



Supply Chain Short Courses



Procurement Fundamentals: Negotiation

Program Code: (R/345/7/0208)(07/2022)
MQA Code:(MQA/FA 2296)

INTRODUCTION

This course provides an introduction to negotiation in a procurement context (i.e., negotiations between a buyer and a vendor/supplier). Negotiation is one of the most important skills you need in supply chain management and procurement. By attending this course you will start your journey towards becoming an effective negotiator.

PROGRAM CONTENT HIGHLIGHTS

Preparation for Negotiation

- Learn why is preparation important and how it can affect your negotiation process.

The People Factor

- Learn organization levels in negotiation; Building relationships and trust; Cultural

Conducting the Negotiation

- Learn the physical Setup; The Players; Making the First Offer?

Ethics in Negotiations

- Learn Questionable Tactics; What is Permissible? Lost Opportunities; Bluffing, Fraud and Lying

OBJECTIVE

The objective is to provide the participant with a structured foundation in the preparation and conduct of such negotiations. Since practice is key in building up expertise in negotiation, case studies and exercises/games will be used to supplement lectures.

WHO SHOULD ATTEND

This course is designed to have a broad appeal across professionals. It is aimed to provide an understanding of how negotiation in business performed effectively in organizations can benefit. Professionals from procurements will particularly benefit from this program.

COURSE DATES

- OCTOBER 31st, 2019

THE FACULTY



Dr. David Gonsalvez
CEO & Rector,
of MISI

Dr. Gonsalvez is the CEO & Rector at MIT Global SCALE Network's Malaysian Institute of Supply Chain Innovation. From 2010-2014, he was the Executive Director in charge of MIT's Zaragoza Logistics Center (ZLC) in Zaragoza, Spain. For four years in a row from 2011 to 2014, ZLC has been ranked as the best Logistics education program in Spain.

Please note: Faculty is subject to change.

NEXT STEPS

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Procurement Fundamentals

Schedule

Negotiation

DAY 1

Session	Topic	Description
Session 1	Introduction to Negotiation in Procurement	<ul style="list-style-type: none"> – What is Negotiation? What are the different types of negotiation? – How to classify a particular negotiation?
Session 1	Preparation for Negotiation	<ul style="list-style-type: none"> – Why is preparation important? What constitutes good preparation? – How do you prepare for an important negotiation? – What is BATNA? Reservation Price? How do you develop your BATNA? – Barriers and Power in negotiation; Unintended consequences from preparation
Session 1	The People Factor	<ul style="list-style-type: none"> – The “Opposition”: Knowing your “opponent”; Difference between organization and individual objectives; Organization levels in negotiation; Building relationships and trust; Cultural differences and similarities – Your Team: Subordinates & Bosses; Aligning Roles & Responsibilities
Session 2	Due Diligence on Supplier Cost Structure	<ul style="list-style-type: none"> – Importance of knowing the supplier’s cost structure – Finding out about your supplier’s cost structure – Identifying key cost drivers in your supplier’s operations for this RFQ – How to best use this information
Session 2	Understanding your Supplier’s position	<ul style="list-style-type: none"> – The real motivation behind your supplier’s need to negotiate – Their financial situation and performance in the stock market – Do they have specific objectives for this negotiation?
Session 2	Data at Your Fingertips – Tools & Analysis	<ul style="list-style-type: none"> – Total Landed Cost / Total Cost of Ownership estimation analysis – Overall market analysis for this commodity/component – Impacts of FX variability, INCO terms, other specific negotiation parameters
Session 3	The 10 Negotiation “Rules”	<ul style="list-style-type: none"> – Know your stuff; Establish a baseline; Involve your experts – Check the market; Don’t bluff, but play your cards close – Maintain integrity; Use tools available; Review all the facts – Be unpredictable and fast; Find the way that’s a “win-win”
Session 3	Conducting the Negotiation	<ul style="list-style-type: none"> – The Physical Setup; The Players; Making the First Offer? – Distributive and Integrative Solutions; Tactics, Emotions and Conflicts
Session 3	Ethics in Negotiations	<ul style="list-style-type: none"> – Questionable Tactics; What is Permissible? – Lost Opportunities; Bluffing, Fraud and Lying
Session 3	The Post Negotiation Analysis	<ul style="list-style-type: none"> – How well do you think you did? How was conflict handled? – Type of solution achieved; Buyer’s and Seller’s Surplus Estimates – State of the future relationship; Storing the “lessons learned”
Session 4	Negotiation Exercises	<ul style="list-style-type: none"> – Case Studies & Negotiation Games