

TOTAL SYSTEMS EDUCATION, LTD.

TSE003

PROJECT NEGOTIATIONS and VENDOR MANAGEMENT WORKSHOP



Course Description

One of the toughest jobs project managers and leaders face is negotiating project issues in order to reach successful project completion, while still maintaining good relationships. A project manager is called on to negotiate when, among other tasks, the project requires: Hiring contract personnel; Procuring services, materials and equipment; Arranging for support group commitments; Dealing with internal and external project team conflicts; and Incorporating required scope changes. While some negotiations involve a one-time acquisition or event, others require careful protection of new or ongoing working relationships. Project negotiations are much different than buying a used car!

This course teaches participants basic and advanced negotiating strategies and tactics which can be used to ensure satisfactory agreements, without compromising project success. This module picks up where PP&C, *The Foundations of Project Management* leaves off by expanding upon the methods of negotiating with your team, support groups, sponsor, management, outside vendors and interfacing projects. It reinforces and introduces additional techniques for interacting with the Stakeholders needed for project success.

Once completed, participants involved with PMI® and the Project Management Institute's Project Management Professional – PMP program, are awarded 7 PDUs or “Contact hours”. Our Global R.E.P. number is 1270.

Upon completion of this module of training, participants will be able to:

- Confidently and Successfully engage in Project (and even non-project) Negotiations.
- Apply valuable verbal and non-verbal Communications techniques to all Project Communications, including Negotiations.
- Understand, Develop and Apply applicable negotiation tools and strategies, including BATNA, to meet project goals.
- Negotiate with internal Support Groups, Cross Functional Resource Managers and Team Members, for assistance and commitments (SLAs), to create Project deliverables.
- Negotiate with Vendors and Subcontractors to ensure that required work is contracted to ensure it is completed on Schedule and meets Quality standards.
- Understand many of the Legal, Ethical, and Organizational issues that need to be considered before, during, and after Negotiating.
- Identify the Procurement Management process and the role the project manager plays in dealing with vendors and support groups.
- Understand the different type of vendor contracts, their purpose, benefits and potential pitfalls.

Instructional methods for this one day module are lecture, discussion, exercises, simulations, role plays and workshops. Session also includes participant discussion and feedback of on-going project situations.

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Course Outline

I. Introduction and Course Objectives

II. Negotiations “101”

- A. Why Negotiate?
- B. Types of Negotiations
 - 1. Personal
 - 2. Commercial
 - 3. Collective Bargaining
- C. Negotiation vs. Arbitration
 - 1. The Project Manager as Project Representative
 - 2. The Project Manager as “Middleman”
- D. Basic Tenets
 - 1. Conflict Resolution
 - 2. Negotiations

III. Planning for Upcoming Negotiations

- A. “Your project will lose if you do not have a plan!” – PERIOD.
- B. Aspects of the Negotiations That You Can Plan
- C. How to Plan for a Negotiation
 - 1. Identify “Your” Goals
 - a. Who are you representing?
 - b. Wants vs. Needs – Identifying the Motivating Factors
(Reading between the lines during “pre-negotiation” negotiations)
 - 2. Develop “Your” Objectives
 - a. Gathering data to help you make realistic choices
 - b. MuSCoW Analysis(Must/Should/Could/Won’t)
Categorizing/Ranking Your Wants and Needs
 - c. The value of “wiggle room”
 - 3. Research the other party
 - a. Assessing Who “They” Are
 - b. Assessing “Their” Position
 - c. Assessing “Their” Alternatives
 - 4. Analyze alternatives
 - a. What happens if negotiations fail to achieve an agreement?
 - b. Developing your BATNA
(Best Alternative to a Negotiated Agreement)
 - 5. Choose your game plan
 - a. Planning for “Win-Win’ (When dealing with most project relationships)
 - b. When to plan for “We Win”
 - c. Developing your Strategies
 - 6. When applicable, Get approval of your plan



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Course Outline Continued:

Exercise: Win – Win Negotiations

IV. Preliminary Preparation

- A. Choosing the Meeting Site
- B. Configuration and Seating
- C. Meeting Format
 - 1. Face to Face
(Remember, it's much more difficult to say no to a face!)
 - 2. Advantages and Disadvantages of Holding Negotiations
 - a. by telephone
 - b. by video conference
 - c. by email
- D. Who Should and Should Not Be Present
(Preparing for the “wrong people”)
- E. Timing of Meetings
- F. Meeting Agendas

V. During the Negotiations

- A. Running the Meeting
- B. Negotiating Strategies and Tactics
 - 1. Following your Plan
(and When to abort it!)
 - 2. Tricks of the trade
 - 3. Listen, listen and then, LISTEN!
 - 4. Taking a break
 - 5. Playing roles
“good cop-bad cop”
 - 6. The “Line in the sand”
 - 7. Recapping
- C. Common Pitfalls
AND Recoveries
- D. Legal and Ethical Issues
 - 1. National Labor Relations Act
Does it apply to you?
 - 2. Legal issues that may affect your negotiations.

Exercise Negotiations Role Play



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Course Outline Continued:

VI. The “End Game”

- A. Getting to Close
 - 1. with an imposed deadline
 - 2. without an imposed deadline
- B. Not Giving Up Lesser Issues After Achieving Your Primary Goals
- C. Knowing When To Walk Away Without A Deal
 - Remember your BATNA?*
- D. Documenting the Agreement
 - 1. Contracts
 - 2. Service Level Agreements (SLA's)
 - 3. Project Logs
- E. Leaving the Door Open for Next time

VII. Project Procurement Management

- A. Procurement Planning
 - 1. Vendors and Support Groups
 - 2. Types of Contracts
 - a. Benefits Buyer or Seller?
 - b. Pros and Cons of Each
- B. Solicitation Planning
 - 1. Contract types
 - 2. What should be included
- C. Solicitation
- D. Source Selection
- E. Vendor Management
 - 1. On-going
 - 2. At closure
- F. Contract Administration
- G. Contract Closeout

VIII. Follow-up Issues

- A. Monitoring Agreement Compliance
 - 1. By Vendor/Support Group
 - 2. By Project Team
- B. Setting up the Process
- C. Effective Tools
- D. Needed Personnel
- E. Project Documentation



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Course Outline Continued:

IX. Conclusion

- A. Review Major Topics/Issues
- B. The Role of PMI in “Real-world” Projects
- C. Participants Critique Class

