



B2B Collaborative Negotiations

A Collaborative Approach To Win-Win

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Agenda



- Audience survey
- Collaborative negotiations
- Process and tools
- Competitive negotiators
- Questions



Question Multiple Choice: Are you a buyer or seller for business-related negotiations?



Question Multiple Response: What types of contracts do you negotiate?



Question Multiple Response: When do you negotiate?



Question Multiple Response: What do you negotiate?



Most Negotiated Terms



Buyer's Terms

- 1 Indemnification
- 2 Limitation of Liability
- 3 Price / Charge / Price Changes
- 4 Intellectual Property
- 5 Termination (cause / convenience)
- 6 Confidential Information / Data Protection
- 7 Warranty
- 8 Insurance
- 9 Delivery / Acceptance
- 10 Service Levels



Sellers Terms

- 1 Limitation of Liability
- 2 Price / Charge / Price Changes
- 3 Indemnification
- 4 Intellectual Property
- 5 Termination (cause / convenience)
- 6 Payment
- 7 Warranty
- 8 Liquidated Damages
- 9 Service Levels
- 10 Delivery / Acceptance



Question Multiple Choice: Does your company have an established process for negotiations?



What Type of Negotiation?



- Two Party Negotiation
- Competitive
 - Lose Lose
 - Lose Win
 - Win Lose
- Collaborative
 - Win Win



B2B Textbook Link No. 3
Chapter 12 Collaborative Negotiations

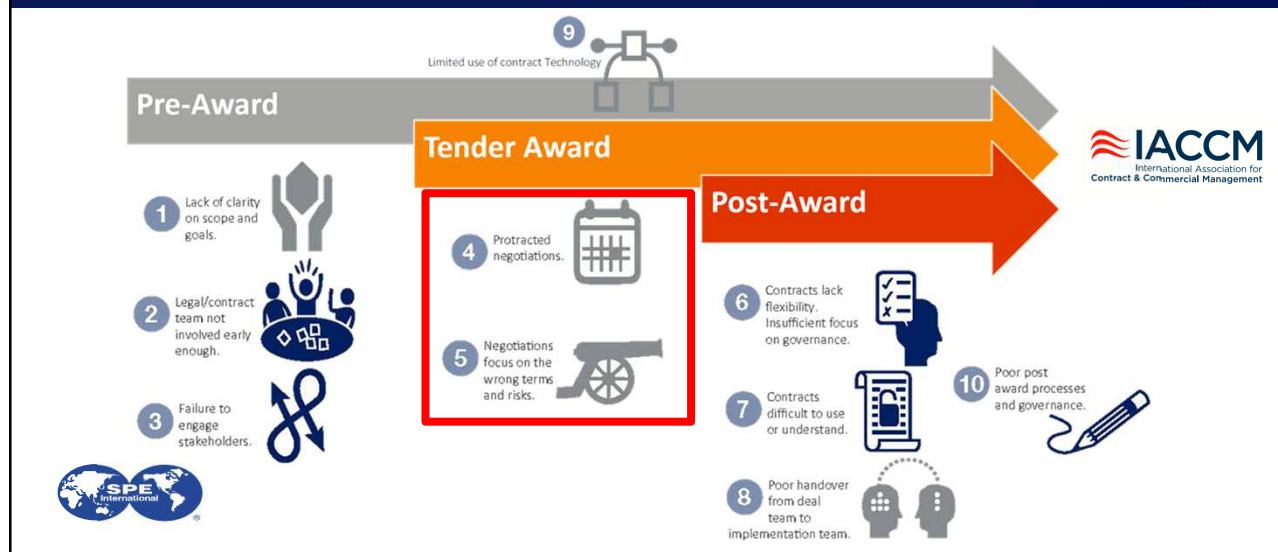
Successful Negotiation



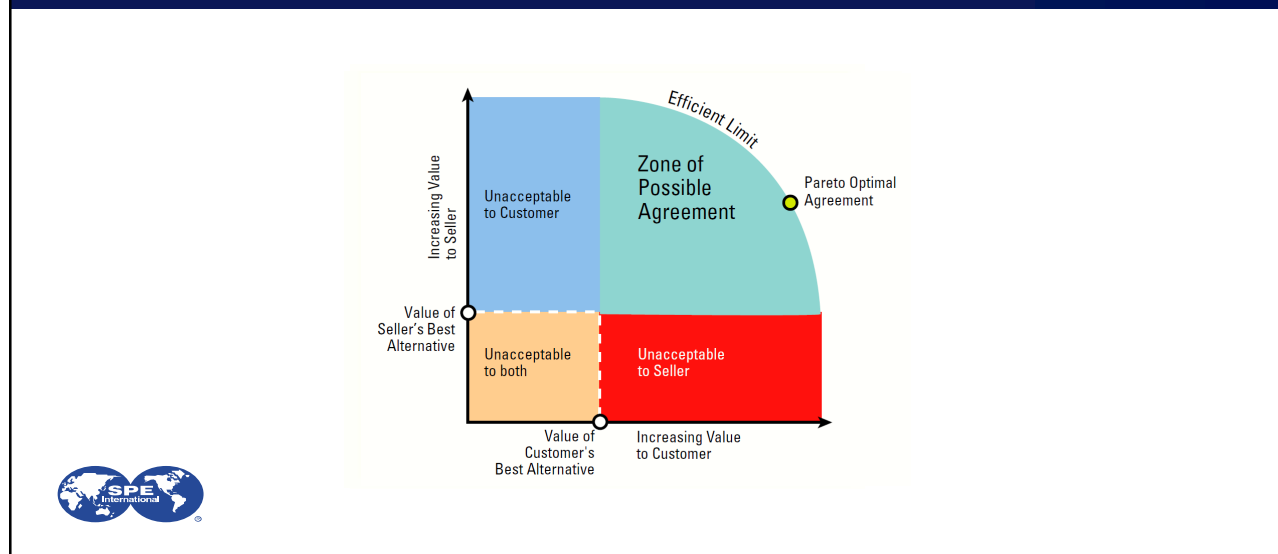
- Improves value
- Strengthens the relationship
- Wastes little time
- Results in an efficient agreement



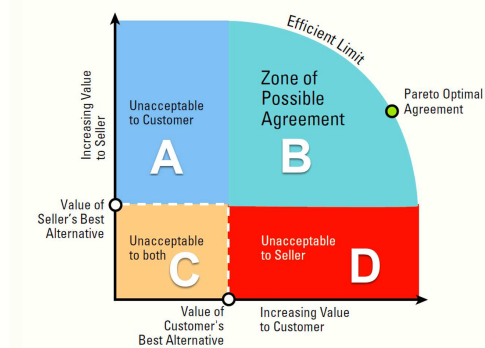
Pitfalls to Avoid in Contract Management



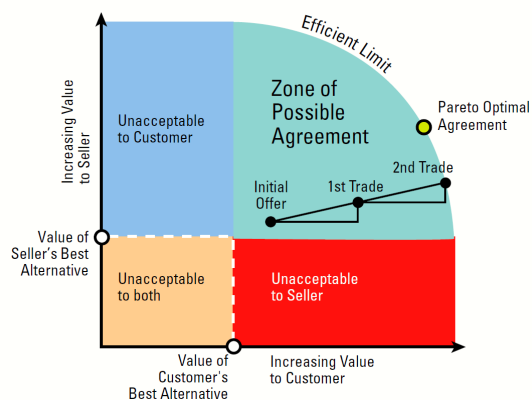
Negotiation and Value



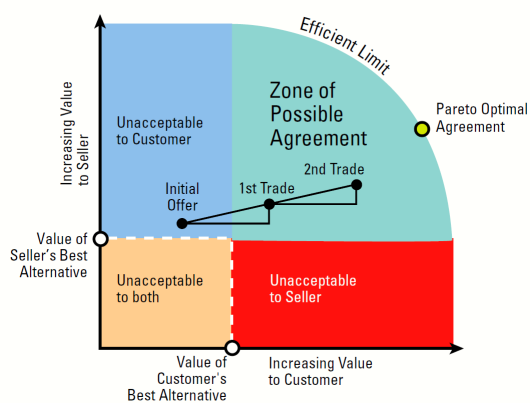
Question Multiple Choice: In which area do you want the initial offer?



Negotiation and Value



Negotiation and Value



Negotiation Process



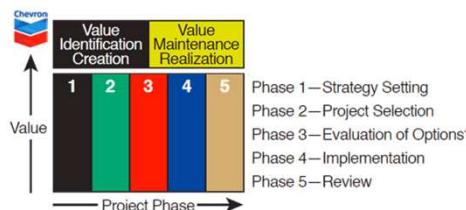
Question Multiple Choice: Which part of the process is most important to a Win-Win outcome?



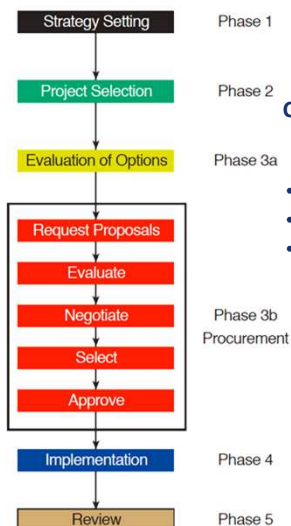
Situational Analysis – Buyer Side



Chevron Project Management Process



Expanded Project Management Process



Contract Management Process

- **Pre-Award Stage**
- Business Needs
- Market Analysis
- Strategy Selection



Question Multiple Response: What was the top three characteristics of a Customer of Choice?



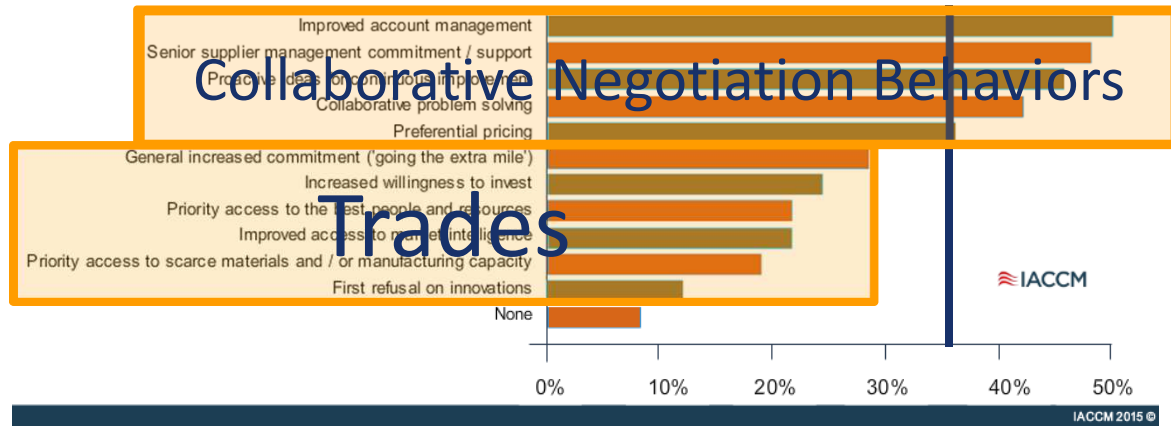
Top three characteristics of a Customer of choice



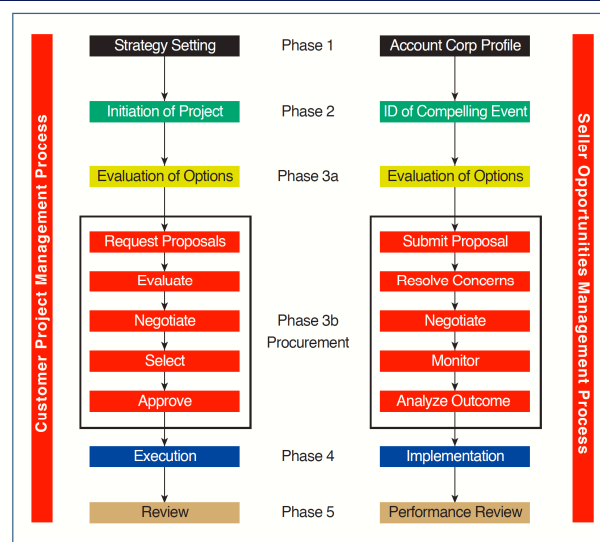
- ☐ Strong focus on price discounting
- ☐ Information sharing & communication
- ☐ Holds regular supplier conferences for all suppliers
- ☐ Approach to business
- ☐ Paying the bills
- ☐ Writes very detailed RFPs
- ☐ Pays interest on late payment of bills
- ☐ Getting things done
- ☐ Willingness to engage



Customer of Choice Benefits



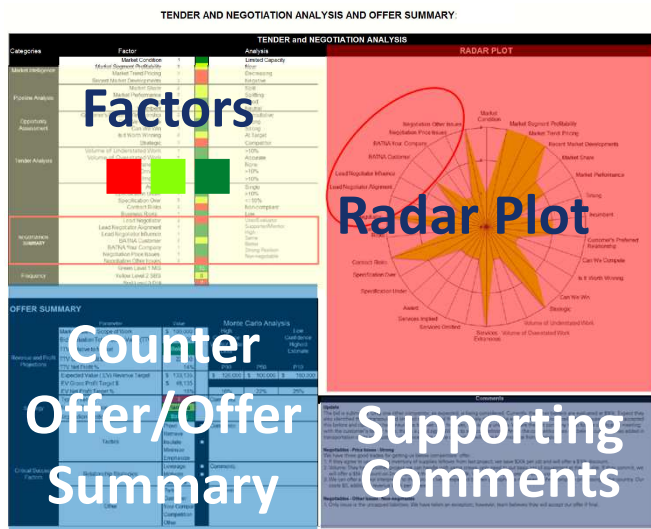
Situational Analysis – Seller Side



B2B Textbook Link
No. 3
Chapter 4
Opportunities
Management



Negotiation Situational Analysis Tool (NSAT)



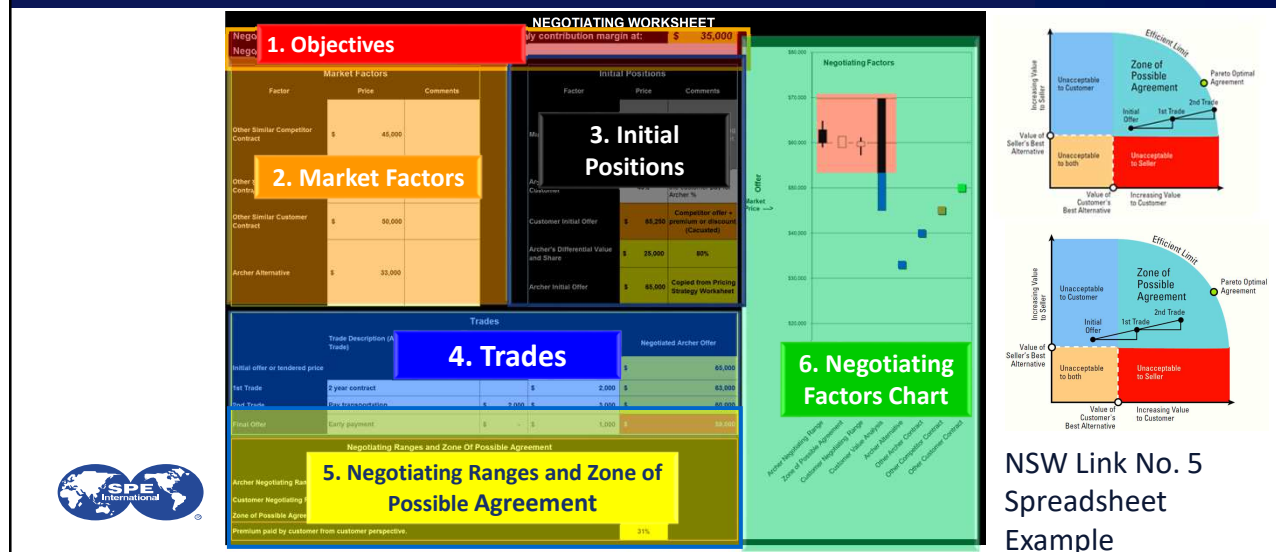
NSAT Link No. 4
Spreadsheet
Example



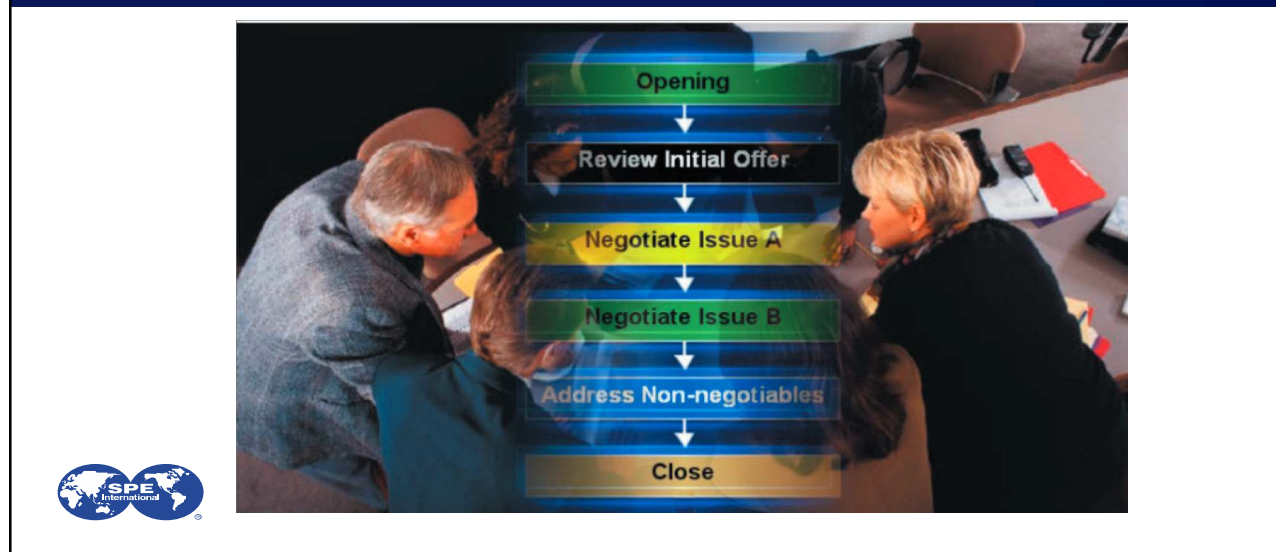
Proposal Analysis



Negotiation Strategy Worksheet (NSW)



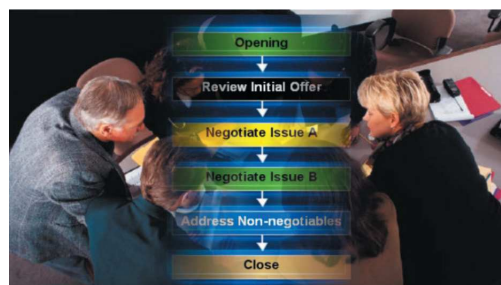
Presentation Plan



Negotiation Issues



- Introduction
- Describe the trade rationale
- Describe the trade
- Offer a standard
- Check for Acceptance



Question Multiple Choice: How many people on your team in the negotiation meeting?

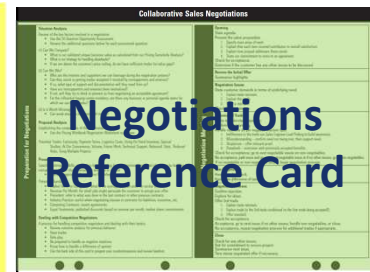




Best Practice



- Team members and roles
- Meeting agenda and timings
- Plan the negotiation
- Take a time out when needed
- Avoid marathons
- Role play



Textbook Link 3

Chapter 12 Collaborative Negotiations
Page 536 Appendix A and B

Competitive Negotiators



- Reactive Competitive Negotiators
 - Disappointment or surprise
 - Not in their zone of possible agreement
 - Expectations
 - Stressed

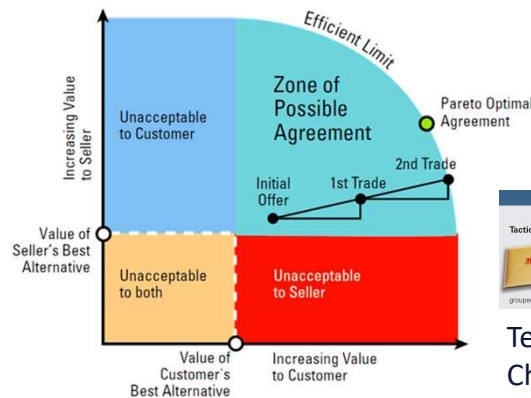


Competitive Negotiators



• Strategic Competitive Negotiators

- Secret Weapon
 - Tactics
 - Concessions
- Check
- Counter
- Rehearse
- Prepared



Win-Win
or
Win-win



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Chapter 12 Collaborative
Negotiations Page 520



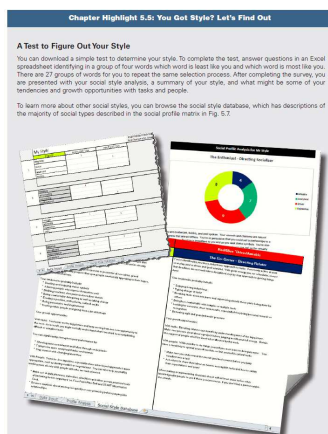
Competitive Negotiator Style – Predictor (NSP)



How Are You Perceived?



Competitive Negotiator Style – Predictor (NSP) Worksheet



NSP Link No. 6 Spreadsheet

Textbook PDF
Link 3 pages
Social Style
141-147

Textbook PDF
Link 3
Negotiating
Style pages
516-517



Competitive Negotiator Style – Predictor (NSP) Worksheet



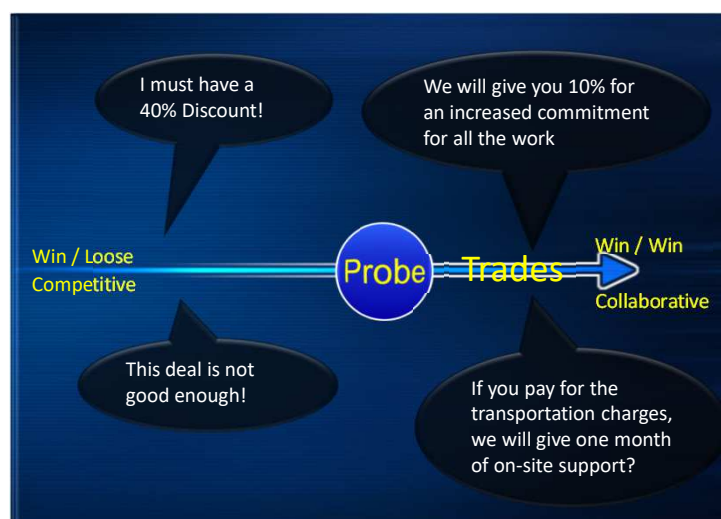
NSP Link No. 6 Spreadsheet



Beyond Demands and Initial Offers



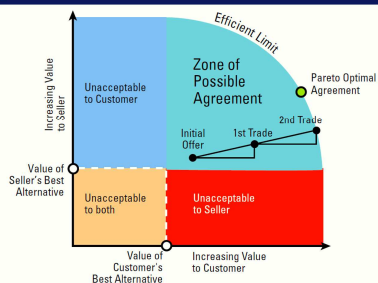
Negotiating Strategy to Win / Win



Summary



Negotiation and Value



Negotiation Process



"The only place where success comes before work is in the dictionary."

Kay Wills Wyma, [Cleaning House: A Mom's Twelve-Month Experiment to Rid Her Home of Youth Entitlement](#)

Thank you!

Questions and Comments

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Question Multiple Choice: How would you respond?



“You are 20% more than your competition! Drop your price 15% or leave.”



Price Discrimination



Violations

- Commodities of like kind and quality
- Different prices to competing buyers

Defenses

- Meeting competition
- Cost justification
- Changing conditions
- Functional discounts

Clayton Act Section 2(b) If a seller is found to have discriminated in his or her pricing, the seller can rebut the charge by “showing that the lower price was made in **good faith** to meet an equally low price of a competitor. . . .”



