

# CPPB Certification Preparation

CPPB Online Prep Class

Domain III

---

---

---

---

---

---

---

---

## Domain III: Negotiation Process

**Knowledge statement overview**

We will discuss:

- Strategies and techniques
- Problem solving and decision making
- Negotiation process and documentation





CPPB Certification Preparation

2

---

---

---

---

---

---

---

---

## Stages of Negotiations

**Three Stages**

- Planning 70/30 rule (70% planning & 30% execution)
- Actual Negotiations
- Completion / documentation





CPPB Certification Preparation

3

---

---

---

---

---

---

---

---

## Negotiation Principles

- Separate people from the problem
- Focus on interest not positions
- Create a variety of options before deciding which to pursue
- Insist on objective criteria



NIGP

CPPB Certification Preparation

4

---

---

---

---

---

---

---

---

## Negotiation Strategies

- **Establish a BATNA**. The best alternative to a negotiated agreement or **BATNA** is the course of action that will be taken by a party if the current negotiations fail and an agreement cannot be reached. (*Getting to Yes*, Fisher and Ury, 1991)
- **Anticipate**. Anticipate the positions that the opposition will take. Make a list of questions that the other side may raise and plan responses.
- **Foster integrity**. Create integrity from both supplier and procurement official to reach mutual, beneficial result.

NIGP

CPPB Certification Preparation

5

---

---

---

---

---

---

---

---

## Negotiation Strategies (Continued)

- **Problem solver focus**. Approach the process as a problem solver.
- **Understand the other side's perspective**. Negotiators look at both sides and recognize each viewpoint.



NIGP

CPPB Certification Preparation

6

---

---

---

---

---

---

---

---

## Principled Negotiation Techniques

### Win-Win

- Spiraling Agreements
- Changing of position
- Gathering information
- Making the cake bigger



NIGP

CPPB Certification Preparation 7

---

---

---

---

---

---

---

---

## Common Pitfalls

- Not thinking of both parties' interests
- Having only one plan and desired outcome when going into a negotiation
- Bullying and seeing a situation as win/lose
- Deciding too quickly on an issue
- Interrupting and not truly listening to the other side

NIGP

CPPB Certification Preparation 8

---

---

---

---

---

---

---

---

## Problem Solving Process

- Problem solving skills - in demand
- Procurement well placed to assist with problem solving with other service delivery organizations
  - Deal with multiple agencies
  - Know the background of the problem
  - Know your policies and procedures



NIGP

CPPB Certification Preparation 9

---

---

---

---

---

---

---

---

## Problem Solving Steps

1. Define the problem
2. Look at potential causes
3. Identify alternative approaches
4. Select an approach
5. Plan implementation
6. Monitor implementation
7. Verify the problem has been resolved



CPPB Certification Preparation

10

---

---

---

---

---

---

---

---

## Negotiation Team Formation

- Assess scope of negotiation
- Determine if team is required/size of team
- Team representation:
  - procurement
  - project management
  - technical
  - finance (cost-price analyst)
  - legal



CPPB Certification Preparation

11

---

---

---

---

---

---

---

---

## Team Preparation

- Gain technical understanding of what is being negotiated
- Determine the most appropriate type of contract
- Determine the terms of the contract
- Identify any special warranty or delivery provisions
- Understand the manufacturing or service delivery process involved



CPPB Certification Preparation

12

---

---

---

---

---

---

---

---

### Team Preparation (cont'd)

- Understand the technical and engineering specifications and needed subcontractors
- Identify problems that can be anticipated with product or service delivery
- Research and know the competitive range / prepare price analysis
- Prepare reasonable minimum and maximum goal for each negotiation point

 CPPB Certification Preparation 13

---

---

---

---

---

---

---

---

### Identify Negotiation Targets

Negotiations can clarify:

- price
- terms
- conditions
- quality
- performance of the contract
- any other aspect of the procurement

 CPPB Certification Preparation 14

---

---

---

---

---

---

---

---

### Negotiation Issues

Negotiating targets can be divided into substantive and relationship issues.

<u>Substantive</u>	<u>Relationship</u>
• terms	• balance of emotion and reason
• conditions	• ease of communication
• prices	• attitude of acceptance
• dates	• relative emphasis on persuasion
• numbers	• degree of mutual understanding
• liabilities	

 CPPB Certification Preparation 15

---

---

---

---

---

---

---

---

## Conducting the Negotiation

### Listening Skills:

- Paying attention to what the other side is saying
- Maintaining good eye contact
- Questioning in a non-threatening manner
- Watching for the non-verbal signs of the other party
- Not interrupting
- Requesting clarification of any items you do not understand
- Showing patience and empathy for the other side's position
- Looking for areas of agreement



CPPB Certification Preparation

16

---

---

---

---

---

---

---

---

## Conducting the Negotiation

### Silence:

- Silence can keep the other side talking.
- Silence can show displeasure.
- Silence can add emphasis to what the negotiating team has to say
- Use silence when presented with an unreasonable demand.
- The opposition may think they have to break the silence by asking another question or suggesting an alternate plan or option



CPPB Certification Preparation

17

---

---

---

---

---

---

---

---

## Conducting the Negotiation

- **Emotions**: Team members must never lose their tempers.
- **Questions**: Use open ended questions. Formulate series of questions to probe tough issues. Use follow-up questions.
- **Offers and concessions**: Preferable that the other side makes the first offer.



CPPB Certification Preparation

18

---

---

---

---

---


---


---

---

## Suggested Reading

Getting to YES  
 Negotiating Agreement Without Giving In  
 By Roger Fisher and William Ury  
 Penguin Books, 1991, 2nd edition, 201  
 pages. softbound




 CPPB Certification Preparation

19

---

---

---

---

---

---

---

---

## Domain III: Negotiation Process Wrap-Up

- Wrap-up
- Questions?




 CPPB Certification Preparation

20

---

---

---

---

---

---

---

---