components, including:
  - Mutually beneficial
  - Recognize differing objectives
- c. Managed competition—**Four** key benefits, including:
  - Maintain vendors' attention
  - Maximize customer's negotiation position
- 4. Gain Management Approval
  - a. Prioritize objectives
    - Why?—**Six** critical reasons, including:
      - Gain support
      - Resolve internal differences
    - Who?
    - How?
      - Rate individually
      - Rank as a team
  - b. Prepare Position Paper
    - **Four** primary benefits, including:
      - Gain authority
      - Use as game plan
    - **Seven** major content areas, including:
      - Negotiation considerations
      - Potential vendors' strengths and weaknesses
- 5. Develop Contract
  - a. Benefits—**Six** advantages to using your contract, including:
    - Improve quality
    - Qualify vendors
  - b. Objectives—**Five** major goals, including:
    - Fit the transaction
    - Facilitate monitoring and enforcement
  - c. Enforceability—Converting “vendorspeak” into meaningful language
  - d. Contract hierarchy
    - Philosophy
    - Concepts
    - Details
- 6. Issue Request for Proposal
  - a. Objectives—**Seven** important things, including:
    - Increase control
    - Maximize competition
- b. Content—**Seven** sections, including:
  - General procedures
  - Your contract
- 7. Conduct Bidders' Conference
  - a. Objectives—**Six** keys, including:
    - Obtaining best offers
    - Promoting competition
  - b. Benefits—**Five** advantages, including:
    - Puts you in control
    - Reduces incumbent's overconfidence
- 8. Evaluate Potential Vendors
  - a. Quality of response
    - Operational
    - Technical
    - Contractual
    - Financial
  - b. Decision model
    - Team analysis
    - Prioritized objectives
    - Weighting factors
  - c. Update Position Paper
    - Qualify at least two potential vendors
    - Identify conceptual
      - Agreements
      - Disagreements
    - Ensure authority
      - Customer's
      - Vendors'
- 9. Implement the Zone of Consideration
  - a. Overview
    - Multiple vendors in the zone
    - Power shifts over time
    - Select vendor(s) after negotiations
  - b. Maintaining power—**Eight** ways, including:
    - No last chance
    - Decision at any time
    - Control logistics
  - c. Negotiation tactics—**Sixteen** to consider, including:
    - Silence
    - Surprise
    - Calling a caucus
  - d. Vendor selection
    - Responsiveness
- Competitive negotiations
- e. Bargaining process
  - Offers
  - Counteroffers
  - Aspiration levels
- 10. Manage the Contract
  - a. Benefits
    - Enforcing your rights
    - Ensuring vendor performance
    - Record of performance
    - Input into future decisions
  - b. Responsibilities
    - Delegate authority
    - Senior project executive
    - Quality review committee
  - c. Methodology
    - Maintain a log
    - Review events and progress
    - Conduct regular meetings
    - Take action immediately

## 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.

## Supplier Plays

**Eighteen** common plays, including:

1. “Divide and Conquer”
2. “Try It, You'll Like It”
3. “Who Has the Keys to the Company Store?”
4. “Price Protection Contract/ Price Increase Coming”

Solid deals that  
don't come back  
to haunt you