



Procurement Contract Negotiations- Nuts and Bolts

8 hours

Training Description

Participants will learn the important nuts-and-bolts considerations in a procurement contract. Training provided will focus on the business aspects of these contracts rather than the standard legal boilerplate of severability clauses and jurisdiction. Business aspects will start with the contract's connection to and support of the company's strategic goals as well as the more tactical goals associated with a particular customer or supplier. Training will also include who should be on the team, backup modeling, and other ancillary documents commonly referred to in a procurement contract, as well as several other characteristics of good contracts. This training can be conducted in a single 8-hour session or a pair of two 4-hour sessions. This training will be delivered in groups of 4-8 people in person or virtually. It is best preceded by the course, "Basic Negotiation Seminar".

Training Objective

Participants will learn how to arm themselves with the knowledge necessary to negotiate solid, longstanding procurement contracts. This includes both strategy and tactics. This course is geared towards management level and decision makers within the company to better understand how to work with both internal and external business partners.

Skill Attainment

In this training the participants will attain the skills necessary to negotiate good contracts with both customers and suppliers. Skills attained are:

- Recognizing the major business clauses in a procurement contract
- Understanding the goals and connecting them to a larger strategy.
- Ability to execute a good contract.

Training Content

- Connection to larger strategy goals and to the strategy of managing the relationship with a specific customer.
- Why are we doing this? (Negotiating; Clarifying; Never looking at it again). Which side of the table are we sitting on? What is a "good" contract?
- Technical Specifications and definition of "process changes"
- Financial and manufacturing modeling in the background
- What are the goals, deciding what's important, understanding the other side
- Risk Management
- Definition of Force Majeure in a production environment
- Audits and the role of data
- Continuous Improvement, price/cost guarantees, metrics, and scoreboards
- The role of your lawyer
- Updates and changes
- Resolving disputes early